Agenda – Executive Policy Committee – July 11, 2012

REPORTS

Item No. 11 Award of Contract – Banking Services for the City of Winnipeg

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Contract for the Provision of Banking Services for the City of Winnipeg for the period from May 1, 2012 to April 30, 2017, be awarded to Royal Bank of Canada, the responsive Bidder submitting the most advantageous offer. The estimated amount of the contract is $1,725,981 plus MRST and GST.

2. That the Chief Financial Officer be delegated the authority to award up to four future multi-year contracts for banking services, each contract not to exceed five years in duration and the Chief Financial Officer's monetary award limit.

ADMINISTRATIVE REPORT

Title: **Award of Contract for the Provision of Banking Services for the City of Winnipeg - RFP 841-2011**

Critical Path **Executive Policy Committee, Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Provencher, Manager of Financial Services B. Adams, Superintendent of Treasury	J. Ferrier, City Treasurer	M. Ruta CFO	D. Joshi COO

RECOMMENDATIONS

1. That the Contract for the Provision of Banking Services for the City of Winnipeg for the period from May 1, 2012 to April 30, 2017, be awarded to Royal Bank of Canada, the responsive Bidder submitting the most advantageous offer. The estimated amount of the contract is $1,725,981 plus MRST and GST.

2. That the Chief Financial Officer be delegated the authority to award up to four future multi-year contracts for banking services, each contract not to exceed five years in duration and the Chief Financial Officer's monetary award limit.

REASON FOR THE REPORT

As the total conditional amount of the contract to be paid by the City is estimated to be $1,725,981 and the contract is for a purchase that obligates the City to expenditures on future budgets that is subject to annual approval of monies in a budget approved by Council, Council may approve the award of the contract.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding is available in the corporate bank services charges budget account. The contract is for a 5-year period with the option of the City to extend the contract for mutually agreed upon five-year periods. The purchase of financial services falls outside of the scope of the Materials Management Policy (B1.2).

In the scope of work under D2.3 and D2.4 of the Request for Proposal (RFP), it was stated that the contract is subject to annual approval of monies in a budget by Council and that the City reserves the right to alter the type or quantity of work performed under the contract, or to terminate the contract upon 90 days written notice.

HISTORY

The Royal Bank of Canada is the current provider of banking services to the City of Winnipeg. While the Request for Proposals provided for a five year contract commencing June 1, 2012, this report recommends a five year contract for the period May 1, 2012 to April 30, 2017 because the current contract expired on April 30, 2012. In the interim, the Royal Bank of Canada agreed to extend the current pricing until September 30, 2012.
RFP 841-2011 closed April 10, 2012 with proposals being received from CIBC Global Transaction Banking/CIBC Mellon Trust ("CIBC"), Toronto Dominion/CIBC Mellon Trust ("Toronto Dominion") and Royal Bank of Canada.

Proposals were evaluated based on the following criteria:

- Compliance with the requirements of the RFP — Pass/Fail
- Qualifications of the bidder — Pass/Fail
- Total Proposal Price — 40%
- Banking Services Plan — 60%

The Royal Bank of Canada received the highest score for the Banking Services Plan and received the highest score overall.

As per section B16 Negotiations of the RFP, the City reserved the right to negotiate details of the contract with any Bidder. B16 further provides that if a Bidder amends or modifies a Proposal after the Submission Deadline, the City may consider with amended Proposal as an alternative to the Proposal already submitted without releasing the Bidder from the Proposal already submitted. The City of Winnipeg has negotiated with the Royal Bank of Canada for improvements to its proposal.

The Proposals submitted by CIBC and Toronto Dominion were potentially non-responsive but no recommendation to that effect is included in this report because neither were the highest scoring bidder.

The Contract Administrator is satisfied that Royal Bank of Canada has the necessary experience and resources to perform the Contract satisfactorily and in accordance with the requirements of the RFP.

The requirements for proposal and performance securities were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Standard FM-002.

The Proposal from Royal Bank of Canada is valid until July 9, 2012 but an extension will be requested prior to that date.

The Royal Bank of Canada is the responsible and qualified Bidder which has submitted the most advantageous offer.

FINANCIAL IMPACT

Financial Impact Statement — Date: June 29, 2012

Project Name: — **First Year of Program 2012**

Award of Contract for the Provision of Banking Services to the City of Winnipeg - RFP 841-2011

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants					
Reserves, Equity, Surplus					
Other -					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 246,240	$ 369,360	$ 369,360	$ 369,360	$ 369,360
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 246,240	$ 369,360	$ 369,360	$ 369,360	$ 369,360
Less: Existing Budget Amounts	246,240	369,360	369,360	369,360	369,360
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The estimated amount of the contract is $345,196 per year or $28,766 per month, plus MRST and GST. Note the amounts above include 7% PST; GST is not included as the City receives 100% rebate of this tax.
2. The costs for 2012 were prorated based on May 1, 2012 start of the contract.
3. The costs for 2017 total $123,120 to the end of the contract (April 30, 2017).
4. This contract is funded through Corporate Finance Department - Corporate Accounts.

(Original signed by F. Dela Cruz for R. Abeysekera)

R. Abeysekera
Manager of Finance - Campus Depts.
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

Legal Services
Materials Management

SUBMITTED BY

Department:	Corporate Finance
Division:	City Treasury
Prepared by:	R. Provencher, Manager of Financial Services, B. Adams, Superintendent of Treasury
Date:	June 29, 2012
File No.	841-2011