

Banking Services Contract Update

Presented to the Seattle City Council
Government Performance & Finance Committee
Department of Finance & Administrative Services
December 5, 2012

Banking Services Overview

- Seattle uses a competitive process to select a financial institution to provide us with basic banking services.
- Seattle uses this institution to deposit City revenue, and to pay all of our bills (e.g., payroll, expenses for capital projects and power costs from BPA).
- State law essentially limits us to use only the largest financial institutions.

Bank Selection Process

- The City of Seattle issued a Request for Proposal for Bank Services on June 29, 2012.
- Besides asking how they'd meet our usual general banking, disbursement, electronic fund transfer and other service needs, we asked proposers to demonstrate their social responsibility:
 - Serving the unbanked, under-banked, and lower-income residents,
 - Providing home and small business loans, and
 - Preventing foreclosures & supporting community development.

Bank Minimum Qualifications

- “Outstanding” rating on its most recent Community Reinvestment Act assessment.
- Minimum of 10 years experience & main branch within Seattle city limits.
- Capital structure of at least \$300 million & overdraft protection up to \$120 million.
- Legally chartered by either the federal or state government, and complies with all applicable city, state and federal laws, rules and regulations.
- Insured by the Federal Deposit Insurance Corporation or National Credit Union Association.
- Conforms to National Automated Clearinghouse rules.
- Provides same day availability of deposited funds.

Responses

- The City of Seattle received four responses to its Bank Depository Services RFP:
 - Bank of America
 - Union Bank
 - U S Bank
 - Wells Fargo
- All proposals met the mandatory qualifications and minimum requirements.
- Proposals evaluated by a City team composed of management, functional, and technical professionals.

Proposal and Demonstration Scoring

<i>Category</i>	<i>Max Points</i>
● Management Response	150
● Products and Services Response	350
● Socially Responsible Banking	150
● Security Response	100
● Pricing & Fees	150
● Inclusion Plan	100
● Total Proposal Score Potential	1,000
● Vendor Demonstrations	100
● Total Overall Score Potential	1,100

Evaluation Results

<i>Rank</i>	<i>Vendor</i>	<i>Overall Score</i>
1	Wells Fargo	868
2	US Bank	858
3	Bank of America	740
4	Union Bank	580

Opportunities and Enhancements*

- Socially Responsible Banking Details:
 - Bank will report annually on its record of community involvement and investment.
 - Bank will continue participating in the “Bank On” program, offering accessible services to traditionally under-served populations.
 - To provide consistent communication, bank will assign a single point of contact for the Office of Economic Development business lending and partnership program, and the Office of Housing home ownership program.

****Pending - Contract still under negotiation***

Opportunities and Enhancements*

- Socially Responsible Banking Details:
 - Bank will support United Way King County's Free Tax Preparation Campaign.
 - Bank will provide financial education & payroll cards for Summer Youth Employment participants.
 - Bank will participate annually in at least one outreach and education event dealing with distressed home mortgages and other home mortgage topics.
 - Bank will participate in City-sponsored small business events.

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Next Steps

- Complete contract negotiation by Dec. 31, 2012.
- Install a no-fee cash machine in City Hall.
- Migrate to electronic deposit of checks.
- Implement agreed upon socially responsible partnership opportunities.