

# Regular Council Meeting

March 27, 2025

## FRESNO CITY COUNCIL



### Supplement Packet

#### ITEM(S)

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#### 2-M (ID 25-397)

Approve banking services agreement with Wells Fargo in the amount of \$173,915 per year for five years for a total contract value of \$869,575 (Bid File 12500077).

#### Contents of Supplement: Evaluation Committee Report

##### **Supplemental Information:**

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

##### **Americans with Disabilities Act (ADA):**

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

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# Evaluation Committee Summary Report

## Request for Proposal for Banking Services

(Bid File #12500077)

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### COMMITTEE MEMBERS

- Santino Danisi - Controller, Finance Department
- Kaleb Neufeld - Assistant Controller, Finance Department
- Kamaljit Kaur - Division Manager, Finance Department
- Michael Taylor - Principal Accountant, Finance Department
- Jocelyn Freitas - Program Administrator, Finance Department
- Brian Reams - Revenue Manager, Utility Billing and Collection
- Juan Rios - Business Manager, Department of Public Utilities
- Indervir Boparai - Senior Management Analyst, Public Works Department
- Dyan Ayala (Facilitator) - Procurement Specialist, Purchasing Department

### BACKGROUND

The objective of the Request for Proposal (RFP) was to solicit proposals for banking services for the City of Fresno. The City currently partners with Bank of America for various banking services, including check processing, electronic payment processing, and wire transfer services. The current agreement with Bank of America will terminate on June 30, 2025, prompting the need for a new selection process.

A notice, inviting proposals, was published on July 29, 2024. The RFP included a detailed price proposal section listing per-item charges, which culminated in a monthly fee for services, along with a catalog of services currently utilized by the City. The specifications were distributed to prospective proposers, and the Committee received and reviewed proposals from several banking institutions:

- Bank of America
- BMO
- JP Morgan
- US Bank
- Wells Fargo

The Selection Committee met to review and evaluate the submitted proposals based on the following criteria (no particular order):

- Comprehensive Services Provided
- Public Sector Experience and Resources
- Assigned Relationship Manager/Team
- Charges for Services
- Service Enhancements
- Cash Management Solutions
- Other Factors

## **COMMITTEE NOTES**

### **Wells Fargo**

Wells Fargo presented to the City of Fresno committee on November 19, 2024. Wells Fargo maintains a strong presence in the government and institutional banking sector, offering a dedicated client service team. Their proposal meets all of the City's service requirements. Their pricing is among the most competitive, and the relationship manager has the longest tenure with the bank, receiving the strongest reference check in terms of overall satisfaction. Further, Wells Fargo was able to offer the most comprehensive plan for maximizing interest earnings and efficiency, while minimizing risk. Lastly, they presented a comprehensive transition plan, demonstrating strong expertise and impressive capabilities of their conversion team. The Committee acknowledges their extensive range of services and believes Wells Fargo would be the best partner for the City.

### **JP Morgan**

JP Morgan presented to the City of Fresno committee on November 18, 2024. JP Morgan has experience serving public sector clients and proposed a dedicated client service professional to assist the City. In the interview, their relationship executive mentioned that they serve four of the six largest cities in California as clients, have extensive Tyler Munis knowledge, and considerable outreach in Fresno. The bank offered multiple solutions for maintaining cash management and efficient interest-bearing strategies. Their pricing is the most competitive; however, the committee found that the pricing was incomplete and created uncertainty around the conversion process, particularly with respect to the large number of deposits made by utility customers using bill pay. The committee also expressed concerns about their experience transitioning municipal service clients, given their relatively recent entry into this market. Additionally, the transition team's presentation of their implementation plan did not inspire significant confidence.

### **US Bank**

US Bank presented to the City of Fresno committee on November 22, 2024. US Bank offers comprehensive services that align well with the City's needs. However, the references provided expressed challenges with the conversion process. In addition to service concerns, their pricing was not competitive and was among the highest of the proposers.

### **BMO**

BMO presented to the City of Fresno committee on November 22, 2024. While BMO provides all required services, their proposal includes the lowest earnings credit rating and the least favorable incentives. Service complaints from references further hinder their standing. BMO proposed multiple options for improving the City's cash management and yield on operating cash. However, BMO's pricing was incomplete, which reduced the Committee's confidence in their ability to effectively integrate the City's current banking services without unnecessary obstacles.

## Bank of America

Bank of America presented to the City of Fresno committee on November 18, 2024. Bank of America has been the City of Fresno’s banking partner for over thirty years. Their proposal submitted costs approximately 54% higher than Wells Fargo. Issues surrounding the indemnity clause and termination language further complicate their offering. The client manager assigned has relatively limited experience in the public services sector compared to other service providers. As a result, there has been a lack of competent support and innovative solutions tailored to the City's current treasury management needs. Although they presented an appealing 24-month credit incentive, the City’s earnings credit rating would likely diminish any potential benefits. Additionally, Bank of America provided the least effective way to manage cash.

## Cost Comparison

Bank	Total Cost (5-year)	Incentives	Total Gross Cost (5-year)	Average Monthly Cost
JP Morgan	\$746,781	\$75,000	\$671,781	\$11,196
Wells Fargo	\$869,574	\$188,408	\$681,166	\$11,353
BMO	\$1,018,257	\$101,826	\$916,431	\$15,274
US Bank	\$1,072,618	\$50,000	\$1,022,618	\$17,044
Bank of America	\$1,445,799	\$300,000	\$1,145,799	\$19,097

## Recommendation

Based on comprehensive reviews and considerations, Wells Fargo is considered the best option to partner with for banking services. At this time, further inquiry with additional banks is deemed unnecessary.

Considering the committee's recommendation to transition services to another banking partner, additional next steps include collaborating with internal departments to incorporate vital feedback regarding the service transition, particularly from the Information Services Department (ISD).