

Request for Proposals

For Banking Services

City of Orangeburg

October 1, 2013

# **City of Orangeburg, SC**

## **Request for Proposal – Banking Services**

### **Contents**

- I. General Information**
- II. Proposal Process**
- III. Minimum Qualifications**
- IV. Account Description**
- V. Services Required**
- VI. Format & Content of Proposal**
- VII. Evaluation of Proposals**
- VIII. Final Comments**

Attachment 1 Attachment 2

### **I. General Information**

#### *About the City of Orangeburg*

The City of Orangeburg is a full service incorporated city in the State of SC with 13,964 residents (2010 census). Incorporated in 1883, the City operates under a charter that provides for a six-member elected City Council and an elected Mayor. The Council appoints the City Administrator and City Attorney to carry out its adopted policies. The major municipal services provided by the City include administration, finance, public safety, public works, parks & recreation, service and two enterprise funds. The City has approximately 195 employees.

#### *About the Request for Proposal*

The Finance Director for the City of Orangeburg seeks proposals from financial institutions interested in providing banking services for the City. The objective of requesting proposals is for the City to determine which institution can offer the highest quality of service at the most reasonable cost. Services currently provided by Bank of America are satisfactory, but the City feels it is important to renew the request for proposal process. This process also provides the City the opportunity to explore alternative procedural methods with various technological advances that could improve its banking, cash management and customer service capabilities.

We encourage you to be creative and educational in your responses. While your format must be consistent with the requirements of the RFP, if you believe your proposed solutions or services would be beneficial to the City, we invite you to offer them.

The investment activities of the City will in no way be affected by the appointment of a financial institution to handle the City's banking requirements. All investment activities are handled at the direction of the City's Finance Director and are not included as a component of this Request for Proposal.

The City intends to establish a five-year contract, reviewed on an annual basis. The conditions of the proposal must remain valid for a minimum contract term of five years. As a matter of policy the City can extend the Banking Services at the end of the five year term annually. Either party can cancel the contract for any reason with 90 days written notice.

## **II. Proposal Process**

The City has made every effort to include enough information within this proposal request for an institution to prepare a responsive proposal. The City encourages each entity to submit the most comprehensive and competitive proposal possible. If additional information would be of benefit to the City, the City will be willing to respond to questions from representatives. The timing of the proposal process is as follows:

- a. *Distribution of Request for Proposals.* Proposals will be mailed on **October 1, 2013**.
- b. *Proposal Submission.* Proposals must be delivered directly to the Finance Director no later than 5:00 p.m. on **December 2, 2013**. Faxed transmitted proposals will not be accepted.  

City of Orangeburg Banking RFP  
Carrie Johnson  
Finance Department  
P.O. Box 1183  
979 Middleton Street  
Orangeburg SC 29115
- c. *Proposal Review and Selection.* The review committee will evaluate each proposal submitted. It is anticipated that the review process will be completed and written notification will be sent regarding the outcome of the review and contract award process by **January 31, 2014** or sooner.
- d. *Official Approval.* The City Administrator and the Finance Director will consider the recommendation for Banking Services and authorize a final contract for services between the City and the selected financial institution.
- e. *Conversion Activities.* The approved firm will be required to coordinate with City staff all the activities necessary to ensure a smooth transition. Conversion activities will begin upon notification and are projected to be completed by **April 1, 2014 or sooner**.
- f. *Contract Effectiveness.* The Banking Services contract will become effective on the conversion date for a five year term. The contract shall provide that the City reserves the

right to cancel this contract at any time, for any reason, with 90 days written notice.

The City will make every effort to administer the proposal process in accordance with the terms and dates discussed in the request for proposal. However, the City reserves the right to modify the proposal process and dates as deemed necessary.

### **III. Minimum Qualifications**

To be considered for selection, proposing financial institutions must have at least the following qualifications:

- a. Be a federally or State of South Carolina chartered financial institution.
- b. Be a member of the Federal Reserve System and have access to all services.
- c. Be a full service financial institution in good standing among other comparable financial institutions.
- d. Be capable of providing the services sought by the City.
- e. Have established offices within the City of Orangeburg.
- f. Have experience in providing banking services for other large organizations, preferably to other municipalities.
- g. Be sufficiently capitalized to accommodate the City's cash management needs.
- h. Agree to assign personnel who are committed and capable of serving the City's accounts.
- i. Be a qualified depository for public funds and have sufficient qualified collateral available to pledge in accordance with banking regulations based upon public funds provisions of the banking code, if required.
- j. Financial institution must have multiple online capabilities to include: ACH, Wire, Positive Pay, Stop Payment, Online Statements and check copies, transfers between funds, inquiries on funds, daily detailed report of banking activities as well as any other electronic or web based features.

