

-Memorandum-

*City of Seguin*


**Finance Department**

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**Date:** March 8, 2016

**To:** Mayor and City Councilmembers  
Douglas Faseler, City Manager

**From:** Susan Caddell   
Director of Finance

**Subject:** Banking Services Contract

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According to the Texas Local Government Code, Section 105.017, a contract for depository services should not exceed five years. The current depository contract with Wells Fargo expires on March 31. Due to this fact, request for proposals (RFP) were sent out for a banking services contract. RFP's were sent to banking facilities in town and also placed on the City's website and advertised in the local newspaper. We received two responses from American Bank of Texas and Wells Fargo. Broadway Bank responded to the RFP with a no bid response.

Presentations from American Bank of Texas and Wells Fargo were given to a committee comprised of the Assistant City Manager, Assistant Director of Finance, Director of Economic Development, General Manager of SSLGC, Assistant General Manager of SSLGC and myself. Evaluation of the RFP's were based upon several factors including, but not limited to the ability to perform the services, cost, reputation of proposer, financial strength of the proposer, experience with similar accounts, and ability to provide the entities with effective and innovative cash management services. An analysis of monthly charges for each institution was evaluated based upon annual usage. Wells Fargo's costs were lower over an annual period. Wells Fargo also gave the City the option of waiving two months per contract year of charges for the months with the highest activity. Wells Fargo has been our depository over the past five years and staff has established a very good working relationship with this institution. While we feel both institutions are capable of meeting the qualifications, staff is recommending keeping the banking services contract with Wells Fargo.

Please let me know if you have any further questions.