



## **REQUEST FOR PROPOSALS FOR BANKING AND INVESTMENT SERVICES**

### **City of Brewer Maine**

February 21, 2013

The City of Brewer is seeking sealed proposals for the providing of banking services for the City for a period of five (5) years with the potential for two (2) one (1) year extensions. It is expected that the beginning date of the banking services agreement will be July 1, 2013.

The proposals will be publically opened on March 22, 2013 at 3:00 P.M. in the City Hall Council Chambers. Any submitter or member of the public is welcome to view the opening of the sealed proposals. The winning proposal will be selected after the evaluation process has been completed. It is planned that a recommendation will be presented to the full City Council at the April 2, 2013 meeting. The winner will be formally notified after the Council's acceptance.

Any questions or requests for clarification or other correspondence relative to this RFP must be made in writing by email. All responses will be answered in writing by email. Any banking institution that wishes to receive this supplemental information must supply the City of Brewer with a contact person and their email address as soon as they decide to bid on the RFP. This will enable the City to share with all bidders any questions or clarifications posed with respect to this RFP. This contact and email information, as well as questions, should be sent to [SGRAVES@BREWERMAINE.GOV](mailto:SGRAVES@BREWERMAINE.GOV). Every effort will be made to share the same information with all bidders; however, the City will not be held liable for any missed sharing of questions or responses.

## GENERAL REQUIREMENTS

- A. An institution submitting a proposal must be a Federal or Maine chartered bank, preferably with a branch in Brewer, and be a member of the FDIC. The proposer must be in compliance with all laws, rules, regulations, and ordinances of the United States, the State of Maine, and the City of Brewer at the time of submittal of a proposal for banking services and, if awarded a contract, remain in compliance for its duration.
- B. The successful proposer shall assign one or more representatives who are available to the Finance Director or her assignee to discuss account problems and offer banking advice.
- C. It is further required that the respondent shall offer online banking and will restrict this activity to only City and School personnel authorized in writing by the Finance Director. Bidders shall be prepared to provide an onsite demonstration of their online services in a training type account on March 26 or March 27, 2013. At its discretion, the City shall require demonstrations from the top 1-3 bidders.
- D. The contract or banking services agreement will be subject to cancellation as follows. For cause: In the event of breach of the contract by the institution, or unsatisfactory performance as assessed by the Finance Director, or her appointee, or if the institution performs in a manner that precludes the City from administering its functions in an effective manner and if, after thirty (30) days following written notice thereof, the institution has been unable to remedy such breach, or provide satisfactory performance, the City, with approval of the Finance Director or her appointee, shall upon written notice to the institution be authorized to cancel this contract by giving a maximum of thirty (30) days as the final termination date of the contract. Under extraordinary circumstances the City may terminate the contact with less than thirty (30) days' notice.
- E. The successful proposer will agree to permit access to their records by the City Finance department, their designee, its agents, the State Auditor's Office and, if there is Federal involvement, Federal auditors for the purpose of examining records pertaining to City funds. The successful proposer will agree to cooperate in any prosecution for misuse or misappropriation of City funds. Records of City transactions must be kept and maintained by the successful proposer for a period of no less than seven (7) years or longer as required by Federal, State or local laws and regulations.
- F. As a Municipal Unit, any correspondence or proposals submitted to the City of Brewer will become public record as soon as the bids are opened.
- G. During the period of the contract, or any extension thereof, the City reserves the right to renegotiate with the institution such additions, deletions, or changes as may be necessitated by law or changes in circumstances. However, no increase in quoted prices

will be permitted and no additional charge shall be added to items or services in the original proposal that remain unchanged.

- H. Assurances. The City, as a primary recipient of certain federal funds, wishes to obtain written assurance from the institution.
- 1) Non-discrimination Compliance. In its proposal, the institution shall assure that it is an Equal Opportunity Employer and lender. Appropriate supporting documentation of the institution's policies in this regard must be provided by the successful bidder and shall be retained on file by the city and available for examination by federal agencies.
  - 2) Debarment, Suspension, Ineligibility and Voluntary Exclusion. By submission of this proposal, the institution certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from doing business with any Federal department or agency. Furthermore, the institution, if selected, agrees to ensure that any subcontractors it uses also meet this standard.
  - 3) Regulation and Oversight. Bidders should identify regulatory agencies (FDIC, SEC, Federal Reserve, etc.) that examine your bank and /or your bank is subject to their rules. Bidders must identify any material litigation, administrative proceedings or investigations in which your bank or its Responsible Individuals are currently involved or have been involved in over the past 2 years or which may be currently threatened against your bank. Indicate the current status or disposition of such litigation, administrative proceedings or investigations. Bidders should also provide a statement of assurance that your bank and its Responsible Individuals are not currently in violation of any regulatory agency rule or, if in violation, an explanation as to why the violation would not have a material adverse impact on your ability to perform under this contract.
- I. All bank statements must be for an individual month. The statements must cover the 1<sup>st</sup> through the last day of each month inclusive.

