



# Corporate

NO: R203

# Report

COUNCIL DATE: October 21, 2002

<b>REGULAR</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>October 10, 2002</b>
FROM:	<b>General Manager, Finance, Technology &amp; HR</b>	FILE:	<b>1220-20</b>
SUBJECT:	<b>Banking Financial Services</b>		

## RECOMMENDATION

That the General Manager, Finance Technology & HR be authorized to negotiate a contract for banking services with RBC Financial Group.

## INTENT

The intent of this report is to provide Council with the results of the RFP and to seek authority to enter into a five-year contract with the financial institution that best meets the existing and prospective banking requirements of the City.

## BACKGROUND

The City's current five year financial services agreement with the Canadian Imperial Bank of Commerce ('CIBC') expired September 1, 2002. The City has since obtained a month-to-month extension to accommodate the RFP process, convert to a new bank, and acquire the appropriate approvals.

This contract includes both core and enhanced services. Core services include regular deposit and chequing clearing facilities, bank statements and daily on-line account balances. Enhanced services vary with the institution but will normally include the provision to accept and process property tax and utility payments (lockbox service), the ability to accept credit card payments and the custody of our investment securities.

In anticipation of the expiry date, the City issued an RFP on May 31, 2002 to identify a financial service provider that could not only provide a competitive bid but also provide solutions towards automating many of the City's financial processes.

## DISCUSSION

The RFP was sent to 28 potential suppliers of which the following 4 responded:

RBC Financial Group

Scotia Bank.

Canadian Imperial Bank of Commerce

TD Evergreen

## Evaluation

The analysis was carried out by an Evaluation Committee comprised of Property Tax, Purchasing, PRC, Fire and Information Technology staff. The Committee considered these proposals based separately on core, existing and prospective new services. Proponents presented their proposals and provided clarification as required. The Committee used a comprehensive evaluation process including quantitative and qualitative criteria based on Management (20%), Technical (50%), and Financial (30%).

### *Management and Technical*

Evaluation criteria for these categories included the ability to automate processes, experience in the industry particularly with municipalities, growth capacity and the ability to meet the City's required functionality. The RBC Financial Group has extensive experience in this area and is currently providing services to the Township of Langley and the City of Burnaby, RBC Financial Group led in both the Management and Technical categories.

### *Financial*

The submissions included many costs related to existing and proposed banking services. To appropriately compare the services provided by each proponent, core categories were evaluated. Where a per-item charge was provided, the evaluation team extended the charge over our 2001 volumes. RBC Financial Group was the lowest price, with an annual cost of approximately \$157,500 per year for basic banking, credit card, lockbox and investment security custodial services.

## CONCLUSION

Based on the objective evaluation criteria, RBC Financial Group has emerged as the preferred service provider. In accordance with the City's Purchasing Policy, we recommend the City award the five-year Financial Services Agreement to RBC Financial Group.

Vivienne Wilke, CGA,

General Manager,

Finance, Technology & HR