

CITY OF SANFORD

Request for Proposals

Banking Services

For Contract Period

March 1, 2020 through February 28, 2024



Responses Due: October 22, 2019 at 3:00 PM

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Appendix A:

Summary of Account Services for February 2019 and July 2019

**CITY OF SANFORD
FINANCIAL SERVICES DEPARTMENT
BANKING SERVICES PROPOSAL
FOR CONTRACT PERIOD MARCH 1, 2020 THROUGH FEBRUARY 28, 2024**

Bank _____

Bank Officer _____ Title _____

Address _____

Phone _____ Date of Proposal _____

A. INTRODUCTION

The initiation of the Request for Proposal (RFP) process is intended to result in the selection of a financial institution that can provide the City of Sanford (the "City") with the highest quality and most flexible services for the lowest cost to the public. The City recognizes that the bank should be fairly compensated for services rendered and that all City bank balances should be continuously and fully invested for the benefit of the City. The Investment Program of the City is not part of this request. Proposals should demonstrate the bank's cost effective and innovative approach, including the use of advanced technology, to today's banking needs as well as the rapidly changing demands of the future.

B. CONDITIONS QUALIFYING A BANKING INSTITUTION TO SUBMIT PROPOSAL

1. Location of Banking Institution

A proposer must be a federally or State of North Carolina chartered banking institution with branch banking facilities located within the city limits of Sanford and in the vicinity of the City Municipal Complex. A branch of the proposer located within the Lee County boundaries but not within the city limits, shall provide bonded courier service daily at no cost to the City, and must be able to offer the full range of banking services required by this RFP.

2. Qualified Depository for Public Funds

The proposing Bank shall be a qualified depository for public funds in accordance with North Carolina General Statute 159-31 under the State Treasurer pooling method of collateralization. The bank must be a Member of the Federal Deposit Insurance Corporation.

C. TERMS AND CONDITIONS

1. The City of Sanford requests proposals for the banking services described below with an award period of four (4) years, beginning **March 1, 2020 and ending February 28, 2024** with an option of a one-year contract extension.
2. Questions concerning the request for proposals should be directed to Glenda Rosser at telephone number (919) 777-1140 or e-mail address glenda.rosser@sanfordnc.net. The City will answer any questions received **before 3:00 p.m., October 18, 2019**. The answers will become public record and will be shared via e-mail delivery to all proposers who are listed by the Finance Office as having received a copy of the original RFP.
3. The RFP must be received by 3:00 pm on October 22, 2019, and be clearly marked "PROPOSAL FOR BANKING SERVICES FOR THE CITY OF SANFORD". All submissions are to be delivered to:

City of Sanford, Finance Department
Attn: Beth T. Kelly, Financial Services Director
225 East Weatherspoon Street
Sanford, NC 27330

Any proposals received after the scheduled time for receipt of proposals will not be accepted or considered and will be returned to the proposer.

4. The City reserves the right to reject any and all proposals, to waive any non-material irregularities or informalities in any RFP, to accept or reject any item or combination of items, and to request additional clarification of proposals.
5. All proposals received become the property of the City of Sanford and information included therein or attached thereto, shall become public record upon their delivery to the City.
6. The City does not guarantee that the activity levels as indicated in the proposal will continue at the same level during the award period.
7. Any and all costs associated with the preparation of a response to this request are the responsibility of the proposer, and are not to be passed on to the City.
8. **It is required that the proposal be completed in its entirety. The RFP package constitutes the entire set of instructions. The City shall not be responsible for any other instructions, verbal or written, made by anyone.** Any changes to the RFP will be in the form of an addendum which will be e-mailed to all proposers who are listed by the Finance Office as having received a copy of the original RFP.
9. All proposals submitted will be evaluated by a team of staff members and the award will be made to the responsible bidder whose proposal is determined to be the most advantageous to the City based on the evaluation factors set forth in this RFP.

