



## Legislation Text

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**File #:** AI 13-2313, **Version:** 2

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### **Consider recommendation from the Finance/Administrative Committee to approve a contract with BBVA USA, for central depository services.**

#### RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 02-20-962 of the Edwards Aquifer Authority Board of Directors approving a contract between the EAA and BBVA USA, for central depository services for the period March 1, 2020 through February 28, 2022, with an option to renew for up to three additional one-year periods, and authorizing the General Manager to execute all necessary documents to effectuate the contract.

#### SUMMARY:

The purpose of this agenda item is for the board to consider a Finance/Administrative Committee recommendation to approve a depository services contract with BBVA USA. The current depository services contract with BBVA USA (formerly BBVA Compass) expires on February 29, 2020.

In preparation of issuing a Request for Proposal (RFP) for depository services, staff worked with Valley View Consulting throughout the development of the RFP and reviewing of proposals received. Valley View Consulting has many years of experience providing objective review services of central depository proposals submitted to public entities and has assisted the EAA in the previous three RFP processes.

Valley View Consulting worked closely with staff throughout the RFP process to:

- Analyze the EAA's historical bank service usage and balance records from bank statements.
- Review and discuss with staff the minimum banking services to be considered and the potential of additional banking services.
- Develop a list of potential banks.
- Contact the banks to confirm distribution information, describe process, and identify the designated recipient.
- Draft the RFP for review and approval by the EAA.
- Post the notice and advertise in the San Antonio Express-News, San Marcos Daily Record, New Braunfels Herald-Zeitung, Hondo Anvil Herald, Uvalde Leader-News, BidNet, and the State of Texas Electronic State Business Daily.
- Distribute RFPs to the 48 identified banks, none of which were M/WBEs.
- Hold a pre-proposal conference to clarify any RFP-related information or requirements.

The EAA received proposals from five banks: BBVA USA, BB&T (now Trust Bank), Frost Bank, Lone

Star National Bank, and Plains Capital Bank.

The evaluation of the proposals to determine the “best value” was based on, but not limited to the following criteria, in no particular order of priority:

- Ability to perform and provide the required and requested services;
- Reputation of Offeror and quality of services;
- Transition and retention offers;
- Cost of services;
- Funds availability;
- Interest paid on interest bearing accounts and deposits;
- Earnings credit calculation on compensating balances;
- Completeness of proposal and agreement to points outlined in the RFP;
- Convenience of location(s);
- Previous service relationship with the EAA;
- Financial strength and stability of the institution;
- Community Reinvestment Act (CRA) rating; and
- Physical presence in San Antonio, Texas.

BBVA USA demonstrated advantageous and proven services, capable and responsive staff support, reliability, cost effective pricing, competitive interest rates, a CRA rating of outstanding and convenient banking center access. Several competitive proposals were received; however, based on the evaluation of all proposals and consultation with Valley View Consulting, there would be minimal financial and no operational advantage or benefit that would warrant a move to another financial institution at this time.

Attached to this summary is a matrix prepared by Valley View Consulting that summarizes the criteria used to evaluate the proposals. Also attached is a draft resolution and order of the Edwards Aquifer Authority Board of Directors selecting BBVA USA as the EAA’s central depository, and the associated depository agreement, each of which has been reviewed by legal counsel.

At the January 28 meeting, the Finance/Administrative Committee voted to recommend the board adopt a resolution and order of the Edwards Aquifer Authority Board of Directors approving a contract between the EAA and BBVA USA, for central depository services for the period March 1, 2020 through February 28, 2022, with an option to renew for up to three additional one-year periods, and authorizing the General Manager to execute all necessary documents to effectuate the contract.

#### M/WBE PARTICIPATION:

BBVA USA is not an M/WBE vendor.

#### STRATEGIC PLAN REFERENCE:

This agenda item does not relate to a specific goal within the Strategic Plan, but supports the general

EAA mission.

FISCAL IMPACT:

Fiscal impact will be based upon interest earned and the rates received for investment transactions.