## REPORTS

**Minute No. 228 Award of Contract for Banking Services for the City of Winnipeg - FP No. 1664-99 File GL-9 (Vol. 19)**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the administrative recommendation and recommends to Council that the contract with the Royal Bank of Canada for Banking Services be extended for the three-year period of May 1, 2003 to April 30, 2006 for the total estimated amount of $1,044,000.00.

**Minutes - Executive Policy Committee - April 23, 2003**

DECISION MAKING HISTORY:

Moved by Councillor Eadie,
That the administrative recommendation be concurred in and forwarded to Council.

Carried

REPORT

**RE: AWARD OF CONTRACT FOR BANKING SERVICES FOR THE CITY OF WINNIPEG. RFP No. 1664-99**

**FOR SUBMISSION TO:** EXECUTIVE POLICY COMMITTEE

**ORIGINAL REPORT SIGNED BY:** CHIEF FINANCIAL OFFICER

**REPORT DATE:** April 8, 2003

**RECOMMENDATION(S):**

That the contract with the Royal Bank of Canada for Banking Services be extended for the three-year period of May 1, 2003 to April 30, 2006 for the total estimated amount of $1,044,000.

**REPORT SUMMARY:**

**Key Issue(s):**

Involves the approval of a multi year contract for banking services for the City.

**Implications of the Recommendation(s):**

**Implications**

| | |
|---|---|
| | **None** |
| | **For the organization overall and/or for other departments** |
| | **For the community and/or organizations external to the City** |
| X | **Involves a multi-year contract** |

**Comment(s):**

**Policy Implications**

| | |
|---|---|
| X | **No** |
| | **Yes** |

**Comment(s):**

**Environmental Implications:**

| | |
|---|---|
| X | **No** |
| | **Yes** |

**Comment(s):**

**Human Resources Implications:**

| | |
|---|---|
| X | **No** |
| | **Yes** |
| | **Comment(s):** |

**Financial implications**

| | |
|---|---|
| X | **Within approved current and/or capital budget** |
| | **Current and/or capital budget adjustment required** |
| | **Comment(s):** |

## REASON FOR THE REPORT:

Only Council can approve an award of Contract when the contract commits the City for multiple years.

## HISTORY:

A Request for Proposal (RFP) for Banking Services was issued in January 2000 after the City was unable to negotiate an extension of the existing contract at that time with the Bank of Montreal. Through the RFP process, the Royal Bank was awarded the City's Banking Services Contract for the period May 1, 2000 to April 30, 2003. Included in the RFP was an option to renew the contract for up to 2 additional 3 year periods, subject to mutual agreement as to compensation.

## DISCUSSION:

In December, 2002 the Royal Bank provided a proposal to the City outlining a fee schedule for the 3 year period from May 1, 2003 until April 30, 2006. Subsequent to the proposal being received, the City undertook an analysis of current banking practices including recent tendering processes of other government entities. Based on this analysis and additional meetings with representatives from the Royal Bank, the Administration believes the most recent offer received from the Royal Bank on March 20th represents good value to the City for banking services. It is important to note the City has enjoyed a very productive relationship with the Royal Bank over the past 3 years as the City has moved towards an electronic banking environment. The Royal Bank has assured they will continue to work with the City over the next 3 years to further develop this environment. The Corporate Finance Department believes the Royal Bank has the necessary skills and resources to perform the work outlined in the Contract for Banking Services.

**FINANCIAL IMPACT STATEMENT:**

**Project Name:** Award of Contract for Banking Services For the City of Winnipeg

Date: April 8, 2003 First Year of Program **2003**

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | | | | | |
| Less: Existing Budgeted Costs | | | | | |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | | | | | |
| Debt - External | | | | | |
| Grants (Enter Description Here) | | | | | |
| Reserves, Equity, Surplus | | | | | |
| Other - Enter Description Here | | | | | |
| Total Funding | $ - | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ 232,000 | $ 348,000 | $ 348,000 | $ 116,000 | $ - |
| Less: Incremental Revenue/Recovery | | | | | |
| Net Cost/(Benefit) | $ 232,000 | $ 348,000 | $ 348,000 | $ 116,000 | $ - |
| Less: Existing Budget Amounts | 232,000 | 348,000 | 348,000 | 116,000 | |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments: The cost of banking services is estimated to average $29,000 a month or $348,000 annually.**

"Original signed by Carrie Erickson"

Manager of Finance and Administration

**IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:**

Materials Management Division of Corporate Finance

**THIS REPORT SUBMITTED BY:**

Corporate Finance Department
Financial Services
Prepared by:  Garry Steski , Manager of Financial Services
File No.