

**RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT WITH US BANK, N.A. FOR BANKING SERVICES FOR A ONE-YEAR CONTRACT WITH FOUR (4) ONE-YEAR OPTIONS TO EXTEND, FOR A TOTAL AMOUNT NOT-TO-EXCEED \$350,000 PURSUANT TO AWARD UNDER RFP NO. HA-2023-5**

  
Douglas Guthrie  
President & Chief Executive Officer

  
Patricia Kataura  
Director of Finance

**Purpose:** The Housing Authority of the City of Los Angeles (“HACLA”) has a fiduciary responsibility to handle the public’s money according to federal and state laws. HACLA’s core banking services are provided by a single depository bank. Services include, but not limited to checking, depository, balance and transaction-reporting, stop payments, automatic clearing house (“ACH”) services, positive pay services, and lockbox services.

**Issues:** HACLA’s operational needs and regulatory requirements limit the pool of banks able to provide comprehensive banking services. HACLA’s bank deposits total approximately \$1.3 billion annually with a similar amount of disbursements issued to vendors and employees. Deposits come from a variety of sources, such as wire transfers, ACH payments, checks, and lockbox. Payments are also made in several different ways. This high level of financial activity and the need to provide safe and prudent stewardship of HACLA’s assets require a financial institution with experience providing banking services for large government entities. The banking services include “positive pay” to limit fraudulent check activity, timely processing of payroll and vendor payments, timely processing of deposits, an on-line banking system providing fund transfers, reporting and reconciliation, and technology that increases the efficiency of banking transactions, such as the use of the remote deposit scanner and document imaging. Pursuant to federal regulation, HACLA’s banking institution must also meet the requirement that all deposits in excess of FDIC insured amounts be collateralized.

The proposed contract provides for services costs that are based on volume of transactions processed. The services costs are then offset by an earnings credit provided by the bank based upon the average monthly balance maintained by HACLA. Staff anticipates its estimated expenditures over the next five years not to exceed \$350,000, or \$70,000 annually.

**Procurement:** On March 13, 2023, HACLA issued Request for Proposals HA-2023-5 (“RFP”) seeking proposals from qualified banking institutions for comprehensive banking services.

The RFP was advertised on the City of Los Angeles’ Regional Alliance Marketplace for Procurement (“RAMP”) website from March 13, 2023 to April 12, 2023, for a total advertisement period of thirty (30) days. In addition, an RFP notice was emailed to Section 3 registry businesses and additional vendors from a list provided by the Finance Department. Notices were also emailed to MBE/WBE organizations.

Proposals were received from JPMorgan Chase Bank, N.A., U.S. Bank, N.A. and Wells Fargo Bank, N.A. Each proposal was independently reviewed, evaluated, and scored by a three-

member panel (“Panel”) using the criteria stated in the RFP. All proposers were provided an opportunity to submit Best and Final Offers (“BAFOs”). Following review of the BAFOs, a consensus was reached that U.S. Bank, N.A. (“U.S. Bank”) represents a best value to HACLA, and should be recommended for award of a one-year contract with four (4) one-year options to extend, for a total contracting amount not to exceed \$350,000. Additional information regarding the proposals and their evaluations is included in the attached Summary of Procurement and Outreach.

**Vision Plan:** **PATHWAYS, Organizational Efficiency, Strategy #7 Identify opportunities to reduce operating and administrative costs so that scarce resources are maximized**

The RFP process promoted the desired competition resulting in aggressive pricing and additional interest earnings.

**Funding:** The Chief Administrative Officer confirms the following:

*Source of Funds:* Banking service costs are allocated to various Programs.

*Budget and Program Impact:* HACLA anticipates an annual expenditure of \$70,000 for banking services based upon an estimated volume of transactions. These expenditures are included in HACLA’s 2023 Operating Fund Budget and will be budgeted in subsequent years as required.

**Environmental Review:**

Approval of the Contract with U.S. Bank is exempt from CEQA and NEPA.

**Section 3:** Consistent with HACLA’s Section 3 Policy and RFP requirements, U.S. Bank committed to providing summer internships, access to scholarships, and financial literacy trainings.