10. All services will be evaluated on availability, time schedules, reporting and in the case of interest-bearing checking accounts, interest rates. All proposals will be evaluated as follows:
 - a) Financial strength and capacity of the financial institution.
 - b) Ability to provide needed services for the City in an efficient and responsive manner.
 - c) Ability to provide all services requested by the City.
 - d) Ability to provide optional services requested.
 - e) Overall cost.
 - f) Compatibility with City's existing ERP system, Munis.
11. The contract may be terminated by either party on 90 days written notice.
12. The City expects an account executive to be named to the account once an award is made. **The account executive shall serve as liaison with the City regarding all matters of the account.**
13. The successful bidder must be an Equal Opportunity Employer.
14. Any cash balance which may exist must be secured as prescribed by state law (G.S. 159-31 (b)). The bank is expected to provide adequate security without further instructions from the City to do so.
15. The Bank must include with their response, copies of all agreements needed in accordance with the provision of services to the City. These will be reviewed and approved by the City Attorney.
16. The City uses MasterCard and Visa debit/credit cards for the receipt of certain revenues. These services are not part of this proposal, as this contract is separate as bid through the State of North Carolina. However, the Bank must be able to provide a minimum of next day funds availability with these receipts and have the ability to provide settlement for these funds with the designated merchant services vendor (SunTrust).
17. The Bank shall provide the following financial information:
 - Provide annual reports for the last three-(3) fiscal years.
 - Provide the current ratings from each of the following agencies, if rating the institution: Fitch Ratings Ltd., Moody's Investors Service and Standard & Poor's.
 - Provide one copy of the most current audited annual financial report and Form 10K filed with the SEC. The annual report should contain at least three years of comparative financial data.
 - If a subsidiary, please indicate the exact legal corporate name of each entity providing any of the services requested in this RFP.
 - Clearly describe any services that are provided by third parties, identifying the parties providing the services.

The following financial ratio criteria shall be calculated and submitted by the Bank with the Request for Proposal. Numbers used in the calculation should be shown also.

The successful proposer shall, during the duration of this contract, continue to furnish to the City annual reports in a timely manner.

a. Capital Adequacy:

1. $\text{Primary capital/total assets} = (\text{Common equity} + \text{loan loss reserve})/(\text{total assets})$
2. $\text{Primary capital/risk assets} = (\text{Common equity} + \text{loan loss reserve})/(\text{Total assets} - \text{fixed assets})$

b. Profitability:

1. $\text{Return on assets before taxes} = \text{Pre-tax net income}/\text{total assets}$
2. $\text{Return on equity before taxes} = \text{Pre-tax net income}/\text{total equity}$

c. Problem Loan History:

1. $\text{Problem Loan-to-Primary Capital Ratio} = \text{Loans more than or equal to 90 Days due}/(\text{Common equity} + \text{loan loss reserve})$
2. $\text{Loan loss reserve-to-total loans} = \text{Loan loss reserve}/\text{total loans}$

d. Liquidity:

1. $\text{Liquid assets-to-total deposits} = (\text{Cash} + \text{marketable securities})/\text{total deposits}$
2. $\text{Net loans and leases-to-deposits} = (\text{Net loans} + \text{leases})/\text{total deposits}$

18. The Bank should have the ability to separately handle commercial deposits made inside the branch office.

19. The Bank will be able to establish required accounts based on the City's federal tax ID number and not the personal social security numbers of authorized personnel.

D. DESCRIPTION OF CORE SERVICES TO BE PROVIDED AND RESPONSES

Each proposer shall provide the cost of providing each of the banking needs and services requested in the RFP. All costs should be on a per unit basis or monthly fixed fee unless otherwise indicated. **Do not request to change or increase the cost per unit for services during the contract period.**

Please respond only on the standard RFP forms provided. Supporting material that does not pertain to matters contained in the RFP may be attached; however, it will not necessarily be considered in the review and evaluation process.

1. Additionally, the bank shall provide the City with the following services via a web-based banking program:

Repetitive Wire Transfers Out	Yes_____	No_____
Account Transfers (between accounts)	Yes_____	No_____
ACH Origination	Yes_____	No_____
Positive Pay	Yes_____	No_____
Remote Deposit	Yes_____	No_____

2. The bank shall deliver by the 10th day of the subsequent month, an itemized statement showing each deposit, credit or debit memo, along with the check number and amount of each transaction processed for each account.

