

NORTHWESTERN WATER AND SEWER DISTRICT



REQUEST FOR PROPOSAL

Banking services

Issue Date: July 30, 2010

Due Date: 4:00 p.m., August 27, 2010

ADMINISTRATIVE OVERVIEW

1.0 **Introduction**

The Northwestern Water and Sewer District is issuing this Request for Proposal (RFP) for depository services in accordance with sections 135.01 through 135.21 of the Ohio Revised Code (ORC). Specific requirements as outlined below shall be met or exceptions noted and approved by the Northwestern Water and Sewer District. All applicants are required to comply with applicable federal and state laws, rules and regulations.

1.1 **Commitment of the Northwestern Water and Sewer District**

The submission of a response to the RFP in no way constitutes a commitment by the District to enter into a Bank Agreement.

1.2 **Outline of Request for Proposal**

This RFP is organized into distinctive sections:

Section 1 - Administrative Overview

Section 2 - Preparing and Submitting a Proposal

Section 3 - Terms and Conditions

Section 4 - Written Proposal Format - General Requirements

Section 5 - Banking Service Requirements

Section 6 - Proposal Evaluation

1.3 **Issuing Office**

This RFP is being issued by the Northwestern Water and Sewer District. The only individual who has authority to sign or obligate the Northwestern Water and Sewer District to this solicitation is the Finance Director.

1.4 **Intent to Propose**

All bidders must e-mail the Finance Director at dcook@nwwsd.org by August 10th at 5:00 PM to state their intention to bid.

A confirmation will be returned inclusive of an electronic copy of this R.F.P.

1.5 **Inquiries about this RFP**

It is the policy of the Northwestern Water and Sewer District to accept questions and inquiries from all potential bidders. The Northwestern Water and Sewer District would prefer all questions and inquiries be in writing via e-mail to dcook@nwwsd.org.

Banks should submit questions about the intent or content of this RFP and request clarification of any and all procedures used for this procurement prior to the submission of proposals.

The deadline for receipt of all inquiries is August 27, 2010 at 4:00.

Any responses from the Finance Director to questions received will be published in a timely manner by a response to all financial institutions that have stated their intention to submit a proposal according to this RFP. All responses shall be e-mailed by August 18, 2010 to all intended proposers.

1.6 **Verbal Communication**

Verbal communication from any District employee concerning this RFP is not binding on the District and shall, in no way, alter a specification, term or condition of this RFP.

1.7 **Designation Schedule**

July 30,2010	Release of RFP
August 10, 2010	E-Mail to Finance Director: Intention to Bid due from financial institutions
August 16, 2010	Cut-off for Inquiries
August 18, 2010	All responses to bank inquiries will be e-mailed
August 27, 2010	Due date for sealed bank responses
August 27, 2010	Due date for receipt of fully executed copies of the Memorandum of Agreement
September 16, 2010	Board Designation Meeting
October 1, 2010	Start date of new Bank Agreement
November 1, 2010	Target date of fully implemented bank services

1.8 **Proposal Due Date**

Two copies of the completed written responses to the RFP shall be received no later than 4:00 PM EST on August 27, 2010.

Any written proposal received after the specified due date shall not be eligible for consideration. Furthermore, proposals/applications received prior to the due date shall remain sealed until the posted due date.

PREPARING AND SUBMITTING A PROPOSAL

2.0 **Proposal Organization and Format**

Proposals shall be typed on standard 8.5x11-inch paper, single-spaced with one-inch margins. Proposals shall be organized and presented in the order and by the number assigned in the RFP. Proposals shall be organized with the following headings and each heading shall be separated by tabs or otherwise clearly marked. The RFP sections, which should be submitted or responded to, are:

- Cover Letter
- Executive Summary
- Written Proposal Format - General Requirements
- Written Proposal Format - Banking Service Requirements
- Cost Proposal Schedule
- Exhibits

2.1 **Mandatory Requirements**

Banks shall answer all questions in this RFP. Failure to respond to each of the requirements in this RFP may be the basis for rejecting a response.

Failure to comply with any term and condition outlined in this RFP by the bank may disqualify the bank from designation.

Banks shall submit the name, address, e-mail address and telephone number of an individual with authority to answer questions or provide clarification regarding their responses.

Responses shall be submitted in a sealed envelope or package bearing the title "Banking Services RFP" and include the bank's name and address. The package must contain two (2) copies of the responses in the specified format and other supporting documents.

