

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	12/10/18	Open	Action	11/29/18

Subject: Banking, Depository, Prepaid Card, Credit Card, Investment Services and Line of Credit

ISSUE

Whether or not to approve a Sole Source Procurement and award a Contract to U.S. Bank National Association for Banking, Depository, Prepaid Card, Credit Card, Investment Services and Line of Credit.

RECOMMENDED ACTION

Adopt Resolution No. 18-12-____, Approving a Sole Source Procurement and Delegating Authority to the General Manager/CEO to Negotiate and Enter Into a Contract with U.S. Bank National Association for Banking, Depository, Prepaid Card, Credit Card, Investment Services and Line of Credit.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$125,000
Budget Source:	Operating	Next FY:	\$125,000
Funding Source:	Operating	Annualized	\$125,000
Cost Cntr/GL Acct(s) or	690071		
Capital Project #:			
Total Budget:	\$125,000		

DISCUSSION

On October 28, 2013, the SacRT Board of Directors awarded a sole source procurement to U.S. Bank National Association (US Bank) for Banking, Depository, Prepaid Card, Credit Card, Investment Services and Line of Credit (LOC). This action occurred when Wells Fargo effectively removed itself as a viable banking partner under the condition that they were not able to provide SacRT with both a LOC and transactional banking services.

Over the term of the Agreement, US Bank has been a responsive, viable banking partner, ensuring an orderly transition of existing banking services and successful implementation of new banking services, which added to SacRT's business process efficiencies, as well as providing personalized customer support. Most importantly, US Bank is actively engaged with the SacRT Finance team, ensuring that the Line of Credit is renewed on an annual basis.

By entering into a Banking Services Agreement with US Bank, SacRT would ensure business banking continuity without disrupting the general financial services on which SacRT relies for its

Approved:

Presented:

Final 11/30/18

General Manager/CEO

VP, Finance/Chief Financial Officer

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day-to-day financial operations. US Bank has agreed to maintain its competitive pricing for these services over the length of the new Agreement.

In accordance with SacRT’s Procurement Ordinance, Section 1405 B.2. Noncompetitive and Sole Source Procurement, Non-Federally Funded Procurements, the Board may approve and award a noncompetitive procurement when it has been determined that it would be in the “best interest” of SacRT to award a sole source contract. At this time, SacRT’s operating reserve is not at a level to viably support business operations without an LOC to which banking services are tied. Due to SacRT’s reliance on the LOC, it is in the best interest of SacRT to award a new contract with US Bank effectively extending the contract. When SacRT has reduced reliance on the LOC and further improved its financial position, a competitive bid process will be completed.

Staff recommends that the Board approve a sole source procurement and authorize the General Manager/CEO to negotiate and enter in an Agreement with US Bank for Banking, Depository, Prepaid Card, Credit Card, Investment Services and Line of Credit.

RESOLUTION NO. 18-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 10, 2018

**APPROVING A SOLE SOURCE PROCUREMENT AND DELEGATING AUTHORITY
TO THE GENERAL MANAGER/CEO TO NEGOTIATE AND ENTER INTO A
CONTRACT WITH U.S. BANK NATIONAL ASSOCIATION FOR BANKING,
DEPOSITORY, PREPAID CARD, CREDIT CARD, INVESTMENT SERVICES AND
LINE OF CREDIT**

WHEREAS, in accordance with SacRT's Procurement Ordinance, Section 1405 B.2 Noncompetitive and Sole Source Procurement, Non-Federally Funded Procurements, the Board may approve and award a noncompetitive procurement when it has determined that it would be in the "best interest" of SacRT to award a sole source contract.

WHEREAS, US Bank has been a responsive, viable banking partner.

WHEREAS, SacRT's operating reserve is not at a level to viably support business operations without a Line of Credit (LOC) to which banking services are tied.

WHEREAS, Continuing its business banking relationship with U.S. Bank will ensure that SacRT continues to have access to a line of credit.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board hereby finds that it would be in SacRT's best interest to ensure business banking continuity without disrupting the general financial services the District relies for its day-to-day financial operations.

THAT, the Board hereby authorizes the award of a sole source contract to US Bank wherein US Bank agrees to provide Banking, Depository, Prepaid Card, Credit Card, Investment Services and Line of Credit in a rolling contract with termination clause.

THAT, the Board hereby authorize and direct the General Manager/CEO to negotiate and execute a contract with U.S. Bank on terms that include competitive pricing for the banking services over the duration of the contract and the continuation of services currently provided by U.S. Bank.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary