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2013 NOV 21 PM 3:18  
CITY OF OAKLAND

## AGENDA REPORT

TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Katano Kasaine

SUBJECT: Contracts for Banking and Custodial  
Services

DATE: November 14, 2013

City Administrator  
Approval

*Deanna Santana*

Date

11-19-13

COUNCIL DISTRICT: City-Wide

### RECOMMENDATION

Staff recommends that the City Council approve the proposed resolutions:

1. Resolution authorizing the City Administrator to: (1) negotiate and execute an agreement with J.P. Morgan Chase, N.A. to provide primary depository services for the City at an estimated annual cost amount of \$275,000 for a three-year period with two one-year options to renew, and (2) negotiate with J.P. Morgan Chase, N.A. for such additional banking services as she may from time to time deem appropriate, at costs she deems reasonable; and waiving the requirements of the living wage ordinance
2. Resolution authorizing the City Administrator to: (1) negotiate and execute an agreement with Bank of New York Mellon Trust Company, N.A. to provide primary custodial services for the City at an estimated annual cost amount of \$25,000 for a three-year period with two one-year options to renew, and (2) negotiate with Bank of New York Mellon Trust Company, N.A. for such additional banking services as she may from time to time deem appropriate, at costs she deems reasonable; and waiving the requirements of the living wage ordinance

### EXECUTIVE SUMMARY

Currently, the City has banking depository and securities custody agreement with Wells Fargo Bank, N.A. (the "Wells Fargo"), each of which was entered into in July 2009 for a three-year period, with two renewals of one year each at the City's option. It is prudent financial practice to periodically obtain proposals for banking services to ensure that the City is receiving the best service at a competitive price. In February 2013, staff issued a new request for proposals ("RFP") for banking depository and custodial services.

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Based on the evaluation of the responses to the RFP, staff proposes that the City enter into two new agreements for the separate portions of its banking services: (1) a new agreement to provide the City's primary depository services with J.P. Morgan at an annual cost of not-to-exceed \$275,000 and (2) a new agreement to provide the City's primary security custodial services with BNY Mellon at an annual cost of not-to-exceed \$25,000. Staff proposes that each agreement be for a period of three years, commencing January 1, 2014, with the ability to renew for two periods of one year each at the City's option. Staff anticipates the transition period to a new bank will take approximately six months (July 2014).

These recommendations represent a new depository service relationship and a new custodial service relationship. The recommendations are based on a detailed consideration of overall qualifications, scope and level of services, pricing, reference checks and compliance with various City requirements. In addition, staff took into account the service commitments and community involvement of each bank.

### **OUTCOME**

A panel of finance professionals, including City staff and outside associates were selected to review the proposals and interview the finalists based on criteria detailed in the RFP. After interviewing the four finalists, the panelists unanimously agreed that only a few of the banks' proposals were of high quality and clearly demonstrated the ability to support and provide the City with state-of-the-art banking services. The panelists decided that Union Bank does not have the capacity to support the City's complex and high volume of activities at this time.

However, it became apparent through staff's review process that between the top two proposals, there was little differentiation between the range of services offered and the individual institutions' ability to serve the needs of the City for depository services (J.P. Morgan and Wells Fargo) and custodial services (Wells Fargo and BNY Mellon). The selected bank was ranked higher for the ability to support the City's high-volume of banking activities, the evaluation focused on other factors such as customer service, costs, community involvement, social responsible banking and the ability of the banks to provide access to short-term credit or liquidity. After a thorough review, J.P. Morgan and Bank of New York Mellon (the "BNY Mellon") are best suited to serve the City in the capacity of depository services and custodial services, respectively.

### **BACKGROUND/LEGISLATIVE HISTORY**

Currently, the City uses two types of banking services: (1) depository services and (2) custodial services. General depository banking provides balanced reporting, detailing debit/credit information, performing fund transfers, issuing stop payments, obtaining reports, etc. Safekeeping/Custody banking holds and administers all of the City's investments. Wells Fargo

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currently provides depository and custodial banking services to the City with contractual agreements expiring on December 31, 2013.

