



RECOMMENDED ACTION

To authorize the President and CEO to enter into a three-year contract with two, one-year options with City National Bank for banking depository and merchant services

STAFF REPRESENTATIVE

Lisa Patton, Executive Director/VP, Finance and Budget

BACKGROUND

This contract is in support of Long Beach Transit's (LBT) strategic priority of 'Exercise Financial Accountability.'

LBT has an established relationship with a banking institution to perform the following banking and treasury activities:

- a. Currency and coin deposit;
- b. Payroll distribution;
- c. Accounts payable and accounts receivables;
- d. Automated Clearing House (ACH) and wire transactions;
- e. Credit card pass sales; and
- f. Other financial transactions critical to LBT's operations

The current contract is set to expire on February 28, 2021.

PROCUREMENT

LBT issued a Request for Proposal (RFP) and received four qualified proposals. The proposals were evaluated based on the following criteria:

- a. Qualification of the firm
- b. Credit worthiness and bank stability
- c. Technical solution/work plan

The total amount of possible points for technical evaluation (excluding price) was 70 points. The top two firms, based on the technical evaluation, had scores ranging from 48 to 53 points. The two firms were then scored based on total price.

The combined technical score and overall cost rates resulted in the selection of City National Bank, who received the highest number of points.

City National Bank, with two branches in the City of Long Beach, was found to be responsive and responsible by LBT's Purchasing department. The fee structure is based on a variable schedule dependent on the volume and type of LBT's day-to-day transactions and is estimated at approximately \$36,000 per year, or \$180,000 for the duration of the contract.



DBE/SBE PARTICIPATION

A Disadvantaged Business Enterprise/Small Business Enterprise goal was not established for the solicitation due to the niche service market and limited availability of certified firms in the banking industry.

ALTERNATIVES CONSIDERED

Staff did not consider any other alternatives, as bank depository and merchant services are required to continue LBT's day-to-day operations without disruption in service to customers, vendors and employees.

BUDGETARY/FISCAL IMPACT

Funds for year one of this contract have been included in the previously approved Fiscal Year 2021 operating budget.

Funds for subsequent years will be included in future budget years.

STAFF RECOMMENDATION

Staff is requesting LBT's Board of Directors to authorize the President and CEO to enter into a three-year contract, with two, one-year options with City National Bank for banking depository and merchant services for a total authorization amount not to exceed \$180,000.

A handwritten signature in blue ink, appearing to read 'K. McDonald', is written over a horizontal line.

Kenneth A. McDonald
President and Chief Executive Officer