



County of San Mateo

Inter-Departmental Correspondence

Department: CONTROLLER

File #: 19-398

Board Meeting Date: 5/14/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Juan Raigoza, Controller
Subject: Amendment to Agreement with Bank of America

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Bank of America for the provision of Electronic Payments (ePayables) and Procurement Card Services to extend the term of the agreement through May 20, 2022, and provide the County with an option to further extend the agreement through May 20, 2025.

BACKGROUND:

On May 21, 2013, the Board approved an Agreement (#14320-13-R072516) with Bank of America for the provision of Electronic Payments (ePayables) services for a term of May 21, 2013 through May 20, 2016. This revenue agreement included a Rebate Program pursuant to which Bank of America would rebate the County based on the transaction volume on a quarterly basis. The County has been receiving rebates on a consistent basis since the first quarter after the commencement of this Agreement.

On August 5, 2014, the Board approved an amendment to the agreement authorizing the addition of Procurement Card Services (the "First Amendment").

On May 4, 2016, the Controller exercised the option to extend the term of the Agreement for an additional three years through May 20, 2019, which was memorialized in an amendment to the Agreement dated May 21, 2016 (the "second amendment").

DISCUSSION:

The agreement with Bank of America, as amended by the first and second amendments, is expiring on May 20, 2019.

Since the commencement of the agreement with Bank of America, the County has been receiving rebates on a quarterly basis. Over the life of the Agreement from May 2013 to the present, the County's average annual rebate has been approximately \$140,000. Extending the current agreement for an additional three years will result in continued revenue to the County.

Additional vendors have declined to enroll in the ePayables Program, choosing instead to utilize other electronic accounts payable options. Notwithstanding this fact, continuation of the ePayables Programs is beneficial to the County and termination of the program would result in a loss of the rebate monies currently received each quarter. Further, switching vendors for the ePayables Program would require re-enrollment of all vendors currently using the service. Finally, extending the terms of the Agreement will prevent any disruption of payments to existing County vendors and allow the continued use of procurement cards by County employees. In light of the foregoing, it is in the County's best interests to waive the request for proposals process and to maintain its current agreement for the ePayables Program with the vendors currently enrolled as well as its agreement for procurement card services.

County Counsel has reviewed and approved the resolution as to form.

This amendment 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 2017-18 Actual	FY 2018-19 Projected
Amount of Rebates Received	\$140,000	\$140,000

FISCAL IMPACT:

There are no required fees or payments from the County for services provided by Bank of America. The County is eligible to receive rebates from Bank of America based on the volume of ePayables and Procurement Card transaction volume. There is no Net County Cost associated with this action. Extending the agreement is anticipated to result in approximately \$140,000 per year in revenue to the County.