



MEMORANDUM

May 18, 2010

TO: Board of Mayor and Aldermen

FROM: City Administrator Eric S. Stuckey
Assistant City Administrator Russell Truell
Purchasing Manager Brian Wilcox

SUBJECT: Consideration of award to Fifth Third Bank of Nashville, TN for custodial services for non-pension investments for the year beginning July 1, 2010, plus up to three (3) one-year options to extend, for the Finance Department, and authorize staff to negotiate final terms (Purchasing Office Procurement Solicitation No. 2010-031; \$25,000.00 Budgeted In 110-85520-41500 for FY2010; FY2011 budget not yet approved)

Purpose

The purpose of this procurement is to select a financial institution for the provision of custodial services for non-pension reserves and temporarily idle funds for the year beginning July 1, 2010, plus up to three (3) one-year options to extend.

Background

The Finance Department is now obtaining custodial services for non-pension investments based on a relationship that was established several years ago. The Finance Department recommends that the City choose a financial institution for the provision of these services starting July 1, 2010 that is based on a competitive selection process conducted this year.

Financial Impact

The City published on April 8, 2010 a Notice to Proposers in the *Williamson Herald* for custodial services for non-pension reserves and temporarily idle funds. In addition, solicitation documents were sent on or about the same date directly to thirty (30) potential proposers known or thought to be interested in this solicitation. Proposals from two (2) vendors were publicly opened at the submittal opening held on April 29, 2010. A tabulation of the proposals received for this solicitation is attached. Points were awarded by each member of the proposal evaluation team based on the selection criteria published in the City's Request for Proposals. The proposal ranked highest by the proposal evaluation team is from Fifth Third Bank of Nashville.

Options

In accordance with the solicitation documents, the City reserves the right to reject any and all proposals.

Recommendation

Staff recommends that:

1. BOMA accept and approve the proposal ranked highest by the proposal evaluation team, from Fifth Third Bank of Nashville, for the provision of custodial services for non-pension reserves and temporarily idle funds; and
2. BOMA authorize staff to negotiate with Fifth Third Bank of Nashville the final terms for the provision of these services.



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

Purchasing Manager Brian Wilcox is of the opinion that the prepared solicitation documents as distributed allowed for competition among multiple vendors, and that the staff recommendation appears to be made in a fair and impartial manner based upon the proposals received.

Tabulation of Proposals*

Purchasing Office Solicitation No.:		2010-031 (custodial services for non-pension investments)					
Notice to Proposers published in the <i>Williamson Herald</i> on:		4/8/10					
Number of vendors that were notified of that responded to this request for proposals:		30 / 2					
Date and time proposals due and publicly opened:		4/29/10 2:00 PM					
Present at opening of proposals:		Matt Reinders of the City of Franklin Finance Department; and Brian Wilcox of the City of Franklin Purchasing Office					
Target meeting of BOMA at which recommendation will be considered:		5/25/10					
Proposals received from:		Proposal No.:	Description of proposal	Does the proposer take any exceptions to the City's requirements?	Average points awarded by proposal evaluation team (out of a possible 100):	Payment terms:	Proposal is valid and may be accepted through:
Fifth Third Bank 424 Church St., 6th Floor Nashville, TN 37219 Gayle Pearl, VP 615/687-3095		1 of 1	custodial services for non-pension investments	Yes	93	net 30 days from date of invoice	10/31/10
Regions Bank d/b/a Regions Morgan Keegan Trust 315 Deadrick St. Nashville, TN 37238 Sandy Birdsong, VP, Business Development 615/736-6755		1 of 1	custodial services for non-pension investments	No	66	net 30 days from date of invoice	06/30/10

¹MOES indicates "meet(s) or exceed(s) specifications"

*Shaded proposal is the proposal found by the proposal evaluation team to best meets the needs of the City

Fifth Third

Factors	Possible Evaluator			Evaluator			Evaluator		
	Points	No. 1	No. 2	No. 3	Average	No. 1	No. 2	No. 3	Average
Net cost of fee structure.	40	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Financial strength of institution & record of complying with regulations.	10	8	10	10	10	10	10	10	10
Institution's ability to mark-to-market for custodian-held and customer-held investments.	10	8	10	10	10	10	10	5	5
Accessibility online of performance and financial market analysis tools.	20	15	20	20	20	20	20	18	18
Number of statistical analysis functions available for investment performance.									
Number of statistical analysis functions available for portfolio data.									
Number of statistical analysis functions available for financial market data.									
Ability to establish a financial market benchmark vs. portfolio over time.									
Number and quality of online account & report customization options.	10	8	10	10	10	10	10	10	10
Number of printable graphing options and <i>at a glance</i> portfolio graphics.									
Appearance of printed reports & ability to exporting reports as PDF.									
Ability to export & import investment data.	10	8	10	10	10	10	10	8	8
Direct linkage with financial software (Microsoft Dynamics).									
Total possible points:	100	87.00	100.00	100.00	91.00	91.00	100.00	92.67	92.67

Note:

The allocation of points for the net cost of fees was calculated mathematically and applied uniformly to all three evaluators' scoresheets. The methodology was as follows: for both providers, (1) the net cost of fees was calculated for various balances; (2) a probability distribution was applied to the likelihood of the different balances occurring; and (3) the ratio of the sum of those probable costs was applied to the possible points available for cost of fees.

Regions

Factors	Possible Evaluator			Average
	Points	No. 1	No. 2	
Net cost of fee structure.	40	21.03	21.03	21.03
Financial strength of institution & record of complying with regulations.	10	7	10	10
Institution's ability to mark-to-market for custodian-held and customer-held investments.	10	8	10	5
Accessibility online of performance and financial market analysis tools.	20	15	20	15
Number of statistical analysis functions available for investment performance.				
Number of statistical analysis functions available for portfolio data.				
Number of statistical analysis functions available for financial market data.				
Ability to establish a financial market benchmark vs. portfolio over time.	10	8	5	5
Number and quality of online account & report customization options.				
Number of printable graphing options and <i>at a glance</i> portfolio graphics.				
Appearance of printed reports & ability to exporting reports as PDF.				
Ability to export & import investment data.	10	8	5	5
Direct linkage with financial software (Microsoft Dynamics).				
Total possible points:	100	67.03	71.03	61.03
				66.36

Note:

The allocation of points for the net cost of fees was calculated mathematically and applied uniformly to all three evaluators' scoresheets. The methodology was as follows: (1) the net cost of fees was calculated for various balances; (2) a probability distribution was applied to the likelihood of the different balances occurring; and (3) the ratio of the sum of those probable costs was applied to the possible points available for cost of fees.