#### **IV. Account Description**

The City of Orangeburg pays out in excess of \$18 million annually through its bank accounts. The City deposits over \$18 million dollars annually, including investment transactions. The City's annual payroll is in excess of \$6 million and accounts payable in excess of \$12 million.

The City's general business requires a **four (4)** account systems as well as fifteen (15) small accounts.

- General Account – split into the Main account and 2 ZBA accounts for Payroll and Accounts Payable.
- Employee Flex Spending Account

The General Account is used for all cashiering, investment, disbursement and money transfer activities. The Health Benefit Deductible and the Employee Flex Spending Account are related to the City's health care and benefit system.

## *Deposits*

In addition to over-the-counter and mail receipts, the general account will be utilized as the designated depository for electronic transfer deposits. All deposit items (checks) are fully encoded. The service institution must give immediate ledger credit for deposit items received during the regularly scheduled business hours whether or not the deposit items can be fully processed by the institution on the day of receipt.

Deposit items returned for non-sufficient funds must be automatically redeposited. If an item is returned a second time, it should be presented to the City for reimbursement.

## *Disbursements*

Most disbursement of funds in the custody of the City, except for investments, direct deposit of payroll, and authorized wire transfers are made through the issuance of checks. The City will furnish check stock suitable to the institution's processing standards. Imprinted on the checks is the bank clearing number, name of the bank, MICR encoding for the bank ABA number, check number and any other required information.

## **V. Services Required**

The services required to accommodate the City's current and anticipated banking needs are extensive and major service categories are outlined as follows:

1. *Internet Reporting / File Transmission.* The institution must have an Internet reporting system to allow the City to receive, **by 8 a.m. Eastern Standard Time (EST)**, previous day balance and transaction information for each designated account. The City will use the Internet to obtain a balance report each morning for use in connection with its cash management functions. This system must have wire transfer, ACH and direct deposit capability.

2. *Federal Tax Payments.* The City deposits various employee tax payments with the bank.

3. *Availability of Funds.* The institution should have the availability of funds necessary to accommodate the security, deposit volume and change order demands associated with accounts as large as the City's.

4. *Electronic Payment / Deposit Services.* The institution must be both a sending and receiving institution on the Automated Clearing House (ACH) system. The institution must have the capability to accommodate a wide range of electronic payment and deposit services currently used by the City in connection with investment transactions and Federal and State transfers of funds to the City. The City utilizes direct deposit services for its bi-weekly payroll. Approximately 150 employees take advantage of the payment mechanism.

5. *Money Transfer Services.* The institution must have the capability to accommodate incoming and outgoing electronic money transfers and should also provide the City with a money transfer service that allows the City to initiate wire transfers with the use of the Internet.

6. *Reporting Services.* The institution must provide monthly account reconciliation reports, statements, account analysis statements, confirmation tickets, canceled checks, and other report related features normally associated with large accounts. Monthly statements should be received by the 5<sup>th</sup> working day of the month. The institution must be able to provide various reports and statements and copies via the Internet and paper format, and also provide specialized reports, where feasible, as needed.

7. *Training Services.* The institution must provide on-site and/or web training to City personnel for the operation and use of its services and automated systems for all areas of service. Training, operating manuals, and ongoing support are to be supplied by the institution for all services provided.

8. *Processing of returned checks a second time if the item is initially dishonored due to "non sufficient funds" or "refer to maker".* The City receives approximately 20 - 40 return items per year for all accounts.

9. *Investment Services.* Investment services of the City's investment portfolio are NOT a part of this banking services request for proposal.

10. *Other services.* There are many other services too detailed to mention that are customarily provided to government entities. These services will also be generally assessed by the City in reviewing the information provided in the proposal. The City reserves the right to add other services, at a reasonable cost, during the term of the contract.

11. *Cash Management Services.* Describe other cash management services such as positive pay, reverse positive pay, etc. that comparable municipalities may utilize and thus may be of interest to the City.

12. *Remote Capture Capability.* Describe remote capture capability and procedures for crediting deposits transmitted via this way.

13. *Customer Service:* The City would need a dedicated CSR or team to help manage our accounts and requests that may be needed.

14. *Employee Checks:* The City request that the bank will cash City of Orangeburg checks for employees without charging a fee. Example – employee payroll check or an employee reimbursed expense.

15. *Possible Additional Services –*  
*All online services including bank reconciliations, check copies, stop payments, etc.*  
*Online account services as well as a dedicated team member.*

- a. Credit Card Service. The City does not currently accept debit or credit cards for payments of services except through the internet. However, the institution must be able to provide an electronic system which will accommodate credit card authorizations, automatically deposit funds into a designated City checking account and account for any fees or discount charges with a separate monthly billing in the event the City chooses to accept debit or credit card payments in the future. Recommendations for credit card services from a Proposer are welcomed. Our Airport and Golf Course accept credit card transactions currently and we anticipate no changes in that service.