Submissions shall be sent to:

Name: Dave E. Cook, Finance Director

**Address: Northwestern Water and Sewer District, P.O.
Box 348, Bowling Green, OH 43402**

2.2 **Deposit Limitation**

Pursuant to section 135.03 of the ORC:

"Any national bank located in the state and any bank as defined by section 1101.01 of the Revised Code, subject to inspection by the superintendent of financial institutions, is eligible to become a public depository, subject to sections 135.01 to 135.21 of the Revised Code. No bank shall receive or have on deposit at any one time public moneys, including public moneys as defined in section 135.31 of the Revised Code, in an aggregate amount in excess of thirty per cent of its total assets, as shown in its latest report to the superintendent of financial institutions or comptroller of the currency."

"Any domestic association as defined in section 1151.01 of the Revised Code, or any savings bank as defined in section 1161.01 of the Revised Code, authorized to accept deposits is eligible to become a public depository, subject to sections 135.01 to 135.21 of the Revised Code. No domestic association or savings bank shall receive or have on deposit at any one time public moneys, including public moneys as defined in section 135.31 of the Revised Code, in an aggregate amount in excess of thirty per cent of its total assets, as shown in its latest report to the superintendent of financial institutions or federal home loan bank board."

2.3 **Collateralization of Deposits**

Each bank shall collateralize deposits pursuant to Chapter 135.18 or 135.181 of the ORC and shall enter into a valid collateral agreement with the School.

Please state whether the bank will be providing pooled or specific collateral.

2.4 **Financial Strength of the Provider**

Pursuant to section 135.10 of the Ohio Revised Code:

"Each application shall be accompanied by a financial statement of the applicant, under oath of its cashier, treasurer, or other officer, in such detail as to show the capital funds of the applicant, as of the date of its latest report to the superintendent of banks or comptroller of the currency, and adjusted to show any changes therein prior to the date of the application."

The bank shall provide their current Moody's or Standard & Poor rating. In addition, the bank must provide a copy of their most recent audited financial statements, including those of any bank holding companies or parent. The Treasurer reserves the right to supplement the financial information provided by the bank with information obtained independently from market sources.

- 2.5 **References**
Please provide references of three public entities that are current customers and are similar in size to our district.

TERMS AND CONDITIONS

- 3.0 **Deviations from proposed Bank Agreement**
Deviations from or inability to meet standards of the Bank Agreement must be included in the response to the RFP in a separate labeled section and may affect the awarding of an account(s). No deviation is effective unless agreed to in writing by the Finance Director.
- 3.1 **Familiarity with RFP**
Banks shall thoroughly examine and be familiar with RFP requirements. Failure or omission of any bank to receive or examine this document shall in no way relieve that bank of obligations with respect to this proposal. RFP requirements are documented in this RFP and subsequent communication as defined in section 1.4.
- 3.2 **Right of Refusal**
The Finance Director reserves the right to reject any and all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, and to accept or reject any item or combination of items.
- 3.3 **Proposal Costs**
The cost of developing a proposal is the responsibility of the financial institution and may not be charged to the Northwestern Water and Sewer District.

WRITTEN PROPOSAL FORMAT – GENERAL REQUIREMENTS

The written proposal of the financial institution shall be organized and submitted in the following manner:

- 4.0 **Cover Letter**
- 4.1 **Executive Summary**
Each proposal shall include an Executive Summary.
- 4.2 **Summary of Experience**
Each proposal shall include a written Summary of Experience in providing services of the nature, scope and quantity outlined herein.
The Northwestern Water and Sewer District requests that the bank designate a single point of contact (i.e. Relationship Manager) for the account and this position or an appropriate back-up position shall be available for inquiries during all normal business hours.
The bank shall submit a list of all key management and technical staff that will be assigned to service the account. Biographies of those key management and technical staff shall be included.
- 4.3 **Bank's Organization and Infrastructure**
Please provide a description of your bank's corporate structure, including holding companies, parents, corporate affiliates and significant correspondents.

