

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of September 25, 2012

ITEM TITLE: *(Please define the subject; e.g., change order – Berkeley City College)*
Consider approval to establish a pool of small local community banks and institutions.

SPECIFIC BOARD ACTION REQUESTED:

Approval is requested to establish a pool consisting of three small local community banks and institutions for the District to utilize. These new accounts will be used to assist the District in managing and consolidating its treasury and cash management functions as well as engaging and partnering with local community members.

ITEM SUMMARY: *(PLEASE DISCUSS THIS ITEM)*

The creation of this pool of financial institutions will allow the District to begin consolidating many of its existing 98 bank accounts that are being used for various purposes and will make the current treasury and cash management processes more efficient and less cumbersome. The initial pool of financial institutions would comprise of: Bank of Alameda, Trans Pacific National Bank, and Blaylock Robert Van, LLC. These three firms were selected through a transparent and competitive Request for Information (RFI) process. It is intended that this pool will increase in number as firms who meet specified criteria are selected through the RFI process. Additionally, this item accomplishes the goals outlined by the Board of Trustees in Resolution #11/12-22 as approved on November 15, 2011.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

Not applicable.

BACKGROUND/ANALYSIS:

In November 2012 the Board of Trustees passed a resolution directing the Chancellor to provide to the Board of Trustees no later than January 31, 2012:

- A recommendation about how best to bring about a timely, efficient and responsible redirection of financial resources maintained, influenced or controlled by the District and its subsidiary organizations consistent with the spirit of this resolution's clauses and consistent with all legal and administrative requirements and necessities; and
- At the next quarterly report of the Retirement Board, provide a summary of actions taken to bring OPEB investments in line with socially responsible investment guidelines, consistent with best practices and prudent investment.

In response, at the January 24, 2012 Board meeting, the Administration provided to the Board a recommendation that would "bring about a timely, efficient and responsible redirection of financial resources" to the extent permitted by governing statutes and laws applicable to California Community Colleges. Specifically, it was recommended that the District go through a competitive and transparent process beginning with the release of a Request for Information (RFI). Through this RFI, the District would be able to select "community partners whose goals, mission, values and community presence align with those of the District." The timeline included in this recommendation called for the release of the RFI in February and close in April.

Consistent with the recommendation provided to the Board, the District prepared a RFI which was published on the District's website in late February and was formally publicized in local newspapers beginning March 6, 2012. The response period closed on March 30, 2012 for interested firms to submit requested materials.

The RFI language was taken directly from the Board resolution and with the addition of criteria that defined local (location within the county of Alameda) and "small local community bank." The defining language for "small local community bank" was taken directly from the FDIC's regulations.

After the RFI response period closed on March 30, 2012, the District only received 2 responses. In an effort to have a larger and more diverse pool, the District re-advertised the RFI beginning in May with the response period closing in June. In addition to re-advertising the RFI, the District also contacted local financial institutions to spur awareness and response to the RFI. At the closing of the second response period, 6 firms responded. The 6 firms that responded were: Bank of Alameda, Bay Commercial Bank, Blaylock Robert Van, Legacy Equity Advisors, Opus Bank, and Trans Pacific National Bank.

On July 11, 2012 a committee comprised of the Purchasing Director, the Laney College Business Manager, and the Vice Chancellor for Finance interviewed all 6 firms. Each interview was limited to 30 minutes and provided time for the firm to provide a history of the firm, overview of services offered, and answer questions posed by committee members. The criteria used by the committee members to evaluate the firms were: branch or office located within the County of Alameda, the added value of the services highlighted or offered, assessment of customer services that would be provided to the District, and the philanthropy and commitment to the community demonstrated. Based on the interviews and materials provided, the committee has forwarded 3 of the original 6 firms to the next phase of the process. The three firms forwarded and recommended for inclusion in the pool are Bank of Alameda, Trans Pacific National Bank, and Blaylock Robert Van, LLC.

DELIVERABLES/SCOPE OF WORK:

ANTICIPATED COMPLETION DATE:

Not applicable.

ALTERNATIVES/OPTIONS:

Not applicable

EVALUATION AND RECOMMENDED ACTION:

Approve the establishment a pool consisting of three small local community banks and institutions for the District utilize. The three firms to be included in this pool are: Bank of Alameda, Trans Pacific National Bank, and Blaylock Robert Van, LLC.

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ NO X

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (VICE CHANCELLOR)
VICE CHANCELLOR GERHARD

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 9/13/12

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 9/13/12

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 9/13/12

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____
Thuy T. Nguyen, General Counsel

Date: _____

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: *José M. Ortiz*
José M. Ortiz, Chancellor

Date: 9-18-12