## **SCOPE OF BANK SERVICES REQUESTED**

### **A. Account Information**

General banking services will be conducted using one master general (fund) account for accounts payable and a subsidiary zero-balance account for payroll. The master account will also be the primary depository account with counter receipts made at the banking location and ACH credits made by state and federal governmental units as well as some private concerns.

All funds must be appropriately collateralized and fully protected as prescribed by statute, City policy (see Exhibit A), and GASB standards. The City would prefer a sweep account linked to

the general account that will, at the end of each business day, take any available balance of the general account and sweep it into an overnight investment account. Bidders may propose an alternative. If so, please *clearly indicate* and explain the benefits of the alternative investment and collateralization method or methods and the cost of each method as compared with the sweep account indicated. Any method presented must also include any earnings credits they would provide and how the amount subject to these earnings credits are computed. Also, if any compensating balances would be required, a detail of how the amount required would be determined. The City reserves the right to separately invest available balance through the depository bank or other institutions.

Disbursements for City accounts payable, whether by paper check, electronic check, ACH or wire transfer will flow directly through the master account. We try to limit the writing of checks to once a week.

The zero-balance payroll account handles the City and School payroll and tax payment transactions. Most employees have direct deposit of their net pay. The City and School are paid biweekly on alternate weeks, thus there is weekly activity in this account. Typically, the City transmits one file each pay period and the school has two files each pay period for the net pay amounts. The taxes are paid by an ACH debit to this account originated by the taxing authorities. The funds transfer is done by the bank from the general master account to cover paid items daily as there are no deposits directly made into this account.

Please see Exhibit B for account activity for the calendar year 2012.

## **B. Special Purpose Accounts**

From time to time the City is required to establish separate interest or non-interest bearing accounts for varying lengths of time. These are used, in particular, to hold grant or bond funds that have special legal requirements that prevent co-mingling of the funds. These have low transaction volumes and most transactions would be done electronically after the initial opening of the account. We would not write checks from these accounts, only transfer funds to the master account. These usually exceed the FDIC limits, thus they would need to be protected in line with our investment policy. We expect that these accounts would be opened and maintained at no costs.

Another set of special purpose accounts are for use by the economic development group. The City holds assets in two wholly owned LLC organizations and each has a low volume checking account to cover incidental costs. These accounts do not have the same tax identification number as the City. We would like these accounts to be included in the bid. See attached exhibit B for account activity for the calendar year 2012. These two LLC accounts may or may not be moved from their present financial institution. These should be quoted separately.

### **C. Investment Accounts**

The City seeks proposals for investment advisory and management services. The proposer shall assign an investment representative who is available to the Finance Director or her designee to discuss any accounts problems and offer investment advice.

The City currently has one primary investment account that is reported as eight sub-accounts. The current dollar value is approximately \$1,100,000.

The City also has cemetery funds in the amount of approximately \$75,500 that must be maintained in its own account.

When the City had lower daily operating account requirements, its investable balances tended to be in the \$3 million - \$5 million range. The City reserves the right to contract with separate institutions for investment and banking services and to separately place investments at any time and in any amount.

### **D. Electronic Services**

The City wishes to do as many banking functions as possible online. Currently we:

1. Use account lookup for daily activity review
2. Get check imaging
3. Do stop payments
4. Wires, originate and approve
5. Send and approve ACH files
6. Transfer funds between accounts
7. Receive partial recon files from bank called cleared check files for the two major accounts.
8. Print online statements for smaller accounts
9. Receive automatic alerts for specified events
10. Administer our own account access with restrictions and permissions by individual user

### **E. Banking Functions Needed**

1. Bank controlled limits on transactions not initiated by the City through the use of debit blocks and ACH filters.
2. Ability to set our own permissions (in house administration) for online services as to who can do what and ability to set dollar restrictions/limitations of each type of activity by user.

3. Monthly analysis of account activity. Along with a detail of the volume of services consumed and a computation of costs, if any, for the monthly services. Electronic delivery preferred.
4. Printed monthly account statements with dates to run from the 1<sup>st</sup> to end of each month for the two major accounts.
5. Printed monthly account statements with dates to run from the 1<sup>st</sup> to end of each month for the investment accounts. The monthly statement must have the sub-accounting for the funds.
6. Automatic redeposit of returned items. Items returned a second time will be charged to the appropriate account and returned promptly to the City.
7. Extended length of time to correct statement errors. The longer the timeframe the institution can guarantee, the greater the preference that bidder will receive.

