

BOARD OF ALDERMEN

ITEM NO. C(4)

AGENDA ITEM ABSTRACT

MEETING DATE: February 19, 2008

TITLE: Request to Approve a Two-Year Extension of the Banking Services Contract with Bank of America

DEPARTMENT: Management Services	PUBLIC HEARING: YES <input type="checkbox"/> or NO <input checked="" type="checkbox"/>
ATTACHMENTS: A. Resolution	FOR INFORMATION CONTACT: Nancy Emslie, Accounting Officer, 918-7306 Bing Roenigk, Assistant Town Manager, 918-7439

PURPOSE: Staff recommends that the Board allow the town to extend its current Banking Services Contract with Bank of America for an additional two years through February 28, 2010. This will allow Management Services ample time to research and initiate a full-scaled Request for Proposal (RFP) for banking services with Bank of America and other local banks in the Town of Carrboro.

INFORMATION: The current Banking Services Contract with Bank of America will expire on February 28, 2008. Staff has negotiated a two year renewal of the contract that includes a 25% discount of the fees the town is currently paying for services. In addition, the town can withdraw from this contract upon ninety (90) days written notice. In general, the department prefers to review banking services every five to seven years. However, with new auditing standards coming online, staff is consumed with putting policies and procedures in place to ensure adequate internal controls. Pursuing a request-for-proposal takes time and focus, requiring approximately six to nine months to implement new banking services.

FISCAL AND STAFFING IMPACT: By extending the current Banking Services Contract with Bank of America, the Town of Carrboro will benefit from a 25% price reduction of banking services fees, which is estimated to be approximately a \$1,200 savings for this fiscal year. The impact on staffing remains unchanged.

RECOMMENDATION: Staff requests that the Mayor and Board of Alderman approve the extension of the current Banking Services Contract with Bank of America.