



# City of San Antonio

## Agenda Memorandum

**File Number:**20-3119

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**Agenda Item Number:** 18.

**Agenda Date:** 5/21/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

Approving a Contract Extension for Depository Banking and Lockbox Services

### **SUMMARY:**

This Ordinance approves a contract amendment with Frost Bank to extend the term of the contract for depository banking and lockbox services for an additional two (2) years, commencing on July 1, 2020, and ending on June 30, 2022 under the same terms and conditions.

### **BACKGROUND INFORMATION:**

On June 15, 2017, Ordinance No. 2017-06-15-0451, approved the execution of the contract between the City and Frost Bank for depository banking and lockbox services and related financial services for a period of three (3) years, commencing on July 1, 2017 through June 30, 2020, with an option to renew for one (1) additional two (2) year period.

Depository banking services include collecting and disbursing the City's funds, providing timely and reader-friendly reports, implementing security measures to protect and assist the City with its fiduciary responsibilities with respect to financial assets, providing online cash management techniques, as well as other financial services including, but not limited to, custodial, safekeeping, trust, escrow, and commercial services.

Lockbox services include collecting, processing, and depositing the City's receivables directly through a designated post office box. All items collected during the business day are deposited on a same-day basis, with same-day reporting available through electronic transmission.

The purpose of the contract amendment is to extend the term of the contract for an additional two (2) years, commencing on July 1, 2020, and ending on June 30, 2022.

**ISSUE:**

The proposed renewal is consistent with State law; the City's banking policies and previous actions to contract such services.

**ALTERNATIVES:**

If the renewal is not approved, the City would be required to initiate a Request for Proposal process which could impact the City's depository banking and lockbox services.

**FISCAL IMPACT:**

Annual fees/costs for the Depository Banking and Lockbox Services are paid through interest earned on a compensating balance held at Frost Bank.

**RECOMMENDATION:**

Staff recommends approval of this ordinance approving a contract extension with Frost Bank to provide depository banking and lockbox services and related financial services for a period of two (2) years, commencing on July 01, 2020 and ending on June 30, 2022.