

The analysis of cost and revenue data in the responses was a complex process because of the numerous services, the package incentives offered, and the interrelationship of some of the services. Additionally, the committee evaluated the responses in relation to the current banking practices and to potential changes in our banking practices. The committee concluded that the contract award should be split between two banks with US Bank awarded banking services, merchant card services, investment custodial services, purchasing card, and electronic payables. The committee concluded that trust services should be awarded to UMB Bank.

The committee has delayed a final decision on lockbox services because consideration is being given to handling lockbox services internally in the City's Treasury Division. UMB Bank has agreed to continue to provide lockbox services under the existing contract extension until September 30 thereby allowing time for a more thorough review of that option. If the decision is made to continue external lockbox processing through a bank, a review of external options will occur prior to September 30.

If the Finance and Budget Committee and the City Council approve the recommended contract awards, the Finance Department anticipates phasing in the new services and phasing out prior services with a short-term overlap. New merchant card services and new bank accounts should be in place close to September 1. The purchasing card transition is planned for October 1. Prior bank accounts will need to remain open long enough to clear most checks that have been issued. The transition period should be concluded by or close to October 1.

Proposed City Council Motion:

None required.

Impact/Analysis:

Estimated savings for banking services: \$19,305 annually plus one time \$30,000

Estimated increase for safekeeping services: \$1,200 annually

Estimated decrease in interest earnings: \$41,148

Estimated savings for merchant card services: Minimum of \$89,000 annually

Estimated savings for lockbox services: \$7,774

Estimated change for trust services: No change

Estimated increased rebate for P-Card and E-payables: Minimum of \$2,700

Total Net Impact for all Funds/Departments: Minimum of \$76,431 savings

Bette Wordelman, Finance Director

Recommendation: Presentation for informational purposes only.