Yes_____ No_____

3. The bank shall provide check safekeeping with cancelled check imaging on CD ROM or online imaging via web-based banking program.

CD ROM: Yes_____ No_____
Online Imaging: Yes_____ No_____

4. The bank shall have the ability to furnish by the 10th day of the subsequent month, a data transmission of paid checks in the .csv or .txt format.

Yes_____ No_____

5. The bank must be able to handle changes, reversal or deletions from EFT/ACH items prior to the file being released to the automated clearinghouse or Federal Reserve.

Yes_____ No_____

6. All checks returned to uncollected shall be presented twice before debiting the City accounts. Returned debited items shall be forwarded to an authorized City representative.

Yes _____ No _____

7. Wire services shall be provided by the bank via a web-based banking program.

Yes _____ No _____

8. Moneys deposited in the bank by the City by the end of business day shall be processed and credited for same day deposit.

Yes _____ No _____

9. The bank shall provide the City with access to the following information for the previous ninety days through a web-based banking program:

Balance Inquiry	Yes _____	No _____
Collected Balances	Yes _____	No _____
Transactional Detail	Yes _____	No _____
Images of all cleared items	Yes _____	No _____
Images of all deposited items	Yes _____	No _____
Check Inquiry	Yes _____	No _____
Stop Payment	Yes _____	No _____

If there is no charge for services listed on the proposals, then the term "No Charge" should be entered on the proposal form for the specific service.

10. The method of zero balance accounts will be used by the City.

The City anticipates the use of the following accounts:

- a. Master Account – Interest Bearing
- b. Vendor Account – used for accounts payable transactions
- c. Payroll Account – used for payroll transactions
- d. Credit Card Settlement Account
- e. Draft Settlement Account – used for all payments drafted from the City's bank account or electronically deposited into the City's bank account.

An analysis of service activity for the above City accounts for at least one high month of volume and one low month of volume are included as Appendix A.

11. The City has two component units that we will need checking accounts for:

- a. Sanford Tourism Development Authority
- b. Friends of Sanford, Inc.

12. All City funds deposited shall earn interest. The average daily balance goal is \$1,000,000 or less.

Yes _____ No _____

a. How often the rate will be adjusted: _____

b. Explain how the interest rate will be set and describe the overnight investment instrument the Bank anticipates utilizing:

c. Is the overnight instrument in compliance with NC General Statute 159-30?

d. List the past monthly interest rate for the investment instrument above for the months of July, August and September 2019:

e. Please state if the maximum limit will be established by the bank concerning the total amount of monies the City may have on deposit in its interest-bearing account at any one time.

13. Incoming and outgoing wire transfer instructions shall be accepted via telephone with a PIN number or direct communication wire via the online web-based platform from authorized City representatives. Wires shall be made and accepted on a same day basis. All incoming wires received prior to the official deadline of the Federal Reserve System are expected to be given the same day credit to the City's account. The institution is expected to assume responsibility for all losses or cost incurred by the City as a result of the financial institution's failure to transfer wires as instructed.

Yes _____ No _____

14. Positive pay exception reports should list all checks or ACH items that are not included in the positive pay data transmission and should be interactive. Authorized officials from the City should be able to accept or deny these items on-line. Exceptions should be available by 10 am on each day from the previous day's activity. Bank will be provided with list of authorized recurring debits.

Yes _____ No _____

15. Provide resources to create templates for repetitive wires and ACH transactions with the ability to restrict amount and access for different users. Each individual template should have the ability to permanently establish different sections of the template. For example, for some repetitive wires, the same amount is wired each time. Each individual template should also have the ability to restrict use for designated authorized officials. Different templates would then be able to have different users. Changes to those templates shall only be made according to a written request to the financial institution from an authorized official.

Yes _____ No _____

16. The bank shall be able to allow the City to place Stop Payments via online method from an authorized City official.

Yes _____ No _____

17. Research items (lost checks, mutilated checks, lost deposit slips, etc.) shall be furnished within 48 – 72 hours of request.

