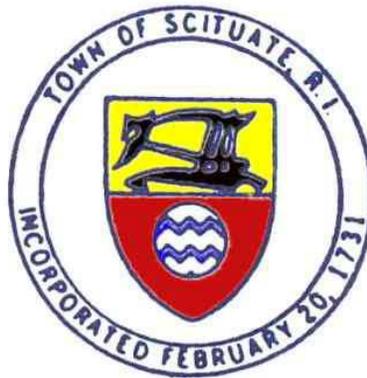


TOWN OF SCITUATE, RI
REQUEST FOR PROPOSAL
FOR
BANKING SERVICES
SEPTEMBER 2017
195 DANIELSON PIKE
NORTH SCITUATE, RI 02857



SELECTION CRITERIA

The bid will be evaluated as to R.I.G.L. 45-55-5. (2) “Competitive Sealed Bidding”, and the award shall be made on the basis of the lowest evaluated or responsive bid price.

The following factors will be considered in determining the lowest evaluated or responsive bid price:

Compensation Method Formula based on Charges for Services;

Past performance as reflected by the evaluation of officials of other governmental entities that have retained the services of the firm;

Quality of work previously performed by the firm for the Town of Scituate, if any;

Applicant recognized as a qualified public depository;

Member of the Federal Reserve System; insured by the Federal Deposit Insurance Corporation (FDIC);

Fully collateralizes all deposits in excess of the FDIC limit;

Minimum 5 years experience providing municipal banking services and rated by a nationally recognized rating agency;

Complies with Equal Opportunity Act;

Local agent reasonably accessible to serve as a liaison with the Town;

Full service banking institution capable of providing all banking services required;

Relationship with other governmental entities, as well as the community;

Completeness of proposal; meets specifications.

TOWN OF SCITUATE, RHODE ISLAND

INFORMATION FOR VENDORS

ARTICLE 1. RECEIPT AND OPENING OF PROPOSALS

Proposals must be submitted in SEALED ENVELOPES, addressed to the Town Treasurer, Town Hall, 195 Danielson Pike, North Scituate, Rhode Island 02857, and clearly marked with the name of the item bid, and the date and time of opening. Proposals will be received by the Town Treasurer up to the specified time as noted on the Request for Proposals, and publicly opened and read aloud at the specified time.

Proposals submitted for a specified item must not be combined under the same cover with any other proposal item.

It is the vendor's responsibility to see that his proposal is delivered within the time and at the place prescribed. Proposals received prior to the time of opening will be securely kept unopened. No responsibility will attach to any officer or person for the premature opening of a proposal not properly addressed and identified.

Any proposal received after the time and date specified shall not be considered, by messenger or by mail; even if it is determined by the Town that such non-arrival before the time set for opening was due solely to delay in the mails for which the vendor is not responsible. Conditional or qualified proposals will not be accepted.

ARTICLE 2. PREPARATION OF PROPOSAL

Erasures or other changes must be explained or noted over the signature of the bidder.

Each proposal must be submitted in sealed envelopes, clearly labeled, so as to guard against opening prior to the time set therefore.

The Town may consider any proposal not prepared and submitted in accordance with the provisions hereof and reserves the right to reject any or all proposals in whole or in part, toward any item, group of items, or total proposal; to waive any technical defect or formality in same, or to accept any proposal deemed to be in the best interest of the Town.

ARTICLE 3. TELEGRAPHIC MODIFICATION

Telephonic, telegraphic or oral proposals, amendments or withdrawals will not be accepted.

ARTICLE 4. WITHDRAWAL OF PROPOSALS

Proposals may be withdrawn personally or by written request at any time prior to the time specified for the opening. Proposals may be modified in the same manner. Negligence on the part of the vendor in preparing the proposal confers no right of withdrawal or modification of his proposal after such proposal has been opened.

ARTICLE 5. QUALIFICATIONS OF THE VENDOR

The Town reserves the right to request each vendor to present evidence that he is normally engaged in purveying the type of service proposed. No proposal shall be considered from vendors who are unable to show that they are normally engaged in purveying the type of service specified in the proposal.

To receive full consideration, the bidder must submit literature and necessary details, when applicable, on the services he proposes to furnish in order that the Town may have full information available when analyzing the proposals.

ARTICLE 6. OBLIGATIONS OF THE VENDOR

At the time of opening of proposals, each vendor will be presumed to have inspected the Specifications and Contract Documents (including all Addenda) which has been sent to the address given by such vendor. The failure or omission of any vendor to receive or examine any form, instrument, or document shall in no way relieve any vendor from any obligation in respect to his proposal.

