



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 20, 2020**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH PFM ASSET MANAGEMENT LLC, AS A COOPERATIVE, FOR TREASURY MANAGEMENT CONSULTING SERVICES IN AN AMOUNT OF \$57,500 FOR A TERM NOT TO EXCEED ONE YEAR, IN ACCORDANCE WITH PURCHASING RESOLUTION 23256, SECTION 702(G).

ISSUE:

Approve a Professional Services Agreement with PFM Asset Management LLC as a Cooperative from the City of Scottsdale for Treasury Management Consultant Services in the amount of \$57,500 for a term not to exceed one year, in accordance with Purchasing Resolution 23256, Section 702(g).

RECOMMENDATIONS:

That the City Council:

1. Approve Professional Services Agreement with PFM Asset Management LLC as a Cooperative from the City of Scottsdale for Treasury Management Consultant Services in the amount of \$57,500 for a term not to exceed one year, in accordance with Purchasing Resolution 23256, Section 702(g); and
2. Authorize staff to issue change orders in an amount not to exceed 15% of the amount of the PFM Asset Management LLC Agreement or \$8,625; and
3. Authorize the City Manager, or designee, to execute the agreement and any additional documentation to effectuate this agreement, in an amount of \$57,500 for a term not to exceed one year, and the ability to make minor non-substantial changes.

BACKGROUND:

The Finance Department is responsible for managing the City's banking relationship. Periodically, the contract for treasury and merchant card services is put out to bid through a Request for Proposal ("RFP") process to be certain that the City is receiving the most favorable pricing available and to determine if there are any processing efficiencies available through another vendor. In April 2013, the City Council unanimously voted to approve the current agreement with

Bank of America, N.A. for banking and merchant card services, for a term of five years. The agreement was renewed in 2019 for an additional two-year term and will expire on April 30, 2021.

The City has had a long-term relationship with Bank of America extending to many of its various financial dealings, which began in 2002. As the current agreement approaches the end of its term, the Finance Department feels strongly that a review of the City's banking services prior to issuing a new RFP will identify the opportunities for improvement in all areas of the City's banking relationship, including interest rates, earned credit rate, reserve requirements, and advances in technology that can streamline our business processes.

DISCUSSION:

PFM is an independent consulting service, not affiliated with any bank or trust company. They are a leading provider of independent investment advisory services to public and other not-for-profit organizations and is a leading independent financial advisor in public finance. The firm was founded in 1975 to provide independent financial advisory services to the public sector and began providing investment advisory services in 1980. PFM employs over 600 individuals located in 36 offices across the country.

PFM has successfully helped numerous clients design banking services to meet their needs, evaluate the services offered by competing banks, and re-bid banking services. PFM evaluates the organization's needs, analyzes existing banking relationships, reviews how bank services fit into the cash management and investment systems, and makes specific recommendations to improve the entire system. This thorough analysis has consistently allowed PFM to help clients improve efficiency, take advantage of new technology, strengthen controls and reduce banking costs.

The Finance Department wishes to procure PFM for Banking Services through the Cooperative Agreement with the City of Scottsdale, Arizona. The City of Scottsdale and PFM have agreed to extend the contracted service requirements and Fee Schedule in the Scottsdale Banking Services Contract to the City of Riverside. PFM will deal directly with the City of Riverside regarding service delivery, invoicing and payment. The services include preparing a needs assessment, developing a Request for Proposal for banking and merchant card services and evaluating the proposals received.

An Agreement with PFM is necessary to ensure a successful re-bidding process for the City of Riverside's banking and merchant card services. The agreement includes a comprehensive needs assessment, developing an RFP, and evaluating proposals for \$57,500.

The City of Scottsdale conducted formal solicitation RFP18RP016 Consultant for Banking Services and awarded PFM as the most responsive responsible bidder. Therefore, Purchasing Resolution No. 23256, Section 702(g) will apply, which states that procurement through the formal or information procurement process shall not be required "When Services can be Procured from a Contractor who offers the same or better price, terms and conditions as the Contractor previously offered as the Lowest Responsive Bidder under Competitive Procurement or negotiations conducted by the City or another public agency, provided that, in the opinion of the Manager, it is in the best interests of the City to do so."

The Purchasing Manager concurs that the purchase is in compliance with Purchasing Resolution No. 23256, Section 702(g).

FISCAL IMPACT:

The total fiscal impact of the action is \$57,500 in FY 2020/21. Sufficient funding is available in the General Fund Finance Professional Services account 2300000-421000.

Prepared by: Phebe Timarong, Administrative Analyst
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment: Agreement