

cityofnovi.org

# CITY of NOVI CITY COUNCIL

**Agenda Item C**  
**January 26, 2009**

**SUBJECT:** Approval of award of banking services proposal to Fifth Third Bank with an estimated annual cost of \$20,500 for a three year period with two one-year renewal options.

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:** *[Signature]*

<b>EXPENDITURE REQUIRED</b>	<b>\$20,500</b>
<b>AMOUNT BUDGETED</b>	<b>\$28,100</b>
<b>APPROPRIATION REQUIRED</b>	<b>None</b>
<b>LINE ITEM NUMBER</b>	<b>101-253.00-802.100</b>

**BACKGROUND INFORMATION:**

The City solicited three proposals from financial institutions with appropriate ratings (“A” ratings by rating agencies, and other financial organizations) and with on-line software services to provide the City’s bank services. Staff evaluated the proposals based on software application capabilities, ease of use, fee structure, references, fee comparisons and other services offered.

The criteria used to evaluate the proposals included the following:

<u>Criteria</u>	<u>Weight</u>
1. Bank rating, qualifications, evaluation of personnel	30%
2. On-line software (applicability/ease of use)	30%
3. References	10%
4. Price	10%
5. Price sustainability	20%

The following is a summary of the Quality Based Rankings based on the firm’s qualifications:

<u>Institution</u>	<u>Evaluation Score</u>	<u>Estimated Annual Fee</u>
<b>Fifth Third Bank</b>	<b>95</b>	<b>\$ 20,477</b>
Chase Bank	85	\$ 15,827
Comerica	75	\$ 24,585

Staff recommends Fifth Third Bank for a three year agreement with two one-year renewal options.

**RECOMMENDED ACTION:** Approval of award of banking services proposal to Fifth Third Bank with an estimated annual cost of \$20,500 for a three year period with two one-year renewal options.

	<b>1</b>	<b>2</b>	<b>Y</b>	<b>N</b>
<b>Mayor Landry</b>				
<b>Mayor Pro Tem Gatt</b>				
<b>Council Member Burke</b>				
<b>Council Member Crawford</b>				

	<b>1</b>	<b>2</b>	<b>Y</b>	<b>N</b>
<b>Council Member Margolis</b>				
<b>Council Member Mutch</b>				
<b>Council Member Staudt</b>				

