



County of San Mateo

Inter-Departmental Correspondence

Department: TREASURER

File #: 21-356

Board Meeting Date: 5/4/2021

Special Notice / Hearing: None
Vote Required: Majority

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

RECOMMENDATION:

Adopt a resolution authorizing an amendment to extend the agreement with MUFG Union Bank N.A. to provide banking services, for the term of July 1, 2021 to June 30, 2022, with no change to the previously authorized amount.

BACKGROUND:

On July 1, 2013, the San Mateo County Treasurer's Office entered into an agreement with MUFG 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 Proposal (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, MUFG Union Bank N.A. was selected as the successful proposer.

Union Bank has provided excellent services including, but not limited to, account analysis, account reconciliation, business checking, information reporting, 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 MUFG Union Bank N.A. for one additional year to maintain services while an RFP is developed, previously planned to be conducted

in 2020 but delayed due to the pandemic. Union Bank is offering a preferred rate for continuing the term of the agreement for one additional year. Over the coming year, the Treasurer-Tax Collector's office will work with various departments who utilize the service to build the RFP which addresses all of the necessary objectives that need to be offered by any potential proposer to minimize interruption. Given that this agreement serves as a multi-departmental agreement, input from key stakeholders must be considered to ensure continuity of our department's level of service to the County.

Based on previous activities generated by 75 bank accounts, after earning credits, the County has paid \$2,345,321.38 since the inception of this agreement with MUFG Union Bank, N.A., The entire cost of this contract has been and will continue to be recuperated by the Treasurer from County departments, schools and special districts that benefit from banking services.

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

The County Contract Compliance Committee has approved a wavier request to extend the contract by one additional year.

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

PERFORMANCE MEASURE:

Measure	FY 2018-19	FY 2019-20
Percent of deposits processed within one day	98%	98%

FISCAL IMPACT:

The term of the amended agreement is July 1, 2021 through June 30, 2022. The amendment will have no additional impact to the County budget.