



## Staff Reports

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**File #:** 806-2017, **Version:** 1

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**To:** Honorable Mayor and Members of City Council

**From:** Elizabeth Cabell, Finance Manager

**Prepared By:** Bill Zenoni, Finance Consultant

**TITLE:**

Agreement for Banking Services

**RECOMMENDED ACTION:**

Authorize the City Manager to execute a five (5) year agreement with U.S. National Bank Association to provide Banking Services.

**DISCUSSION:**

The City executed an agreement with Bank of the West in February 2013 to provide Banking services for a two-year period with the option for three additional one year extensions. A request for proposals (RFP) for banking services was issued in June 2016 with the goal of selecting a service provider prior to the end of the current fiscal year. Proposals were received from five financial institutions - Bank of America, Bank of Marin, Bank of the West, Wells Fargo Bank and U.S. Bank. The City utilized the services of Public Financial Management (PFM) to assist staff with the development of a comprehensive RFP, evaluation of proposals received and subsequent contract negotiation with the recommended provider. The proposals received were evaluated based upon the following criteria:

- Responsiveness to the RFP process
- Proven ability to provide the requested banking services and relevant experience with other governmental entities
- Location of financial institution
- Financial strength of institution and adequacy of financial controls and protection against loss
- Proposed fees

Based upon a thorough review of the five proposals received, U.S. Bank was selected as the most responsive and qualified proposer to provide banking services to the City of Napa for the next five-year period. U.S. Bank has a demonstrated history of providing a high level of banking services to government clients and has assembled a strong team of banking professionals to support the City of Napa's banking needs. It is anticipated that the steps necessary to transition from Bank of the West to U.S. Bank will begin in April with a go-live date scheduled for July 1, 2017.

**FINANCIAL IMPACTS:**

The agreement with U.S. Bank is proposed for a five-year period with the bank agreeing to hold the current fee structure for the entire term of the agreement. Based upon the anticipated banking service needs, the annual cost will be approximately \$65,000 which reflects a savings of \$15,000 from the current Bank of the West banking service costs.

**CEQA:**

The Finance Manager has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

**DOCUMENTS ATTACHED:**

Attachment 1: Request for Proposals for Banking Services  
Attachment 2: U.S. Bank National Association Proposal  
Attachment 3: Agreement for Bank Services  
Attachment 4: Master Services Agreement

**NOTIFICATION:**

None.