

To All Commissioners

Re: Request for Proposal – Corporate Banking Contract

Recommendation

That the Commission ACCEPT the proposal from The Bank of Nova Scotia “Scotiabank” for corporate banking services for the period of November 1, 2016 through October 31, 2021, including a five year renewal option subject to negotiation and agreement of both parties.

Background

A request for proposal was issued for the provision of corporate banking services for the period of November 1, 2016 through October 31, 2021. The request for proposal was processed in accordance with established procedures.

Five financial institutions engaged in the RFP process, a summary of which is below.

Respondent	Response
Bank of Montreal (BMO)	Compliant bid
Bank of Nova Scotia (Scotiabank)	Compliant bid
Toronto-Dominion Bank (TD)	Compliant bid
CIBC	Declined to bid
Royal Bank (RBC)	Declined to bid

A summary of the particulars relating to the three compliant bids is set out in Enclosure I.

The key evaluation areas focused on (i) pricing and interest income, (ii) banking services and (iii) the bank’s willingness to participate in the sale of LTC fare media at specified branches. Given the significant daily balances held in LTC’s operating and reserve accounts, all three bidders indicated that bank service fees would be waived and the interest rate paid on balances was very similar with both Scotiabank and BMO providing the best rate. TD’s rate was nominally lower. Banking services were similar in all three bids.

Scotiabank was the only one of the three banks that confirmed willingness to sell LTC fare media. BMO indicated a willingness to consider participation and TD indicated a need to review their internal processes prior to committing.

Scotiabank is the Commission’s current corporate banker and has met all terms and conditions of the current contract.

Enclosure

I – Request for Proposal – Corporate Banking Contract – Summary of Responses

Recommended by:

Concurred in by:

Mike Gregor
Director of Finance

Kelly S. Paleczny
General Manager

**London Transit Commission
Request for Proposal - Corporate Banking Contract
Summary of Responses**

	Bank of Nova Scotia (Scotiabank)	Bank of Montreal (BMO)	Toronto-Dominion Bank (TD)
Pricing & Interest Income:			
(1) Bank Fees	\$ -	\$ -	\$ -
(2) Interest on accounts			
Average daily balance	\$ 33,700,000	\$ 33,700,000	\$ 33,700,000
Prime rate (as at 10/14/16)	2.700%	2.700%	2.700%
Reduction from prime	1.650%	1.650%	1.670%
Interest rate earned	1.050%	1.050%	1.030%
Estimated annual interest earned	\$ 353,900	\$ 353,900	\$ 347,100
Banking Services:			
(1) Local services and account representation	Yes	Yes	Yes
(2) Online banking and reporting	Yes	Yes	Yes
(3) Payables management	Yes	Yes	Yes
(4) Receivables management	Yes	Yes	Yes
(5) Risk management services	Yes	Yes	Yes
(6) Debt / credit card partner affiliation available	Chase Paymentech	Moneris	Yes
Other:			
(1) Bidders willingness to participate in sale of smart cards	Yes.	Willing to consider the installation of smart card POS units	TBD. TD is reviewing internal processes and may require additional information.
(2) Additional key services offered	(i) Notice Investment Account - prime less 1.60% for funds held > 31 days	(i) Investment services	(i) Information Exchange Service (ii) Investment services