

89. Approve amendment to the Operational Banking Services Agreement with Wells Fargo Bank relating to providing operational banking services with no change to the maximum contract amount and extending the agreement for a six-month period through November 1, 2024, that has been reviewed and approved by County Counsel as to form and legality. (LA-1) (ID# 24-4776)

April 1, 2024

ATTN: Board of Supervisors
Margaret Olaiya, Director, Finance Agency
County of Santa Clara
70 W. Hedding Street
San Jose, CA 95110

Re: Extension of Operational Banking Services Agreement Between Well Fargo Bank, N.A.
("Wells Fargo") and the County of Santa Clara (the "County"), dated November 1, 2020
(the "Contract")

Dear Board of Supervisors and Ms. Olaiya:

Wells Fargo is pleased to offer the County a six (6) month extension of the Contract. The Contract was previously extended by agreement between the County and Wells Fargo effective September 15, 2023, through April 30, 2024. If accepted by the County, the Contract will be extended May 1, 2024, through November 1, 2024.

Unless subsequently modified in accordance with the Contract, the Contract including all Exhibits A – D (which was previously modified in August 2022 by agreement between the County and Wells Fargo), will remain in effect through November 1, 2024.

If you agree, please sign and date this agreement letter below and return to me.

Thank you for your business and continued partnership with Wells Fargo. Please feel free to call me with any questions.

[Signature page Follows]

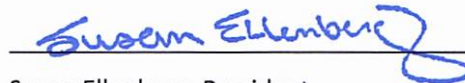
Approved: 04/16/2024

Sincerely,



Ray C. Juman
Managing Director
323-369-7682

Acknowledged and Agreed:
County of Santa Clara



Susan Ellenberg, President
Board of Supervisors

Date: APR 16 2024

Signed and certified that a copy of this
document has been delivered by electronic
or other means to the President, Board of
Supervisors.

ATTEST




Curtis Boone,
Acting Clerk of the Board of Supervisors

Date: APR 16 2024

APPROVED AS TO FORM AND LEGALITY

DocuSigned by:

 3/27/2024
Robert Fannon Date:
Deputy County Counsel



Levine Act Contractor Form:
Identification of Subcontractors and Agents
Completed form submitted to the County of Santa Clara is a public record.

<i>This Section to be completed by County Staff after Form is completed by Contractor:</i>	
Date of Board of Supervisors Meeting When Agreement/Amendment Will Be Considered:	April 16, 2024
Legislative File No.: 24-4776	

Instructions to Contractor for Completion of Form:

For any contract or grant/sponsorship agreement (including amendments) with the County of Santa Clara ("Agreement") that will be submitted to the County of Santa Clara Board of Supervisors for consideration, any party entering into the Agreement with the County ("Contractor") must:

- 1) Fill out Sections A, B, C, and D of this form.
 - a. For Section B, list any subcontractors identified in Contractor's solicitation/grant proposal and/or in Contractor's Agreement with the County ("Subcontractor").
- 2) Provide a separate Levine Act Subcontractor Form: Identification of Agents to each Subcontractor, if any, listed in Section B, and collect a completed form from each Subcontractor.
- 3) Provide this form and each completed Levine Act Subcontractor Form: Identification of Agents to the designated County of Santa Clara contract manager for this Agreement.

NOTE: This form is for the identification of Contractor's Subcontractors and agents only. If a Contractor, Subcontractor, or their agents have any campaign contributions they are required to disclose pursuant to the Levine Act, they must separately disclose those contributions. They may make such disclosures online at <https://www.sccgov.org/levineact>.

SECTION A – CONTRACTOR AND AGREEMENT INFORMATION

Contractor Legal Name
(include d/b/a if applicable): Wells Fargo Bank, National Association

Title or Short Description of Agreement: Banking Services Agreement

SECTION B – SUBCONTRACTORS FOR THIS AGREEMENT

Provide list of Contractor's Subcontractors for this Agreement:

	Name of Subcontractor(s):
1.	
2.	
3.	
4.	

If there are more than four Subcontractors, please submit a supplemental form. If attaching a supplemental form, check this box: ☐

If no Subcontractors, check this box: ☒

(Continue to page 2)



Levine Act Contractor Form:
Identification of Subcontractors and Agents
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SECTION C – CONTRACTOR’S AGENTS

Provide list of Contractor’s Agents (as that term is defined under Government Code section 84308 and California Code of Regulations section 18438.3¹⁾ for this Agreement:

	Name of Agent(s):	Name of Agent’s Firm (if applicable):
1.		
2.		
3.		
4.		
5.		
6.		