- 4.4 **Disaster Recovery and Back-up Facilities**
Please provide to the Finance Director an Executive Summary of the bank's recovery and contingency plan as required by Federal Financial Institution Examination Council (FFIEC) policy statement (SP-5).
- 4.5 **Written Response to Banking Requirements**
- 4.6 **Cost Proposal Schedule**
Each proposal shall include a Cost Proposal Schedule itemizing all proposed fees for the five year designation period, in both written as well as electronic format. All fees shall be categorized Service.
- Any fee, which is billed following the award of accounts, but not listed on the Cost Proposal Schedule, shall be disallowed unless specifically agreed to by the Finance Director via a signed Bank Agreement Addendum.
- 4.7 **Monthly Analysis Statement**
Each proposal shall include a sample copy of the Monthly Analysis Statement utilized by the financial institution.
- 4.8 **Exhibits**
Monthly analysis statement
Merchant Services
Other as determined by Financial Institution
- 4.9 **New Services**
Please provide information on any new banking services offered during the designated time.

BANKING SERVICE REQUIREMENTS

- 5.0 **General Account Services**
Bank agrees to establish and maintain such Account(s) and sub-account(s) as are necessary to accommodate the Finance Director. Said Account(s) are to be in the form of Demand Deposit Accounts (DDA).
- 5.1 **Sweep Services**
Please provide detail information on your Investment Sweep services. Include the frequency of paying interest, the current rate and if the rate is tied to an Index.
- 5.2 **Checking with Interest**
Please provide detail information on your Interest bearing checking accounts that the District may use for its operating accounts. Include the method of paying interest and if the service charges will be netted against interest earnings. Additionally, provide the current rate and if the rate is tied to an Index.
- 5.3 **ACH Services**
The Northwestern Water and Sewer District offers direct deposit to its employees. Of 51 employees, all but two are on direct deposit. Payroll is processed every two weeks.

The Northwestern Water and Sewer District provides a file via ach.

Please state whether you can provide direct deposit services for the District.

The District also initiates ach transactions in order to bill its customers for utility services provided. Indicate your ability to accept an ach file for processing and the related costs.

5.4 **Wire Transfer Services**

Bank shall initiate and receive all types of wire transfers, including domestic and international. Bank shall accept initiations verbally or electronically or in writing upon the instructions of an Authorized Person. Bank shall receive and immediately credit Account with incoming wire transfers. Bank shall accept incoming wires as long as the Fed Wire System remains on line with the Bank. Bank shall accept verbal wire instructions, with correct personal identification number (PIN) verification. Northwestern Water and Sewer District will provide Bank a list of persons authorized to perform wire transfers. The Finance Director will authorize the use of and sign Wire or Disbursement Authorization forms issued by the bank for internal control purposes. If for any reason the Bank is unable to complete a transfer, Bank shall notify the Finance Director immediately.

Please provide detailed information on your on-line wire transfer system.

5.5 **Paper Disbursement Services**

Please provide information and pricing on Positive Pay, CD ROM check inquiries, stop payments, and disbursement information reporting and software on the Cost Proposal.

5.6 **Information Reporting Services**

Bank shall provide an Internet-based information reporting system including balance and transaction detail.

1. INFORMATION TO BE AVAILABLE DAILY

a. Bank shall provide by 8:00 a.m. all prior day Account information via their Internet Reporting system. Both account balance and detail shall be included.

2. INFORMATION TO BE AVAILABLE MONTHLY

- a. An Account statement, either in print or electronic format, showing all the related activity in the Accounts shall be delivered to the Northwestern Water and Sewer District _ within five (5) business days of the end of the month;
- b. An Account analysis statement, in either print or electronic format, shall be delivered to the Finance Director within fifteen (15) days of the end of the month.

b. The District requires the ability to be able to obtain monthly, by electronic means, a list of paid checks that can be imported into its check reconciliation program. The District requires this file to be available within the first 5 days after month end.

5.7 **Purchase Cards**

The District uses purchase cards for its staff to make purchases when away from the facilities. Indicate whether you provide a purchase card

and if so, detail the services that are available to track the usage of cards.

5.8 **Merchant Services**

Northwestern Water and Sewer District accepts credit cards. Transaction volume is included. Transactions are generally entered via a card reader device; however, the District will be going to an Internet program also in the near future. Please provide information on your services and pricing as an exhibit to this proposal.

5.9 **Coin and Currency Processing**

The District operates 5, soon to be 7, retail kiosk water dispensing sites. Customers purchase 1-5 gallons of water using coin and dollar bills. District requires the ability to bring the weekly collection of coin and currency to a branch and have it counted and the results recorded by vending unit on District forms. Indicate your ability to provide this service along with cost, if any.