On a monthly basis, the City utilizes countless numbers of banking services including but not limited to account maintenance, lockbox services, depository services, paper disbursement services, paper disbursement reconciliation services, general Automated Clearing House (ACH) services, and wires. Therefore, larger banking institutions are best suited to handle the City's high volume of activities as well as being able to provide a designated representative for each of the areas of service.

As due diligence and to ensure that the City continues to receive the most up-to-date and cost-effective services, staff issued an RFP for banking services (including both depository and custodial services) on February 22, 2013 to twenty-five (25) banking institutions with branches or headquarters in Oakland (Attachment A).

Responses to the RFP were received on April 22, 2013. Five (5) banks submitted responses to provide depository services – Union Bank, US Bank, J.P. Morgan Chase & Co., CitiBank N.A., and Wells Fargo. Five (5) banks submitted responses to provide custodial services – Union Bank, US Bank, BNY Mellon, CitiBank N.A., and Wells Fargo. Smaller banks face challenges in addressing the size and complexity of the City's banking needs, particularly with meeting the technical requirements.

After careful examination of the submitted proposals, staff selected four finalists – J.P. Morgan Chase, Union Bank, BNY Mellon, and Wells Fargo – as the four finalists to move forward into the interview process with a panel comprised of City staff, the Port of Oakland, and outside associates from East Bay Municipal Utility District and City and County of San Francisco. After extensive evaluation based on a detailed consideration of overall qualifications, scope and level of services, pricing, other commitments and services, additional questions from staff and reference checks, the interview panel has ranked the banks as follows:

Depository Services	Custodial Services
1. J.P. Morgan	1. BNY Mellon
2. Wells Fargo Bank	2. Wells Fargo Bank

### ANALYSIS

**General Considerations:** The interview panel considered the quality of each bank's proposal and interview, along with its service, costs, and references. Each bank that was interviewed met the City's requirements for financial strength and capability.

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In the RFP, banks were required to list their references as well as clients lost within the last year. Client references for all of the banks were generally positive. However, the references for Wells Fargo and J.P. Morgan were slightly more relevant given that their referenced clients were more comparable to the City of Oakland's transactional volume and service requirements.

Wells Fargo and J.P. Morgan both have devoted significant resources in their commitment to serving the City. Locally, J.P. Morgan and Wells Fargo have ten (10) and nine (9) branches in Oakland, respectively; Union Bank has one (1) branch. In addition, Wells Fargo and J.P. Morgan participated in community involvement and charitable activities in the City of Oakland more than Union Bank. However, the three banks all have CRA ratings of either "Outstanding" (Wells Fargo and Union Bank) or "Satisfactory" (J.P. Morgan).

**Depository Services:**

The recommendation for J.P. Morgan is based on a number of factors, including the quality of service and customer service it is able to provide, technology capabilities, a cost analysis, the bank's active involvement in and around Oakland, and streamlining depository services:

- *Quality of Services.* Each proposing bank showed that it can provide, with suitable customer service, the full range of banking and depository services currently utilized by the City, including accepting credit and debit cards, providing expedited lockbox processing of certain revenue streams, implementing electronic data transfer with anti-fraud measures, and providing direct deposit of payroll. The City has programs that require the use of paycards for employees who do not have access to bank accounts.

Banks are required to be in compliance with current State and federal laws and regulations (Bank Secrecy Act, US PATRIOT Act and the Office of Foreign Assets Control) when participating in prepaid card programs. The enrollment process for paycard programs has changed over the years to include new policy requirements that are a challenge for the City. Currently, the City is faced with these challenges, which has created difficulties for the City to timely pay its employee who utilizes this program for different reasons. It is critical that the City has a partner who can support the paycard program or offer alternative method to timely pay employee.

- *Customer Service.* Wells Fargo and J.P. Morgan will designate a customer service representative for each type of service, whereas, Union Bank is more limited to the customer service representative available to the City.

It is imperative that the customer service team assigned to the City's account is responsive because banking related issues are time sensitive. Going on four years, Wells Fargo has been servicing the City but with the changing in banking environment, the City did not receive the

level of responsiveness from Wells Fargo as expected. If the City is to retain Wells Fargo, this area has to improve.

