

City of Box Elder Request for Proposal Comprehensive Banking Services

Section I

Introduction

The City of Box Elder is soliciting proposals for comprehensive banking services from banking institutions who are eligible to be the City's official depository pursuant to South Dakota Codified Law 9-22-6, which can be found at:

http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=9-22.

This Request for Proposals (RFP) covers all banking services, the objective of which is to identify the banking institution that can offer the necessary banking services with the greatest benefit to the City of Box Elder.

Term of Agreement

The selected institution shall be designated as the City's depository for no less than three years. It is the City's intention that the depository so designated will enter into a formal agreement with the City to provide banking services in accordance with this RFP and the bank's proposal. The formal agreement between the City and the successful bank will provide for the City, at its option, to extend the agreement for an additional period of time if terms are agreeable to the City.

The agreement shall also provide that the City or the bank has the right to cancel upon one hundred eighty (180) days written notice. A decision by the City to terminate the agreement may not be made solely as a result of an offer of a lower price for services or higher interest rates on deposits from another bank during the period of the agreement.

If the banking institution does not execute an agreement within 60 days after being notified of selection, the City may give notice to that bank of the City's intent to select the next most qualified proposing bank or call for new proposals, whichever the City deems most appropriate.

Section II

General Background

The City has an annual 2016 budget just under \$8 million. The City uses a pooled cash concept to maintain adequate liquidity among the various funds of the City within the internal ledger system which allows for the use of the one payroll account. The bank will be required to collateralize all deposits as outlined in SDCL 4-6A.

Section III

Scope of Services

All proposals must include the following general services.

1. Deposit checking account services requiring bank notification of any discrepancies in deposits prior to making the required changes. Please identify cut-off times for the receipt of qualified and unqualified deposits.
2. Monthly statement processing for each of the City's checking accounts providing electronic check image retrieval via CD-ROM or similar format. The City requires electronic file transfer for reconciliation with the City's financial system. Information is expected to be received within five working days after month end. If positive pay is an option that is available, please outline separately any additional expenses for that service.
3. On-line treasury workstation that allows for balance inquiry, initiation of wire and ACH transactions, stop pay management, image retrieval, and other capabilities necessary for efficient treasury management. Please note any special hardware and/or software specifications outside of the standard Microsoft Office operating environment.

Examples of other capabilities:

- Daily reporting of account balances, collected and available;
 - Account detail for current month and, at minimum, one prior month for review of transactions;
 - Wire transfer initiation and authorization;
 - City-originated stop payments of checks;
 - Return items charged against accounts;
 - Bank reconciliation files for General Fund and Payroll; and
 - Records of all account activity must be accessible (online)
4. Overdrafts of the accounts are not anticipated and have not occurred in the past several years; however, the City does require overdraft protection assurances.
 5. The City is anticipating the requirement of all City employees to receive payment for employment through automatic deposit. While the City understands that not all employees may be credit-worthy, the City prefers the banking contract to provide savings accounts for all employees not eligible for a checking account. In addition, an ATM card must be provided to each employee receiving a savings account so that they can withdraw their funds. Costs for this additional service should be broken out separately.
 6. Please include your bank's 12-month earnings history associated with such checking account balances and whether interest is calculated on 100 percent of

the balance or on a compensating percentage for reserve requirements. Please also indicate if you will require a minimum account balance before you will allocate interest to the City's account.

7. ACH payments for employee payroll via file transfer on a bi-weekly and monthly basis to be provided free of charge. In most instances a two-day ACH service is adequate; however, in certain circumstances a one-day ACH service may be required.
8. The City requires the extensive use of bank supplies including deposit slips, endorsement stamps, and bank bags for payroll deposits. The City prefers these supplies be provided free of charge. If you are unable to accommodate, please provide the cost for purchase of any such items.
9. Investment service to include guidance and assistance in identifying options for investing funds, both short term and long term within the guidelines and restrictions of State statute.
10. All stop payments and investment advice shall be provided free of charge.
11. The City utilizes Purchasing Cards, financial institutions that provide these services should provide information with proposal.
12. It is preferred that the records be available for twenty (24) months for audit purposes.
13. Any software required to utilize electronic banking services and the necessary training to designated City staff.
14. Monthly statements on all accounts. The monthly statements must be provided no later than ten (10) business days into the following month.
15. Compact disc (CD) or flash drive for only the General Fund and Payroll Clearing accounts. File formats should be sent in Excel or ASCII file format to integrate with, INCODEv.9, our financial software.
16. Availability of Funds Deposits will be couriered or submitted electronically with remote deposit capabilities daily. The bank will guarantee immediate credit on all wire transfers and U.S. Treasury checks upon receipt. All other checks shall be credited accordingly to the awarded bank's availability schedule. Banks are required to attach to the proposal a copy of their availability schedule.
17. The City welcomes suggestions that would improve efficiencies or enhance service. Space is provided on the Bidder's Proposal Form to itemize costs for these additional services.

18. Remote deposit equipment (check readers) and local services for a location within Rapid City/Box Elder area. Please include a detailed explanation of the financial institution's policy regarding remote deposit process in the proposal.

19. Currency types: US currency with some rolled and loose coins.

Section IV

Proposal Format and Content

Bidders should adhere to the following format and provide all the information requested. The proposal must consist of the following sections:

- Introduction
- Understanding of the Project
- Methodology, Management Plan for the Project
- Experience and Qualifications
- Cost Proposal

Content for these sections is described as follows:

Introduction

Proposals must include the complete name and address of the bank and the name, mailing address, and telephone number of the person the City should contact regarding the proposal.