5.10 **Remote Check Capture**

The District uses remote check capture to deposit checks submitted for payments. Indicate your requirements for this service and the related pricing in the Cost Proposal Schedule below.

5.11 **Balances and Compensation**

1. **Availability**

All deposits shall be subject to the Federal Reserve's availability schedule.

2. **Methods of Compensation**

a. Bank shall group Accounts as defined by the Finance Director for the purpose of calculating earnings credits and service charges. Earnings credits and service charges for all Accounts within the group may be combined or netted for calculation of the final amount to be paid to the Bank. An account analysis shall be prepared for each individual account and a consolidated group account analysis shall also be prepared. The Northwestern Water and Sewer District shall compensate Bank for all bank services provided under this Agreement by one or any combination of the following methods:

- i. earnings credits;
- ii. direct debit.

b. All available earnings credits shall be utilized first to pay for Bank services prior to the selection of other compensation methods. The Treasurer shall approve the method(s) of compensation to be used for all Accounts. The Treasurer may change the method(s) of compensation by giving written notice to the Bank.

3. **Compensating Balances**

Indicate the formula used by the bank in calculating all compensation to District and Bank for both positive and negative balances.

The average investable balance is the average available balance less the reserve requirement. Please provide your current rate of earnings credit and

any index it is tied to. Also indicate if the earnings credit rate is tiered. If so, please provide detail.

5.12 **Bank Fees**

a. Bank shall be compensated for services according to the schedule of fees attached hereto as Cost Proposal Schedule. Bank shall not modify or change such fee schedule during the term of this Agreement unless by a properly executed amendment. No payment for new services shall be made until an amendment has been signed by both parties.

PROPOSAL EVALUATION

6.0 **Proposal Evaluation**

Proposals shall be evaluated by the Finance Director and his staff in accordance with the following criteria:

1. Technical ability and customized services of the financial institution as evaluated by the Treasurer on the basis of materials submitted in the written proposal or subsequent written addenda.
2. Ability to collateralize active and interim deposits pursuant to Section 135.18 or 181 of the Ohio Revised Code.
3. History of the financial institution in meeting the terms and conditions in prior contracts.
4. Cost of services.

ATTACHMENTS:

Cost Proposal Schedule
Merchant Services Information

Cost Proposal Schedule

Bank:

AFP Code	Description	Unit price	Volume	Monthly Cost	Notes
GENERAL ACCOUNT SERVICES Pricing					
000144	Use of Uncollected Funds Rate				
010000	Monthly Service Fee		5		
151350	Monthly Maintenance-Image Statement		5		
150100	Checks Paid		225		
100200	Deposits Processed		30		

AFP Code	Description	Unit price	Volume	Monthly Cost	Notes
10022Z	Deposited Items		10		
100240	Interbank Clearing –Volume		3700		
100240	Interbank Clearing-Charge		40		
100400	Returned Item Processing		6		
250200	ACH Received-Debit		30		
250201	ACH Received Credits		130		
100200	Image Trans Deposits Processed		40		
	ZERO BALANCE ACCOUNTING				
010020	ZBA Concentration Account		1		
010021	ZBA Subsidiary Account		2		
	ACCOUNT RECONCILIATION				
151310	Check Retention & Destruction		215		
200010	Disbursement Reconciliation Maintenance		2		
200110	Disbursement Reconciliation Processing		215		
200301	Reconciliation Reports Transmitted		2		
	Business Security				
251050	Business Security Package		1		
150120	Check Positive Pay-Checks Paid		215		
150722	Check Positive Pay-Exception Items		15		
010021	Check Positive Pay-Monthly Maintenance		1		
	AUTOMATED CLEARING HOUSE-ACH				
251100	ACH-Online Monthly Maintenance		2		
250302	ACH-Online Returned Items		5		
250140	ACH-Online Premium Processing		7		
250102	ACH-Online On-Us Item Origination		375		
250102	ACH-Online Transit Item Origination		850		
	COIN & CURRENCY SERVICES				
10001Z	Branch Cash Deposit Processing		15,500		

AFP Code	Description	Unit price	Volume	Monthly Cost	Notes
Total Cost					

Please complete all line items. Volumes reflect current services. Line items with volumes blank reflect services the Treasurer is considering. Do not add volumes on those lines.

Please asterick () all line items that you add that are unique to your bank's pricing scheme.*