After careful examination and checking the bank's provided references, staff concluded that J.P. Morgan will offer superior banking services and was highly recommended for their customer service. In addition, J.P. Morgan has a dedicated Public Sector Solutions team of highly experienced industry veterans that focus on best leading practices and solutions for government banking clients. Staff is confident that J.P. Morgan can provide excellent service and can meet the City's banking needs.

- *Technology Capabilities/Record as Excellent Service Provider.* Wells Fargo and J.P. Morgan are more advanced in terms of the technology they have in place compared to Union Bank. Furthermore, Wells Fargo's and J.P. Morgan's current technical capabilities and plans indicate that they are likely to be better positioned to provide additional services that staff anticipates implementing during the coming years (i.e., online payment, E-Payables, remote deposits, etc.).

Both banks are leaders in technology and invest in systems development and infrastructure which essentially enhance the services and solutions available to clients. J.P. Morgan is an acknowledged leader in innovation to assist its clients to achieve operating objectives effectively and efficiently (i.e., mobile banking technology with remote deposit capabilities). J.P. Morgan recently committed \$800 million to further expand their product and services offering.

J.P. Morgan like Wells Fargo offer a fully integrated web-based servicing platform (J.P. Morgan Access and Commercial Electronic Office), which provides fast and easy access to a host of online treasury management with a single sign-on. The online portal allows clients to customize treasury setup and functions, manage data, initiate payments and coordinate entitlements and respond to changes.

- *Pricing.* Among other criteria, staff carefully analyzed the specific service costs proposed by the three finalists. J.P. Morgan is the lowest cost proposer based on the volume of banking operations provided in the RFP. However, pricing alone was not the leading factor in forming staff's recommendation to Council, in view of the quality, scope, and complexity of the required depository services. As a leader in technology, J.P. Morgan will bring efficiencies and new solutions to the City's banking operations that will be more cost effective in the future. The cost analysis takes in account the additional savings as described below:
  - Transition Credit: J.P. Morgan will provide a transition credit of \$150,000; (\$100,000 for the first year and \$25,000 each for the year 2 and 3)
  - Retention Credit: Wells Fargo will provide a retention credit of \$25,000

- Scanners: J.P. Morgan will provide the City with ten (10) remote deposit scanners at no cost
- Earning Credits: J.P. Morgan offers 0.60% and Wells Fargo offers 0.10%
- Merchant Card Fees: J.P. Morgan's merchant fee rate is 0.04% and Wells Fargo is 0.113%

The table below presents the estimated annual cost pricing based on the fees provided by each bank:

	Year 1		Year 2 and 3	
	J.P. Morgan	Wells Fargo	J.P. Morgan	Wells Fargo
Monthly Charges	\$ 212,644	\$ 218,200	\$ 212,644	\$ 218,200
Earning Credits	\$ (16,866)	\$ (2,811)	\$ (16,866)	\$ (2,811)
Bank Credit	\$ (107,000)	\$ (25,000)	\$ (25,000)	\$ -
Merchant Fee	\$ 16,800	\$ 47,460	\$ 16,800	\$ 47,460
Estimated Annual Cost	\$ 105,578	\$ 237,850	\$ 187,578	\$ 262,850

- *Community Presence/Involvement.* All three banks demonstrated a high level of commitment to the City of Oakland. The table below presents the different investment activities for each bank:

Year 2012	Union Bank	J. P. Morgan	Wells Fargo
Residential Lending	\$42.7M	\$399.0M	\$1.2B
Small Business Lending	2.8M	0.8M	76.7 M
Grants to Nonprofits	0.4M	0.7M	2.4M
Community Development Investments	444.0M	14.8M	11.7M
Year 2011	Union Bank	J. P. Morgan	Wells Fargo
Residential Lending	\$42.8M	\$312.0M	\$805.0M
Small Business Lending	3.3M	0.40M	92.7M
Grants to Nonprofits	0.4M	.09M	1.6M
Community Development Investments	426.0M	6.40M	13.1M

When analyzing the data in the table above, staff has to consider the overall activities and the different factors that go into each category such as the benefits to Oakland citizens, business, and bank profits. Also, staff took into consideration the growth and commitment that the bank has shown through the years and will continue into the future.

