

BOARD OF REGENTS
BRIEFING PAPER

1. AGENDA ITEM TITLE: Extension of Banking Service Contracts

MEETING DATE: June 7, 2018 Meeting of Investment Committee

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The System has several existing contracts for banking services (collectively the “Banking Service Contracts”). Services provided under these contracts include (1) cash management (Bank of America), (2) merchant services (Wells Fargo), (3) purchase cards (JP Morgan), and (4) payment gateway services (TouchNet). Each of the Banking Service Contracts are scheduled to expire between July 2018 and January 2019. The Office of Finance requests that the Board authorize the Chancellor to extend the term of each of the Banking Service Contracts for one year beyond their current expiration.

Extending the terms of the existing Banking Service Contract will allow the Office of Finance time to prepare a competitive solicitation for the cash management/financial services. The Office of Finance has not yet conducted a competitive solicitation for cash management/financial service in fiscal year 2018 due to the implementation of Workday. Competitive solicitation is time consuming and includes the preparation of a Request for Proposal, the development of evaluation criteria, and the appointment of an evaluation committee. Extending the Banking Service Contracts one year will allow the Office of Finance time to conduct a full and transparent competitive solicitation for cash management/financial services. An extension will also give the Office of Finance time to evaluate the full impact of Workday on the System’s banking needs and to explore structural changes to the management of the operating pool that might impact the System’s banking requirements.

Approval of this item constitutes a waiver of Board policy. Title 4, Chapter 10, Section 1, Subsection 8 of the *Board of Regents’ Handbook* provides that cash management/financial services shall be awarded for a period of up to seven years (a five year term, with a two year extension option). Extending the Banking Service Contracts an additional year will result in some of the contracts extending beyond the seven year period specified by Board policy.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Chet Burton, Chief Financial Officer, requests that the Board authorize the Chancellor to extend the term of each of the Banking Service Contracts for one year beyond the current expiration dates and execute any amendments to the Banking Service Contracts necessary to implement the extensions, upon approval as to form by System General Counsel.

4. IMPETUS (WHY NOW?):

Each of the Banking Service Contracts noted above are scheduled to expire between July 2018 and January 2019. Extending the terms of the existing Banking Service Contract will allow the Office of Finance time to prepare a competitive solicitation for the cash management/financial services.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- Access (Increase participation in post-secondary education)
- Success (Increase student success)
- Close the Achievement Gap (Close the achievement gap among underserved student populations)
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- Research (Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile)
- Not Applicable to NSHE Strategic Plan Goals

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

N/A

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Better understanding of the banking relationships and the impacts from Workday
- Better alignment of the banking RFP with the future operating pool structure that the Staff is still working on

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- The Board may deem an extension is not warranted at this time.

8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Committee may direct System Administration staff to immediately proceed with an RFP to competitively make a contract award prior to the expiration of the existing contracts.

9. RECOMMENDATION FROM THE CHANCELLOR’S OFFICE:

That the Board authorize the Chancellor to extend the term of each of the Banking Service Contracts for an additional year beyond their current expiration and execute any amendments to the Banking Service Contracts necessary to implement the extensions, upon approval as to form by System General Counsel.

10. COMPLIANCE WITH BOARD POLICY:

- X Consistent With Current Board Policy: Title #__
 - Amends Current Board Policy: Title #_____ Chapter #_____ Section #_____
 - Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #_____
- Other: __Approval of this item constitute a waiver of Board policy. Title 4, Chapter 10, Section 1, Subsection 8 of the *Board of Regents’ Handbook* provides that cash management/financial services shall be awarded for a period of up to seven years (a five year term, with a two year extension option). Extending the Banking Service Contracts for an additional year will result in some of the contracts extending beyond the seven year period specified by Board policy.
- - Fiscal Impact: Yes _____ No _____
Explain: _____