

## **RESOLUTION NO. 2011-245**

Adopted by the Sacramento City Council

April 21, 2011

### **SUSPENDING COMPETITIVE BIDDING AND APPROVING THE PROPOSED FIVE-YEAR AGREEMENT WITH BANK OF AMERICA TO PROVIDE BANKING SERVICES, AND RATIFYING PAST EXPENDITURES FOR BANKING SERVICES**

#### **BACKGROUND:**

- A. On January 8, 2004, the City Treasurer informed the City Council that the City had issued an RFP for financial banking services and had selected Bank of America/ Bank of New York Mellon to provide those services. The contract was for five years with the option of two one-year extensions.
- B. On May 12, 2009, the City Treasurer requested authorization from City Council to extend the banking agreement with Bank of America for a period up to eighteen (18) months rather than issue a new RFP while the banking industry was in economic turmoil. Now, in the City's current economic climate, it is not in the best interest of the City to issue a new RFP. Accordingly, it was determined that since Bank of America currently provides city banking services, by executing a new contract with Bank of America the city will avoid extremely high conversion costs comprised of labor hours, supplies and costs to sub-systems.
- C. Although the City Council authorized the City Treasurer in 2009 to extend the prior five-year banking services agreement with Bank of America for up to 18 months, an Authorization and Agreement for Treasury Services was executed, but the Umbrella Agreement was not. Nonetheless, the bank continued to provide banking services assuming that it had been, and the City continued to pay the bank for those services from September 23, 2009 to the present.
- D. The Office of the City Treasurer is requesting authorization to suspend competitive bidding and to enter into a five-year agreement with Bank of America with new fee schedules.
- E. The Office of the City Treasurer is also requesting authorization to execute any related applicable agreements the Treasurer deems appropriate.
- F. In accordance with City Code Chapter 3.60, Section 170, the City Council may, by two-thirds vote, suspend competitive bidding for any contract in the best interests of the City. Suspending competitive bidding in this case is in the best interests of the City in order to avoid additional costs and major interruptions to daily fiscal operations.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Council hereby approves the agreement for banking services with Bank of America for a five-year period ("the Banking Services Agreement"), attached hereto as Exhibit 1.

Section 2. The City Council hereby suspends competitive bidding in the best interest of the City and authorizes the City Treasurer or his designee to execute the Banking Services Agreement and all related agreements that the Treasurer deems appropriate.

Section 3. The City Council hereby ratifies the expenditure of \$750,000 paid to Bank of America for banking services it provided to the City from September 23, 2009 to the present, during the time after the last five-year contract expired.

Section 4. Exhibit 1, and all exhibits attached thereto, are part of this resolution.

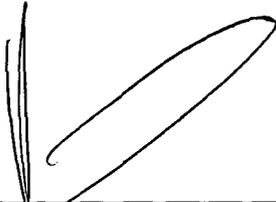
Adopted by the City of Sacramento City Council on April 21, 2011 by the following vote:

Ayes: Councilmembers Ashby, D Fong, R Fong, McCarty, Pannell, Schenirer, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: Councilmembers Cohn, and Sheedy..



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Mayor Kevin Johnson Mayor

Attest:

  
Shirley Concolino, City Clerk