

2009 MAY 14 PM 6:35

CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Finance and Management Agency
DATE: May 26, 2009

- RE: 1) **A Resolution Authorizing an Agreement with Wells Fargo Bank, N.A. to Providing Primary Depository Services for the City at an Annual Cost Not-To-Exceed \$275,000; and**
- 2) **A Resolution Authorizing an Agreement with Wells Fargo Bank, N.A. to Provide Primary Custodial Banking Services for the City at an Annual Cost Not-To-Exceed \$25,000**
-

SUMMARY

Currently, the City has a banking depository agreement with Bank of America (the "Bank of America") and a securities custody agreement with Wells Fargo Bank, N.A. (the "Wells Fargo"), each of which was entered into in July 2005 for a three-year period, with two renewals of one year each at the City's option. In March 2009, staff issued a new request for proposals ("RFP") for banking depository and custodial services.

Based on the evaluation of the responses to the RFP, staff proposes that the City enter into two new agreements for the separate portions of its banking services with Wells Fargo: (1) a new agreement to provide the City's primary depository services and (2) a new agreement to provide the City's primary security custodial services. Staff proposes that each agreement be for a period of three years, with the ability to renew for two periods of one year each at the City's option. The proposed costs for these combined services will remain at or below present budgeted levels.

These recommendations represent a new depository service relationship and continuation of the existing custodial services relationship. The recommendations are based on a detailed consideration of overall qualifications, scope and level of services, pricing, reference checks and compliance with various City requirements.

FISCAL IMPACTS

The current fiscal year budget includes \$275,000 for depository services and \$25,000 for custodial services. The actual future costs will depend largely on the volumes of services provided to the City and on the levels of offsetting cash balances in the City's accounts. Staff

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May 26, 2009

estimate that the proposed costs for each of these services will remain at or be below these not-to-exceed amounts, which are the amounts included in the proposed budget for FY 09-11.

BACKGROUND

Currently, the City uses two types of banking services: (1) depository services and (2) custodial services. General depository banking provides balanced reporting, detailing debit/credit information, performing fund transfers, issuing stop payments, obtaining reports, etc. Safekeeping/Custody banking will holds and administers all of the City's investments. Bank of America has been the City's general depository bank since 1995 because it came back as the top candidate when the City sent out RFPs in 1995, 1999 and 2005. The City has changed its safekeeping/custodial banks from time to time, but Wells Fargo has provided these services for the last five (5) years.

On a monthly basis, the City utilizes countless numbers of banking services including but not limited to account maintenance, lockbox services, depository services, paper disbursement services, paper disbursement reconciliation services, general Automated Clearing House (ACH) services, and wires that total more than 720,000 transactions. Therefore, Wells Fargo and Bank of America were best suited to handle the City's high volume of activities as well as being able to provide a designated representative for each of the areas of service.

In order to ensure that the City continues to receive the most up-to-date and cost-effective services, staff issued an RFP for banking services (including both depository and custodial services) on March 11, 2009, to twenty-three (23) banking institutions with branches or headquarters in Oakland.

Responses to the RFP were received on April 3, 2009. Four (4) banks submitted responses to provide depository services - Alta Alliance Bank, Bank of the West, Bank of America, and Wells Fargo. Two (2) banks submitted responses to provide custodial services – Bank of America and Wells Fargo. After careful examination of the submitted proposals, staff selected three finalists – Bank of America, Bank of the West, and Wells Fargo – for interviews, in order to further present their qualifications.

An interview panel was convened which included representatives from the Finance and Management Agency's Treasury and Revenue Division, as well as outside constituents from East Bay MUD and AC Transit. After extensive evaluation based on a detailed consideration of overall qualifications, scope and level of services, pricing, additional questions from staff and reference checks, the interview panel has ranked the banks as follows: (1) Wells Fargo, (2) Bank of America, and (3) Bank of the West.

KEY ISSUES AND IMPACTS

General Considerations: The interview panel considered the quality of each bank's proposal and interview, along with its service, costs, and references. Each bank that was interviewed met the City's requirements for financial strength and capability.

In the RFP, banks were required to list their references as well as clients lost within the last year. Client references for all of the banks were generally positive. However, the references for Wells Fargo and Bank of America were slightly more relevant given that their referenced clients were more comparable to the City of Oakland's transactional volume and service requirements.

