



Agenda Item:

66

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 03/28/05
05-141

Communication No.:

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Merrill Stanley, Finance Director

SUBJECT—

Authorization to submit Request for Proposals (RFP) for Banking and Custodial Services.

SYNOPSIS—

The City currently uses Bankers Trust for commercial banking and custodial services for the deposit, safekeeping, and withdrawal of its cash and investments. The current banking and custodial services contract expires September 30, 2005.

FISCAL IMPACT—

Authorization of the RFP has no fiscal impact. Current banking and custodial services cost approximately \$100,000 per year, deducted from overall City interest earnings prior to the allocation of those interest earnings to the appropriate City funds and accounts.

RECOMMENDATION—

Approval

BACKGROUND—

The City's two primary bank accounts generate approximately 7,000 checks each month to vendors and employees, for a monthly amount of \$22,700,000. The RFP stipulates a contract for

a three-year term, with one three-year renewal option. Minimum requirements for responding banks are:

- 1) Federally or State chartered
- 2) Federally insured
- 3) Community Reinvestment Act rating of “Satisfactory” or higher.
- 4) At least one full-service branch located within the city limits.
- 5) Collateral security provided consistent with State law.

A three-member committee, appointed by the Mayor, will determine the number of points to be awarded for the Community Investment category. A four-person selection committee (Treasurer, Deputy Controller, Treasury Manager, and Park and Recreation Services Manager) will evaluate proposals on the following basis, with the ratings combined to determine the total points awarded:

<u>Evaluation Category</u>	<u>Weight</u>
Availability and quality of services points	30
Community Investment Bank stability (financial and organizational) points	25 points 5
Technology points	5
Pricing and conversion costs points	<u>35</u>
Total points	100

Following is the approximate timeline currently in place for completing this process:

Council consideration of RFP	Monday, March 28, 2005
RFP notice published/proposals mailed	Wednesday, March 30, 2005
Mandatory pre-bid conference	Tuesday, April 26, 2005
Proposals due	Monday, May 16, 2005
Council consideration of staff recommendation	Monday, July 25, 2005
Anticipated effective date of contract	October 1, 2005

The timeline includes several weeks for the evaluation of proposals to allow additional time to score, on a comparable basis, complicated banking services proposals. The anticipated effective date of the contract will depend upon the conversion/implementation requirements between the City and the selected bank.

Staff recommends excluding from the RFP those accounts used for deposits from City-owned swimming pools and aquatic centers because the employees making the deposit of cash should

be permitted to travel the shortest possible distance to a bank. Therefore, these accounts should remain with whichever bank is physically closest to the pool or aquatic center.