Yes _____ No _____

18. The bank shall furnish direct deposit services to employees' payroll checks to their designated checking or savings account. On-line transmission of ACH information via web-based banking program is required. The City pays on a bi-weekly basis and the majority of employees are on direct deposit. Transmission will be delivered by 5:00 pm two business days prior to payday.

Yes _____ No _____

19. The bank shall provide to the City a monthly detailed account analysis for each account indicating the following:

- a. Average ledger balances.
- b. Average uncollected balances.
- c. Averaged collected balances.
- d. Services provided including volume and price.
- e. Net monthly earnings.
- f. Total costs.

Yes _____ No _____

20. Please provide a proforma listing all services based on the volumes listed in Appendix A. Please use both an earning credit rate as option 1 and an interest rate as option 2.

Account Reconciliation Services is a cost-effective method for performing bank account reconciliations. The City requests the capability to transmit this information each month for all checks issued on the vendor and payroll accounts. The transmission will include check number, date issued, and vendor name. The awarded bank will provide an account reconciliation for each account that lists checks paid/outstanding in serial sequence with check numbers, amount and date paid. The outstanding checklist will be cumulative, carried over from month to month. All cancelled checks will be returned on a compact disc sorted by check number on a monthly basis. All items, such as debit/credit memos will be returned on a monthly basis. The City must be able to transmit via internet or e-mail and download the information via internet or e-mail.

Yes _____ No _____

21. The City also requests the bank have the capability to provide positive pay on the payroll account at the branch level.

Yes _____ No _____

22. The City requests positive pay notification via e-mail to multiple addresses.

Yes _____ No _____

23. Bank generated debit or credit items must be forwarded to the City the next business day.

Yes _____ No _____

24. Disposable depository bags shall be furnished by the Bank as needed.

Yes _____ No _____

25. The Bank will furnish all pre-numbered and pre-encoded deposit slips in triplicate at the Bank's expense.

Yes _____ No _____

26. The bank shall provide all endorsement stamps for the departments making deposits at the Bank's expense. The bank shall provide stamps to each department upon the beginning of the contract. The endorsement stamps shall be in a format approved by the City. During the term of the contract, endorsement stamps shall be provided as requested. We currently need 15 endorsement stamps.

Yes _____ No _____

27. The bank will provide stale date control of 90 days on vendor and/or payroll checks.

Yes _____ No _____

28. Occasionally the City drug enforcement unit requires large sums of used small bills on short notice. The Bank should be able to provide \$10,000 to \$50,000 in \$20's and \$10's on 24 hour notice or less at no cost.

Yes _____ No _____

29. Please provide at least 3 current local government references for all of the aforementioned services provided by the Bank.

Yes _____ No _____

30. Each proponent shall provide in its proposal, a contingency plan for providing banking services to meet the City's needs in the event of catastrophic damage that may severally damage banks infrastructure and curtail or impact on the normal operation of the Bank. Contingency plans shall include any information to demonstrate Bank's capability of responding to catastrophic occurrences. (Please use separate sheets if necessary.)

31. Please list any services you can provide to the City that have not been listed above. Do not include these services as a part of your proposal but provide the per unit cost for each service. (Please use separate sheets if necessary.)

The bank shall provide a listing of all branches in the City of Sanford and surrounding area including addresses and working hours.

E. LOCKBOX SERVICE

1. The City currently uses a retail lockbox for the receipt of monthly utility bills. Lockbox service is available by the Bank.

Yes _____ No _____

Please include a detail description of your retail lockbox service. Please include your turn-around time for processing and deposit deadlines, ability to handle multiple remittances per account, ability to handle payments without account billing stub and how are unbalanced transactions handled. (Please use separate sheets if necessary)

2. Please list the location of lockbox operations. _____

3. Are lockbox services provided by a third-party vendor?

Yes _____ No _____

4. The City will receive same day credit on all lockbox receipts.

Yes _____ No _____

5. Web-based access containing customer check and coupon images will be furnished to the City each business day for the prior day's deposit. Please indicate how long the images remain available online.

Yes _____ No _____ Length of time available: _____

6. Daily delivery of the accounts receivable/payments file will be via e-mail or internet and will be made compatible with the City's ERP system, Munis.

