

Mayor and Council Communication

DATE: 03/21/23

M&C FILE NUMBER: M&C 23-0206

LOG NAME: 13P RFP 23-0013 BANKING SERVICES TD FMS

SUBJECT

(ALL) Authorize Execution of an Agreement with JPMorgan Chase Bank, N.A. to Provide Banking and Depository Services for Financial Management Services Department for an Annual Amount Up to \$500,000.00 for an Initial Three-Year Term and Two One-year Renewal Options for the Same Annual Amount

RECOMMENDATION:

It is recommended that the City Council authorize execution of an agreement with JPMorgan Chase Bank, N.A. to provide banking and depository services for the Financial Management Services Department for an annual amount up to \$500,000.00 for an initial three-year term and two one-year renewal options for the same annual amount.

DISCUSSION:

The Treasury Division of the Financial Management Services Department approached the Purchasing Division for assistance with securing an agreement to provide banking and depository services. The services will be used to deposit all incoming revenue as well as for paying City liabilities and expenses for all City departments.

In order to procure these services, Purchasing staff issued Request for Proposal (RFP) No. 23-0013. The RFP consisted of detailed specifications describing the banking services requirements. The RFP was advertised in the *Fort Worth Star-Telegram* on December 7, 2022, December 14, 2022, December 21, 2022, and December 28, 2022, January 4, 2023, and January 11, 2023. Two responses were received.

An evaluation panel consisting of representatives from the Financial Management Services and Water Department evaluated and scored the responses using Best Value criteria. The individual scores were averaged for each of the criteria and the final scores are listed in the table below.

Bidders	Evaluation Criteria					
	a	b	c	d	e	Total
JPMorgan Chase Bank, N.A.	8.2	16	21	22.5	2.8	70.50
UMB Bank, N.A.	3.6	6.8	10.5	12.5	2.5	35.90

Best Value criteria:

- (a) Earnings potential
- (b) Responsiveness and ability to provide services and reports required
- (c) Experience, references and continuity of bank and bank officials
- (d) Creditworthiness and stability of the bank
- (e) CRA Rating and other community development activities

After evaluation, the panel concluded that JPMorgan Chase Bank, N.A. ("Chase Bank") presents both the best value and the necessary coverage for the City. Therefore, the panel recommends that Council authorize agreements with Chase Bank. No guarantee was made that a specific amount of services would be purchased. Staff certifies that the recommended vendor bids met specifications.

Under the proposed Agreement, fees are calculated on a per-service basis. Although total fees for the services that are forecast to be required during a year period is estimated in the amount of \$500,000.00, Chase Bank is offering a competitive earnings credit rate on cash balances, which can be used to offset fees. Because of the City's financial policy to keep a certain amount of ready cash to maintain liquidity, staff anticipates that the liquid cash maintained at the bank will earn enough credit to offset fees, resulting in little or no out-of-pocket cost to the City. If the accounts do not earn sufficient credits to offset the fees in their entirety, staff will identify budgetary savings to offset the net banking expenses and plan accordingly in future budgets.

Chase Bank is the City's current provider of banking and depository services. Chase Bank has a proven track record of meeting the City's ever-evolving service needs and has provided city staff with excellent customer service. In addition, Chase Bank offers many innovative banking solutions that the City will likely consider in the future such as outsourced check print, virtual and real-time payment options, etc. Chase Bank has over 2,000 state and local government clients including 9 of the top 10 cities for depository, treasury, and lending needs. It is the largest bank in Texas and is the only bank in the U.S. qualified to accept government deposits in all 50 states.

In its most recent Community Reinvestment Act (CRA) examination, Chase Bank received a satisfactory CRA rating. In the state of Texas, Chase Bank received a satisfactory rating as well. In addition, Chase Bank issued over 2,250 single-family mortgage loans totaling \$642 million, of which more than 28% were made to low- and moderate-income (LMI) communities. Chase Bank's Community Development Banking Team promotes affordable housing, economic development, and the revitalization of LMI communities across the country. Chase Bank is active in the City community through its community engagement team and dedicated community engagement managers.

DIVERSITY AND INCLUSION (DVIN) - A waiver of the goal for Business Equity subcontracting requirement is approved by the DVIN-BE, in accordance with the Business Equity Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

AGREEMENT TERMS - Upon City Council approval, this agreement shall begin upon execution and expire three years from that date.

RENEWAL TERMS -This agreement may be renewed for two additional one-year renewal periods. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

ADMINISTRATIVE CHANGE ORDERS - In addition, an administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval.

A Form 1295 is not required because: This contract will be with a publicly-traded business entity or a wholly-owned subsidiary of a publicly-traded business entity: JPMorgan Chase Bank, N.A.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of the recommendation will have no material effect on City funds.

Submitted for City Manager's Office by: Reginald Zeno 8517

Originating Business Unit Head: Reginald Zeno 8517

Additional Information Contact: Jo Ann Gunn 8525
Taylor Dean 7648