Wells Fargo and Bank of America both have devoted significant resources in their commitment to serving the City. Locally, Bank of America and Wells Fargo have 12 and 11 branches in Oakland, respectively; Bank of the West has six branches. In addition, Wells Fargo and Bank of America participate on a significantly larger scale than Bank of the West in community involvement and charitable activities (some major examples are Wells Fargo's large Community Reinvestment Act ("CRA") commitments and grants from the Wells Fargo Foundation and Bank of America's West Oakland Block Building and Neighborhood Excellence initiatives). Wells Fargo has made \$1.5 million in charitable contributions to the City of Oakland. The top three banks all have CRA ratings of either "Outstanding" (Wells Fargo and Bank of America) or "Satisfactory" (Bank of the West).

Depository Services:

The recommendation for Wells Fargo is based on a number of factors, including the quality service and customer services it is able to provide, technology capabilities, a cost analysis, the bank's active involvement in and around Oakland, and streamlining both services (depository/custodial):

- *Quality of Services/Customer Service.* Each proposing bank showed that it can provide, with suitable customer service, the full range of banking and depository services currently utilized by the City, including accepting credit and debit cards, providing expedited lockbox processing of certain revenue streams, implementing electronic data transfer with anti-fraud measures, and providing direct deposit of payroll. The quality and timeliness with which they can provide these services were key staff considerations. As lockbox services are a basic component of required Treasury operations, it is important to note that all of the interviewed banks have their lockboxes located in either Fremont or San Francisco with the exception of Bank of the West lockbox site in Los Angeles, as a result, payments mailed from Oakland would likely be received and credited later than at a San Francisco-area lockbox. In addition, Wells Fargo and Bank of America will designate a customer service representative for each type of service, whereas, Bank of the West only has one customer service representative to service everything.

After careful examination and checking the bank's provided references, staff concluded that Wells Fargo could offer comparable banking services and was highly recommended for their customer service. For the last 15 years, Bank of America has been servicing the City but with the changing and restructuring in the banking industry, the City has experienced some decrease in the level of services they provide. For example, Bank of America has not been as pro-active in providing solutions to existing issues (i.e., lockboxes). Staff is confident that Wells Fargo can provide excellent service and can meet the City's banking needs.

- *Technology Capabilities/Record as Excellent Service Provider.* Wells Fargo and Bank of America are more advanced in terms of the technology they have in place compared to Bank of the West. Furthermore, Wells Fargo's and Bank of America's current technical capabilities and plans indicate that they are likely to be better positioned to provide additional services that staff anticipates implementing during the coming years (i.e., online payment, Check 21, E-Payables, etc.).

However, Wells Fargo is recognized in the banking industry as a leader in technologies with capacity to provide not only outstanding services but also to offer recommendations and products that could reduce cost and/or streamline internal processes. For example, allowing the City to have mixed deposits for cash vaults will result in savings of time and materials for the City, which Bank of America currently does not provide. Wells Fargo's Internet portal Commercial Electronic Office ("CEO") has won two awards, one being "2008 World's Best Internet Banks".

- *Pricing.* Among other criteria, staff carefully analyzed the specific service costs proposed by the three finalists. While Wells Fargo was not the lowest cost proposer, pricing alone was not the leading factor in forming staff recommendation to Council, in view of the quality, scope, and complexity of the required depository services. Indeed, the range and quality of Wells Fargo services more than outweigh the small pricing differentials. As a leader in technology, Wells Fargo will bring efficiencies and new solutions to the City's banking operations that will be more cost effective in the future.

- *Transition:* In their proposals, Wells Fargo has offered to waive all costs associated with the transition. Bank of America has offered the City a loyalty credit equal to three (3) months of fees for an approximate amount of \$55,000 to retain the contract.

- *Community Presence/Involvement.* As mentioned in the previous section ("Key Issues and Impacts"), Wells Fargo and Bank of America have both demonstrated a high level of commitment to Oakland, with major involvement in community development and improvement programs. Wells Fargo is one of America's financial contributors to non-profits. Since January 2008, Bank of America, Wells Fargo and Bank of the West has contributed \$1.9 million, \$1.5 million and \$414,113, respectively, to various organizations within the City of Oakland. As part of its focus on Oakland, Wells Fargo has sponsored building of homes at the Habitat for Humanity site in East Oakland, adopted classrooms

(Franklin Elementary School) through the Jr. Achievement Program and provided loans to Oakland Business Development Corporation.

