

Request for Proposals
For
Banking Services



Town of Springdale
May 30, 2014

For questions, please contact Joe Boyes at:
(803)794-0408 or jboyes@springdalesc.com

Town of Springdale, South Carolina

Request for Proposals for Banking Services

Contents

1. General Information
2. Proposal Process
3. Minimum Qualifications
4. Account Description
5. Services Required
6. Format and Content of Proposal
7. Evaluation of Proposals
8. Final Comments

1. General Information

The Town of Springdale

The Town of Springdale (incorporated in 1955) has a population 2,636 as of the 2010 census. The Town offers sanitation and police services while contracting for other services. Springdale operates on a Council form of government with an elected Mayor and six Town Council members. The Town Council appoints the Town Administrator, Town Attorney, and Municipal Court Judge to carry out its policies and enforce its ordinances. The Town currently has 14 employees.

About the Request for Proposal

The Town Administrator for the Town of Springdale seeks proposals from financial institutions interested in providing banking services to the Town. The purpose of this request is so that the Town may determine which institution would provide it with the highest quality of service at the most reasonable cost. While current banking services are satisfactory, the Town recognizes the need to reexamine its banking relationship periodically to ensure that it receives the best services and value while exploring alternative procedural methods and technological advances that can improve its cash management and customer service capabilities for the Town's residents.

The Town of Springdale encourages proposals that are creative, informative, and straightforward in addressing the Town's banking needs. While the format must be consistent with the RFP's requirements, we are certainly interested in learning about any services your institution offers that you feel will benefit us.

The Town intends to establish a five-year contract to be reviewed on an annual basis. The conditions of the proposal must remain valid for the contract term. As a matter of policy, the Town may extend the banking services at the end of the five-year term. Either party is permitted to cancel the contract for any reason by providing the Town with written notice 90 days prior to the cessation of services.

2. Proposal Process

In developing the RFP, the Town of Springdale has worked to ensure that it contains enough information for a financial institution to prepare an adequate proposal. The Town encourages all participating institutions to submit the most complete and competitive proposal possible so that the Town may have an understanding of all services that you provide. If an institution requires additional information, the Town of Springdale is more than happy to answer any questions the institution's representatives have.

The timing of the proposal process is as follows:

a. Distribution of Requests for Proposals

This request for proposals will be made available on May 30, 2014 on the town's website (www.springdalesc.com) and by request.

b. Proposal Submission

Proposals must be delivered to the Town Administrator no later than 5 p.m. on August 1, 2014. Proposals postmarked prior to this deadline will be accepted. Fax transmitted proposals will not be accepted at any time.

Please provide one electronic copy to jboyes@springdalesc.com and 4 paper copies to:

Joe Boyes, Town Administrator
Town of Springdale
2915 Platt Springs Rd.
West Columbia, SC 29170

c. Proposal Review and Selection

The review committee will evaluate each proposal submitted. We anticipate that the committee will complete the review process by August 29, 2014. We will then notify all applicants concerning the outcome by September 17, 2014.

d. Official Approval.

The Mayor and the Town Council, with the assistance of the Town Administrator, will consider the recommendation for Banking Services and authorize a final contract between the Town of Springdale and the banking institution.

e. Conversion Activities

The approved banking institution will be required to coordinate with the Town Administration all activities necessary to ensure a smooth transition. Conversion activities will begin upon notification and should be completed by November 3, 2014.

f. Contract Effectiveness

The Banking Services contract will become effective on the day of conversion for a five year term. The contract shall provide that the Town reserves the right to cancel the contract at any time, for any reason, after providing 90 days written notice.

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

3. Minimum Qualifications

For the Town of Springdale to consider your application, a banking institution must meet the following minimum 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 serving the Town's accounts.
- e. Have established offices within Lexington County.

- f. 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.
- g. Be able to offer interest for the Town's interest bearing accounts and inform the Town how much interest it offers.

4. Account Description

The Town of Springdale pays out approximately \$1.5 million annually through its bank accounts and deposits \$1.5 million. The Town's general business at this time requires **five (5)** accounts. These include:

1. General Account – Includes the day-to-day deposits and withdrawals.
2. Accommodations Tax – Deposits received from taxation of hotels and rental property.
3. Victims' Rights – Funds with restricted use for victims' assistance.
4. State Seizure (Holding) – Seized money from crimes (required to be interest bearing by state law).
5. State Seizure (Spending) – Funds that have gone through the court and may be used for specific purposes.

Deposits

In addition to over-the-counter and mail receipts, the general account will be utilized as the designated depository for electronic transfer deposits. 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.

Disbursements

Most disbursement of funds in the custody of the Town of Springdale, except for investments, direct deposit of payroll, and authorized wire transfers are made through the issuance of checks. The Town 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.

