



DATE: June 6, 2023

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT Adopt a Resolution Authorizing the City Manager to Execute a Contract Amendment With JP Morgan Chase, N.A. for Banking and Cash Management Services for an Additional Three-Year Term

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute an amendment to the agreement with JP Morgan Chase, N.A. for banking and cash management services for an additional term of three years.

SUMMARY

In January 2018, Council authorized an agreement with JP Morgan Chase, N.A. for banking and cash management services. That agreement included a five-year term with an additional option to continue banking and cash management services for an additional three years. Due to an administrative oversight, the resolution did not give explicit authority to exercise the additional three years beyond the original contract. This contract amendment will cover the three-year extension option for banking and cash management services.

BACKGROUND AND DISCUSSION

In January 2017, the City issued an RFP for banking and cash management services for a term of five years, with an option to amend the contract for an additional three-year term. The City received responses from five financial institutions; each institution was considered qualified based on their responses. In January 2018, JP Morgan Chase, N.A. was selected to provide banking and cash management services. The original contract with JP Morgan Chase, N.A. included a five-year term for services provided with an option to amend the agreement for an additional three years. Due to an administrative oversight, the resolution did not give explicit authority to exercise the additional options to extend the contract by three years beyond the original contract.

The City has been satisfied with the services provided by JP Morgan Chase, N.A. under the original contract, and staff is seeking to continue to receive Council authority for an additional three years for banking and cash management services.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to a specific Strategic Roadmap project.

ECONOMIC IMPACT

There is no economic impact associated with this action.

FISCAL IMPACT

There is sufficient funding to cover the amendment with JP Morgan Chase, N.A. for an additional three years. The cost for banking and cash management services is estimated at \$350,000 annually and determined based on historical banking service activity levels and reduced by interest earnings on bank account balances. The cost for banking and cash management services is included in the Finance Department's annual operating budget.

NEXT STEPS

If Council approves the amendment, staff will prepare the contract amendment for execution.

Prepared & Recommended by:

Nicole Gonzales, Director of Finance

Approved by:



Kelly McAdoo, City Manager