Wells Fargo has a long time presence and is the biggest mortgage servicer in California compared to J.P. Morgan who only entered the California market five years ago. As

indicated in the table above, Wells Fargo has the most activities in residential lending. However, this does not mean it is all positive. Note that the 2008 economic depression was triggered in part by the real estate bubble bursting. Mortgages became extremely easy to obtain, and many of those mortgages had predatory provisions that made it difficult for borrowers to pay off the mortgages in the event that their real estate value decreased. Many lenders had settlements with the Department of Justice, the Federal Reserve and others for predatory lending and "reverse redlining".

Oakland like other communities has already sustained significant harm from the foreclosure crisis. Therefore, in the current foreclosure crisis, the more mortgages a bank serves could mean more damages to the community. What's most critical is how each bank is responding to mortgage issues and the willingness to provide support to the community in principal reduction program, blight issues and bank owned properties.

Wells Fargo is recognized as a national industry leader in supporting the development of new innovative strategies to address foreclosures and abandoned properties including their partnership with Boston Community Capital on the foreclosure prevention *SUN Initiative* and the Twin Cities' Land Bank to transform abandoned properties. Wells Fargo has worked closely with City Housing and Community Development staff in piloting the City's new foreclosure recovery programs, including the foreclosure prevention ROOT Loan Fund, blight abatement and registration programs, and Community Buying program to transform foreclosed properties. J.P Morgan Chase, along with other banks, has also worked with the City on its new programs after the pilot stage.

In November 2013, the California Statewide Communities Development Corporation (CSCDC) announced that it is partnering with J.P. Morgan, the City of Oakland and Low Income Investment Fund to provide a NMTC financing that will allow East Bay Asian Local Development Corporation to refinance \$3.2M of existing high interest rate debt and carry out tenant improvements on 15,000 square feet of retail space that will be leased to local small restaurants and vendors. Based on their figures and track records, J.P. Morgan Community Development Investments will continue to grow in Oakland.

Given Wells Fargo's innovative approach and willingness to work with local jurisdictions on new solutions to addressing the foreclosure crisis, staff believes that Wells Fargo will continue to work closely with City staff on housing and community development initiatives.

J.P. Morgan Chase is new to the California market, but has been active in Oakland and California participating in different programs to address foreclosures. As part of their ongoing effort to keep families in their home, J.P. Morgan has opened a regional Homeownership Center in Oakland. J.P. Morgan is committed to providing lending and other services to the underserved in local communities, such as the City, in which it does business.

- ***Other Services and Commitment.*** Since the financial crisis in 2008 and the downturn of the economy, accessing short-term credit and liquidity has been a challenge for the every municipality including the City. City staff has discovered that most banks, if not all, only provide liquidity for their existing clients and do not extend the credit to others. Therefore, it is important that the banking relationship should be comprehensive and inclusive of all services that support the City and its community.

**Safekeeping/Custodial Services:** Security custody services were considered separately, since they are distinct from depository services, and need not be provided by the same banking institution. Three finalists offered custodial services: Union Bank, Wells Fargo and BNY Mellon. In considering a custodial service provider, staff analyzed all of the same considerations as with the depository service provider, including the range of services provided, quality/capability of customer service, technological capability, and pricing. All of the finalists demonstrated that they were capable of offering the services and customer support that the City would require.

As with staff's analysis for depository services, this recommendation for BNY Mellon is based on a number of factors, including the quality and scope of services offered, pricing and its positive relationship it has with the City. The City has experienced working with BNY Mellon in other capacities such as trustee, and they have demonstrated excellent capabilities and customer service. In comparison, BNY Mellon submitted the lowest cost proposal and is comparable in all areas of services. Staff is confident that BNY Mellon can provide excellent service and can meet the City's custodial needs and provide cost reductions.

Since the City has a long standing relationship with BNY Mellon, staff was able to secure a letter of credit for the Oakland-Alameda County Coliseum Authority outstanding bonds at a fair market price.

**Local/Small Local Business Enterprise ("L/SLBE") Program:** The City of Oakland's Local and Small Local Business Enterprise Program has been waived for this project. However, firms are encouraged to utilize the services of L/SLBE firms where appropriate.

