



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00449

City Council

10/24/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

BANKING SERVICES CONTRACT - WELLS FARGO BANK, N.A.

RECOMMENDATION:

That City Council approve the selection for the Banking Services RFP #19-026 and authorize the Mayor to take all actions necessary to negotiate and execute a banking services contract with Wells Fargo Bank, N.A.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The City of Pensacola currently contracts with Wells Fargo as its primary depository. The current contract with Wells Fargo is set to expire on June 30, 2020. While the City's Financial Services Department is satisfied with the services received, it was determined that it would be prudent to survey the market to see if another bank could provide better services and new products at a lower price.

Water Walker Investments ("consultant") was hired to assist the City with the Banking Services RFP. The RFP was advertised on July 17, 2019 and was issued so that the consultant could evaluate and rank the proposals based on the 1) bank qualifications; 2) services offered; 3) additional services and technology innovation; 4) bank fees and interest earnings; 5) financial strength; and 6) conversion and implementation; with additional points given for MBE/SBE/WBE certification and Veteran Owned Businesses. The City received proposals from seven banking institutions.

Based upon the RFP evaluation criteria, the consultant reviewed the proposals and recommended Wells Fargo as the top ranked firm. The City's Financial Services staff concurs with the recommendation and upon City Council approval to award the contract to Wells Fargo, the consultant will assist the City with contract negotiations. As stated in the RFP, it is the intent to award a contract for an initial five year period, after which the City may, at its discretion, renew the contract period for a single term of five additional years.

PRIOR ACTION:

June 20, 2002 - City Council authorized the City Manager to execute a banking services contract with

Wells Fargo Bank, N.A. (formally known as Wachovia Bank, N.A.).

June 23, 2002 - The City entered into a banking services contract with Wells Fargo Bank, N.A. (formally known as Wachovia Bank, N.A.).

FUNDING:

N/A

FINANCIAL IMPACT:

The proposed bank fees, earnings credit rate and interest rate on excess balances proposed by Wells Fargo in their response to RFP 19-026 remains consistent with the amounts under the City's current contract. Based on the City's average bank balance, it is the expectation that the earnings credit rate will be sufficient to offset all bank fees. Such fees and rates may be adjusted during contract negotiations.

CITY ATTORNEY REVIEW: Yes

10/1/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Richard Barker, Jr., Chief Financial Officer

ATTACHMENTS:

- 1) Consultant's Recommendation Letter

PRESENTATION: No