

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

VOTE

Authorizing the City Manager and/or the City Treasurer to proceed under the provisions of Massachusetts General Laws Chapter 30B for banking services for a term of five (5) years.

The City Council must authorize the City Manager and/or the City Treasurer to proceed under the provisions of Massachusetts General Laws Chapter 30B, in order to obtain such services for a term of five (5) years.

BE IT VOTED:

That the City Manager and/or the City Treasurer are hereby authorized to seek, receive and accept proposals under the provisions of Massachusetts General Laws Chapter 30B, relative to banking services for a term of five (5) years.

BE IT FURTHER VOTED:

That the City Manager and/or the City Treasurer be and hereby are authorized to execute and deliver any and all other documents related to banking services for the City of Lowell, on such terms and conditions as the City Manager and/or the City Treasurer deems in the best interest of the City of Lowell.



Rodney Conley
Treasurer/Collector

MEMORANDUM

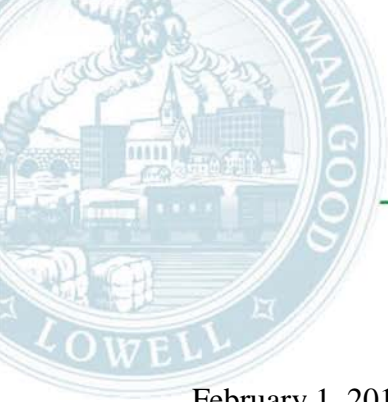
TO: Conor Baldwin, Chief Financial Officer
FROM: Rodney Conley, City Treasurer/Collector
DATE: February 1, 2018
SUBJECT: Request for Proposal for Banking Services

On January 29, 2018, the City of Lowell issued a Request for Proposal (RFP) for banking services. The current contract was awarded in May of 2015 to Enterprise Bank and is set to expire on June 30, 2018. I anticipate multiple quality responses to our RFP as we received eight such proposals when the services were last bid in 2015. The institution selected will become the City's principal bank and provide a full range of banking services.

As the City's main banking institution, the winning bidder will be responsible for all main disbursement accounts for the City, such as payroll (live checks and direct deposit) and vendor accounts. In addition, the principal bank of the City will provide for armored car services as well as banking supplies and materials. The institution will also be the principal bank for the parking enterprise fund, including the accounts for parking meters and City of Lowell garages. The City would continue to maintain cash reserves in other banks as deemed appropriate, for example our stabilization and trust funds.

I am recommending that we seek City Council approval, under MGL 30B, for the City Manager to award a five year contract for these services. The first benefit will be to limit the significant City staff time and resources associated with switching banking services. The process in 2015 took several months to fully complete. More importantly, by solidifying a longer term agreement with a banking institution, it will allow us to better plan for our long term goals of increased automation, online services, and other features that will improve our treasury systems and procedures. As we move more and more toward electronic services being the norm, it is crucial that we have a long term partner with which we can phase these upgrades. It is anticipated that bidders will also react more favorably to the stability of a five year agreement.

Please contact me if you have any additional questions.



Kevin J. Murphy
City Manager

February 1, 2018

Mayor William J. Samaras
And
Members of the Lowell City Council

Dear Mayor Samaras and Members of the Lowell City Council,

I am hereby requesting the City Council vote to authorize the execution of a contract for banking services for a five (5) year term. The City is coming to the end of the existing contract with Enterprise Bank on June 30, 2018 and has issued a competitive request for proposals (RFP) to solicit bids for services beginning next fiscal year.

In accordance with the city's investment policy and Massachusetts General Laws Chapter 44 §55B, the municipal treasurer is required to invest all public funds. Modern banking systems enable the public treasurer to maintain even these funds in interest bearing form until the date a disbursement order clears through the banking system. The state law further requires that invested funds are to be placed at the highest possible rate of interest reasonably available, taking account of safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of the entity's business. The RFP issued for banking services has been crafted in such a way that the successful bidder will meet these objectives, with a preference for a local institution, if all else is equal.

A memorandum from the City Treasurer is included with this letter which further details the advantages to the city in entering into a five (5) year contract and how this will aid the Office of the Treasurer in its efforts to modernize the office operations and improve the customer experience.

Sincerely,

Kevin J. Murphy
City Manager

Cc: Conor Baldwin, Chief Financial Officer
Rodney Conley, City Treasurer/ Collector