

M Management Committee

Meeting date: November 10, 2010

ADVISORY INFORMATION

Date: November 2, 2010
Subject: Affirmation of 2011 Transaction-Based Financial Contracts
District(s), Member(s): All
Policy/Legal Reference:
Staff Prepared/Presented: Allen Hoppe, Senior Manager, Treasury
Division/Department: Fiscal Services/Treasury

Proposed Action/Motion

That the Metropolitan Council authorize the Regional Administrator to amend the terms of the following transaction-based financial contracts, as needed, so as to provide continued service through December 31, 2011:

1. General banking services from US Bank.

Mirroring its complex structure of public services, the Council uses of a wide range of banking services. A Contract Initiation Memo (CIM) has been signed, development of an RFP scope is now under way.

2. Credit card processing and managed payment services from Elavon.

Metro Transit accepts almost one million credit card transactions per year. The new contractor, Elavon, was put into place about two years ago. No changes planned for 2011.

3. Purchasing card services from Bank of America (BoFA).

The Council incurs no costs with its purchasing card program. BoFA is compensated via card fees paid by the entities we buy from. This contract is nearing its five-year anniversary; a CIM and RFP will be initiated in 2011.

4. Custodian and securities lending services from Wells Fargo and US Bank.

The bulk of the custody service is now provided by Wells Fargo. Based on past Council approvals, the Council has the option to also, or alternatively, contract with US Bank for these services. A Wells Fargo contract was signed in 2008. A contract may be signed with US Bank in 2011. No other changes expected in 2011.

Background

The Council has a number of financial processing needs which are served by contracts whose total dollar cost varies with changes in transaction volumes; as transaction volumes increase for a contract, the cost of the contract increases proportionately. Establishing fixed rates “per transaction” rather than a fixed dollar value for the contract, assures continuous services throughout the contract term.

In 2006 the Management Committee established this affirmation process to provide an opportunity for Council members to review these types of contracts and relationships. This process does not remove the need for periodic competitive quotes or documented sole source contracts as addressed in the Council’s procurement policies and procedures.

Funding

The above actions result in no changes to the funding channels. While amounts have been estimated and budgeted where expenses exist, the unpredictable volume of transactions is the primary determinant of total expenses.

Known Support / Opposition

No known opposition. Presented to the Investment Review Committee November 9, 2011