**Living Wage Ordinance:** Each of the banks confirmed that full compliance with the language of the City's Living Wage Ordinance would not be possible. Due to the extremely large number of different employees who could be involved with servicing the City's day-to-day cash handling, securities custody, and processing services, it would be extremely difficult, if not impossible, to identify all of the employees who would actually handle the work for the City. However, in all cases, the bank staff directly related to the City's accounts are in compliance with the Living Wage levels, and the banks each stated their willingness to comply as much as legally possible with the records-access requirements of the Living Wage Ordinance.



Therefore, in order to obtain the necessary depository and custodial services, staff requests that Council continues to waive the requirements of the ordinance.

**Other City of Oakland Contract Conditions:** All proposals submitted meet the required contract conditions (City of Oakland Campaign Contribution Limits and Project Consultant Team Listing) set by the City's Contract and Compliance Department at the time of submittal. Other City contract requirements will be submitted prior to full contract execution.

- Arizona Resolution Declaration and Compliance (Schedule B-2)
- Ownership, Ethnicity and Gender of Prime and Employees (Schedule D)
- Pending Dispute Disclosure (Schedule K)
- Declaration of Compliance (Schedule N)
- Equal Benefits Declaration of Non-Discrimination (Schedule N-1)
- Combined Form: Declaration of Compliance with Americans with Disabilities Act; Nuclear Free Zone Disclosure: Compliance Commitment Agreement: and an
- Affidavit of Non-Disciplinary or Investigative Action (Schedule C-1, P, U, V)
- Independent Consultant Questionnaire, Parts A (Schedule M)
- Insurance Requirement: Schedule Q (proof of compliance must be submitted).

**Linked Banking Ordinance:** All of the interviewed banks meet their 2011 Linked Banking lending goals and are certified under the Linked Banking Ordinance.

#### **PUBLIC OUTREACH/INTEREST**

This item did not require any public outreach other than the required posting on the City's website.

#### **COORDINATION**

This report has been prepared by the Treasury Division in coordination with the City Attorney's Office and Budget Office.

#### **COST SUMMARY/IMPLICATIONS**

The current fiscal year budget includes \$275,000 for depository services and \$25,000 for custodial services. The actual future costs will depend largely on the volumes of services provided to the City and on the levels of offsetting cash balances in the City's accounts. Staff estimates that the proposed costs for each of these services will remain at or be below the annual costs of not-to-exceed \$275,000 and not-to-exceed \$25,000 for depository and custodial services respectively, which are the amounts included in the proposed budget for FY 2013-2015.

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**SUSTAINABLE OPPORTUNITIES**

*Economic:* There is no impact to economic opportunities following actions under this report.

*Environmental:* There is no impact to environmental opportunities following actions under this report.

*Social Equity:* There is no impact to social equity opportunities following actions under this report.

**CEQA**

This report is not a project under CEQA.

For questions regarding this report, please contact Katano Kasaine, City Treasurer, at (510) 238-2989.

Respectfully submitted,



KATANO KASAINÉ  
City Treasurer, Treasury Division

Reviewed by:  
David Jones, Principal Financial Analyst  
Treasury Division

Reviewed by:  
Jennifer Chin, Treasury Analyst II  
Treasury Division

Prepared by:  
Dawn Hort, Financial Analyst  
Treasury Division

***Attachments (1):***

***Attachment A: RFP List of Banks***

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ATTACHMENT A  
RFP FOR BANKING DEPOSITORY AND/OR CUSTODIAL SERVICES  
OFFICE OF THE CITY CLERK  
OAKLAND  
LIST OF BANK CONTACTS

