

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MAY 19, 2015
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	RFP15-05 FINANCIAL BANKING SERVICES

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer:

- a) The proposal submitted by The Bank of Nova Scotia, 255 Queens Ave, Suite 1200, One London Place, London, Ontario, N6A 5R8 for Financial Banking Services at their submitted rates, for a five (5) year period, with an option to renew for an additional five (5) year period, **BE ACCEPTED**; it being noted that the proposal submitted by The Bank of Nova Scotia scored the highest overall during the evaluation and their financial proposal was the most competitive of the four received;
- b) That Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- c) That approval hereby **BE GIVEN** conditional upon the Corporation entering into a formal contract relating to the subject matter of this approval;
- d) The Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, in a form or forms acceptable to the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, to give effect to the above recommendations.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Banking Services and Commercial Card Agreements – Contract Extension, March 24, 2015, Corporate Services Committee

BACKGROUND

The Bank of Nova Scotia (Scotiabank) is the current provider of financial banking services to the City and the contract was set to expire April 30, 2015. To ensure continuity of banking services during the Request for Proposal (RFP) process described below, staff received Council approval for an extension.

The City sought proposals from financial institutions to obtain comprehensive full line banking services for a term of five (5) years, with an option to extend for up to an additional (5) five years. The City also wanted to review alternatives to expand upon current banking services being used to achieve more cost effective and efficient delivery of service by adopting new technologies.

Procurement Process

A RFP was issued in January 2015 for the Financial Banking Services. A pre-bid meeting to respond to inquiries was held on January 29, 2015 with representation from four (4) financial institutions. Upon the closing date of February 20, 2015 all four (4) financial institutions submitted a proposal response; the financial institutions who responded to the RFP are as follows:

- CIBC
- The Royal Bank of Canada
- Scotiabank
- The Toronto-Dominion Bank

The Evaluation Committee consisted of representation from Financial Services, Financial Systems and Financial Planning and Policy with the guidance of Purchasing and Supply. The evaluation followed a three stage process, as follows:

- Stage One: Financial Banking Service Requirements
- Stage Two: Presentation and Interview
- Stage Three: Financial Proposals

The Stage Three Financial Proposals were submitted by proponents in a second sealed envelope and kept secure by Purchasing and Supply. Once the Evaluation Committee had verified that proponents met the minimum requirements for this stage, the sealed envelopes were opened.

Due to the quality, thoroughness and creativity of proposal submissions and presentations received, all four proponents advanced to the third and final stage. Scotiabank submitted the most competitive financial proposal. Based on the RFP evaluation criteria, Scotiabank also scored the highest combined total (for Stages One, Two & Three) and is recommended for award.

Discussion

Banking services are essential to the daily operations of the City and have direct impact on costs and service levels. Through the RFP process, the City was looking for solutions that incorporated recent technological banking developments to improve efficiency and reduce cost. Proponents were invited to present innovative solutions and provide concrete examples on how these objectives could be achieved and/or costs reduced while maintaining current service levels. The City’s specific objectives listed in the RFP were as follows:

- i) To provide all general banking services and other specific requirements;
- ii) To utilize and apply existing and new technologies to help streamline day-to-day banking processes while ensuring the security, integrity and confidentiality of banking information;
- iii) To obtain timely and responsive customer services including timely reporting and prompt issue resolution;
- iv) To implement technological improvements where practical and as new services become available;
- v) To provide value added services to improve the efficiency and effectiveness of the City’s banking practices and processes.

Administration will be exploring a number of opportunities identified during the RFP process.

Financial Impact

Based on current monthly account balances and monthly banking fee structures, it is estimated that the City will experience increased revenue of approximately two million dollars and cost savings of two hundred and forty-thousand dollars over the initial five (5) year contract period.

Acknowledgements

Members of the RFP Evaluation Committee, including Annette Ripepi, Darren Hack, Emily Schinbein, Jamie Pietarinen, Melissa McErlain and Terri-Sue Wyatt, assisted with the creation of this report.

SUBMITTED BY:	CONCURRED BY:
SHARON SWANCE MANAGER, ACCOUNTING FINANCIAL SERVICES	ANNA LISA BARBON DIRECTOR, FINANCIAL SERVICES
RECOMMENDED BY:	
MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES & CITY TREASURER, CHIEF FINANCIAL OFFICER	