An annual summer internship will provide students opportunities to explore careers in banking, credit analysis and finance. Students will also have access to U.S. Bank’s scholarship program. Additionally, public housing residents will receive annual financial literacy classes on a wide range of topics, to be customized for each community’s needs. The implementation of these programs will be coordinated between a U.S. Bank designee and HACLA’s Section 3 Compliance Administrator.

**Attachment:**

1. Summary of Procurement & Outreach Activities
2. Resolution

## Attachment No. 2

### SUMMARY OF PROCUREMENT AND OUTREACH ACTIVITIES RFP No. HA-2023-5 BANKING SERVICES

#### A. Funding Source

Federal       Non-Federal  Mixed Funding

#### B. Advertisement; Minority/Women Outreach

General Services advertised Request for Proposal No. HA-2023-5 for comprehensive banking services (the "RFP") on the Regional Alliance Marketplace for Procurement ("RAMP"), formerly LABAVN, a free service provided by the City of Los Angeles and the Los Angeles Business Council at: [www.rampla.org](http://www.rampla.org), starting on March 13, 2023, until the submission deadline of April 12, 2023, for a total of thirty (30) days. The RFP was viewed by seventy-eight (78) vendors. In addition, an RFP notice was emailed to Section 3 registry businesses and additional vendors from a list provided by the Finance Department. Notices were also emailed to MBE/WBE organizations (see below).

In support of the Housing Authority of the City of Los Angeles' ("HACLA")'s policy to contract with Minority-Owned Business Enterprises ("MBEs"), Women-Owned Business Enterprises ("WBEs") and Labor Surplus Area ("LSA") businesses, to the extent possible, on March 13, 2023, notice of this RFP was also provided to a List of Recognized Minority and Women-owned Business Organizations, and to the local office of the U.S. Small Business Administration ("SBA"). Please see the list below.

#### C. Pre-Proposal Conference

HACLA did not conduct an optional pre-proposal conference. However, proposers had the opportunity to submit any questions regarding the RFP.

#### D. Addenda

One addendum was issued on March 29, 2023, in response to questions received by the submission deadline of March 23, 2023. The purpose of the addendum was to respond to questions received, and provide additional clarifications to ensure the RFP's requirements were clearly understood.

#### E. Receipt of Proposals

The following three (3) proposals were received by the submission deadline of April 12, 2023:

PROPOSERS	
1.	JPMorgan Chase Bank, N.A.
2.	U.S. Bank, N.A.
3.	Wells Fargo Bank, N.A.

**F. Panel Review**

The Evaluation Panel (“Panel”) was comprised of three (3) subject matter experts. The Panel met three (3) times on April 18<sup>th</sup>, 20<sup>th</sup> and 27<sup>th</sup>, resulting in the following consensus scoring in the order of the top ranked proposer shown below:

PROPOSER NAME	INITIAL SCORES
U.S. Bank, N.A.	92.00
JPMorgan Chase Bank, N.A.	88.00
Wells Fargo Bank, N.A.	87.00

The Panel recommended that all three proposers be given an opportunity to submit a Best and Final Offer (“BAFO”).

**G. Best and Final Offers**

On May 1, 2023, HACLA sent BAFO requests to all three (3) proposers to provide them with a final opportunity to propose their best and final proposals, with a specific request that they each address Section 3 requirements and commitments. All proposers submitted a BAFO response by the deadline of May 5, 2023. The Section 3 and MBE/WBE Compliance Administrator reviewed and scored them with the increases in the Section 3 scores as follows: U.S. Bank and Wells Fargo Bank increased by four (4) points, and JPMorgan Chase Bank by one (1) point. In addition, through consensus, the Panel reexamined and adjusted their pricing factor scores with all three (3) proposers giving Chase and Wells Fargo one (1) additional point, which adjusted the overall total RFP criteria scores as shown below.

PROPOSER NAME	BAFO SCORES
U.S. Bank, N.A.	95.70
Wells Fargo Bank, N.A.	92.30
JPMorgan Chase Bank, N.A.	90.30

The Contracts Administration Manager has confirmed the scores. Interviews for this RFP were determined unnecessary.