MAJOR BANKS: 2013 NOV 21 AM 9:19

1. Bank of America  
California Government Banking  
315 Montgomery Street, 14<sup>th</sup> Floor  
San Francisco, CA 94104
2. Wells Fargo Bank  
Government Banking Division  
550 California Street, 10<sup>th</sup> floor  
San Francisco, CA 94104
3. Union Bank, N.A.  
Government Services  
350 California Street, H-1040  
San Francisco, CA 94104
4. J.P. Morgan Chase  
560 Mission Street  
San Francisco, CA 94105-2907
5. U.S. Bank Government Banking  
1 California St., Suite 350  
San Francisco, CA 94111
6. Bank of the West – Government Banking Division  
2527 Camino Ramon  
San Ramon, CA 94583
7. Citibank  
One Sansome Street, 23<sup>rd</sup> Floor  
San Francisco, CA 94104
8. HSBC Bank USA, NA  
388 9<sup>th</sup> Street, Suite 121  
Oakland, CA 94607

LOCAL BANKS:

9. Mechanics Bank  
1999 Harrison Street, Suite 100  
Oakland, CA 94612
10. Bank of Alameda  
155 Grand Avenue, Suite 100  
Oakland, CA 94612

11. California Bank and Trust  
Oakland Main Office  
400 20<sup>th</sup> Street
12. Cathay Bank  
710 Webster Street  
Oakland, CA 94607
13. Comerica Bank  
455 Capitol Mall, Suite 400  
Sacramento, CA 95814
14. Community Bank of the Bay  
1750 Broadway  
Oakland, CA 94612
15. East West Bank  
900 Webster Street  
Oakland, CA 94607
16. Far East National Bank  
333 Pine Street, Suite 100  
San Francisco, CA 94104
17. Gateway Bank  
360 8<sup>th</sup> Street  
Oakland, CA 94607
18. Metropolitan Bank  
250 E. 18<sup>th</sup> Street  
Oakland, CA 94606
19. Summit Bank  
2969 Broadway  
Oakland, CA 94612
20. Torrey Pines Bank  
1951 Webster Street  
Oakland, CA 94612

**CUSTODY:**

21. The Bank of New York Mellon  
100 Pine Street, Suite 3100  
San Francisco, CA 94111
22. Wilmington Trust, N.A.  
650 Town Center Drive, 6<sup>th</sup> Floor  
Costa Mesa, CA 92626

23. Deutsche Bank National Trust Company

Trust & Securities Services  
1761 E. Saint Andrew Place  
Santa Ana, CA 92705

24. Northern Trust

50 S. LaSalle Street, 9<sup>th</sup> Floor  
Chicago, CA 60603

25. State Street Global Services

46 Discovery  
Irvine, CA 92618

*Esther Allen Boyd*  
CITY ATTORNEY

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2013 NOV 21 AM 9:19 **OAKLAND CITY COUNCIL**

RESOLUTION NO. \_\_\_\_\_ C.M.S.

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO: (1) NEGOTIATE AND EXECUTE AN AGREEMENT WITH J.P. MORGAN CHASE, N.A. TO PROVIDE PRIMARY DEPOSITORY SERVICES FOR THE CITY AT AN ESTIMATED ANNUAL COST AMOUNT OF \$275,000 FOR A THREE-YEAR PERIOD WITH TWO ONE-YEAR OPTIONS TO RENEW, AND (2) NEGOTIATE WITH J.P. MORGAN CHASE, N.A. FOR SUCH ADDITIONAL BANKING SERVICES AS SHE MAY FROM TIME TO TIME DEEM APPROPRIATE, AT COSTS SHE DEEMS REASONABLE; AND WAIVING THE REQUIREMENTS OF THE LIVING WAGE ORDINANCE**

WHEREAS, the City on July 1, 1999, entered into an agreement with Bank of America to provide depository services for a period of three years, with subsequent renewals; and

WHEREAS, the City on July 1, 2005, entered into a new agreement with Bank of America to provide depository services for a period of three years, with annual renewals at the City's option; and

WHEREAS, the City on July 2, 2009, entered into a new agreement with Wells Fargo to provide depository services for a period of three years, with annual renewals at the City's option; and

WHEREAS, the City, on February 22, 2013, issued a Request for Proposals for depository services; and

WHEREAS, three banking institutions – Union Bank, JP Morgan Chase, N.A. (“J.P. Morgan”), and Wells Fargo Bank, N.A. (“Wells Fargo”) – responded to this RFP; and

