

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-239

SYNOPSIS -

AGENDA:

MAY 24, 1999

SUBJECT:

PROGRESS REPORT
ON RFP FOR
BANKING AND
CUSTODIAL
SERVICES

Sixteen local banks received the RFP (approved by Council on April 5, 1999) for Banking and Custodial Services, which was also advertised in the newspaper. Eight banks attended the mandatory pre-proposal conference on April 21, and asked numerous questions. Four banks (Bankers Trust, Brenton, Firststar, and Norwest) submitted proposals on May 12. The RFP evaluation committees (one consisting of three members of the public, and the other consisting of three City staff) have met jointly, and their evaluations are underway.

FISCAL IMPACT -

None.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Receive and file.

SUBMITTED BY:

KEVIN RIPER
TREASURER

BACKGROUND -

On April 5, 1999, the City Council approved an RFP seeking one bank to provide banking and custodial services for the City. (Norwest is the City's bank currently.) All 16 banks known to have at least one office within the City limits received the RFP in early April. Eight banks indicated they would attend the mandatory pre-proposal conference on April 21. Four other banks reported that they do not have the facilities to meet the City's needs, so they would not be bidding. Another bank reported that its local office is not a depository, so it would not be bidding. A sixth bank balked at the City's insurance requirements. The last two banks failed to reply to the three voice-mail messages left by City staff to remind them of the mandatory pre-proposal conference.

At that conference on April 21, the eight banks asked many questions, answers to which are attached. The banks in attendance were:

Bankers Trust	Mercantile Bank Midwest
Brenton Bank	NationsBank
Commercial Federal Bank	Norwest Bank
Firststar	Union Planters Bank

Three weeks later, the following banks submitted proposals:

Bankers Trust	Brenton Bank
Firststar	Norwest Bank

Of the four banks that attended the pre-proposal conference but chose not to submit a proposal, one cited its pending merger with another bank as a reason for not bidding; two were concerned about their ability to provide third-party safekeeping/custodial services for the City's investments; the fourth bank's reason for not bidding is unknown.

As outlined in the RFP, two evaluation committees are evaluating different parts of the banks' proposals. One evaluation committee is evaluating the community investment component of each bank's response. The three members of the public whom the Mayor appointed to conduct this review are: Dave Carlson of Citizens for Community Improvement (CCI); Pam Carmichael of HOME, Inc., and Michael Wolnerman of Coldwell Banker. The second evaluation committee, reviewing the other criteria, includes: Kevin Riper and Annette Graeve of the Finance Department, and Don McLaughlin of the Park and Recreation Department.

These two committees have met jointly to discuss process and timelines, and-after reading and reviewing the four voluminous proposals-will reconvene in two weeks to compare evaluation results and decide which banks to interview together, which is the next step in the selection process. In late June, Council will be asked to approve the winning bidder, and several weeks later, to approve a contract with that bank.

Attachments

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