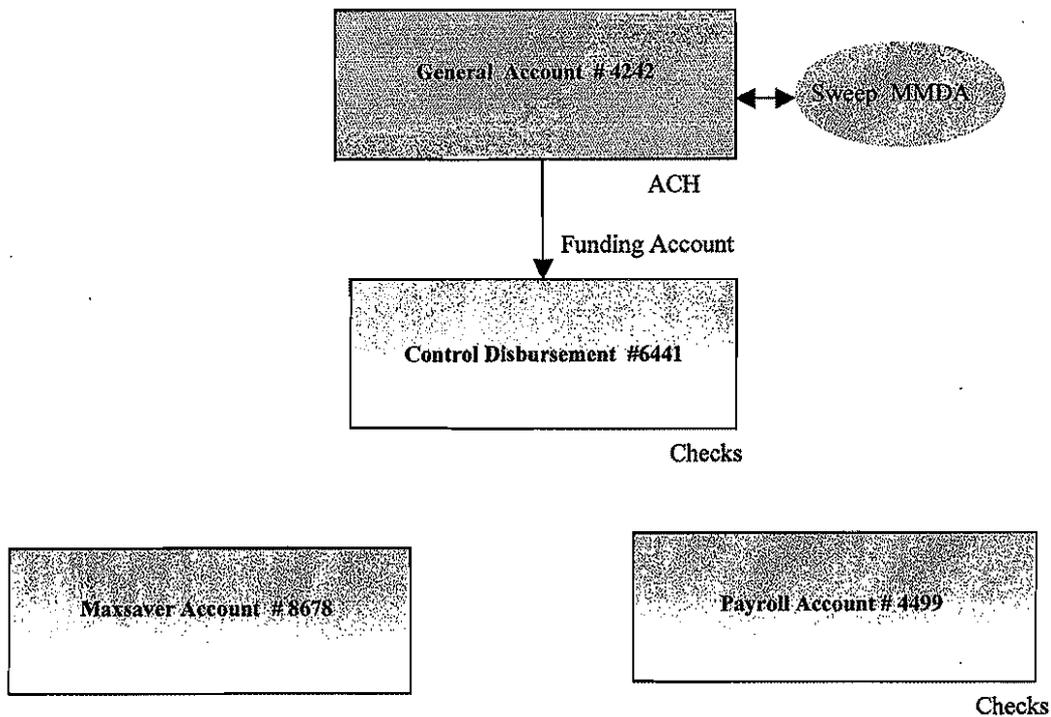


## Relationship Team

Most important, we believe it is often the people that really make the difference. Your Relationship Team at Fifth Third takes a consultative approach to offer you creative, insightful solutions that improve day-to-day cash operations. This group of professionals will ensure that all banking requests will be handled in a prompt and efficient manner.

Contact Title	Contact Name	Communication Options	Function
Relationship Manager	Aron Kominars	Phone: 248-603-0528 Email: Aron.Kominars@53.com	<ul style="list-style-type: none"> <li>▪ Responsible for overall relationship</li> <li>▪ Brings in area specialists as appropriate</li> </ul>
Treasury Management Representative	Colette Rush	Phone: 248-603-0410 Email: Colette.Rush@53.com	<ul style="list-style-type: none"> <li>▪ Responsible for providing consultative treasury management support, including product education</li> </ul>
Commercial Client Specialist	Madhu Kapila	Phone: 248-603-0143 Email: Madhu.Kapila@53.com	<ul style="list-style-type: none"> <li>▪ Responsible for day to day banking needs including borrowings and investments</li> <li>▪ Coordinates and answers all transactional inquiries</li> </ul>
Treasury Management Analyst	Sapna Girm	Phone: 248-603-0599 Email: Sapna.Girm@53.com	<ul style="list-style-type: none"> <li>▪ Responsible for implementation of all treasury management products and services</li> </ul>