Proposals must confirm that the bank will comply with all the provisions in the RFP. Proposals must be signed by a company officer empowered to bind the company. A bidder's failure to include these items in their proposals may cause their proposal to be determined to be non-responsive and the proposal may be rejected.

Understanding of the Services to be Provided

Bidders must provide a comprehensive narrative statement that illustrates their understanding of the requirements of the services that the City is requesting.

Ability to Provide the Services Outlined by the City

1. Provide a brief description of your bank. Enclose a copy of your latest annual report, discuss the financial stability of your institution, and provide an array of standard financial ratios that will demonstrate your financial health.
2. Discuss your ability to provide each of the services outlined in the scope of services and your capacity to handle the volume that is outlined in the appendix.
3. Provide a sample(s) bank statement.

4. Provide the details of any non-compliance with the collateralization requirements for public deposits over the past five years.
5. Discuss and provide details of any significant litigation surrounding your services in the last ten years.
6. Discuss insurance coverages for losses due to negligent misconduct and imprudent acts, non-negligent losses, errors and omissions or other acts and the ability to indemnify the City for losses not covered by insurance.

Experience and Qualifications

1. Provide an organizational chart specific to the personnel assigned to this relationship and illustrate the lines of authority.
2. Provide a personnel roster that identifies each person who will have major responsibilities for the various aspects of the City's accounts and briefly outline their qualifications.
3. Provide a list of at least three clients for whom the bank performs comprehensive services such as those outlined. Provide contact names and telephone numbers.

Cost Proposal and Fees

The bidder must state a firm fixed maximum price to provide the above services. A fee for services may accompany such fixed pricing if certain services require separate fees; however, the City is most interested in one base contract amount. It should be noted that the City is not interested in earnings credits or fee offsets with interest income. The City closely monitors short-term rates and poor interest returns will jeopardize continuation of any agreement.

Below is a listing of all City Accounts:

- Payroll
- Checking
- Water Operating Savings
- Sewer Operating Savings
- General Operating Savings
- Restricted Reserve account
 - 2003 Sewer Revenue Bond Reserve
 - 2006 Water Revenue Bonds Reserve
 - Tax Increment Financing Reserve
 - Sale Tax Revenue Bond City Hall Reserve
- Capital Projects

Section V

Submission of Proposal

A. Proposals should be prepared in a straightforward manner to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content. Costs for developing proposals are entirely the responsibility of the bidder and shall not be chargeable to the City.

B. The issuing office for the Request for Proposal is:

City of Box Elder
Nicole Schneider, Finance Officer
420 Villa Drive
Box Elder, SD 57719

Any questions concerning this RFP should be directed to the attention of Nicole Schneider, Finance Officer at this address, by phone (605) 923-1404, or by email at nicole.schneider@boxelder.us. The City would prefer that all questions which would be applicable to all parties be sent via email. Questions, answers, and related information will then be posted on the City's web site on a continual basis throughout the RFP process. The RFP and related information will be under the Finance Department on the City's web site at <http://www.boxelder.us/>. If you would like to receive an email of all updates, you are welcome to submit your email address.

C. The proposal shall be signed by the bidder. The signer must be a partner or principal of the bank. An unsigned proposal may be rejected.

D. Address or deliver the RFP to:

Nicole Schneider, Finance Officer
City of Box Elder
420 Villa Drive
Box Elder, SD 57719
(605) 923-1404

E. Three (3) copies of the technical and price proposals must be received at the above location by 12:00 noon on January 9, 2017. The package the proposal is delivered in must be plainly marked "**Proposal to Provide Payroll Banking Services.**" A proposal shall be considered late and will be rejected if received at any time after the exact time specified for return of proposals.

F. It is the policy of the City to solicit proposals with a bona fide intention to award a contract. However, this policy will not affect the right of the City to reject any, or all, proposals.

- G. For selected finalists, the City may request representatives of your organization to appear for the purpose of interview and presentation of proposal. Expenses and costs related to the interview will be the responsibility of the bidder.
- H. In evaluating the proposals, price will not be the sole factor. The City may consider any factors it deems necessary and proper for best value including, but not limited to, financial strength, technical capabilities, price, quality of service, innovative solutions, service flexibility, experience, staffing, and general reputation.
- I. The failure to meet all RFP policy requirements shall not automatically invalidate a proposal. The final decision rests with the City.
- J. Professional liability coverage is required on all agreements/contracts with other professionals. The amounts shall be as negotiated.

The **anticipated** schedule for this proposal is as follows:

1. RFP issued—December 6, 2016
2. Responses due—January 9, 2017
3. Evaluation period—January 2017
4. Contract award—January/February 2017

Section VI

Oral Presentation

- A. An oral presentation with one or more of the banks submitting proposals may be required after all written proposals have been received by the City of Box Elder. The issuing office will schedule the time and place for interview. Each bank selected for an interview should be prepared to clarify and elaborate on the details set forth in their proposal.

APPENDIX

Average Monthly Volume for Period November 2015–November 2016

Checks	<u>144</u>
EFT Debits	<u>10</u>
Deposits/Credits (12 Months)	<u>130</u>
Other Debits	<u>6</u>
Average Positive Available Balance (12 Months)	\$ <u>4.5</u> million
Stop Pays	<u>0</u>