#### **F. Bank Supplies Required**

1. Deposit bags. Night deposits are made by the school department currently using disposable plastic bags. There are typically 10 used each week of school. The City uses zipped canvas or similar material bags for daily deposits made during banking hours. We would require 12 of those.
2. Deposit slips. These shall be printed with the account name and number as carbonless duplicates in booklet form.
3. Check deposit stamps. We have different locations putting together deposits, so we would require 12 stamps to properly endorse checks for deposit.
4. Bill bands and coin wrappers are to be available on an as needed basis.

All above items shall be provided at no cost to the City.

#### **G. Additional Services**

The City is considering addition of the following. These services should be described in detail and each be separately priced.

1. Positive pay
2. City Credit Card/Purchasing Card
3. Remote check deposit. Please include equipment requirements and costs.

Bidders may submit proposals for other services that the bidder feels would be in the best interest of the City. Any such proposals will be considered separately from the basic service proposal.

## **SUBMITTAL**

Submittals are to be sealed and delivered to the Finance Department, attention Samuel N. Graves Deputy Finance Director, City of Brewer at 80 North Main St, Brewer, Maine 04412 by 3 P.M. on March 22, 2013. The submittals will be opened at 3 P.M. in the Council chambers. Final awarding will take place after the evaluation process described later in this document.

Responders are reminded that information contained in the submitted material will become a public record.

In addition to the specifications and requests throughout this RFP, a submittal must include the following:

- a. Transmittal letter signed by an official of the submitting bank, who by their signature, makes the assurance that they can legally sign contracts that are binding upon the bank. See Exhibit C for form to sign.
- b. Three (3) references from similar sized Maine municipalities or governmental units that currently use your banking services along with contact information.
- c. An estimate of the annual cost for services, if any, based on the annual activity we provided as well as how the cost was computed. Detail any assumptions made including any tiered or volume pricing. Bidder shall use Exhibit B to present its costs of services. This schedule should be expanded to give us a cost estimate for any services you propose to supply, you wish to substitute or recommend, do not charge to supply, or do not wish to supply. The changes need to be listed by AFP Code to allow comparability.
- d. For comparison purposes, a complete standard fee schedule of the banking institution that is in effect at time of submittal.
- e. A copy of the specific contract that the submitter would require the City to sign as well as copies of other agreements that the bidder proposes to be part of the contract such as custodial agreement, wire transfer agreement, repurchase agreement, etc. Please also provide a copy of your funds availability policy and any other policies that would govern our use of services.
- f. An explanation of any variances from the requirements detailed in the RFP.
- g. Contact information and résumé of the person(s) that would be appointed to be the City's banking contact(s).

- h. Sample copies of the various reports bidder proposes to provide, including but not limited to monthly bank statement, monthly activity report, reconciliation reports, investment statements, etc.
- i. Listing of requirements of computer compatibility to allow online banking.

## **EVALUATION**

Schedule of services and costs of each:

We have included a schedule of all banking services Brewer currently uses by AFP Code and expect to see a cost for each service that will be in effect for the life of the contract, as well as a copy of your currently published fees schedule. The annual usage should be multiplied by the item costs to give us an annual estimated charge. If you used a tiered or progressive fee for an item, this should be noted and a computation shown as to how it was applied to the particular item when arriving at the cost. This schedule should be expanded to give us a cost estimate for any services you wish to substitute or recommend, do not charge to supply, or do not wish to supply. These changes should be listed by AFP Code to allow comparability.

Online banking:

At the City's discretion up to three of the responders will be asked to give a live demonstration of their online banking site and showcase all features at the Finance Office for the City of Brewer. We will look for ease of use, online security, administrative security, and usefulness of information retrievable.

Adherence to RFP:

Exceptions to any of the required or requested services of this RFP must be specifically detailed and a reason for the deviation of the RFP must be explained. Any submission that fails to do so will be evaluated as if there were no deviations, and further, it will be assumed the submitter agrees to supply services as requested in this RFP at their stated price.

## **CONCLUSION**

If responses do not meet the stated needs or expectations of the City, the City reserves the right to refuse all or enter into negotiations with any or all for a contract that meets the needs and expectations of the City. This RFP does not guarantee that a contract will be awarded to any of the responders.

**EXHIBIT A** – City of Brewer Investment Policy

**EXHIBIT B** – Brewer Account Activity for CY2012 / Cost of Service Reporting Form

**EXHIBIT C** – Transmittal Letter Form