- *Streamlining Depository and Custodial Services.* If Wells Fargo provides both depository and custodial services, the City will only need to use one internet portal (CEO) to perform both custodial and depository duties which relieves staff and employees the burden and time needed to switch between the different internet access, security and passwords. In addition, this reduces the cost of wiring fees associated with having two different banks and the time to perform these activities. Recognizing the importance of technology deployment to drive efficiencies, staff is confident that streamlining the process will provide cost reductions.

Safekeeping/Custodial Services: Security custody services were considered separately, since they are distinct from depository service, and need not be provided by the same banking institution. Two finalists offered custodial services: Wells Fargo and Bank of America. In considering a custodial service provider, staff analyzed all of the same considerations as with the depository service provider, including the range of services provided, quality/capability of customer service, technological capability, and pricing. All of the finalists demonstrated that they were capable of offering the services and customer support that the City would require. However, as with the depository services, Wells Fargo could provide more advanced technological capabilities than Bank of America.

As with staff's analysis for depository services, this recommendation for Wells Fargo is based on a number of factors, including its positive historical working relationship with the City, the quality and scope of services offered, and pricing. Wells Fargo is our current custodial service provider and has demonstrated excellent capabilities and customer service in that capacity. In comparison to Bank of America, Wells Fargo's technical platform is more sophisticated. In addition, Bank of America just recently started offering custodial services after acquiring LaSalle Bank Corporation in October 2007. The staff assigned to the City from Wells Fargo is local and Bank of America staff is out of state with a separate bank. When factoring in the intangible costs the City would face in transferring its services from Wells Fargo to another bank and the time needed from staff and other City employees, Wells Fargo is the best candidate.

Local/Small Local Business Enterprise ("L/SLBE") Program: Based on their branch(es) in Oakland, all of the banks interviewed fall within the "local" business definition of the City's L/SLBE Program. However, all of the banks confirmed that the centralized nature – and the extensive regulatory and security requirements – of both depository and custody services preclude their ability to subcontract their services as envisioned by the L/SLBE Program. After carefully evaluating each of these factors, staff agrees that subcontracting these essential services would be inappropriate and unrealistic. In order to obtain the necessary banking services for the City, staff requests that Council continue to waive the L/SLBE requirements. Note: the City deposits up to the FDIC amount allowed to local community banks that qualify under the Linked Banking Ordinance.

Living Wage Ordinance: Each of the banks confirmed that full compliance with the language of the City's Living Wage Ordinance would not be possible. Due to the extremely large number of different employees who could be involved with servicing the City's day-to-day cash handling, securities custody, and processing services, it would be extremely difficult, if not impossible, to identify all of the employees who would actually handle the work for the City. However, in all cases, the bank staff directly related to the City's accounts are in compliance with the Living Wage levels, and the banks each stated their willingness to comply as much as legally possible with the records-access requirements of the Living Wage Ordinance.

Therefore, in order to obtain the necessary depository and custodial services, staff requests that Council continue to waive the requirements of the ordinance.

Conflict of Interest: All of the interviewed banks indicate they are in compliance. However, Bank of America indicates that it is not feasible for them to commit for the life of the contract due to the magnitude and size of the bank.

Other City of Oakland Contract Conditions: All of the interviewed banks confirmed compliance with other contract conditions set by the City (Disabled Access and Non-Discrimination, Equal Benefits Ordinance, Non-Discrimination/Equal Employment Practices, City of Oakland Campaign Contribution Limits, and Nuclear Free Zone Disclosure).

Linked Banking Ordinance: All of the interviewed banks exceeded their 2008 Linked Banking lending goals and were pre-qualified for certification under the Linked Banking Ordinance.

Homeowner Foreclosures: All banks indicated they couldn't publicly release local foreclosure data information due to many factors including confidentiality issues, with the exception of Alta Alliance Bank who has no foreclosure activities in the City of Oakland. However, Bank of America has much more Real Estate Owned Properties ("REO") in the City of Oakland due to its acquisition of Countrywide compared to Wells Fargo. Also, on a national basis, Wells Fargo foreclosure rates are consistently lower than industry averages. The interviewed banks indicated they have programs to help address the foreclosure issues in the City of Oakland, but did not identify specific programs.

