

**RFP 20MISC2**  
**BANKING AND DIRECT DEPOSIT SERVICES**

**FACT SHEET**

A. **Overview:** This recommendation is to establish a contract for banking and direct deposit services for Frederick County Public Schools (FCPS). Technical proposals were opened on October 21, 2019.

1. **Bid participation:**

16 proposals downloaded  
5 companies submitted a proposal

2. **Bids were received from:**

Bank of America, N.A. (Baltimore, MD)  
**Branch Banking and Trust Company [BB&T] (Frederick, MD)**  
JPMorgan Chase Bank, N.A. (Washington, DC)  
M&T Bank (Timonium, MD)  
PNC Bank (Washington, DC)

3. **Other Facts:**

- FCPS currently uses two banking institutions for banking services: public funds banking with PNC Bank and direct deposit services with M&T Bank.
  - It was the intent of FCPS to award the contract to one vendor who could provide all the requested services, however vendors were allowed to bid on either portion of the contract. A dual award was permitted under the contract terms, should that scenario have been in the best interest of FCPS.
  - The initial contract term shall be effective from February 29, 2020 through February 28, 2023, with two two-year renewal options available.
  - Contract renewals will be at the mutual consent of FCPS and the awarded firm. Prior to a contract renewal, FCPS and the awarded firm will communicate regarding performance and make modifications to the contract, as necessary.
  - The review and analysis of the proposals was administered through the following process:
    1. Evaluation and ranking of technical proposals
    2. Evaluation of the cost proposals
    3. Interviews with selected vendors
    4. Re-evaluation of final offers
  - PNC Bank (incumbent), BB&T, M&T Bank, and JP Morgan Chase Bank were selected for presentations. After the presentations, vendors were given the opportunity to provide best and final offers.
  - Currently, approximately 6,900 employees participate in the direct deposit of payroll, roughly \$9.9 million per pay period.
  - Approximately \$6,300 in direct deposit fees was paid by FCPS during FY19.
  - Under the current account structure, FCPS has been able to offset bank fees with earnings credits, resulting in \$0 in fees for banking services.
  - The contract will be administered by Melissa Rollison, Financial Reporting Manager and Amanda Baugher, Accounting Department Manager.
4. **Source of Funding:** FY20 Approved Operating Budget and contingent upon Board approval of FY21, FY22 and FY23 Operating Budgets.

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B. **Recommendation:** Staff recommends that RFP 20MISC2, Banking and Direct Services, be awarded to Branch Banking and Trust Company (BB&T), of Frederick, MD, per the attached Technical and Cost Summaries.

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C. **Action taken by the Board (Purchasing use only):**

\_\_\_\_ Approved      \_\_\_\_ Denied      \_\_\_\_ Deferred      \_\_\_\_ Other      BM/kl  
\_\_\_\_ Date          \_\_\_\_ Date          \_\_\_\_ Date          \_\_\_\_ Date      BOE Meeting: 12.11.19

**RFP 20MISC2, BANKING AND DIRECT DEPOSIT SERVICES  
TECHNICAL SCORING SUMMARY**

<b>VENDOR</b>	<b>Average Mandatory and Technical Score</b>	<b>Average Direct Deposit Score</b>	<b>TOTAL SCORE</b>
<b>Bank of America, N.A.</b>	45.6	30	<b>75.6</b>
<b>Branch Banking and Trust Company (BBT)</b>	52.4	34.6	<b>87.0</b>
<b>JPMorgan Chase Bank, N.A.</b>	51.0	37.6	<b>88.6</b>
<b>M&amp;T Bank</b>	50.8	34.8	<b>85.6</b>
<b>PNC Bank</b>	47.2	31	<b>78.2</b>

<b>VENDOR</b>	<b>Average Mandatory and Technical Score</b>	<b>Average Public Banking Score</b>	<b>TOTAL SCORE</b>
<b>PNC Bank</b>	47.2	31	<b>78.2</b>
<b>JPMorgan Chase Bank, N.A.</b>	51.0	33.5	<b>84.5</b>
<b>Branch Banking and Trust Company (BBT)</b>	52.4	34	<b>86.4</b>
<b>M&amp;T Bank</b>	50.8	30	<b>80.8</b>
<b>Bank of America, N.A.</b>	45.6	29.5	<b>75.1</b>