WHEREAS, a City selection committee, after considering these banks' respective capabilities and quality and cost of service, has determined that J.P. Morgan as the institution best fitting the criteria; and

WHEREAS, J.P. Morgan has indicated that it can provide the currently required services for an estimated annual amount of \$275,000; and

WHEREAS, The City's Local and Small Local Business Enterprise Program has been waived for this project; and

WHEREAS, no bank's proposal fully meets the specific requirements of the City's Living Wage Ordinance; now therefore be it

**RESOLVED**, that the City Administrator be authorized to negotiate and execute an agreement with J.P. Morgan to provide primary depository services for the City for a three-year period with two one-year options to renew, for an estimated annual amount of \$275,000 for current service levels; and be it

**FURTHER RESOLVED**, that the City Administrator be authorized to negotiate with J.P. Morgan for such additional banking services as may from time to time be deemed appropriate, at costs which shall be deemed reasonable; and be it

**FURTHER RESOLVED**, that the City Council finds and determines that in order to secure these services it is in the best interest of the City to waive the requirements of the Living Wage Ordinance.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2013

**PASSED BY THE FOLLOWING VOTE:**

**AYES-** BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, AND PRESIDENT KERNIGHAN

**NOES-**

**ABSENT-**

**ABSTENTION-**

**ATTEST:** \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the  
Council of the City of Oakland, California

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

Approved as to Form and Legality

  
CITY ATTORNEY

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## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO: (1) NEGOTIATE AND EXECUTE AN AGREEMENT WITH BANK OF NEW MELLON TRUST COMPANY, N.A. TO PROVIDE PRIMARY CUSTODIAL SERVICES FOR THE CITY AT AN ESTIMATED ANNUAL COST AMOUNT OF \$25,000 FOR A THREE-YEAR PERIOD WITH TWO ONE-YEAR OPTIONS TO RENEW, AND (2) NEGOTIATE WITH BANK OF NEW MELLON TRUST COMPANY, N.A. FOR SUCH ADDITIONAL BANKING SERVICES AS SHE MAY FROM TIME TO TIME DEEM APPROPRIATE, AT COSTS SHE DEEMS REASONABLE; AND, WAIVING THE REQUIREMENTS OF THE LIVING WAGE ORDINANCE**

**WHEREAS**, the City on July 1, 1999, entered into an agreement with Wells Fargo Bank, N.A. (the "Wells Fargo") to provide custodial services for a period of three years, with subsequent renewals; and

**WHEREAS**, the City on July 1, 2005, entered into a new agreement with Bank of America to provide depository services for a period of three years, with annual renewals at the City's option; and

**WHEREAS**, the City on July 1, 2009, entered into a new agreement with Wells Fargo to provide custodial services for a period of three years, with annual renewals at the City's option; and

**WHEREAS**, the City, on April 22, 2013, issued a Request for Proposals for custodial services; and

**WHEREAS**, three banking institutions - BNY Mellon Trust Company N.A ("BNY Mellon"), Union Bank and Wells Fargo- responded to this RFP; and

**WHEREAS**, a City selection committee, after considering these banks' respective capabilities and quality and cost of service, has determined that BNY Mellon as the institution best fitting the criteria; and

**WHEREAS**, BNY Mellon has indicated that it can provide the currently required services for an estimated annual amount \$25,000; and



**WHEREAS**, The City's Local and Small Local Business Enterprise Program has been waived for this project; and

**WHEREAS**, no bank's proposal fully meets the specific requirements of the City's the Living Wage Ordinance; now therefore be it

**RESOLVED**, that the City Administrator be authorized to negotiate and execute an agreement with BNY Mello to provide primary custodial services for the City for a three-year period with two one-year options to renew, for an estimated annual amount \$25,000 for current service levels; and be it

**FURTHER RESOLVED**, that the City Administrator be authorized to negotiate with BNY Mello for such additional banking services as she may from time to time deem appropriate, at costs which she shall deem reasonable; and be it

**FURTHER RESOLVED**, that the City Council finds and determines that in order to secure these services it is in the best interest of the City to waive the requirements of the Living Wage Ordinance.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2013 .

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, AND PRESIDENT  
KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the  
Council of the City of Oakland, California