**H. Recommendation for Awards**

The Panel unanimously recommends U.S. Bank for award of a comprehensive banking services contract of one-year with four (4) one-year options to extend, for a total contracting amount not-to-exceed \$350,000.

I. **Workforce Profile**

U.S. Bank submitted a Workforce Profile that reveals the following workforce composition:

COMPANY	EMPLOYEES
U.S. Bank, N.A.	Total: 67,600 22,041 minorities = 32.61% 38,626 women = 57%

### MBE/WBE ORGANIZATIONS MAILING LIST

1	American Indian Chamber of Commerce
2	Asian American Architects and Engineers Association
3	Asian Business Association of Los Angeles
4	Asian Business League of Southern California
5	Asian Pacific Islander Small Business Program
6	Black Business Association
7	Build Plus Community Marketplace
8	California Hispanic Chamber of Commerce
9	City of LA Bonding Program: Merriwether & Williams Insurance Services, Inc.
10	Greater L.A. African American Chamber of Commerce (GLAAACC)
11	Greater San Fernando Valley Chamber of Commerce
12	Korean American Chamber of Commerce
13	LA Metropolitan Hispanic Chamber of Commerce
14	Latin Business Association (LBA)
15	Los Angeles Area Chamber of Commerce
16	Los Angeles Latino Chamber of Commerce
17	Los Angeles Minority Business Enterprise Center USC (MBDA)
18	National Association of Minority Contractors
19	National Association of Women Business Owners Los Angeles
20	National Black Contractors Association
21	National Latina Business Women Association (NLBWA-LA)
22	Pacific Asian Consortium in Employment (PACE) Business Center
23	Pacific Coast Regional Small Business Development Corp (SBDC)
24	Regional Black Chamber of Commerce of San Fernando Valley
25	Regional Hispanic Chamber of Commerce
26	Small Business Majority
27	South Los Angeles Transit Empowerment Zone (SLATE-Z)
28	Southern California Black Chamber of Commerce
29	Southern California Minority Supplier Development Council
30	The New Ninth Business Resource Center
31	US Black Chamber of Commerce
32	US Veteran Business Alliance
33	Valley Economic Development Center/Women's Business Center
34	Vermont Slauson Economic Development Corporation
35	Vernon Networking Committee
36	Watts Community Development Corporation
37	Young Black Contractors Association

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT WITH US BANK, N.A. FOR BANKING SERVICES FOR A ONE-YEAR CONTRACT WITH FOUR (4) ONE-YEAR OPTIONS TO EXTEND FOR A TOTAL AMOUNT NOT-TO-EXCEED \$350,000 PURSUANT TO AWARD UNDER RFP NO. HA-2023-5**

**WHEREAS**, the Housing Authority of the City of Los Angeles (“HACLA”) requires comprehensive banking services (“Services”) provided by a single depository bank;

**WHEREAS**, on March 13, 2023, HACLA issued Request for Proposals (“RFP”) No. HA-2023-5 for the Services with three (3) proposals received by the April 12, 2023 submission deadline;

**WHEREAS**, the proposals were independently reviewed and evaluated by a panel with subject matter expertise based on the criteria set forth in the RFP;

**WHEREAS**, on May 1, 2023, HACLA sent Best and Final Offer (“BAFO”) requests to all three (3) proposers to provide them with a final opportunity to propose their best and final proposals, with a specific request that they each address Section 3 requirements and commitments;

**WHEREAS**, all proposers submitted a BAFO response by the deadline of May 5, 2023; and

**WHEREAS**, for the reasons set forth in the Report of the President and CEO of the same date herewith, the Board of Commissioners desires to authorize execution of a contract with U.S. Bank, N.A. to provide the Services for a one-year term with four (4) one-year options to extend, for a total contracting amount not to exceed \$350,000, pursuant to award under the RFP.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners authorizes the President and CEO, or designee, to execute a one-year contract with four (4) one-year options to extend with US Bank, N.A. to provide the Services, for a total contracting amount not to exceed \$350,000.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.

APPROVED AS TO FORM:

HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

BY: \_\_\_\_\_  
James Johnson, General Counsel

BY: \_\_\_\_\_  
Cielo Castro, Chairperson

DATE ADOPTED: \_\_\_\_\_