



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2011-0393

TO: Mayor and City Council Members
FROM: Kurt A. Dawson, Director of Assessing/Treasury
DATE: September 6, 2011
SUBJECT: Banking Services

REQUEST:

City Council is requested to authorize the award of the contract for banking services to Bank of America, Troy, Michigan in the amount not-to-exceed \$126,000.00 through September 2014 and further authorizes the Mayor to execute a contract on behalf of the City.

REASON FOR PURCHASE:

The City's banking services include general account, depository, retail lockbox, cash vault, disbursement, reconciliation, ACH, EDI payment, web accounts, wire transfers, electronic deposit, remote deposit, electronic ACH home-payment concentrator, on-line reporting, payee positive pay and investment services.

The City solicited Request for Proposals for banking services. Ten (10) banking institutions responded to the RFP and the banking services proposals were evaluated by representatives of the Treasury, Assessing, Fiscal and Accounting staff. A review and analysis was conducted with regard to: legal and other qualifications; completeness of the proposal; caliber of customer service; financial strength, availability of products; and total cost to the City.

Bank of America, was selected because their banking products and services met the City's needs. Their bank fees were the most competitive and represent a 45% reduction in fees. The not-to-exceed amount of \$126,000.00 includes volume variables over the next three (3) years.

The banking services agreement contains a renewal clause, which may be used for an additional two year period under the same terms and conditions, thereby providing for up to five (5) years of banking services. Therefore, in 2014, the administration would return to the City Council for the additional two year contract extension, if it is in the best interest of the City at that time.

PROCESS:

Vendor Name and Address:

Bank of America, N.A.
2600 West Big Beaver Road
Troy, Michigan 48084

Reason for Selection:

Best value to the City of Rochester Hills.

Method of Purchase:

Contract

BUDGET:

No staffing or budget impact. Below is the allocation of the annual budget estimates for banking service fees over the three-year contract period. These expenses will be included as part of the Treasury Budget under professional services.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
General Fund	253.801000	Professional Serv.	18,000.00	14,000.00	4,000.00
Sewer Dept.	510.801000	Professional Serv.	18,000.00	14,000.00	4,000.00
Water Dept.	530.801000	Professional Serv.	18,000.00	14,000.00	4,000.00

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize the award of a contract for banking services to Bank of America, Troy, Michigan in the amount not-to-exceed \$126,000.00 through September, 2014 and further authorizes the Mayor to execute the contract on behalf of the City.



APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		