Attached to this report (Appendix A) are responses from all the banks addressing the foreclosure questions posed by the City through the RFP and addition questions staff had after reviewing each bank's proposal.

SUSTAINABLE OPPORTUNITIES

There is no impact to economic, environmental or social equity opportunities following actions under this report.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no impact to disability or senior citizen access following actions under this report.

RECOMMENDATIONS AND RATIONALE

Staff recommends that Wells Fargo be the City's depository service provider and custodial service provider for the next three years, commencing July 1, 2009, with options to renew thereafter for all of the reasons below:

Depository Services and Custody Services: Staff recommends entering into two new agreements for the separate portions of its banking services with Wells Fargo: (1) a new three-year depository services agreement with options to renew for two periods of one year each at the City's sole discretion and (2) a new three-year custodial services agreement with options to renew for two periods of one year each at the City's sole discretion. Three years is a reasonable minimum contract term, given the complexity of a full-range depository services agreement, the time and effort involved in soliciting new proposals, and the potential disruptions and costs involved with changing providers. At the same time, a three-year period will allow for timely reconsideration of the agreement, while the option for two one-year renewals will allow for limited extensions of the agreement if this is determined to be in the best interests of the City.

The recommendation for Wells Fargo is based on a number of factors as previously discussed:

- *Quality of Services/Customer Service*
- *Technology Capabilities/Record as Excellent Service Provider*
- *Community Presence/Involvement*
- *Streamlining Depository and Custodial Services*

Considerations in determining staff's recommendation for depository services and custodial services were based on a wide range of services offered, quality/capability of customer service, technological capabilities, and pricing. Furthermore, Wells Fargo is best suited to serve the City based on its proposal submissions, technological capabilities, interview presentations, and client references.

ACTION REQUESTED OF THE CITY COUNCIL

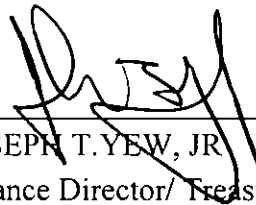
Staff requests that Council approve resolutions to:

- authorize a three-year agreement with Wells Fargo for the City's primary banking and depository services, beginning July 1, 2009, with the option of two renewals of one year each, at an annual cost not to exceed \$275,000; and

- authorize a three-year custodial services agreement with Wells Fargo for the City's security custodial services, beginning July 1, 2009, with the option of two renewals of one year each, at an annual cost not to exceed \$25,000.

In order to provide for these banking services, Council is requested to continue waiving the L/SLBE and Living Wage Ordinance requirements for both agreements, in view of the inability of any bidder to comply with these requirements. Furthermore, for both agreements, staff requests that the City Administrator be authorized to negotiate with the respective banks for additional services which may become available and/or appropriate, at costs deemed reasonable, provided that the total annual costs shall not exceed \$275,000 and \$25,000, respectively.


Respectfully submitted,



JOSEPH T. YEW, JR.
Finance Director/ Treasurer

Prepared by:
Katano Kasaine, Treasury Manager
Treasury Department

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator

APPENDIX A
HOMEOWNER FORECLOSURES

Homeowner Foreclosures

As you are aware, the City of Oakland is experiencing a high volume of foreclosures due to the slowdown of the economy. Does your institution have any programs in place to assist in mitigating the risk of homeowner foreclosures? If so, please describe these programs. Also, have your institution provided any assistance to homeowners in the City of Oakland and how many through these programs.

SEE ATTACHED RESPONSES FROM THE BANKS TO THE ABOVE QUESTION IN THE BANKING RFP (Bank of America, Wells Fargo, Bank of the West and Alta Alliance Bank)

In addition to the questions in the RFP question above, we have asked the banks to respond to the following questions:

1. Do you have any Oakland customers that are in foreclosures and how many?
2. Do you have any bank-owned properties in Oakland and how many.

Bank of America

Question # 1:

Yes, we do have Oakland customers that are currently in foreclosure proceedings. Bank of America is complying with all Federal and other regulations, including the current moratorium on foreclosure, and we are working with individuals to restructure mortgages wherever possible and according to prevailing legal conditions (evidence of income, affordability of any new repayment plans based on published guidelines, etc...). We cannot release the number of individuals or properties under proceedings however, or the number of properties that are past due / non-current on payment following consumer and bank privacy guidelines.

