

**MEMORANDUM
FINANCE DEPARTMENT**

TO: Thomas Thomas, City Manager
SUBJECT: Banking Services Contract

Number: 011 - 13
Date: 08-01-12

The City's current banking services contract expires September 30, 2012. On May 18th, a Request for Proposal for Banking and Related Services was mailed to institutions that expressed an interest in working with the City of Rock Island as well as banking institutions identified through online searches and telephone listings. Proposals were received back on June 22nd from ten vendors/institutions. Contrary to prior years when vendors/institutions bid on the contract as a whole, the RFP was divided into six sections in an attempt to get the best service and financial deal for the City of Rock Island for each area of the banking service contract. Each section is to be awarded separately, though they were also considered in whole as well. As in prior years, a selection committee was created to review the responses, interview finalists, and recommend the best option. This selection committee was comprised of six City staff members, four of which were from the Finance Department. After reviewing the proposals from the ten vendors, the selection committee narrowed the vendors/institutions to six. Individual meetings were then held with each of the six vendors/institutions to go over the specifics of the proposals. Attached is a summary of the submitted proposals for all six sections for which contracts will be awarded.

Staff Recommendation:

The Finance Department recommends that the City Council approve the selection of American Bank and Trust Company, N.A. and JP Morgan Chase Bank N.A. and authorize the Finance Department to negotiate agreements.

The negotiated contracts will be presented to Council for approval.

Submitted by: Banking Services Selection Committee comprised of:
Robert Graff, Fire Captain
Benjamin McCleary, Assistant to City Manager
Ryan, Finance Intern
Jaymie Lum, Auditor
Don Reichert, Budget Coordinator
Cynthia Parchert, Finance Director

Approved:

	American Bank & Trust	Blackhawk Bank & Trust	JP Morgan	Wells Fargo	Promotion Support Service (PSS)	PFM	E'lan	First Midwest	Midwest One	Bank of America
Section 1: Banking Services										
Cost	22,700	N/A	33,916	21,903						
Staff Comments	Recommended Vendor	Vendor was unable to meet City's minimum banking requirements (i.e. - did not offer controlled disbursement)	Eliminated vendor due to cost; other vendors offered similar services at a more competitive price	Staff liked the vendor's proposal and costs were competitive. However, it was concluded that the cost of setting up new accounts and moving the business would exceed any savings identified.	Vendor did not bid on this service	Vendor did not bid on this service	Vendor did not bid on this service	Vendor did not bid on this service	Vendor did not bid on this service	Vendor did not bid on this service
Section 2: LockBox Services										
Cost	12,584	17,626	22,964	16,413	13,578					
Staff Comments	Recommended Vendor	Vendor was unable to meet City's minimum banking requirements (i.e. - did not offer controlled disbursement)	Eliminated vendor due to cost; other vendors offered similar services at a more competitive price	Eliminated vendor due to cost; other vendors offered similar services at a more competitive price	They are the recommended vendor, but American Bank and Trust will be subcontracting to them and providing the City with a cost advantage	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service
Section 3: Purchasing Card										
Cost	(13,825)		(27,500)	4,900		(13,500)	(3,400)			N/A
Staff Comments	Other Vendors offered better online product at a more competitive purchase rebate	Vendor didn't bid on this service	Recommended Vendor	The City would not have enough purchases to qualify for the rebate program	Vendor didn't bid on this service	Other Vendors offered similar or better online product at a more competitive purchase rebate	Other Vendors offered similar or better online product at a more competitive purchase rebate	Vendor didn't bid on this service	Vendor didn't bid on this service	Other Vendors offered similar or better online product at a more competitive purchase rebate
Section 4: Merchant Card										
Cost	39,309	bid not complete	37,469	38,158				bid not complete	37,116	bid not complete
Staff Comments	Other vendors offered better online product at a more competitive price	Other Vendors offered more complete and competitive solution	Recommended Vendor	Recommended vendor offered similar product at a more competitive price	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Other Vendors offered more complete and competitive solution	Other Vendors offered more complete and competitive solution	Other Vendors offered more complete and competitive solution
Section 5: Loans										
Cost	11,024									
Staff Comments	Recommended Vendor	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service
Section 6: Printing & Mailing										
Cost	18,174	30,084	22,416	N/A	18,174					
Staff Comments	Recommended Vendor	Recommended vendor offered similar product at a more competitive price	Recommended vendor offered similar product at a more competitive price	Vendor did not provide a complete service	They are the recommended vendor, but American Bank and Trust will be subcontracting to them	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service	Vendor didn't bid on this service