Proposing institutions should have prior experience in providing these services for large organizations and preferably for other government entities. More importantly, the institution should have the capitalization necessary to accommodate the City's depository, collateral and cash flow needs.

## **Account Services**

### **1. General Fund Account (Main Account)**

- Monthly statement adapted to City's accounting month –
- Monthly media transmission of all disbursements in Prescribed format
- Automated account detail on a daily basis
- Encoded deposit slips
- Monthly return of canceled checks in electronic format on a CD.
- The City requests a sample of your monthly bank statement and account analysis and when these reports are made available electronically as well as how long the report images are maintained online.

### **2. Employee Flex Spending Account System**

- Monthly statement adapted to City's accounting month
- Monthly media transmission of all disbursements in prescribed format
- Automated account detail on a daily basis
- Monthly return of canceled checks or electronic copy

## **VI. Format and Content of Proposal**

In order for City staff to adequately compare and evaluate proposals objectively, all proposals **MUST** be submitted in accordance with this format. The proposal should be prepared simply and economically, providing straight-forward and concise information as requested. Each proposal should be placed in one book format and separated by section and tabbed in conjunction with the proposed specifications. The proposal sections and format **MUST** be organized as follows:

Title Page / Cover. *One printed page maximum.* Show the name of the proposing institution, its principal business address and the branch address that would serve the

City, the name of the proposer, a contact for questions by the City and the date that the proposal was submitted.

Tab 1. Table of Contents. *One printed page maximum.*

Tab 2. Transmittal Letter. *Two printed pages maximum.* The letter should briefly address the institution's willingness and commitment, if selected, to provide the services, why it believes it should be selected and any exceptions to the services requested by the City.

Tab 3. Financial Institution and Staff Profile. *Five printed pages maximum.* Respond to the following text sections.

- A. Describe the Institution. Briefly describe the historical evolution of the institution in the Orangeburg area including the number of branches within the city limits. Identify the branch or correspondent bank branch in Orangeburg that would act as the lead financial facility.
- B. Describe the institution's experience in providing similar services. Summarize the services provided for no more than two of the institute's most comparable corporate or municipal customers. Include a brief description of the services provided, how long such services have been provided and a contact person for each client described.
- C. Identify the personnel to be assigned. Describe the role and responsibility of each person assigned a major role in this banking relationship, briefly detailing credential and related experience.
- D. Exceptions. List any services required by the City which are not included in the institution's proposal.

Tab 4. Deposit Processing. *Three printed pages maximum.* Describe how the institution would accommodate the volume associated with an account such as the City's. For example, indicate if deposits will be processed through a retail branch or a main office/branch. Recommendations to improve current deposit practices could also be included in this section. If there are any cutoff times and requirements by location, specify. If there are any deposit bag requirements, specify. Any deadlines for deposits, specify

Tab 5. Account Reconciliation. *Three printed pages maximum.* Describe the account reconciliation services offered and media specifications. Include a description of any electronic or software features available that could be used by the City to interface with the institution to determine a daily or weekly outstanding check balances. Also describe the check truncation services that would be available and its merits.

Tab 6. Electronic Money Transfers. *One printed page maximum.* Describe the electronic money transfer services offered.

Tab 7. Change / Currency Order Services. *One printed page maximum.* Describe the procedures required for requesting change / currency orders.

Tab 8. Balance Reporting. *One printed page maximum.* Describe the balance reporting services offered.

Tab 9. Payroll Tax Processing. *One printed page maximum.* Describe the services available to accommodate the City's payment and reporting of payroll taxes.

Tab 10. Credit Card Processing. *Two printed pages maximum.* Describe the electronic system(s) available to the City for processing credit card transactions, level of customer service, and other related support activities.

Tab 11. Controlled Disbursement. *One printed page maximum.* Describe the controlled disbursement program offered.

Tab 12. Sweep Account Facility. *One printed page maximum.* Allows for the automatic transfer of excess collected balances remaining in the accounts to a government qualified money market fund or collateralized repurchase agreement on an overnight basis. Describe the sweep account option offered or any alternatives to this feature.

Table 13. Interest Allowance / Earnings (where applicable). *One printed page maximum.* Describe the methodology that would be used to give credit to the City for account balances. Also, note any fees associated with servicing any and all accounts.

Tab 14. Collected Balances. *Two printed pages maximum.* Specify the procedures for the calculation of collected balances, calculation of charges for funds advanced, and an explanation of how deposit float will be calculated.

