

24-1583



TITLE: Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Contract with J.P. Morgan Chase Bank, N.A. of Dallas, Texas for Primary Depository Bank Services

COUNCIL GOAL: Financially Sound Government
(4B: Provide funding and organizational framework to ensure continual economic improvements)

MEETING DATE: May 21, 2024

DEPARTMENT: Financial Services
Procurement Services

CONTACT: Mark Holloway, Chief Financial Officer
Trudy Mathis, Director of Finance
Kelvin Bryant, Investment and Treasury Manager
Tonya Hall, Procurement Services Supervisor

RECOMMENDED CITY COUNCIL ACTION:

- Approval of Resolution

ITEM SUMMARY:

- This Resolution authorizes the City Manager to execute a contract with J.P. Morgan Chase Bank, N.A. of Dallas, Texas for Primary Depository Bank Services.
- The contract is for a three-year term and includes a provision for two one-year continuations under the same terms and conditions of the contract, subject to the mutual agreement of both parties.

BACKGROUND INFORMATION:

- Section 110 of the City of McKinney Charter authorizes the City to receive sealed applications from any bank doing business in the City of McKinney, Texas.
- Section 105.017 of the Local Government Code states that a municipal depository contract should not exceed five (5) years.

- All pertinent requirements of Section 110 of the City City Charter; Section 105 of the Local Government Code; Chapter 176 of the Conflict of Interest Act; Chapter 2256 of the Public Funds Investment Act; and Chapter 2257 of the Public Funds Collateral Act have been complied with.
- The existing depository contract with J.P. Morgan Chase Bank will expire on June 30, 2024.
- The City engaged with a consulting firm, Valley View Consulting, L.L.C., to provide depository contract advisory services.
- The City issued a Request for Applications (RFA) for Primary Depository Bank Services (24-36RFA) on February 11, 2024.
 - Advertised and appeared in McKinney Courier Gazette and Dallas Morning News
 - Notified seventeen (17) financial institutions within the municipal boundaries of the City
 - Posted on McKinney TV
 - 209 matching eBid suppliers were notified which included five (5) Historically Underutilized Business (HUB) suppliers
- Procurement Services received eight (8) applications from financial institutions with branch locations within city limits and were analyzed by Valley View Consulting.
- An evaluation team of five (5) staff members of the Financial Services Department further reviewed and ranked the applications based on the following criteria:
 - 30 Points - Cost of Required Banking Services and Earnings Potential in Differing Account Structures
 - 15 Points - Terms and Capabilities to Provided Required Services
 - 25 Points - Financial Strength of the Institution
 - 25 Points - Customer Service Structure
 - 5 Points - Collateralization
- The evaluation team interviewed and scored the top three (3) highest ranked financial institutions and ranked the demonstrations on the following criteria:
 - 25 Points - Demonstration
 - Presentation
 - Applicant Experience
- J.P. Morgan Chase Bank, N.A. emerged as the best value application and is recommended by staff and consultant.

FINANCIAL SUMMARY:

- J.P. Morgan Chase Bank will provide all required services at an estimated cost of \$182,000 over the initial three (3) year period which will be covered by an earnings credit rate of 3.85% on a compensating balance.
- J.P. Morgan Chase Bank will also provide an end of day sweep that currently pays 4.80%

SUPPORTING MATERIAL:

- Resolution
- City of McKinney Scoring Summary
- Valley View Consulting Summary

SUPPORTING MATERIALS:

[Resolution](#)

[Scoring Summary](#)

[Valley View Consulting Summary](#)