

**PROCUREMENT SUMMARY
CUSTODIAL BANKING SERVICES
PS133590000**

1.	Contract Number: PS133590000	
2.	Recommended Vendor : U.S. Bank N.A.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: February 22, 2019	
	B. Advertised/Publicized: February 8, 2019	
	C. Pre-proposal/Pre-Bid Conference: March 5, 2019	
	D. Proposals/Bids Due: March 28, 2019	
	E. Pre-Qualification Completed: May 9, 2019	
	F. Conflict of Interest Form Submitted to Ethics: May 5, 2019	
	G. Protest Period End Date: July 22, 2019	
5.	Solicitations Picked up/Downloaded: 13	Bids/Proposals Received: 2
6.	Contract Administrator: Rommel Hilario	Telephone Number: (213) 922-4654
7.	Project Manager: Marshall Liu	Telephone Number: (213) 922-5931

A. Procurement Background

This Board Action is to approve a firm fixed unit rate contract in support of the Treasury Department to provide custodial and safekeeping services for its Operating Funds portfolio, certain bond proceeds and/or other funds. Currently, Metro has a total of nine accounts: five accounts comprise the internally managed Operating Funds portfolio and other accounts, and four accounts comprise the externally managed Operating Funds.

Request for Proposals (RFP) No. PS59875 was issued as a competitive negotiated procurement in accordance with Metro's Acquisition Policy.

In addition to advertising the solicitation in local media, staff notified nine (9) financial institutions via email of the solicitation in an effort to increase competition.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on March 3, 2019, included an updated 2019 Investment Policy, pre-proposal documents including the agenda and planholder's list;
- Amendment No. 2, issued on March 15, 2019, included operating Portfolio account balances and extended the proposal due date.

A pre-proposal conference was held on March 5, 2019. No firms attended.

On March 28, 2019, Metro received two proposals from two firms as follows, in alphabetical order:

1. Northern Trust
2. US Bank N.A.

B. Evaluation of Proposals

The Proposal Evaluation Team (PET), consisting of staff from Treasury and Accounting departments, was convened and conducted a comprehensive evaluation of the proposals received. The PET team performed a detailed evaluation of the two proposals in accordance with the factors and sub-factors set forth in the RFP.

Proposals were evaluated based on the following criteria and weights:

- Qualifications, Experience, and Capability of the Firm and Key Personnel 25%
- Custody, Compliance Reporting, and Performance Measurement Services 25%
- Technology, Transition, and Conversion 25%
- Cost Proposal (including reasonableness of overall fee structure) 25%

Summary of Firms within the Competitive Range

Northern Trust

Northern Trust has been providing trust and custody services since it was founded in 1889. Northern Trust Corporation is a publicly listed company incorporated in the State of Delaware. Its principal subsidiary, The Northern Trust Company, is a provider of asset management and asset servicing solutions for corporations, institutions, and individuals. Northern Trust is comprised of three core business units: Corporate and Institutional Services (C&IS), Wealth Management (WM), and Asset Management (AM). All three are supported by Enterprise Enablement (E2) which supports operations, infrastructure, and technology innovation initiatives.

U.S. Bank N.A.

U.S. Bank has provided trust and custody services for institutional clients for more than 120 years. U.S. Bank is headquartered in Minneapolis, Minnesota. They are a diversified financial services holding company and the parent company of U.S. Bank National Association (U.S. Bank N.A.). U.S. Bank serves 18.7 million consumer, business and institutional customers throughout its four core lines of business: Payment Services, Consumer and Business Banking, Corporate & Commercial Banking, and Wealth Management and Investment Services.

The following is a summary of the PET scores:

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	US BANK N.A.				
3	Qualifications, Experience, and Capability of the Firm and Key Personnel	91.2	25%	22.8	
4	Custody, Compliance Reporting, and Performance Measurement Services	88.8	25%	22.2	
5	Technology, Transition, and Conversion	90.0	25%	22.5	
6	Cost Proposal	72.0	25%	18.0	
7	Total		100.00%	85.5	1
8	NORTHERN TRUST				
9	Qualifications, Experience, and Capability of the Firm and Key Personnel	74.4	25%	18.6	
10	Custody, Compliance Reporting, and Performance Measurement Services	76.8	25%	19.2	
11	Technology, Transition, and Conversion	78.8	25%	19.7	
12	Cost Proposal	88.0	25%	22.0	
13	Total		100.00%	79.5	2

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate competition, the independent cost estimate (ICE), price analysis, fact finding discussions, and technical evaluation.

PROPOSER NAME	PROPOSAL AMOUNT	METRO ICE	NEGOTIATED*
U.S. Bank	\$1,095,853	\$956,142	\$1,003,370
Northern Trust	\$819,500		

* Actual pricing will be based on a fixed unit price structure and will be dependent on the actual number and amounts of the individual transactions.

D. Background on Recommended Contractor

U.S. Bank is the current custodian for Metro providing custody, asset safekeeping, reporting and investment management services. U.S. Bank has provided trust and custody services for institutional clients for more than 120 years. They are a diversified financial services holding company serving 18.7 million consumer, business and institutional customers throughout its four core lines of business.