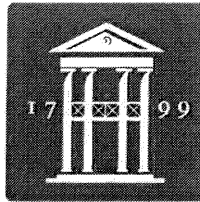


ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



ITEM #11
FINANCE
01-23-13

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

**HISTORIC
FRANKLIN
TENNESSEE**

January 23, 2012

TO: Members of the Budget & Finance Committee
FROM: Eric Stuckey, City Administrator
Russ Truell, ACA/CFO
Mike Lowe, Comptroller
RE: Discussion of Banking and Related Services RFP Process

Purpose

The purpose of this item is to discuss the timeframe for conducting a request for proposals (RFP) for banking and related services.

Background

The City last conducted a banking services RFP in 2009. Pinnacle Bank was awarded the contract based on their ability to provide banking services for the City and the combination of their fees for services and their interest rate paid on our cash balances. The contract was awarded for one year, with three one-year extensions. The final extension period ends June 30, 2013.

It has been the policy of the City to enter a procurement process every four to five years, in order to 1) give local financial institutions the opportunity to bid on City business, and 2) to allow the City to take advantage of any changes in the marketplace, including new and better services and more cost-effective interest rates and fee schedules.

Financial Impact

The current interest rate on cash balances is 0.60%. It is possible, even likely, that any proposal we receive in a new RFP process would be lower than the rate we currently receive.

Reviewing the dates of the RFP process in 2009, the Finance Department is proposing the following dates in 2013, essentially a month earlier to allow more time for implementation. [Note: because of the coordination of banking services with utility billing & cashing software, the City will ask for the ability to delay implementation by up to six months to allow for the integration of bank & City software programs.]

| | <u>2009 Actual</u> | <u>2013 Proposed</u> |
|----------------------------|--------------------|----------------------|
| RFP Solicitation Issued | April 3, 2009 | March 1, 2013 |
| Proposal Returned | May 1, 2009 | April 1, 2013 |
| Award Made (BOMA Approval) | June 23, 2009 | April 23, 2013 |
| Implementation Date | July 1, 2009 | July 1, 2013 |

Options

Unless committee prefers an RFP process be delayed, the Finance Committee will work with the Purchasing Office on the RFP process utilizing the recommended dates.

Recommendation

Staff recommends approval of the RFP process with the proposed dates.