

RFP for Banking & Merchant Services

Proposal Addendum for City of Murrieta

June 25, 2025

Cynthia Rockwell
Purchasing & Contracts Coordinator
1 Town Square
Murrieta, CA 92562

Dear Cynthia:

On behalf of JPMorgan Chase Bank, N.A., (J.P. Morgan), thank you for the opportunity to present our response to the City of Murrieta's (the City's) Request for Proposal (RFP) for Banking and Merchant Services on March 10, 2025. It has been our distinct privilege and pleasure to engage in conversation with the City over the last several months to refine our proposal in a Best and Final Offer (BAFO) process.

We offer the following as clarifications/updates to the original terms of our proposal dated 3/10/25:

- 1) Purchase card rebates in alignment with the grid on p. 268 of RFP response. Additional rebate can be earned by either paying faster (up to +14 bps additional) and/or implementing JPMorgan's virtual card solution. Our virtual card solution is a leader in the market and on average, we grow program spend of +189% versus other banks. In short, we would be happy to help the City drive spend adoption resulting in increased rebate revenue.
- 2) Ability for armored car fees to be included in account analysis.
- 3) Adjustment of the contract term from 3 years with 2, 1-year extensions, to 5 years with 2, 1-year extensions
- 4) Expansion of the account analysis fee waiver from 9 months or \$6,000 (whichever comes first) to 12 months valued at \$8,000 (whichever comes first)
- 5) Revision of the Hybrid DDA interest offered to the City to:
 - a. 3.85% on balances of \$110M or greater
 - b. 3.75% on balances over \$75M
 - c. 3.50% on balances below \$75M

As discussed, our goal would be to maintain a dialogue so that we are aligned with the City's plans in terms of liquidity management. Similarly, the bank manages its rates actively and the above rate offerings are subject to adjustment based on market conditions. While consistency is our goal, our approach is to assess trends over time and adjust accordingly in the context of an open dialogue with the City.

- 6) In addition to the City's Banking Services Bid Form included in Exhibit A of our RFP response, we had included a Pricing Proforma in Appendix 3 which included pricing for some elements that could not be included in the Bid Form. We have attached an updated proforma that excludes the cost to insure the balances ("Balance Based Charges" on page 3 of the proforma in the amount of \$11,753.42). The City

still will be paying this pass-through cost to insure deposits, however this cost (approximately 13 basis points) was already deducted from the Earnings Credit Rate (ECR) we originally offered of 2.92%. In other words, our ECR offering is essentially 3.05% but is 2.92% minus that cost. Hopefully this should make it easier to compare total monthly banking fees across bank proposals. JPMorgan's estimated monthly banking fees based on volumes provided are approximately \$700.

We stand ready to answer any questions or provide any additional clarifying information needed. Please do not hesitate to contact me should the need arise.

Sincerely,



Veronica Villasenor

Relationship Manager

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