

**CITY COUNCIL – ACTION REQUEST FORM****Date:** January 19, 2016**To:** The City Manager**From:** Lisa M. Saunders, Chief Financial Officer**Council Action Requested:****Resolution Awarding Contract for Banking Services****Summary of Information:**

The Financial Management Services Department requested proposals (RFP) to provide core banking services for the City of Winston-Salem (City). The RFP was sent to banks which have a full service branch within the City and must be on the list of approved financial institutions by the Local Government Commission. The following banks were sent RFP:

Name	Home Office	MWBE
Bank of America, N. A.	Charlotte, NC	N/A
Bank of North Carolina	High Point, NC	N/A
Bank of the Ozarks	Little Rock, AR	N/A
Branch Banking & Trust Co.	Winston-Salem, NC	N/A
Capital Bank	Raleigh, NC	N/A
First Citizens Bank & Trust	Raleigh, NC	N/A
First Tennessee Bank	Memphis, TN	N/A
Mechanics & Farmers Bank	Durham, NC	M
SunTrust Bank	Atlanta, GA	N/A
Wells Fargo Bank	Charlotte, NC	N/A

We received numerous questions from various banks, but the following were the only bids received:

Branch Banking and Trust (BB&T)  
First Citizens Bank & Trust  
First Tennessee Bank (Lockbox only)  
Wells Fargo Bank

**Committee Action:****Committee** Finance 4/10/17**Action**

Approval

**For** Unanimous**Against****Remarks:**

Proposals have been reviewed by myself and the Assistant Finance Officer/Treasurer. BB&T submitted the lowest fee structure. The proposed fees will be offset by above market investment earnings on a compensating balance requirement of \$18.8 million. This calculates to an estimated annual fee of \$112,800. BB&T discounted their standard pricing by 50% and also reduced the fee structure from the current fees charged. The 2<sup>nd</sup> lowest bid was Wells Fargo with estimated fees of \$242,000. First Citizens did not offer the compensating balance to cover fees; however, per transaction fees quoted are considerably higher than BB&T and the earnings credit less than both banks. First Tennessee submitted a bid for lockbox services, but did not include other services. BB&T fees for lockbox are considerably less than First Tennessee. Please see below a sample of fees from the four bids received:

	<b>BB&amp;T</b>	<b>Wells Fargo</b>	<b>First Citizens</b>	<b>First Tennessee</b>
<b>Lock Box</b>				
Monthly Fee	75.00	100.00	150.00	125.00
Transmission Monthly Fee	75.00	100.00	100.00	125.00
Payments Processed Full	0.11	0.15	0.10	0.175
Payments Processed Partial	0.12	0.15	0.25	0.185
Cash Deposits	2.50	5.00	10.00	
Deposits	0.74	1.50	1.25	1.25
Image DVD	12.50	25.00	25.00	75.00
7 year Image Archive	0.01	0.01	0.01	0.02
Lockbox Correspondence	0.13	0.50	0.25	0.15
Check/Coupon Scanned	0.01	0.02	0.01	0.02
<b>General Services</b>				
Earnings Credit	0.60%	0.50%	.05% adj	
Target Balance to Offset Fees	18.8 M	48.4 M		
Interest Rate on Other Accounts	.40% adj	0.25%	.05% adj	
Monthly Recoup Fee (per \$1,000)	0.0666	0.1275	0.097	
Account Maintenance/Monthly	10.00	15.00	21.00	
Deposits Credited	0.39	0.50	0.80	
Items Deposited	0.065	0.110	0.140	
Deposit Corrections	3.75	8.00	6.00	
Checks Paid	0.10	0.14	0.20	
ACH Item (2 day)	0.06	0.07	0.13	
ACH Returned Item	3.00	2.50	5.00	
ACH Block - monthly per account	7.50	20.00	25.00	
Wire In	7.50	14.00	16.00	
Night Deposit Services	1.00	2.00	1.75	
<b>Positive Pay</b>				
Positive Pay Monthly Base	25.00	35.00	50.00	
Positive Pay Per Item/Payee	0.02	0.06	0.05/.02	
<b>Vault Services</b>				
Cash Deposits	0.0006	0.0013	0.0016	
Per Deposit Charge	0.50	1.50	0.50	
Deposit Adjustment	3.75	8.00	6.00	
<b>Remote Image Deposit</b>				
Monthly Fee	22.50	30.00	60.00	
Item Deposit	0.06	0.08	0.09	

BB&T has been the City's primary bank and central depository since its merger in 1997 with Southern National Bank. The services provided include lockbox collection of utility bills, depository bank accounts, checking accounts, remote deposit capture, cash vault, investment

accounts, cash concentration, ACH, bank wire payments, online banking services, and other general banking services. Workforce demographics are attached in Exhibit A.

This RFP was for the City's core banking services; however, the City has depository and investment relationships with several banks and investment managers. Exhibit B is a listing of total cash and investments by bank or investment manager.

It is recommended to award the contract to BB&T for core banking services.