

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 5/24/2023

Staff Report No. 20-182b

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Exercise Banking Services Contract Option

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to exercise the second one-year option to extend the general banking services contract with Bank of America from June 1, 2023, through May 31, 2024.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Financial Efficiency and Revenue Maximization

The District has an interest in achieving financial stability and resiliency by continuing a well-established banking relationship that has provided high-quality solutions and capabilities.

BUDGETARY/FISCAL IMPACT:

Bank of America provides the District with comprehensive banking services. Due to the higher earnings credit allowance, current fiscal year's estimated annual cost is \$0. The estimated cost is expected to remain at \$0 for the upcoming fiscal year as well.

BACKGROUND/RATIONALE:

Staff wishes to exercise the second one-year option for comprehensive banking services with Bank of America. This extension is necessary due to the ongoing need for centralized banking service for all of the District's operational accounts. Bank of America currently handles all matters concerning the District's operational accounts including Payroll, Pension, Accounts Payable, and Workers' Compensation along with a main concentration account which is used to aggregate funds and facilitate settlement of transactions.

ADVANTAGES/DISADVANTAGES:

The requested action is in compliance with Board Policy, 465, Section V.A.7. and Federal Transit Administration (FTA) guidance regarding exercising contract options (4220.1F Chapter V, 7, -a- (1). Exercising the second one-

year option to extend the contract would provide an opportunity to receive comprehensive banking services at no cost while continuing the banking relationship with Bank of America without disruption. Staff cannot identify and disadvantages.

ALTERNATIVES ANALYSIS:

The alternative would be to issue a Request for Proposals (RFP) for new banking services now; However, this is not recommended for the reasons stated above.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report No. 20-182-Contract Renewal, Banking Services
Board Policy 465, Procurement Policy

ATTACHMENTS:

None

Prepared by:

Sue Lee, Director of Revenue Management

Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer

Fred Walls, Director of Procurement and Materials

Jill A. Sprague, General Counsel/Chief Legal Officer