Question #2:

Bank of America's mortgage activities fall under 2 categories: mortgage loans originated by Bank of America, and those originated and/or serviced by Countrywide, which Bank of America acquired in 2008. Bank of America has 8 REO properties resulting from legacy loans. Countrywide has 141 properties which are currently listed as REO (and for which they are the mortgage servicing agent), but the large majority of these are actually owned by other investors (Wells Fargo and Bank of New York being the largest two). The REO properties

that are investor (not Bank owned) result from either loans they originated or loans that had been sold to them via securitizations or other transactions.

Countrywide's responsibilities and obligations as the servicing agent are governed by contractual representations.

Wells Fargo Bank

As it relates to local foreclosure data, Wells Fargo does not publicly release this information. Factors including the complexity of our business, the size and diversity of loans we service, and varying investor requirements make such measurements exceedingly difficult to quantify with the necessary detail to provide a meaningful response. Additionally, data such as this is of a highly confidential nature.

In comparing Wells Fargo's foreclosure rates to industry averages, we have consistently performed better than our peers. The table below clearly shows that on a national basis, our foreclosure rate has consistently been lower than the rest of the industry.

	Wells Fargo		Foreclosure Rate		
	Servicing Volume		Wells Fargo	Industry Avg.	
	(trillions)				
Q3 07	\$1.414	-----	0.66%	-----	0.84%
Q4 07	\$1.473	-----	0.88%	-----	1.18%
Q1 08	\$1.483	-----	1.02%	-----	1.34%
Q2 08	\$1.496	-----	1.06%	-----	1.32%
Q3 08	\$1.509	-----	1.22%	-----	1.58%
Q4 08*	\$1.781	-----	1.41%	-----	1.68%

*Q4 08 numbers include data from Wells Fargo and Wachovia combined.

Source: *Inside Mortgage Finance* (2007 - 2009)

Wells Fargo's Premier Asset Services markets REO properties for Wells Fargo. As of April 10, 2009, there were 33 REO properties being actively marketed by PAS in the City of Oakland. This information is easily obtainable by conducting a property search on our website: www.pasreo.com.

Bank of the West

NO RESPONSE

Alta Alliance Bank

- 1.) No, we do not have any Oakland customers in foreclosure
- 2.) No, we do not have any bank owned properties in Oakland

Response to City of Oakland, Request for Proposal for Banking Depository and Custodial Services

5. Homeowner Foreclosures

5. Homeowner Foreclosures

As you are aware, the City of Oakland is experiencing a high volume of foreclosures due to the slowdown of the economy. Does your institution have any programs in place to assist in mitigating the risk of homeowner foreclosures? If so, please describe these programs. Also, have your institution provided any assistance to homeowners in the City of Oakland and how many through these program.

As noted previously, in 2008 Bank of America modified nearly 230,000 home loans, representing more than \$44 billion in mortgage financing. Additionally, we modified nearly 850,000 credit card loans for borrowers experiencing financial hardship, donated \$200 million to non-profit institutions supporting critical community needs, and delivered more than \$450 million in loans and investments to Community Development Financial Institutions.

Bank of America recently announced that it will participate in the Making Home Affordable plan based on program guidelines released by the U.S. Department of the Treasury, extending new foreclosure prevention and refinancing options to eligible customers nationwide.

The company will offer the refinancing options available under the plan to customers with loans owned by Fannie Mae and Freddie Mac. Under the Making Home Affordable program, these agencies will provide loans as high as 105% of the property's value. The company will offer the Home Affordable Modification Program for its own loans and loans it services for Fannie Mae and Freddie Mac, as well as for all other investors unless their servicing contracts prohibit it.

"The affordability focus of the new loan modification plan is consistent with Bank of America's streamlined loan modification program launched last year. We have confidence in this new plan as it broadens the opportunity to help more homeowners," said Barbara Desoer, president of Mortgage, Home Equity & Insurance Services. "We appreciate that the Obama Administration and the U.S. Treasury have been working closely with leading mortgage servicers, mortgage insurers, industry representatives, consumer groups and other interested parties to develop these guidelines."

In January, under existing programs and commitments, Bank of America, the nation's largest mortgage servicer, completed nearly 39,000 loan modifications for customers who were experiencing financial challenges. The company has made a three-year commitment to offer loan modifications to as many as 630,000 customers, representing more than \$100 billion in mortgage financing. More than 5,900 associates are focused on home-retention efforts on behalf of Bank of America and Countrywide customers.