## Current Treasury Management Account Structure



**•Other Services:**

ARP / PP

CD Rom 3 Accounts

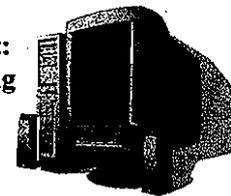


**Fifth Third Direct:**

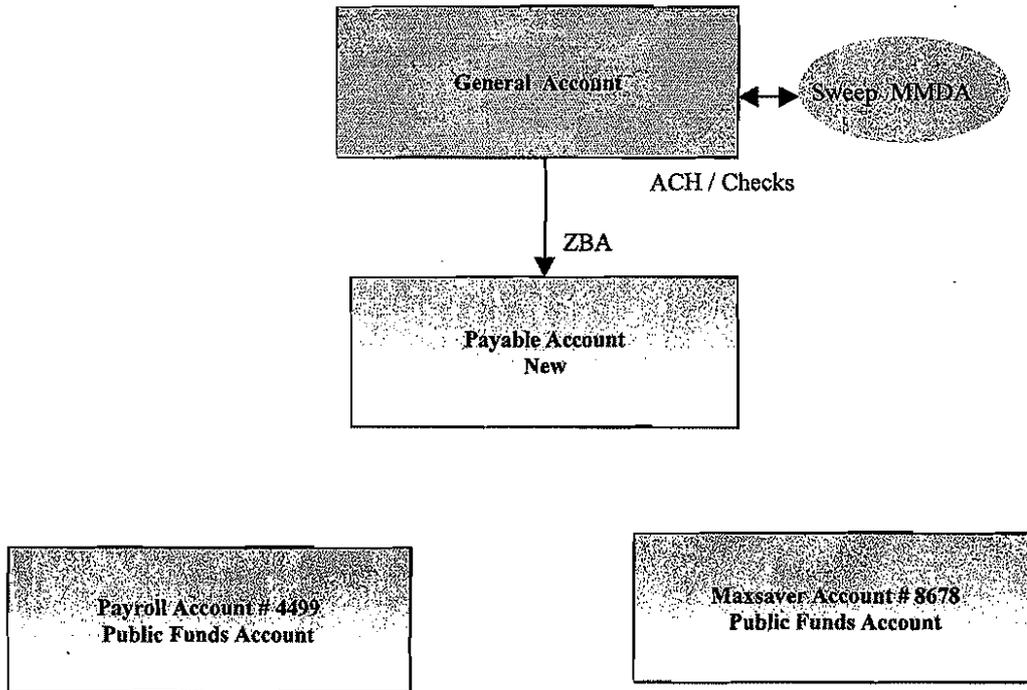
-Balance Reporting

-Wire Transfer

- ACH Transfer



## Proposed Treasury Management Account Structure

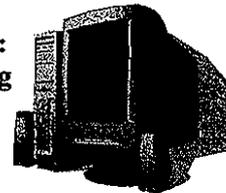


**•Other Services:**

ARP / PP  
 CD Rom 3 Accounts



**Fifth Third Direct:**  
 -Balance Reporting  
 -Wire Transfer  
 - ACH Transfer





## City of Novi: Proposed Pricing

SERVICE DESCRIPTION	Total Volume	UNIT PRICE	Total Fees
ARP MONTHLY BASE CHARGE	24	\$ 25.0000	\$ 600.00
ARP CHECKS PAID	11493	\$ 0.0100	\$ 114.93
ARP CHECKS ISSUED	11540	\$ 0.0100	\$ 115.40
<b>ARP CHECK FINE SORT</b>	<b>11493</b>	<b>\$ 0.0600</b>	<b>\$ 689.58</b>
ARP PAID ITEM TRANSMISSION	3194	\$ 0.0100	\$ 31.94
ARP PAID NO ISSUE	21	\$ 2.5000	\$ 52.50
ARP DATA ENTRY	150	\$ 0.5000	\$ 75.00
POSITIVE PAY MONTHLY BASE	24	\$ 20.0000	\$ 480.00
POSITIVE PAY EXCEPTION RE	9	\$ 0.0400	\$ 0.36
CHECK IMAGING PER ACCOUNT	35	\$ 2.5000	\$ 87.50
CHECK IMAGING PER ITEM	11711	\$ 0.0300	\$ 351.33
<b>CONTROLLED DISB BASE CHAR</b>	<b>12</b>	<b>\$ 160.0000</b>	<b>\$ 1,920.00</b>
DEPOSIT ITEMS REJECTED	292	\$ 0.1000	\$ 29.20
DEPOSIT ADJUSTMENT	3	\$ 8.0000	\$ 24.00
<b>CONTROLLED DISB PER ITEM</b>	<b>8312</b>	<b>\$ 0.1000</b>	<b>\$ 831.20</b>
COMPOSITE GROUP	12	\$ -	\$ -
STOP PAYMENT	13	\$ 12.0000	\$ 156.00
PAPER REPRESENTMENT	108	\$ 3.0000	\$ 324.00
RETURNED ITEM OR CHARGEBACK	172	\$ 3.0000	\$ 516.00
CHECK PAID MICR REJECT	31	\$ 0.3500	\$ 10.85
OFFICIAL CHECK ISSUED	1	\$ 10.0000	\$ 10.00
RETURNED ITEM SPECIAL INS	12	\$ 1.0000	\$ 12.00
UNENCODED ITEMS DEPOSITED	33136	\$ 0.1000	\$ 3,313.60
MONTHLY MAINTENANCE	12	\$ -	\$ -
MONTHLY MAINTENANCE	24	\$ 10.0000	\$ 240.00
RETURNED ITEMS DATA CAPTURE	544	\$ 0.1000	\$ 54.40
WIRE TRSF ACTIVITY STATEMENT	11	\$ 2.5000	\$ 27.50
WIRE TRSF INCOMING NON-STRUCT	2	\$ 8.0000	\$ 16.00
WIRE TRSF INCOMING STRUCT	46	\$ 8.0000	\$ 368.00
WIRE TRSF INCOMING STRUCT	197	\$ 8.0000	\$ 1,576.00
WIRE TRSF REPETITIVE STORAGE	33	\$ 0.2500	\$ 8.25
CASH VAULT MONTHLY BASE CHARGE	7	\$ -	\$ -
BKG CNTR DEPOSITED CASH	797842	\$ 0.0010	\$ 797.84
CASH VAULT DEPOSIT NOTES NON-STD	75	\$ 0.0070	\$ 0.53
CASH VAULT DEPOSIT COIN LOOSE	5	\$ 2.1630	\$ 10.82
CASH VAULT CONVERSION	1	\$ -	\$ -
CASH VAULT DEPOSIT CURRENCY	2160	\$ 0.0010	\$ 2.16
BKG CNTR DEPOSIT COIN ROLLED	2	\$ -	\$ -
BKG CNTR DEPOSIT NOTES STRAP	2	\$ 0.1500	\$ 0.30
BKG CNTR DEPOSIT NOTES LOOSE	1404	\$ 0.1500	\$ 210.60
BKG CNTR ORDER	1	\$ 2.7500	\$ 2.75
BKG CNTR ORDER NOTES STRAP	1	\$ 2.5000	\$ 2.50
BKG CNTR ORDER NOTES LOOSE	173	\$ 0.1200	\$ 20.76



