

EXECUTIVE SUMMARY

Recommendation to Approve First Amendment to Agreement 16-001H – Banking and Custodial Services

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the First Amendment to Agreement and to extend the contract for one hundred eighty (180) days for Request for Proposal (RFP) 16-001H – Banking and Custodial Services. The School Board approved RFP 16-001H on May 19, 2015, as part of Agenda Item EE-9 for a term of five (5) years from June 2, 2015 through June 30, 2020 and provided an option to extend the contract for one hundred eighty (180) days from July 1, 2020 through December 31, 2020. This request is to exercise the one hundred (180) day option. The spending authority authorized under this RFP is \$1,075,000 for the term of the contract and was approved under agenda item EE-9 on May 19, 2015.

There is no additional spending authority being requested for this extension.

Goods/Services Description

Responsible: Treasurer's Office

Banking services cover a wide range of general banking and cash management to facilitate the day-to-day financial transactions of the District. For government institutions, banks charge a fee for every business transaction. These transactions include, but are not limited to, depositing and processing of checks, coin and currency received by the District; the processing of accounts payable checks dispersed by the District, the electronic transfer of funds, including direct deposit of payroll to employees, and collateralization of overnight funds. The purpose of this RFP was to secure services from a qualified depository to conduct these transactions efficiently and as cost-effective for the District.

Custodial services are related to the holding of the District's investment portfolios third-party custody services is a Government Finance Officer's Association's best practice to ensure the safety and security of the District's funds.

Procurement Method

Responsible: PWS

The procurement method chosen was through a competitive solicitation, which is required by Purchasing Policy 3320, Part II, Rule D, and Florida Administrative Code 6A-1.012(7).

This solicitation was released on February 19, 2015 through Demandstar, and proposals were opened on March 16, 2015, where two hundred and forty-one (241) vendors were notified, and thirty-two (32) vendors downloaded the solicitation. Four (4) proposals were received from the following vendors:

- Bank of America (Banking and Custodial Services)
- Branch Banking & Trust (BB&T) (Custodial Services Only)
- U.S. Bank National Association (Custodial Services Only)
- Wells Fargo Bank, N.A. (Banking and Custodial Services)

No proposals were rejected. Four (4) proposals were evaluated by the Evaluation Committee consisting of:

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**Procurement Method (Continued)
Responsible: PWS**

Thomas Campbell – Business System Manager – Finance
Benjamin Leong – Chief Financial Officer
Mark Mills – Finance Manager – Food & Nutrition Services
Ivan Perrone – Acting Treasurer – Treasurer’s Office
Jeff Whitney – Assistant Director – Capital Budget

On March 30, 2015, the Evaluation Committee reviewed, scored, and shortlisted the proposals. Two (2) proposers were recommended for presentations:

Bank of America, N.A.
Wells Fargo Bank, N.A.

Presentations were held on April 8, 2015. Bank of America received one hundred seventy-four-point six (174.6) points and was the highest-ranking proposer over Wells Fargo Bank, N.A., who received one hundred fifty-two point two (152.2) points. The Evaluation Committee recommended awarding the RFP to Bank of America, N.A. This contract was brought to the School Board for approval on May 19, 2015, Agenda Item EE-9.

A new RFP FY21-009 – Banking and Custodial Services will replace RFP 16-001H and will be recommended for the award before the expiration of the extension period. The extension is necessary to finalize all the requirements for the new RFP.

**Financial Impact
Responsible: PWS and Treasurer’s Office**

The forecasted spending was based on the historical average monthly spending. The Treasurer’s Office is requesting to maintain the current spending authority. The Treasurer’s Office anticipates additional fees; this is primarily due to the District managing internally more of its funds as opposed to utilizing the financial advisor. This, in turn, has resulted in higher operating costs for the District’s custodial accounts.

Also, the District has collected more in property taxes requiring more money to be invested in generating a larger portfolio, frequent transactions, and higher operating bank costs.

Average monthly expenditure		\$14,043
Number of months [two (2) months remaining on current contract term plus the contract extension of six (6) months]	(X)	8
Forecasted spend		\$112,344
(-) Unused authorized spending		\$274,547
Remaining Spending Authority For The Current Term		\$162,203

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Financial Impact Table			
Action	Date	Term	Amount
Original spending authority request	5/19/15	5 (years)	\$1,075,000
Additional spending authority	5/19/2020	6 Months	\$ 0
New Total Contract Amount			\$1,075,000

The funding source will come from the Treasurer’s Office budget. The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.