5. Homeowner Foreclosures

Wells Fargo makes every effort to contact consumers who appear to be at-risk in making their mortgage payments. We work with customers who fall behind on payments early, often, and typically up to the actual point of foreclosure to identify solutions that can help them avoid foreclosure. These efforts include letter writing and outgoing call campaigns. Our goal is to *strike the delicate balance in helping customers understand that we want to help them without appearing to be harassing.*

This proactive approach has been instrumental in our ability to assist customers. We reach 94 percent of our customers who are two or more payments past due. Of those, seven out of 10 work with us on a solution, and two decline our help. When these customers work with us, we have been able to help five of every 10 avert foreclosure.

Working with the U.S. Treasury, the Department of Housing and Urban Development, and others, we have led the development of industry-wide programs that delivered nearly 3.2 million solutions to U.S. homeowners from July 2007 through December 2008. During that same timeframe, Wells Fargo delivered more than 706,000 solutions to our own customers.

Earlier this year, Wells Fargo Home Mortgage announced the expansion of Leading the Way Home, a program to continually promote responsible lending, keep people in their homes, and help stabilize communities hit hard by foreclosures. Leading the Way Home includes comprehensive homeowner-assistance programs that stand alone as effective, solutions-oriented strategies to help customers. When combined, the full program delivers on our mission to improve economic vitality in the communities where we do business. This includes helping real estate agents, housing non-profits, and city officials understand how to cultivate homeownership opportunities by selling vacant and foreclosed properties to new owners, including first-time homebuyers.

One of the first foreclosure prevention events in California we attended was in Oakland in October 2007. Since that event, we've attended 10 others in Northern California, which have allowed us to directly counsel well over 200 customers who sought to find alternatives to foreclosure.

Well Fargo recently celebrated the grand opening of the Orchards on Foothill, an apartment complex for local seniors in Oakland's Lower San Antonio district near the Fruitvale neighborhood. The Community Lending Division of Wells Fargo provided a \$12.7 million construction loan for the project and will also provide the permanent financing of \$2.7 million.

The 64-unit one-bedroom apartment complex will provide affordable housing to low-income seniors and a Section 8 rental subsidy. Once a contaminated industrial site, the Affordable Housing Associates transformed the land into a vibrant, safe, and affordable community for seniors.

5. Homeowner Foreclosures

As you are aware, the City of Oakland is experiencing a high volume of foreclosures due to the slowdown of the economy. Does your institution have any programs in place to assist in mitigating the risk of homeowner foreclosures? If so, please describe these programs. Also, have your institution provided any assistance to homeowners in the City of Oakland and how many through these program.

The Bank has a very solid mortgage portfolio thanks to our prudent lending practices. At the end of the third quarter, the delinquency rate on our mortgage portfolio was less than 2% compared to the national delinquency rate for the industry of 6.99%. We did not make sub-prime or negative amortization mortgages or some of the other risky types of loans that got so many banks and consumers into trouble. We have always had a relationship banking style of doing business and in the mortgage business that has meant providing loan terms that are manageable to responsible borrowers who have the ability to repay. Our number of foreclosures fluctuates from month to month, but over the past two years, they have remained within a relatively narrow range. At the end of the third quarter, loans in foreclosure represented less than 0.5% of our portfolio.

Foreclosure Rate	Q308	Q307
National Average	1.07%	.78%
Bank of the West	Less than 0.5%	Less than 0.5%

We routinely reach out to our customers who fall behind on their payments in an attempt to work with them. We have several options to help mortgage customers. The bank unilaterally adopted a moratorium on certain foreclosure sales from November 26 through January 9 to give customers facing financial hardships a unique opportunity to work with us to find solutions that would help them stay in their homes. The bank's suspension of foreclosures applied to single-family, owner occupied properties that did not have mortgage insurance and were not FHA, VA or Rural Development Service mortgages.

Of equal importance is that we continue to lend to homebuyers and originate refinance loans. We are optimistic about the opportunities in the mortgage segment. In 2008 we funded on average more than \$150 million in mortgages each month.



BANK OF THE WEST

Homeowner Foreclosures

ALTA Alliance Bank does not have any Oakland customers in foreclosure. In addition, our bank does not have any bank owned property.

