



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** TREASURER

**File #:** 16-160

Board Meeting Date: 5/16/2017

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Sandie Arnott, Treasurer-Tax Collector  
**Subject:** Amendment to Agreement with Union Bank N.A. to Provide Banking Services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Union Bank N.A. to provide banking services, extending the term from July 1, 2017 to June 30, 2021, and increasing the not to exceed amount to \$4,000,000.

**BACKGROUND:**

On July 1, 2013, the San Mateo County Treasurer's Office entered into an agreement with Union Bank N.A. to provide banking services.

In 2013, the Treasurer-Tax Collector determined that it was in the best interest of the County to issue a Request for Proposals (RFP) for these services to ensure competitive pricing. An RFP was published on the Treasurer's website and sent to five (5) banking institutions on February 27, 2013 and was closed on March 18, 2013. After careful consideration and evaluation, Union Bank, N.A. was selected as the successful proposer.

Union Bank has provided excellent services including, but are not limited to, account analysis, account reconciliation, business checking, check processing, information reporting, merchant services, wire transfers, web-based banking solutions and lockbox. In addition, Union Bank provides a \$75 million daylight overdraft line. This is a cushion the Treasurer requires to settle investment activities that fund the investment pool's primary account at Union Bank. Customer service is provided by Union Bank's specialized Government Services Group, a staff that understands the special needs of government agencies.

**DISCUSSION:**

The Treasurer-Tax Collector acts as the County's banker and is charged with managing and protecting the County's financial assets. The Treasurer-Tax Collector's objective is to obtain quality banking services that are efficient and technologically advanced with an institution that provides strength and stability at the most advantageous cost to the County and its taxpayers.

The Treasurer's Office wishes to continue the agreement with Union Bank for four additional years to

prevent significant transition costs. Union Bank is offering a preferred rate for extending the term of the agreement.

The agreement and resolution have been reviewed and approved by County Counsel as to form.

The County Contract Compliance Committee has approved a waiver request to extend the contract four additional years.

This amendment contributes to the Shared Vision 2025 outcome of a Collaborative Community by allowing the Treasurer's Office to provide the highest quality banking services available that will benefit all county departments and the residents of San Mateo County.

The Board is being asked to authorize the Treasurer-Tax Collector to execute subsequent amendments which do not exceed an aggregate \$25,000.

**PERFORMANCE MEASURES:**

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Percent of deposits processed within one day	98%	98%

**FISCAL IMPACT:**

The term of the amended agreement is July 1, 2017 through June 30, 2021. The amount of the amended agreement is not to exceed \$4,000,000. The amendment increases the original contract amount by \$2,000,000. The amended contract amount will be included in future Treasurer-Tax Collector's Budgets. About 56% (\$1,120,000) of the amended contract will be recuperated from County departments and school and special districts that will benefit from banking activities.