



City of Boynton Beach Agenda Item Request Form

Meeting Date: 06/16/2026

Proposed Resolution No. R26-105- Approval of the Umbrella Agreement for Government Banking Services with Bank of America, N.A., utilizing a procurement waiver for these services.

Requested Action: Staff recommends approval of Proposed Resolution No. R26-105.

Explanation of Request: The City of Boynton Beach has maintained a banking relationship with Bank of America, N.A. ("Bank") since at least July 2009, when the City executed an Authorization and Agreement for Treasury Services. The proposed Umbrella Agreement for Government Banking Services formalizes the continuation and expansion of those services under a new five-year contract.

The integrated Agreement consists of: (1) the Umbrella Agreement, (2) the Global Transaction Services Terms and Conditions ("T&C"), and (3) Bank of America's Deposit Agreement and Disclosures (4) Comprehensive Payables documents. In the event of a conflict, documents govern in that order of precedence. Banking services are specialized, relationship-based financial services that are not readily subject to traditional competitive procurement due to the nature of the services, the City's existing infrastructure and account history with the Bank, and the potential disruption and cost associated with transitioning banking platforms.

Pursuant to the City of Boynton Beach Purchasing Policy Manual, the Waiver of Procurement Procedures exemption may be approved by the City Commission by simple majority vote when it is deemed in the City's best interest to obtain goods or services that cannot be acquired through the normal purchasing process due to the nature of the goods or services, time constraints, or other factors. Purchases authorized under the waiver shall be acquired with such competition as is practicable and only after a good-faith review of available sources and negotiation of price, delivery, and terms.

Staff presents the following factual findings in support of the waiver:

- **Piggyback Pathway Not Available:** Upon review of the City's prior agreement and the City of Orlando amendment, staff determined that the City was piggybacking only the City of Orlando's solicitation process — not an executed contract. The Purchasing Policy Manual requires that a valid piggyback be based on another governmental entity's competitively awarded contract, and prohibits expanding the scope beyond what was originally solicited. Because that requirement cannot be satisfied here, the piggyback exemption is unavailable, and a Waiver of Procurement is the appropriate and only

remaining procurement pathway.

- Existing Relationship and Infrastructure: The City has maintained an active banking relationship with Bank of America since at least 2009. Existing accounts, zero balance account (ZBA) structures, CashPro platform access, lockbox services, and ACH/wire configurations are all currently operational. Transitioning to a new banking provider would require significant time, cost, and operational risk.
- Nature of Banking Services: Government banking services are relationship-based and highly integrated with the City's financial operations. The complexity of the City's banking structure including multiple accounts, lockbox processing, remote deposit, positive pay, and ACH services — makes competitive replacement impractical without substantial disruption to City operations and services to residents.
- Good-Faith Negotiation: The CFO has negotiated favorable pricing terms with Bank of America, including a \$30,000 loyalty credit, competitive Earnings Allowance Rates (1.05% non-interest-bearing; 2.75% interest-bearing), and a five-year term providing pricing stability.
- Continuity of Services: The current agreement period is transitioning. To avoid any gap in banking services beginning July 1, 2026, timely Commission approval is necessary.
- Statutory Compliance: This procurement is not subject to the provisions of Florida Statutes § 287.055 or § 255.20.

Rate Comparison & Cost Analysis

Procurement Services, with the CFO, conducted a rate comparison between the City of Orlando's piggyback contract and the proposed new Bank of America banking services agreement. The analysis identified differences in individual line-item pricing, prompting a request for clarification to ensure fiscal responsibility and alignment prior to seeking Commission approval.

In response, the Bank provided context, distinguishing between line-item pricing differences and the overall net financial impact. The proposed agreement reflects a total increase of just \$422 over the five-year term when evaluated on a full relationship basis. Key structural components include:

- Earnings Credit Rate (ECR): 1.05% on non-interest-bearing balances
- Interest-bearing option: 2.75% managed rate
- Loyalty credit: \$30,000 over the term
- Fee waivers/reductions on wires, information services, and certain ACH activities
- BofA's proforma was modeled on a \$6.5MM average balance, producing a projected net monthly deficit of approximately \$2,295. However, based on the City's actual average balances of approximately \$10.8MM, the earnings credit would be materially higher, significantly offsetting or eliminating that variance — supporting the "near cost-neutral" characterization of the proposed agreement.

BofA also noted that the Orlando contract rates reflect a prior point in time and do not account for current market conditions, updated service delivery models, or technology and risk pricing adjustments incorporated into the new agreement.

How will this affect city programs or services? The proposed five-year Umbrella Agreement with Bank of America is not expected to result in any disruption to City programs or services. To the contrary, timely Commission approval is essential to ensuring continuity of the

City's financial operations beginning July 1, 2026. The following summarizes the anticipated impact:

- **No Service Interruption:** The City's existing banking infrastructure — including multiple accounts, zero balance account (ZBA) structures, CashPro platform access, lockbox services, remote deposit, positive pay, and ACH/wire configurations — will remain fully operational under the new agreement without interruption.
- **Minimal Financial Impact:** The proposed agreement is structured to be near cost-neutral over the five-year term, with a net increase of just \$422. The \$30,000 loyalty credit, competitive earnings allowance rates, and fee waivers/reductions are designed to offset any increases in individual service line items, minimizing the fiscal impact to the City's budget.
- **Operational Stability:** By formalizing the continuation of the existing banking relationship, the agreement provides pricing stability and operational predictability for City staff and departments that rely on banking services to deliver programs and services to residents.
- **Risk Mitigation:** Approval avoids the significant time, cost, and operational risk that would be associated with transitioning to a new banking provider, which could otherwise disrupt payroll processing, vendor payments, utility collections, and other critical financial functions.

Budgeted Item: Yes

Account Line Item and Description: 001-1410-513.49-17 Contractual Services

Fiscal Impact: N/A

Attachments:

[R26-105 Agenda_Item__4719-2026_Resolution_for_Bank_of_America_-_Procurement_Waiver.docx](#)

[Agenda Item #4719-2026 Resolution for Bank of America - Procurement Waiver.docx](#)

[PKG-426439 ARP Auto Check Return Authorization Form \(002\).pdf](#)

[BOA Boynton Beach Banking Agr - Vendor Signed](#)

[City of Boynton Beach Proforma \(1\).pdf](#)

[City of Boynton Beach T & C \(1\).pdf](#)

[City of Boynton Beach TnC Signature.pdf](#)

[Payment Processing Service Terms.pdf](#)

[Paymode - Pricing Schedule \(Contract\).pdf](#)

[Paymode_Rebate Account Template \(Dividends Deposit Account Form\).pdf](#)