If no Agents, check this box: ☒

SECTION D – CONTRACTOR SIGNATURE

The undersigned declares that they are a representative of Contractor and are empowered to represent, bind, and execute contracts on behalf of the firm or individual. The undersigned declares that all statements in this Form are true and correct.

Mary Lou Lopez

Director

Printed Name

Title

Contractor’s Authorized Representative Signature

Date

¹ California Code of Regulations section 18438.3 states:

- (a) A person is the ‘agent’ of a party to, or a participant in, a pending proceeding involving a license, permit or other entitlement for use only if the person represents that party or participant for compensation and appears before or otherwise communicates with the governmental agency for the purpose of influencing the pending proceeding.
- (b) If an individual acting as an agent is also acting as an employee or member of a law, architectural, engineering or consulting firm, or a similar entity or corporation, both the entity or corporation and the individual are “agents.”
- (c) “Communication with the governmental agency for the purpose of influencing the proceeding” does not include:
 - (1) Drawings or submissions of an architectural, engineering, or similar nature prepared by a person for a client to submit in a proceeding before the agency if:
 - (A) The work is performed pursuant to the person’s profession; and
 - (B) The person does not make any contact with the agency other than contact with agency staff concerning the process or evaluation of the documents prepared by the official; or
 - (2) Purely technical data or analysis provided to an agency by a person who does not otherwise engage in direct communication for the purpose of influencing the proceeding.



24-4776

DATE: April 16, 2024

TO: Board of Supervisors

FROM: Margaret Olaiya, Director, Finance Agency

SUBJECT: Approve Fourth Amendment to Agreement with Wells Fargo Bank

RECOMMENDED ACTION

Approve amendment to the Operational Banking Services Agreement with Wells Fargo Bank relating to providing operational banking services with no change to the maximum contract amount and extending the agreement for a six-month period through November 1, 2024, that has been reviewed and approved by County Counsel as to form and legality. (LA-1)

FISCAL IMPLICATIONS

The agreement will be funded by the Board's approved appropriations for the Controller-Treasurer Department. The costs are charged to the earnings on the investment pool and allocated to each participant based on services used and average daily cash balances.

CONTRACT HISTORY

On October 20, 2020, the Board approved the Operational Banking services agreement with Wells Fargo Bank for a one-year period and directed the Administration to issue a new request for proposals (RFP), due to concerns regarding Wells Fargo Bank's social responsibility scorecard.

On August 17, 2021, the Board approved the first amendment to the Agreement with Wells Fargo Bank, increased the maximum contract amount by \$1,320,000 from \$1,320,000 to \$2,640,000, and extended the agreement for a 12-month period through October 31, 2022.

A new RFP was issued on February 23, 2021, augmented by a more robust section about corporate social responsibility as well as a more expansive section about fraud protection measures.

On August 30, 2022, the Board approved the second amendment to the Agreement with Wells Fargo Bank, increased the maximum contract amount by \$1,320,000 from \$2,640,000 to \$3,960,00, and extended the agreement for a 12-month period through October 31, 2023.

On September 27, 2022, the Board approved a new Operational Banking services agreement with JPMorgan Chase Bank, N.A.

On October 17, 2023, the Board approved the third amendment to the Agreement with Wells

Approved: 04/16/2024

Fargo Bank, increased the maximum contract amount by \$660,000 from \$3,960,000 to \$4,620,000, and extended the agreement for a six-month period through April 30, 2024.

REASONS FOR RECOMMENDATION AND BACKGROUND

The transition to the new operational banking services with JPMorgan Chase Bank occurred in July 2023. The majority of services and accounts have successfully transferred as of the writing of this report, but a small number of Wells Fargo bank accounts, including those utilized by Santa Clara Valley Healthcare (SCVH) remain. Some of these services may not be switched over by the time the current extension expires on April 30, 2024. Most of these accounts involve payments received from the State of California and traditionally take longer to transition. Additionally, both SCVH and Valley Health Plan need additional time to finalize the contract for merchant services, which will allow the establishment of credit card lockboxes with JPMorgan Chase Bank. The Administration recommends an additional six-month extension to the agreement with Wells Fargo Bank to close out all the accounts and to implement the needed deposit functions. There are no other changes to the terms and conditions.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

If the amendment is not approved, the County will have no contract for continued operational banking services with Wells Fargo Bank after April 30, 2024. The County may continue to receive banking services without a legally binding agreement, which may result in potential risk exposure for the County.

STEPS FOLLOWING APPROVAL

Upon execution of the agreement, the Clerk of the Board will electronically notify Wells Fargo Bank, attention Rayad Juman at rayad.juman@wellsfargo.com and Martina Dillon in the Controller-Treasurer Department, when executed documents are available.

ATTACHMENTS:

- Wells Fargo Extension
- Levine Act Contractor Form