Yes _____ No _____

7. The Bank will provide error-free processing of the lockbox payments at 97% or greater.

Yes _____ No _____

8. Exception items will be researched and resolved within 24 hours.

Yes _____ No _____

9. Please explain your security measures or features for unauthorized transactions:

10. Please provide at least 3 references of local governments in North Carolina using the Bank's lockbox service.

Yes _____ No _____

CITY OF SANFORD

F. PROPOSAL FOR BANKING SERVICES

We have read the RFP concerning the Banking Services for the City of Sanford and fully understand its intent. We certify what we have adequate personnel, equipment, and facilities to fulfill the requirements thereto.

We have enclosed a copy of our most recently available and prior two (2) years annual financial reports. Also enclosed is an example of your statement format and required references.

We certify that this proposal is made without prior understanding, agreement or connection with any corporation, firm, or person submitting a bid for the same services and is in all respects fair and without collusion or fraud. I understand collusion bidding is a violation of state and federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid to the bidder.

BY: _____

(name as above printed)

TITLE: _____

COMPANY: _____

ADDRESS: _____

TELEPHONE: _____

E-Mail: _____

APPENDIX A:		
SUMMARY OF ACCOUNT SERVICES		
SERVICE DESCRIPTION	VOLUME - FEB 2019	VOLUME - JULY 2019
ACH Credit Per Item Fee	226	205
ACH Return Item	6	8
ACH Notification of Change	96	91
Online Banking Additional Accounts	1	1
Online Banking ACH Files Process	15	14
Online Banking ACH Item Fee	3,708	3,801
Online Banking ACH Module Fee	1	1
Online Banking Same Day Rpt-Wire	1	1
Online Banking Internal Bank Transfer	2	1
Online Banking Domestic Wire Fee	1	1
Online Banking Domestic Wires	3	6
Online Banking ERD Request Fee	20	19
Online Banking External Alerts	8	32
Online Banking Posted Items	220	117
Online Banking Plus Package	1	1
Online Banking Stop Payments	2	2
CD Rom Maintenance	5	5
CD Rom Per CD	1	1
CD Rom Per Item/Image	442	391
CD Rom Per Statement Image	5	5
Checks	549	613
Currency Deposited	1,108	1,340
Deposits	83	101
EDI Reporting Fee	146	51
ACH Monitor Add Originator	-	1
ACH Monitor Paid Decision	-	3
ACH Monitor Filter	5	5
Deposit Protection Per \$1000	1,191	1,779
File Transfer Fee	144	132
Deposited Items-Govt	335	336
Deposited Items - In State	1,727	1,721
Deposited Items - Out State	755	767
Lockbox Rental	1	1
Lockbox Check Only Service	125	146
Lockbox Checks Processed	2,906	2,544
Lockbox Data Transmit Item	2,694	2,379
Lockbox Deposit Prep Service	23	20
Lockbox Data Transmit Service	1	1
Lockbox Exception Items	54	60
Lockbox Deposit Report (E-mailed)	23	20

SUMMARY OF ACCOUNT SERVICES		
SERVICE DESCRIPTION	VOLUME - FEB 2019	VOLUME - JULY 2019
Lockbox Check Image Item	2,906	2,544
Lockbox Portal Service	1	1
Lockbox Remit Image Item	2,694	2,379
Lockbox Processing Service	1	1
Lockbox Remittance Processed	2,694	2,379
Lockbox Package Prep	22	20
Lockbox Correspondence Item	37	17
Checking Maintenance	6	6
Positive Pay Items	442	391
Positive Pay Maintenance	2	2
Reconcilement Full Maintenance	2	2
Full Reconcilement	442	391
RID Maintenance	4	4
Deposits/RID	145	129
Deposit Items/ RID/ Govt	156	160
Deposit Items/ RID In State	890	868
Deposit Items/ RID Out State	459	562
Returned Items - Charged Back	11	9
Special Service Charges	1	1
Wire Transfers/Incoming	5	5
Zero Balance Maintenance	1	1
Zero Balance Transfers	71	84
Account Information Hotline	3	-
AVERAGE LEDGER BALANCE	\$ 1,191,504.77	\$ 1,778,855.66