



**City of Long Beach
City Council Meeting**

July 12, 2011

Regular Agenda Item 12. 11-0207

Alec P. Bigelson, Senior Vice President

Response to City of Long Beach Request for Proposal for Comprehensive Banking Services Addendum No. 2011-01

- **Clarification of Bank of America's Response to Scope of Services**
Service Group 1: General Banking - Addendum
Section 1(c): Provide Additional Banking Services of, at minimum consisting of a full-service ATM in each of two areas, North and West Long Beach. Banking institutions may be creative in their offers of enhanced banking services that might include up to full service branches.

Proposed New and Upgraded ATMs, and Cash Dispensing Location

Proposed New ATMs (2)

- West Police Sub-Station (District 7)– one full-function interior ATM
- North Long Beach (District 9)– one full-function interior ATM at a location agreed upon by City and Bank of America

Proposed Upgraded Full-Function ATM (1)

- Upgrade current cash dispensing machine in lobby of City Hall to full-function ATM

Cash Dispensing Machine (1)

- Continue to maintain cash dispensing machine at Long Beach Airport

Enhanced Banking Services: ePayables

Benefits of ePayables to City of Long Beach

- Increased operating efficiency by converting paper vendor payments to electronic
- **\$25,000** annual direct cost savings from reduced check processing
- Additional interest income earned from extended float and higher yields due to longer duration of investments
- Annual rebates payable to City during term of contract projected to be between:
 - **\$840,000** and **\$1,068,000**

City of Long Beach

Bank of America ePayables Value Proposition

		Union Bank	Wells Fargo	Conservative Bank of America	Aggressive Bank of America
Current Annual Banking Charges from Union Bank		\$350,000			
Estimated Annual Banking Services Charges		(\$266,000)	(\$300,000)	(\$321,000)	(\$321,000)
Estimated Savings from Check Reduction*		0	0	\$25,000	\$25,000
Estimated Annual Rebates from ePayables**		0	0	\$840,000	\$1,068,480
Adjusted Annual Banking Services (Cost) Revenue		(\$266,000)	(\$300,000)	\$544,000	\$772,480
	ePayables				
Estimated savings from 10% check elimination*	\$25,000				
2009 Annual AP Spend for City of Long Beach**	\$672,000,000				
Estimated conversion from check to ePayables	10.00%				
Estimated annual spend through ePayables	\$67,200,000				
Annual Rebate (billing cycle/grace days 30/25)	\$840,000				
Annual Rebate (billing cycle/grace days 7/3)	\$1,068,480				

Bank of America Merrill Lynch



This presentation is for informational purposes only. It does not constitute an offer or commitment to buy or sell or a solicitation of an offer to buy or sell a security or any financial instrument, or a commitment to enter into a transaction, of the type generally described herein. The information contained herein, and any other communications or information provided by Bank of America, is not intended to be, and shall not be regarded or construed as, a recommendation for transactions or tax or investment advice, and Bank of America shall not be relied upon for the same without a specific, written agreement between us.

Information contained in this presentation has been obtained from sources believed to be reliable, but its accuracy or completeness is not guaranteed by Bank of America. Also, certain information contained in this presentation speaks as of the date of this presentation (or another date, if so noted) and is subject to change without notice.

This presentation is intended solely for your use and under no circumstances may a copy of this presentation be shown, copied, transmitted, or otherwise given to any person other than your authorized representatives.