5. Services Required

The Town of Springdale requires the following services to meet its current and potential banking needs:

1. *Internet Reporting / File Transmission.* The institution must have an Internet reporting system to allow the Town to access previous day balance and transaction information for each designated account.
2. *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 Town's.
3. *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 Town in connection with investment transactions and Federal and State transfers of funds to the Town. The Town utilizes a third-party provider for its bi-weekly payroll.
4. *Money Transfer Services.* The institution must have the capability to accommodate incoming and outgoing electronic money transfers.
5. *Reporting Services.* The institution must provide monthly account reconciliation reports, statements, canceled checks, and other report related features normally associated with governmental accounts.

6. *Cash Management Services.* Describe other cash management services that comparable municipalities may utilize and thus may be of interest to the Town. Accounts managed on behalf of the town **must** be interest bearing.

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

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

9. *Other services.* The Town reserves the right to add other services, at a reasonable cost, during the term of the contract.

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

Account Services required

- Monthly statement adapted to Town's accounting month which is presently last day of the month
- Bank statements provided within five (5) working days
- Online access to bank accounts
- Encoded deposit slips
- Canceled checks or images of front and back of cleared checks with each account statement
- Unlimited online access to check images within retention period maintained by the bank
- Ability to initiate ACH drafts/transfers between accounts
- The Town 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

6. Proposal Format and Content

To ensure that each proposal receives careful consideration, the administration of the Town of Springdale requires that all proposals meet the format guidelines. This will enable the Town to compare and evaluate the proposals effectively and objectively. Proposals that do not meet the guidelines may not be considered. Each proposal should be clear and concise, presenting the information in such a manner as to be easily understood by the reader. The proposal sections and format should 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 Town, the name of the proposer, a contact for questions by the Town and the date that the proposal was submitted.

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

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

- A. Describe the Institution. Briefly describe the history of the institution in the Springdale area including the number of branches within a twenty-mile distance of the Town. Identify the branch or correspondent bank branch in or near Springdale that would act as the lead financial facility.

- B. Describe the institution's experience in providing similar services. Include a brief description of the services provided and how long such services have been provided.
- C. Identify the personnel to be assigned.
- D. Exceptions. List any services required by the Town which are not included in the institution's proposal.

Deposit Processing. *Three printed pages maximum.* Describe how the institution would accommodate the volume associated with an account such as the Town's. Recommendations to improve current deposit practices could also be included in this section. Indicate the availability of courier services provided by the institution. If there are any cutoff times and requirements by location, specify. If there are any deposit bag requirements, specify. Any deadlines for deposits please specify.

Account Reconciliation. *Three printed pages maximum.* Describe the account reconciliation services offered. Include a description of any electronic or software features available that could be used by the Town to interface with the institution to determine a daily or weekly outstanding check balances.

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

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

Interest Allowance / Earnings (where applicable). *One printed page maximum.* As the Town's accounts are interest bearing, describe your institution's ability to offer interest and at what rate for accounts.

Pricing. *Three printed pages maximum.* Describe the pricing for services and supplies that are proposed. Include a 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 Town in this RFP.

Conversion Plan. *Two printed pages maximum.* Describe the overall plan to coordinate a smooth transition from the current provider. Indicate what direct costs the Town would be responsible for in the conversion. The current provider should discuss any issues that may be different from the existing services. Also discuss the training program for Town staff that would be provided.

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

Authorization to Contract. *Two printed pages maximum.* Provide 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.

Draft Contract. 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.

Financial Statements and Ratings. *As necessary.* Please have available on request the most recent audited financial statements for the institution.

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

7. Evaluation of Proposals

A review committee will evaluate the proposals and submit the qualified candidates to the Town Council for the final determination. The Town, at its discretion, will determine whether to hold discussions with the Proposers who are in a “competitive range” or be awarded without discussion on the basis of the proposal submitted. The following are the evaluation criteria:

- A. **Proper Submission of Proposal.** The proposal must be submitted, received by the Town Administrator, 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 Town’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 Town’s needs.
- D. **Firm Stability.** The institution’s financial standing among their peers and the associated credit quality rating.
- E. **Assigned Individuals.** The credentials and experience of the person(s) assigned to the Town’s accounts.
- F. **Conversion Plan.** The thoroughness of the conversion plan to ensure a smooth transition.
- G. **Charges for Services.** The amount of the standard charges, proposed pricing increases in subsequent years and the concession pricing structure being proposed.
- H. **Service Enhancements.** The institution’s efforts to understand the Town’s banking needs and goals. Also, the creativity the institution shows in introducing new technologies and efficiencies to the Town to improve current practices and procedures.
- I. **Other Factors.** Any other factors the Town believes would be in the best interest of the Town to consider, which were not previously described.

8. Final Comments

The Town of Springdale 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 Town of Springdale is in no way required to award a contract or pay expenses of the proposing institutions in connection with the preparation of the proposal.

The Town’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 Town prior to the beginning contract date.

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