

## EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **US Bank, NA** for Treasury and Depository Services.

Board Meeting Date: August 1, 2017

Project Name/Contract#: Treasury and Depository Services / RFP 053-2016

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

### Contract Amount:

Original Contract Amount: \$ 420,000 (Over 5 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 420,000

**Resulting Cumulative Total:** \$ 420,000

### Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: N/A

Term of Agreement: August 2, 2017 – August 1, 2022

Option to Renew? Annually up to 5 years

Approval for purchases "as needed" for the life of the contract Yes

Proposals/Bids Received (Range): 3 (\$84,000 to \$144,000 – estimated annual fees)

Selection Basis: Highest Ranked Proposer

The Board is being asked to approve a new contract with **US Bank, NA** of Portland, OR for Treasury and Depository services.

EWEB requires the services of a financial institution capable of providing a range of services, including processing payments from customers, payments to vendors, and daily cash management.

In January 2017, EWEB issued a Formal Request for Proposals (RFP) for a suite of financial processing services, including Treasury and Depository Services. Proposers were invited to respond on part or all of the services. Purchasing staff informed financial institutions of the RFP, including our current bank, other national banks, and all of the local banks and credit unions that were invited to respond to an earlier RFI for local investments. For the treasury and depository services section of the RFP, EWEB received three (3) responses. Proposals were submitted by Bank of America of San Francisco, CA; US Bank of Portland, OR; and Bank of the Cascades of Bend, OR. Bank of the Cascades will complete a merger with First Interstate Bank of Billings, MT on August 14, 2017. All proposers met the minimum qualifications, including requirements for providing banking services to governments in Oregon. Proposers were reviewed based on the evaluation criteria which included products and services, experience of key staff, implementation plan, terms and conditions, references, pricing, and efficiencies in product mix.

US Bank was found to be responsive and received the highest score in the evaluation of proposals. Staff has successfully negotiated a contract, and has issued a Notice of Intent to Award, pending Board approval.

US Bank scored high in:

- Providing a variety of customer payment options and vendor payment methods.
- Ability to administer internal controls and segregation of duties for access to and movement of funds required to comply with EWEB internal controls.

- Competitive pricing - Proposed fees are approximately 40% less than current charges. A fee analysis based on a typical month resulted in fees of \$7,000, compared to current fees of \$12,000. Estimated annual fees are approximately \$84,000.
- US Bank also offered a very attractive Earnings Credit Rate (ECR). The ECR is calculated based upon funds in the depository account, and will offset fees charged for services. The ECR proposed by US Bank would result in a credit of \$75,000 annually on an average balance of \$10 million and is three times higher than our current rate.

All products and services will be supported by staff located in the Eugene and Portland, Oregon offices of US Bank. EWEB currently contracts with US Bank for trustee and custodial services. Their selection for depository and treasury services allows for efficiencies in the use of a single online platform to access services and reporting.

While not a part of the formal RFP criteria, EWEB has also evaluated materials submitted, and publicly available information on US Bank’s environmental policies. US Bank updated their environmental responsibility policies in May 2017. The updated policy affirms a commitment to investments in initiatives, such as wind power, reforestation, and waste recycling. The policy outlines the types of investments they will not make, including financing of oil and gas pipelines, and direct financing of coal-fired power plants.

**ACTION REQUESTED:**

Management requests the Board approve a new contract with **US Bank, NA** of Portland, OR for Treasury and Depository services. Funds for these services were budgeted for 2017 and will be budgeted annually.

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_

Manager: \_\_\_\_\_

Purchasing Supervisor: \_\_\_\_\_

Executive Officer: \_\_\_\_\_

Board Approval Date: \_\_\_\_\_