

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an increase to an existing contract with **Wells Fargo Bank N.A.** for custodial and trustee services for investment securities.

Backgrounder (if "yes," "See backgrounder information") No

Board Meeting Date: May 19, 2009

Project or Job Name: Custodial and Trustee Services

Project Contact: Cathy Bloom Ext. 3277

Purchasing Contact: Cheryl Golbek Ext. 3274

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$125,000

Additional \$ Previously Approved: \$40,000

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$40,000

Resulting Cumulative Total: \$205,000

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: RFP

If applicable, basis for exemption: _____

Term of Agreement: April 1, 2004 through December 31, 2009

Option to Renew? No.

Approval for purchases "as needed" for the life of the contract No

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

NARRATIVE:

The Board is being asked to approve an increase to an existing contract with **Wells Fargo Bank N.A.** for custodial and trustee services for investment securities held for reserve accounts and operating funds for fiscal year 2009.

EWEB is required to contract with a trustee to provide custodial services relating to our investment of funds of our cash and reserve accounts. This is a requirement based on bond covenants and an accounting pronouncement (GASB 40, Deposit and Risk Disclosure). In October of 2003, staff issued a Request for Proposal (RFP) for trustee services and selected Wells Fargo out of the two proposals based on price, level of service and references.

This request is to extend the contract another year. Over the next six months staff will reassess the appropriateness of issuing another RFP for these services. Currently the annual cost of these services for custodial services is \$15,000 for investments of reserves accounts held for utility operations and \$25,000 for trustee services for the reserve accounts for the bond reserves.

ACTION REQUESTED:

Staff requests Board approve an increase to an existing contract with **Wells Fargo Bank N.A.** for **custodial and trustee services for investment securities**. Funds for these services were budgeted for 2009.

SIGNATURES:

Project Coordinator: Cathy Bloom (see signature just below)

Supervisor: _____

Purchasing Manager: _____

Division Director: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____