

RESOLUTION NO. 2006-181

AUTHORIZING CONTRACT NO. 2006-073 WITH NATIONAL CITY BANK TO SERVE AS A DEPOSITORY FOR THE AUTHORITY'S ACTIVE FUNDS DURING THE FIVE-YEAR PERIOD COMMENCING JANUARY 1, 2007

WHEREAS, the proposal of National City Bank located at 1900 East Ninth Street, Cleveland, Ohio 44114, was received on July 25, 2006; and

WHEREAS, pursuant to Resolution No. 2006-168, adopted on September 19, 2006, National City Bank was designated as an eligible depository for the active monies for the Greater Cleveland Regional Transit Authority for the statutory period commencing October 5, 2006; and.

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of National City Bank, as negotiated, to be advantageous to the Authority, cost and other factors considered, and recommends acceptance thereof by the Board of Trustees.

NOW, THEREFORE BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the proposal submitted by National City Bank as modified by negotiations, to provide banking services, be and is hereby accepted as the most advantageous to the Authority, price and all other factors considered.

Section 2. That the General Manager/Secretary-Treasurer be and he hereby is authorized to enter into a contract with National City Bank to provide banking services.

Section 3. That said contract be consistent with the proposal of National City Bank dated July 25, 2006.

Section 4. That active monies of the Greater Cleveland Regional Transit Authority shall be deposited with National City Bank effective as of January 1, 2007.

Section 5. That National City shall continue to serve as a depository for the Greater Cleveland Regional Transit Authority's active monies through December 31, 2011.

Section 6. That said contract shall be binding upon and an obligation of the Authority contingent upon compliance by the contractor to Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2006-77; bonding and insurance requirements and all applicable laws relating to the contractual obligation of the Authority.

Section 7. That this resolution shall become effective immediately upon its adoption.

Adopted: October 17, 2006

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President

Attest: \_\_\_\_\_  
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority  
**STAFF SUMMARY AND COMMENTS**

TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2006-073 WITH NATIONAL CITY BANK TO SERVE AS A DEPOSITORY FOR THE AUTHORITY'S ACTIVE FUNDS DURING THE FIVE-YEAR PERIOD COMMENCING JANUARY 1, 2007	Resolution No.: 2006-181
	Date: October 12, 2006
	Initiator: Cash Management
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 PURPOSE/SCOPE: This action will allow the Authority to enter into a depository relationship with National City Bank.
- 2.0 DESCRIPTION/JUSTIFICATION: Section 135.20 of the Ohio Revised Code allows the amount of active deposits maintained in depositories authorized by the GCRTA to vary, as the exigencies of public business require. After analysis, it was decided that the best interests of the Authority would be served by awarding its active monies to one banking institution, so that compensating balances in it capital grant account can be used to offset service charges in its general and payroll accounts.
- 3.0 PROCUREMENT BACKGROUND: Request for Proposals were solicited from the six banking institutions authorized by the Board of Trustees in Resolution No. 2006-168 as eligible depositories for the active monies of the GCRTA. Four (4) banks submitted proposals. After evaluation by a panel of Authority employees in accordance with established Procurement Policies and Procedures, and subsequent negotiations, the proposal of National City Bank was recommended as the most advantageous to the Authority, price and all other factors considered. The funds management approach of National City Bank maximizes earning allowances on active funds and demonstrates an understanding of the Authority's financial needs, and allows flexibility to adjust to its changing requirements.  
  
 A cost analysis has been performed and the Procurement Department has determined that the negotiated rates of services are fair, reasonable and advantageous to the Authority.
- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: All Affirmative Action requirements have been met. A zero percent (0%) DBE goal was set for this procurement due to the lack of certified DBE firms.
- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: Compensating balances of the banking services will be used to offset bank transaction fees and service charges that would otherwise be charged to the Authority. The Authority's Cash Manager performs a monthly analysis of the need for a compensating balance.
- 7.0 ALTERNATIVES: Reject this offer. Rejection of the offer would delay selection of a depository for the Authority's funds and risk violation of the statutory requirement that an active depository be maintained.

- 8.0 RECOMMENDATION: This action was reviewed by the Finance Committee at their September 5, 2006 meeting. It is recommended that the proposal of National City Bank be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.

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CEO, General Manager/Secretary-Treasurer