



Commercial Banking Services Agreement

Presentation to City Council

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Overview

- J.P. Morgan Chase Bank provided the City with commercial banking and merchant services since 2017
- Current contract expires on August 31, 2024
- Government Finance Officers Association (GFOA) best practices recommend full-scale competitive process
- City issued RFP for 5-Year banking and merchant services with an option to extend for two additional 5-Year extensions on September 21, 2023

Three Proposals Received and Interviewed



Evaluation

Selection Criteria	Possible Points	JP Morgan	Wells Fargo	BMO
Qualifications and Experience	35	34.5	33.8	33.0
Customer Service	25	23.0	24.0	22.0
Technology / Security	25	23.3	22.8	22.0
Pricing / Value	15	14.8	13.0	12.3
Total (Out of 100)	100	95.5	93.5	89.3

Qualifications and Experience

- J.P. Morgan Chase is one of the largest and strongest banks in the United States. They provide financial solutions to all types of governments—state, counties, cities, school districts and special districts.
- In October 2022, J.P. Morgan Chase became the first bank qualified to accept government deposits in all 50 states and Washington, D.C., a testament to their dedication to the government sector.
- They have more than 1,900 state and local government clients managed by a dedicated team of over 230 professionals across the U.S.

Customer Service

- The Government Banking team is dedicated to providing the industry with innovative financial solutions and personalized client service.
- They have first-hand knowledge and understanding of today's challenges comes from having supported government agencies and authorities with critical activities ranging from planning and development—to tax processing, utilities, finance, procurement, public safety and disaster relief.
- They stay up to date through regular relationship reviews, training opportunities and client discussions via local coverage.

Technology / Security

- Financial services technology continues to evolve at a rapid pace, and J.P. Morgan Chase is driving that evolution by investing over \$15 billion annually on technology, which includes investments in cybersecurity.
- Between new payment rails, enhanced receivables solutions and major strides in APIs and open banking, much has changed in the last five years.

Pricing / Value

- Monthly bank service fees may vary each month, the banking fees for an average month are estimated to be \$2,557.
- These fees are offset by interest that the City would earn on its average monthly balance, estimated to be \$23,068 per month, which would result in a net cost of \$0 per month in banking fees.
- The bank offered Hybrid Demand Deposit Account (DDA) with earnings credit rate of 3.30% to offset fees and Hybrid DDA with hard dollar interest of 3.20% on excess balances in our DDA.
- Merchant service fees, which largely reflect the Interchange Rate paid for credit card transactions, will also vary from month to month

QUESTIONS
