



Dunlap & Associates, Inc.

Financial Consultants

October 8, 2010

Mr. Bates
Finance Director
CITY OF Dania Beach
100 W. Dania Beach Blvd.
Dania Beach, FL 33004

Re: Proposals for Banking Services
Submitted Pursuant to RFP No. 10-013

Dear Mark:

It has been a pleasure to assist the City in the process of developing the RFP and analyzing the responses to the above referenced proposals to obtain banking services to the City. Two proposals were received in response to the request for proposals; the City's current service provider Wells Fargo and BB&T. Submitted with this letter are my completed evaluation forms for each proposal and a spreadsheet that compares the cost of services of both proposals to each other and the current costs of banking.

As one member of the evaluation team I have reviewed each proposal and in the paragraphs that follow I offer a brief explanation for the scoring of each item of the evaluation form. I trust that this will be useful in the City's determination of the proposer who could best serve the City's banking needs in the most economical matter.

Quality of Service

Both banks receive my highest score. I was impressed by the thoroughness of each proposal. Each bank is a nationally recognized financial institution providing the types of services requested in the RFP. Through their responses it is evident that each has the technology, personnel and commitment to providing a high level of service.

Cost of Banking Services

While there are individual differences in the many line items of service requested in the RFP Wells Fargo (W.F.) clearly offers the lower cost on an annual basis. The proposed gross cost of services based on estimated volumes of each component is higher in the BB&T proposal. Accordingly, if each bank were to submit invoices for payment based on the gross costs W.F. would have a lower amount. However, there is another component that needs to be considered. Each bank offers the payment of costs through compensating balances.

The Earnings Credit Rate (ECR) formula submitted by each bank is nearly identical with W.F. showing a slight advantage. But BB&T included a floor in its formula that makes this factor more attractive when rates dip lower. At the time that proposals were submitted the W.F. ECR was higher. However, since that date rates have slipped and the W.F. has fallen below the floor rate proposed by BB&T. Yet even when this is considered the W.F. overall cost remains less. This means that more money will be available to be invested under the W.F. proposal.

Stability and Financial Strength

Both banks are part of national major financial institutions with demonstrated financial strength. Based on information provided in the proposals both appear to be well capitalized despite the recent downturn in the economy.

References and Customer Services

While I did not personally check references nothing came to my attention that customers of either bank were dissatisfied with any of their services so I gave each an acceptable rating.

Investment Option/net interest credit

In this category BB&T gains the advantage. The interest rate offered on invested balances for demand accounts is quite a bit higher than W.F. In this low interest rate environment this factor is not that significant. It would be prudent for the City to look to investments beyond what is needed to compensate the bank for services for additional investment return.

Implementation Plan

Changing banking service for a highly diverse and large transaction volume organization such as the City is always a challenge. Therefore if the City is considering a change the implementation plan becomes critical to avoid disruption of service during this period.

Experience in Local Government

The list of local government references for BB&T included three housing authorities and airport authority and a City. The list for W.F. included four cities and two counties, all local. It seems evident that BB&T is seeking to establish itself in Florida local government.

In conclusion, unless there is a compelling reason to change banking service provider services such as poor customer service retaining W.F. would appear to be a wise choice. However, if it is the desire to make a change BB&T would be able to provide these services in a professional manner.

Sincerely,

Damon R. Adams, CPA, CGFO
Senior Vice President

