



	Approved	Denied
Date Action Taken:	8/9/10	
Other:		
Verified by:	<i>Hornite</i>	

WASILLA CITY COUNCIL ACTION MEMORANDUM

AM No. 10-20B

TITLE: AUTHORIZATION OF A FOUR YEAR CONTRACT AND AWARD OF BID FOR BANKING SERVICES TO WELLS FARGO BEGINNING AUGUST 1, 2010, THROUGH JULY 31, 2014.

Agenda of: August 9, 2010
Originator: Finance Director

Date: July 26, 2010

Route to:	Department	Signature/Date
	Chief of Police	
	Recreational and Cultural Services Manager	
	Director of Public Works	
X	Finance Director	<i>[Signature]</i> 7-26-10
X	Deputy Administrator	<i>[Signature]</i>
X	City Clerk	<i>[Signature]</i>

REVIEWED BY MAYOR VERNE E. RUPRIGHT: *[Signature]*

FISCAL IMPACT: yes \$ or no

Funds Available yes no

Account name/number:

Attachments: Proposal No. 0503-0-2010/JJ Score Sheet (1 p)

SUMMARY STATEMENT: In accordance with WMC 5.08.120, on May 3, 2010, the City of Wasilla issued Request for Proposal No. 0503-0-2010/JJ for banking services.

Proposals were received from three institutions: Wells Fargo Bank, First National Bank Alaska, and Key Bank. Following a thorough review of the three proposals to ensure each was responsive and responsible, a committee of four scorers (Director of Finance, Controller, Public Works Director and Director of the Meta Rose Public Library) scored the proposals.

On June 11, 2010 the proposals were scored on firm experience, fee structure, experience of the institution and its representative assigned to the City, methodology/approach, communication and response from up to five references. The following table lists the scores:

<u>Institution</u>	<u>Score</u>
Wells Fargo	193
First National Bank Alaska	181
Key Bank	171

On June 21st and 22nd, 2010 the committee interviewed the top two banks; Wells Fargo Bank and First National Bank Alaska and rescored these two banks on the same criteria with the additional onsite interview questions being key factors. The following table lists these scores:

<u>Institution</u>	<u>Score</u>
Wells Fargo	313
First National Bank Alaska	297.5

One of the key components to scoring this RFP were the fees charged for banking services, custody and safekeeping of the investment portfolio, and merchant services. Annual cost for banking services between these two banks are within \$1,000 of each other with Wells Fargo Bank Alaska being the higher. Wells Fargo Bank is willing to waive the banking service fee portion of the contract for the first year, with years two through four assessing charges according to the RFP response, which makes First National Bank Alaska cost the higher of the two. The below table represents the total cost for banking services:

<u>Institution</u>	<u>Annual Cost</u>	<u>1st year Cost</u>	<u>Year 2-4 Cost</u>	<u>Total Cost</u>
Wells Fargo	\$7,892	\$-0-	\$23,676	\$23,676
First National Bank Alaska	\$6,993	\$6,993	\$20,979	\$27,972

Merchant services and trust services are the two other components of the RFP that were scored. The table below describes these annual costs:

<u>Institution</u>	<u>Merchant Services</u>	<u>Trust Services</u>	<u>Total Cost</u>
Wells Fargo	\$722	\$3,600	\$4,322
First National Bank Alaska	\$1,724	\$2,450	\$4,174

Combining all three services (banking services, merchant services and trust services) the table below indicates Wells Fargo Bank providing the City's required services at a lower cost:

<u>Institution</u>	<u>Banking Services</u>	<u>Merchant & Trust</u>	<u>Year 1 Cost</u>	<u>Year 2-4 Cost</u>	<u>Total Cost</u>
Wells Fargo	\$7,892	\$4,322	\$4,322	\$36,642	\$40,964
First National Bank Alaska	\$6,993	\$4,174	\$11,167	\$33,501	\$44,668

STAFF RECOMMENDATION: Council is requested to authorize the award of a four-year contract for banking services to Wells Fargo Bank. The contract will be effective August 1, 2010 and is a four-year contract with an option to renew for two (2) additional one (1) year terms. The continuation of the new contract beyond the current fiscal year is subject to and contingent upon sufficient funds being appropriated, budgeted and other wise made available by the Wasilla City Council. The City may terminate this contract, and Wells Fargo waives any and all claim(s) for damages, effective immediately upon receipt of written notice if for any reason the funding from the City is not appropriated or is withdrawn.

Approve the adoption of AM No 10-20.

Proposal No. 0503-0-2010/JJ Score Sheet	Wells Fargo	1st National
Institution Experience & Bank Stability – Experience of the Banking Institution – 10 points	40	37
Number of years professional banking experience, number of years of direct experience with a government entity, rating from Bauer Financial, Inc.		
Primary Contact – Experience of the Banking Official assigned to the City - 10 points	37	40
Number of years as a banking officer for a government entity and banking experience as outlined in 4.2.2		
Methodology/Approach – 10 points	38	34
The methodology and approach should describe the philosophy that will be used in servicing the City’s banking requirements. The Institution should highlight the institution’s strengths and describe the preferred method(s) of communication including face to face meetings, teleconferencing or e-mail. The methodology should be described in sufficient detail to demonstrate familiarity with this type of governmental banking services and should identify areas where the institution can add value. The approach should be used to suggest innovations that can be applied by the finance department to help make government more efficient.		
Technology – 10 points	39	34
Points will be awarded based upon the level of technology employed by the institution to service the City’s requirements.		
Communication – 5 points	15	19
Based upon the written proposal of each institution.		
Community Involvement – 5 points	19	20
The level community involvement by the lending institution including sponsorships of local non-profit events, donations and other community events that enhance the quality of life for the citizens of the City of Wasilla.		
Reference Questionnaire Responses – 10 points	16	14.5
Points will be awarded for each reference questionnaire received up to a maximum of five responses. 2 points for each positive questionnaire received will be awarded.		
TOTAL	204	198.5

Fee Structure – Charge to the City for banking services – 20 points	36	37
Fee(s), the more reasonable the cost, the higher the number of points assigned.		
Overnight Repurchase Rate – 20 points	73	62
The higher the rate, the higher the score. Note:Conflict of interest, financial stability and response from Section 5.1.2. will be scored on a pass/fail basis.		
TOTAL	109	99
COMBINED TECHNICAL AND FINANCIAL SCORES	313	297.5