



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Douglas Schulze, City Manager

**PREPARED BY:** Lincoln Bogard, Administrative Services Director

**MEETING DATE:** December 12, 2023

**SUBJECT:** Consideration of Resolution 2023-191, Awarding the Contract for Comprehensive Banking Services Request For Proposals (RFP) to HCN Bank

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### **RECOMMENDATION:**

Adopt Resolution 2023-191.

### **BACKGROUND:**

The City's current banking contract with Wells Fargo ends in August 2024. Wells Fargo has been the City's bank for the past 20 years. Industry best practice is to conduct an RFP every five to ten years to ensure the best solution for the City at that time. Staff issued an RFP on October 20, 2023, and received two proposals prior to the submittal deadline of November 20, 2023. Staff contacted all banks that have a presence in the Pass Area to request submissions. The responsive banks were HCN Bank and Wells Fargo.

### **JUSTIFICATION:**

While Wells Fargo is a large Federal Chartered Commercial Bank and HCN Bank is a smaller State Chartered Commercial Bank, HCN Bank utilizes Fiserv to offer the comprehensive services of the large national banks. Additionally, the earnings rate is four percent (4%) which is double the larger bank rates and the fees for services are significantly lower. While neither proposal expects a financial cost to the city after earnings offsets in this high rate environment, HCN Bank would provide offset coverage in a much lower rate environment than Wells Fargo.

HCN Bank has one point of contact for all services and has offered to waive all implementation fees. HCN has also proposed to assist the City with all integration processes and file formats needed. Wells Fargo offers a primary point of contact with several other contacts for various offerings. A final strength of HCN Bank is regarding its support of the Pass Area community with significant donations to many scholarships and sponsorships. While not a direct benefit to the City government, it is a benefit to the community.

The evaluation scoring matrix is below:

### AGGREGATE SCORES SUMMARY

Vendor	Evaluator 1	Evaluator 2	Evaluator 3	Total Score
HCN Bank	93	87	96	92
Wells Fargo Bank, N.A.	88	85	94	89

**VENDOR SCORES BY EVALUATION CRITERIA**

<b>Vendor</b>	<b>Qualifications Points Based 25 Points (25%)</b>	<b>Pricing Points Based 20 Points (20%)</b>	<b>Experience (Projects of similar size and scope) Points Based 25 Points (25%)</b>	<b>Professional References Points Based 20 Points (20%)</b>	<b>Approach and Methodology Points Based 5 Points (5%)</b>	<b>Value Added Services Points Based 5 Points (5%)</b>	<b>Total Score (Max Score 100)</b>
HCN Bank	21.7	19.3	23.3	20.0	4.7	3.0	92
Wells Fargo Bank, N.A.	21.7	15.0	24.0	20.0	4.0	4.3	89

**FISCAL IMPACT:**

No expected fiscal impact for this contract.

**ALTERNATIVES:**

1. Adopt Resolution 2023-191 to award a contract for comprehensive banking services to HCN Bank.
2. Decline to award contract to HCN Bank and provide alternative direction to staff.

**ATTACHMENTS:**

1. [Resolution 2023-191, Comp Banking Services.docx](#)
2. [Exhibit A - C00948 - PSA Comprehensive Banking Services.pdf](#)