



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Controller



Date: April 23, 2013
Board Meeting Date: May 21, 2013
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Bob Adler, Controller

Subject: Agreement with Bank of America

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with Bank of America, for the County to implement and utilize Bank of America's ePayables services, for the term of May 21, 2013 through May 20, 2016, at no cost to the County.

BACKGROUND:

A Request for Proposal (RFP) was issued for services that will enable the County to issue electronic payments to its vendors. These services will reduce check printing and postage costs, expedite payments to vendors, and make County eligible for rebates. This new service will not change the ability to pay community-based organizations via direct deposit at no cost to them.

Six proposals were received in response to the RFP, and based on the evaluation of proposals, Bank of America's ePayables program is recommended as the most robust product that would provide the best overall value to the County. (The RFP Matrix is attached as Attachment A.)

DISCUSSION:

Bank of America's proposal for its ePayables program meets the County's requirements, has an established implementation methodology and offers the highest rebate terms ranging from 1.42% to 1.91% of the vendor payment amounts processed. Furthermore, Bank of America's California Public Sector Group (CAPSG), an association of public sector clients, enables government entities to maximize their rebate potential by aggregating their annual amount of vendor payment transactions processed via the ePayables service for purposes of calculating rebates. Bank of America has over seven years of experience providing the ePayables service and has

excellent customer references. The County of Santa Clara, City of Irvine, and City of Corona, among many other public sector customers, utilize Bank of America's service.

This agreement binds the County to reimburse Bank of America for payments made to County's vendors, via the ePayables service, as authorized by the County. These authorizations will be generated and transmitted from the Integrated Financial Accounting System (IFAS), the County's accounts payable system, without any changes to our internal processes. Reimbursements will be issued to Bank of America only after payments are received by County's vendors. Although this service is provided at no cost to the County a late fee and finance charge will be assessed if County fails to submit reimbursements when due.

The contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including, but not limited to, insurance, non-discrimination and equal benefits.

County Counsel has reviewed and approved the agreement and Resolution as to form. Contractor meets insurance certification requirements. Risk Management and Information Services Department have also reviewed and approved this agreement.

This agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by providing fiscal accountability and concern for future impacts.

PERFORMANCE MEASURE(S):

Measure	FY 2011-12 Actual	FY 2012-13 Projected
Number of new processes implemented resulting in increased accounting efficiencies	3	3

FISCAL IMPACT:

The term of the agreement is May 21, 2013 through May 20, 2016, and no fee payments are required from the County for services provided by Bank of America. There is no Net County Cost. The term may be extended by an additional three years at the County's sole discretion.

The County will be eligible to receive rebates from Bank of America based on the County's annual amount of vendor payments processed via the ePayables service. It is estimated the County may receive \$35,000 to \$50,000 in rebates during the first year of implementation and possibly higher amounts in subsequent years.

Attachment A

Request for Proposals – Matrix

1	Where was the RFP advertised?	San Mateo County Times, September 26-28, 2012.
2	In addition to any advertisement, list others to whom the RFP announcement was sent:	Citibank, Union Bank, J.P. Morgan Chase, Bank of America, and Commerce Bank were informed about RFP via email.
3	State the total number of RFP's sent to prospective proposers:	None. Potential proposers were asked and provided a link to obtain/download RFP file from County's website.
4	How many proposals did you receive?	Six
5	List in alphabetical order the names of the proposers (or finalists, if applicable) and the location:	Bank of America, Bank of the West, Commerce Bank, J.P. Morgan Chase, Union Bank, US Bank