



Legislation Text

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Report regarding a resolution authorizing the City Manager to execute a First Amendment to the banking services agreement with JPMorgan Chase Bank N.A. for an additional two year term ending on August 31, 2024. (*Karen Chang, Director of Finance*)

RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the City Manager to execute the optional two-year extension of the banking services agreement with JPMorgan Chase Bank N.A., period ending on August 31, 2024.

BACKGROUND/DISCUSSION

JPMorgan Chase Bank has provided the City of South San Francisco with commercial banking and merchant services since 2017. To ensure that the City continues to receive high quality services at a competitive rate, the Finance department recommends extending the contract through August 31, 2024 by exercising a two-year option contained in the agreement and through executing a First Amendment. Consistent with best practices, the City plans to issue an RFP for commercial and merchant banking services in 2024.

JPMorgan Chase Bank agrees that the rates set forth in the current Schedule 1 to the Agreement will remain the same until the end date of the Agreement, provided there are no material changes to any of the information provided by City (number of accounts, transaction volume, types of services, etc.) upon which pricing is based. If City requests any service or feature for which pricing is not listed in Schedule 1 to the Agreement, the implementation of such service or feature is subject to additional terms and fees to be mutually agreed upon at the time of City's request and execution of an amendment to the Agreement.

FISCAL IMPACT

Banking fees are combined with interest earnings for allocation purposes. Each fund is allocated interest earnings/bank fees each quarter and is reflected in the revenue estimates for FY 2022-23. No additional funding is needed to account for the cost of the agreement.

RELATIONSHIP TO STRATEGIC PLAN

Commercial banking services play a critical role in the City's business processes and supports Priority Area 3, Financial Stability.

CONCLUSION

Staff recommends exercising the two-year extension to ensure that the City continues to receive high quality services at a competitive rate.