INTRODUCED BY COUNCIL MEMBER
OFFICE OF THE CITY CLERK
OAKLAND

APPROVED AS TO FORM AND LEGALITY
[Signature]
CITY ATTORNEY

2009 MAY 14 PM 6:36 OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING AN AGREEMENT WITH WELLS FARGO BANK TO PROVIDE PRIMARY DEPOSITORY SERVICES FOR THE CITY AT AN ANNUAL COST NOT TO EXCEED \$275,000

WHEREAS, the City on July 1, 1999, entered into an agreement with Bank of America to provide depository services for a period of three years, with subsequent renewals; and

WHEREAS, the City on July 1, 2005, entered into a new agreement with Bank of America to provide depository services for a period of three years, with annual renewals at the City's option; and

WHEREAS, the City on March 11, 2009, issued a Request for Proposals for depository services; and

WHEREAS, four banking institutions – Alta Alliance Bank, Bank of America, Bank of the West and Wells Fargo Bank – responded to this RFP; and

WHEREAS, a City selection committee, after considering the respective capabilities and quality and cost of service of these banks, has determined that Wells Fargo would provide the most cost-effective and highest-quality service; and

WHEREAS, Wells Fargo has indicated that it can provide the currently required services for an annual amount not to exceed \$275,000; and

WHEREAS, no bank's proposal fully met the specific requirements of the City's Local/Small Business Enterprise Program or the Living Wage Ordinance; now, therefore be it

RESOLVED: That the City Administrator be authorized to negotiate and execute an agreement with Wells Fargo to provide primary depository services for the City for a three-year period with two one-year options to renew, for an annual amount not to exceed \$275,000 for current service levels; and be it

FURTHER RESOLVED: That the City Administrator be authorized to negotiate with Wells Fargo for such additional banking services as he may from time to time deem appropriate, at costs which she shall deem reasonable, provided that such services, combined with existing services, shall not exceed an annual cost of \$275,000; and be it

FURTHER RESOLVED: That the City Council finds and determines that in order to secure these services it is in the best interest of the City to waive the requirements of the Local/Small Local Business Enterprise Program and the Living Wage Ordinance.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID AND PRESIDENT
BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the
Council of the City of Oakland, California

Date of Attestation: _____

FILED
INTRODUCED BY COUNCIL MEMBER
OFFICE OF THE CLERK
OAKLAND

2009 MAY 14 PM 6:36

APPROVED AS TO FORM AND LEGALITY

Frederick S. Kelly
CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING AN AGREEMENT WITH WELLS FARGO BANK, N.A. TO PROVIDE PRIMARY CUSTODIAL BANKING SERVICES FOR THE CITY AT AN ANNUAL COST NOT TO EXCEED \$25,000.

WHEREAS, the City on July 1, 1999, entered into an agreement with Bank of America to provide custodial banking services for a period of three years, with subsequent renewals; and

WHEREAS, the City on July 1, 2005, entered into a new agreement with Wells Fargo to provide custodial banking services for a period of three years, with annual renewals at the City's option; and

WHEREAS, the City, on March 11, 2009, issued a Request for Proposals for custodial services; and

WHEREAS, two banking institutions –Bank of America and Wells Fargo– responded to this RFP; and

WHEREAS, a City selection committee, after considering the respective capabilities and quality and cost of service of these banks, has determined that Wells Fargo would provide the most cost-effective and highest-quality service; and

WHEREAS, Wells Fargo has indicated that it can provide the currently required services for an annual amount not to exceed \$25,000; and

WHEREAS, no bank's proposal fully met the specific requirements of the City's Local/Small Business Enterprise Program or the Living Wage Ordinance; now, therefore be it

RESOLVED: That the City Administrator be authorized to negotiate and execute an agreement with Wells Fargo to provide primary custodial banking services for the City for a three-year period with two one-year options to renew, for an annual amount not to exceed \$25,000 for current service levels; and be it

FURTHER RESOLVED: That the City Administrator be authorized to negotiate with Wells Fargo for such additional banking services as he may from time to time deem appropriate, at costs which she shall deem reasonable, provided that such services, combined with existing services, shall not exceed an annual cost of \$25,000; and be it

FURTHER RESOLVED: That the City Council finds and determines that in order to secure these services, it is in the best interest of the City to waive the requirements of the Local/Small Local Business Enterprise Program and the Living Wage Ordinance.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID AND PRESIDENT
BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the
Council of the City of Oakland, California