Tab 15. Daylight Overdraft Protection. *One printed page maximum.* Describe any issues, concerns or charges associated with the possible use of a daylight overdraft facility.

Tab 16. Pricing. *Three printed pages maximum.* Describe, using attachments as a guide, the pricing for services and supplies that are proposed. Include a pro forma detailed monthly billing statement as part of this section (not to be included as part of the page maximum for this section). Indicate if the institution will cap or propose a flat monthly service fee, or any other form of payment based on information provided by the City in this RFP. A description of fee structures for each individual account system described above should be included. A multiyear cap on costs is preferred.

Tab 17. Pricing Adjustments. *One printed page maximum.* Prices are to remain constant for the first two years of the contract. For subsequent years, indicate what process are proposed for price increases, if any. Institutions may propose an annual adjustment to prices either on a fixed percentage basis or on a variable percentage based on the increase in a nationally recognized index. Indicate if there is a maximum percentage increase applicable.

Tab 18. Conversion Plan. *Two printed pages maximum.* Describe the overall plan to coordinate a smooth transition from the current provider. Indicate what direct costs the City would be responsible for in the conversion. Indicate what conversion costs, if any, would be absorbed by the institution as start up costs. The current provider should discuss any issues that may be different from the existing services. Also discuss the training program for City staff that would be provided.

Tab 19. Service Enhancements. *Three printed pages maximum.* Based upon information about the City's banking needs and goals learned during the course of this proposal process, describe any enhancements, technological or otherwise, that the City should consider to improve operational or cash management efficiencies.

Tab 20. Authorization to Contract. *Two printed pages maximum.* Provide either a Corporate Resolution, Certificate of Secretary, or correspondence from the Chief Executive Officer or Chairperson attesting that the individual signing the proposal has the authority to make binding representations on behalf of the institution.

Tab 21. Draft Contract. *As necessary.* Provide a draft contract or agreement for Banking/Financial Services that is specific to the services, terms and conditions represented in this request for proposal.

Tab 22. Financial Statements and Ratings. *As necessary.* Provide the most recent audited financial statements for the institution; and if your institution has been rated credit ratings for the past three years.

Tab 23. Account Analysis. *As necessary.* Provide a sample account analysis and the users guide for the account analysis.

Tab 24. Other Information. *Three printed pages maximum.* Briefly describe any other information not previously mentioned that the institution believes should be given consideration by the City.

## **VII. Evaluation of Proposals**

The proposals will be evaluated by City staff directly and indirectly responsible for administering the City's banking activities. The City at its sole discretion, will determine whether to hold discussions with the Proposers who are in a "competitive range" or to recommend the Contract be awarded without discussion on the basis of the proposal submitted. The evaluation criteria will include the following:

- A. **Proper Submission of Proposal.** The proposal must be submitted, received by the Finance Director or postmarked, by the due date outlined in this proposal. It is the responsibility of the institution to ensure proper and timely delivery of all required material. Late submissions will not be considered or evaluated.
- B. **Comprehensiveness of Services Provided.** The City's evaluation of the overall capabilities of the institution to meet the required service levels described in this RFP.
- C. **Related Experience.** The institution's related experience in providing services comparable to the City's needs.
- D. **Firm Stability.** The institution's financial standing among their peers and the associated credit quality rating.
- E. **Prior City Experience.** The City's prior experience with the institution.
- F. **Assigned Individuals.** The credentials and experience of the person(s) assigned to the City's accounts.
- G. **Account Analysis.** The quality of the institution's standard account analysis

statement.

- H. **Conversion Plan.** The thoroughness of the conversion plan to ensure a smooth transition.
- I. **Charges for Services.** The amount of the standard charges, proposed pricing increases in subsequent years and the concession pricing structure being proposed.
- J. **Service Enhancements.** The institution's efforts to understand the City's banking needs and goals. Also, the creativity the institution shows in introducing new technologies and efficiencies to the City to improve current practices and procedures.
- K. **Other Factors.** Any other factors the City believes would be in the best interest of the City to consider, which were not previously described.

### **VIII. Final Comments**

The City reserves the right to reject any and all proposals, cancel all or part of this RFP, and waive any minor irregularities and to request additional information from proposing [institutions](#). By requesting proposals, the City is in no way obligated to award a contract or pay expenses of the proposing institutions in connection with the preparation or submission of a proposal.

The City's decision to award a contract will be based on many factors including but not limited to service, cost, financial strength and innovation. No single factor, such as cost, will determine the final decision to award.

The successful Proposer will be required to secure and maintain appropriate insurance coverage. Proof of such coverage, in the form of a broker-issued certificate, must be received by the City prior to the beginning contract date.

The City truly appreciates the effort all the institutions and their respective staffs have put forth in responding to the Banking Services Request for Proposal for the City of Orangeburg.