<b>VENDOR</b>	<b>Average Mandatory and Technical Score</b>	<b>Average Full Service Score</b>	<b>TOTAL SCORE</b>
<b>PNC Bank</b>	47.2	30.5	<b>77.70</b>
<b>JPMorgan Chase Bank, N.A.</b>	51.0	34.1	<b>85.05</b>
<b>Branch Banking and Trust Company (BBT)</b>	52.4	35.8	<b>88.20</b>
<b>M&amp;T Bank</b>	50.8	32.4	<b>83.20</b>
<b>Bank of America, N.A.</b>	45.6	30.25	<b>75.85</b>

**RFP 20MISC2, BANKING AND DIRECT DEPOSIT SERVICES  
COST SUMMARY**

<b>PNC BANK</b>		<b>M&amp;T BANK</b>		<b>JPMORGAN CHASE BANK, N.A.</b>		<b>BRANCH BANKING &amp; TRUST COMPANY (BB&amp;T)</b>	
<b>Annual Fee</b>	\$ 47,622	<b>Annual Fee</b>	\$ 10,148	<b>Annual fee</b>	\$ 60,183	<b>Annual fee</b>	\$ 31,620
FCPS Avg Balance	\$ 18,000,000	FCPS Avg Balance	\$ 18,000,000	FCPS Avg Balance	\$ 18,000,000	FCPS Avg Balance	\$ 18,000,000
		ERC Earning Balance	\$ (10,000,000)	Compensating Balance Required	\$ (4,629,443)	Compensating Balance Required	\$ (2,325,000)
Investable Balance	\$ 18,000,000	Investable Balance	\$ 8,000,000	Investable Balance	\$ 13,370,557	Investable Balance	\$ 15,675,000
Rate	0.0150	Rate (1.56% - .20% Mgmt fee)	0.0136	Rate	0.0130	Rate	0.0136
<b>Annual Income</b>	<b>\$ 270,000</b>	<b>Annual Income</b>	<b>\$ 108,800</b>	<b>Annual Income</b>	<b>\$ 173,817</b>	<b>Annual Income</b>	<b>\$ 213,180</b>
LESS: Annual Direct Deposit Fees	\$ (11,226)	LESS: Annual Direct Deposit Fees	\$ (5,001)	LESS: Annual Direct Deposit Fees	Included in annual fee	LESS: Annual Direct Deposit Fees	Included in annual fee
LESS: Annual Fee	\$ (47,622)	LESS: Service Fees not covered by ERC	(10,148)				
<b>Net Annual Income</b>	<b>\$ 211,153</b>	<b>Net Annual Income</b>	<b>\$ 93,651</b>	<b>Net Annual Income</b>	<b>\$ 173,817</b>	<b>Net Annual Income</b>	<b>\$ 213,180</b>

1st Year Net Income	\$ 211,153	1st Year Net Income	\$ 93,651	1st Year Net Income (all fees waived)	\$ 234,000	1st Year Net Income (3 mo., all fees waived)	\$ 221,085
2nd Year	\$ 211,153	2nd Year	\$ 93,651	2nd Year	\$ 173,817	2nd Year	\$ 213,180
3rd Year	\$ 211,153	3rd Year	\$ 93,651	3rd Year	\$ 173,817	3rd Year	\$ 213,180
4th Year	\$ 211,153	4th Year	\$ 93,651	4th Year	\$ 173,817	4th Year	\$ 213,180
5th Year	\$ 211,153	5th Year	\$ 93,651	5th Year	\$ 173,817	5th Year	\$ 213,180
	\$ 1,055,764		\$ 468,255		\$ 929,268.96		\$ 1,073,805
Fees Charged Over 5 Years	\$ 294,235.80		\$ 189,645.00		\$ 240,731.04		\$ 150,195.00