53 DIRECT AA INTRA DAY DETAIL	8693	\$	0.0800	\$	695.44
53 DIRECT WIRE CHANNEL OUTBOUND	196	\$	8.5000	\$	1,666.00
AVG SWEEP BALANCE	10876	\$	-	\$	-
CORPORATE MMDA SWEEP	12	\$	75.0000	\$	900.00
53 DIRECT PRIOR DAY REPORTING	12	\$	50.0000	\$	600.00
53 DIRECT ACH MODULE	41	\$	5.0000	\$	205.00
53 DIRECT WIRE MODULE	12	\$	10.0000	\$	120.00
53 DIRECT PRIOR DAY PER ACCOUNT	12	\$	-	\$	-
54 DIRECT PRIOR DAY PER ACCOUNT	36	\$	10.0000	\$	360.00
53 DIRECT PRIOR DAY DETAIL	2298	\$	-	\$	-
53 DIRECT PRIOR DAY DETAIL	20706	\$	0.0500	\$	1,035.30
53 DIRECT CURRENT DAY REPORT	60	\$	5.0000	\$	300.00
54 DIRECT CURRENT DAY REPORT	12	\$	-	\$	-
ACH CREDIT ITEMS RECEIVED	37	\$	-	\$	-
ACH CREDIT ITEMS RECEIVED	227	\$	0.0500	\$	11.35
ACH DEBIT ITEMS RECEIVED	182	\$	0.0500	\$	9.10
ACH ADDENDA RECEIVED	80	\$	-	\$	-
ACH ADDENDA RECEIVED	395	\$	0.0500	\$	19.75
ACH MO MAINT	12	\$	25.0000	\$	300.00
ACH MODULE CREDITS ORIG	13598	\$	0.0500	\$	679.90
ACH MODULE DEBITS ORIG	533	\$	0.0500	\$	26.65
ACH MODULE ADDENDA ORIG	154	\$	0.0500	\$	7.70
ACH MODULE FILES PROCESSES	133	\$	-	\$	-
ACH RETURN RPT WEB	7	\$	-	\$	-
ACH RETURN ITEMS	4	\$	6.0000	\$	24.00
ACH:NOTIFICATION OF CHANGE	10	\$	6.0000	\$	60.00
CCA CHECKS PAID/OTHER DEBITS	34	\$	-	\$	-
CCA CHECKS PAID/OTHER DEBITS	12	\$	0.1000	\$	1.20
CCA CHECKS PAID	11506	\$	0.1000	\$	1,150.60
CCA OTHER DEBITS	237	\$	0.1000	\$	23.70
COMMERCIAL DEPOSITS	2035	\$	0.6500	\$	1,322.75
FICO PREMIUM ASSESSEMENT	24560	\$	0.0536	\$	1,315.43
<b>GRAND TOTAL</b>				\$	<b>23,917.67</b>
ARP CHECK FINE SORT	11493	\$	0.0600	\$	689.58
CONTROLLED DISB BASE CHAR	12	\$	160.0000	\$	1,920.00
CONTROLLED DISB PER ITEM	8312	\$	0.1000	\$	831.20
<b>New Account Structure</b>				\$	<b>20,476.89</b>