



City of
Peterborough

To: **Members of the General Committee**

From: **Richard Freymond**
Commissioner of Corporate and Legislative Services

Meeting Date: **April 6, 2021**

Subject: **Report CLSFS21-011**
Award of Non-Standard Procurement for Banking Services

Purpose

A report to recommend award of a Non-Standard Procurement for Banking Services to Canadian Imperial Bank of Commerce (CIBC) for eighteen (18) months.

Recommendation

That the General Committee of Council approve the recommendation outlined in Report CLSFS21-011, dated April 6, 2021 of the Commissioner of Corporate and Legislative Services as follows:

That a Non-Standard Procurement for Banking Services for an eighteen (18) month period from March 1, 2021 to August 31, 2022 be awarded to the Canadian Imperial Bank of Commerce, 399 George Street North, Peterborough, Ontario, K9J 6Z6 under comparable terms and conditions as the current agreement.

Budget and Financial Implications

There is no cost to the City for banking services as all fees are waived by CIBC. The total value of the banking services to be received over the eighteen-month period based on 2020 transaction volume is estimated to be \$355,000.

Background

The current banking services agreement with CIBC expired on February 28, 2021. This was the final year of the five-year extension awarded with Report CPFS16-003 under Proposal P-46-10. CIBC has been the City's bank since March 2010 and has provided excellent service.

Throughout 2020, key Financial Services Division staff have been working beyond capacity, managing the transition to a new Enterprise Resource Planning Software with the launch of Phase 1 of SAP, staff retirements, the COVID pandemic, as well as their usual day-to-day workload. The same staff would also be responsible for managing the transition to a new bank if that were the result of an open competition process. This Non-Standard Procurement for an eighteen-month contract for banking services with CIBC will allow the City to go to market for banking services at a time when staff will have the required capacity for the work that would be required to transition to a new bank if that is the result of the RFP process.

In discussions with CIBC, they have indicated they are pleased to extend the current banking services agreement for 18 months, with only one change to the terms and conditions. That is, due to the exceptional changes in the interest rate environment, they will be placing a cap of \$50 million on the funds eligible for the rate of monthly average prime (MAP) less 1.55%. MAP is currently 2.45%. Effective June 1, 2021, deposits over \$50 million will earn interest at MAP less 2.25%. At this point time it is difficult to estimate the financial impact (if any) that this change might have as it is all dependent on the MAP rate, cash balances on hand and other investment products available in the marketplace. All other pricing will remain the same.

The Canadian Free Trade Agreement (CFTA) permits a procuring entity to use limited tendering under certain criteria. The CFTA states in Article 513, item 1 (d) if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering.

Authority to Approve

Procurement By-law 18-084 Part 11.3.1 k) permits the award of a Non-Standard Procurement in circumstances where the procurement is otherwise exempt from the requirements to conduct an Open Competition under all applicable trade agreements, and it is in the best interests of the City to proceed with a Non-Standard Procurement. Appendix A, Chart 2, a) iii) of the City's Procurement By-law 18-084 requires approval of Council for the award of a Non-Standard Procurement with a value greater than \$100,000.

Although all core banking fees are waived under the current agreement, in this case, it is appropriate for Council to approve this further extension of the agreement as the original award stated that the renewal was subject to Council approval.

Submitted by,

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Commissioner of Corporate and Legislative Services

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