Any exceptions or deviations from the provisions contained in this Specification must be explained in detail and attached to proposal. If such deviations do not depart from the intent of this notice and are in the best interest of the Town, the proposal will receive careful consideration.

ARTICLE 7. PRICES

Vendors shall state the proposed price in the manner as designated. In the event that there is a discrepancy between unit prices and the extended totals, the unit prices shall govern. In the event that there is a discrepancy between the price written in words and written in figures, the prices written in words shall govern.

I agree that the prices in this proposal shall be irrevocable for ninety days, or until the proposal is awarded by the Town Council. After award by the Town Council, said prices shall then remain firm for the duration of the Contract.

ARTICLE 8. TAX EXEMPTIONS

The Town is exempt from payment of the Rhode Island Sales Tax under the 1956 General Laws of the State of Rhode Island, 44-18-30 Para. I, as amended. The Town is exempt from payment of Federal Excise Taxes. The prices proposed must be exclusive of taxes and will be so construed. Exemption certificates will be completed as required by the successful bidder.

ARTICLE 9. CONTRACT PERIOD AND TERM OF AGREEMENT

Contract period - see proposal. If financially advantageous to the Town of Scituate, these contracts may be renewed or extended, from time to time, when agreed to, in writing, by both parties.

ARTICLE 10. LAWS, ORDINANCES AND CODES

All applicable Federal and State Laws, Ordinances and Codes of the Town of Scituate and regulations of all authorities having jurisdiction over this Project shall apply to this contract the same as though written herein in full.

The Town of Scituate will not award the Contract to any firm who is, at the time, ineligible under the provisions of any applicable regulations issued by the Secretary of Labor, United States Department of Labor, or is not qualified under applicable Ordinances of the Town of Scituate, or the laws of the State of Rhode Island.

Request For Proposal - Banking Services

Introduction

The Town of Scituate is seeking proposals for banking and cash management services from highly qualified, full-service financial institutions for the purpose of obtaining a full range of depository and banking services at a competitive price. The period of the agreement shall be for the three year period beginning November 1, 2017.

I. QUALIFYING REQUIREMENTS

A. Location Within 6 Miles of the Town Limits

Proposer must be a licensed banking institution within the State of Rhode Island, with branch banking facilities located no further than 6 miles from the Town Treasurer's Office.

B. Mandatory Requirements

1. The applicant must be recognized as a qualified public depository according to the terms of the general laws of the State of Rhode Island (Ch 35-10.1).
2. The financial institution must be a member of the Federal Reserve System and insured by the Federal Deposit Insurance Corporation (FDIC)
3. The financial institution must fully collateralize all deposits in excess of the FDIC limit. The Bank must be able to provide eligible collateral with an adjusted market value equal to or greater than the amount of the Town's uninsured deposits. All securities serving as collateral shall be specifically pledged to the Town of Scituate (not part of a pooled fund) and placed in a commercial bank, or through another financial institution. The Town shall require the Bank to sign a formal agreement confirming this policy.
4. The financial institution must have a minimum of 5 years experience providing municipal banking services and must be rated by a nationally recognized rating agency.
5. The financial institution must comply with the Equal Opportunity Act. The bidder is required to have an Affirmative Action Plan, which declares that the institution does not discriminate on the basis of race, color, religion, sex, national origin or age.
6. The banking institution must have a local agent reasonably accessible to serve as a liaison with the Town.

C. Other Qualifying Conditions

1. All banks submitting proposals must be full service banking institutions capable of providing all banking services required.

2. The investment activities of the Town will in no way be affected by the appointment of a banking institution to handle the Town's general banking services. Investment decisions will remain at the discretion of the Treasurer.
3. The Town reserves the right to tour the facilities of any or all banking institutions submitting proposals.

II. TERMS AND CONDITIONS

A) Contract Period

The contract entered into between the Town and the Bank shall be for a period of three years beginning November 1, 2017. In the event the Bank to whom the contract is awarded fails to meet any of the requirements set forth in this Request for Proposal, the Town reserves the right to cancel the contract, and re-award to the next best proposal, or to issue a new Request for Proposal. The Town Council has the option to extend the contract for (2) one-year periods.

B) Award of Contract

The Town reserves the right to reject any or all bids. The decision to award the contract will be based on the Selection Criteria. In awarding the contract, the Bank's relationship with other governmental entities, as well as the community, shall be a high priority. The Town will reject unauthorized modifications of the proposal specifications, forms, or terms.

III. SELECTION PROCESS

A) Overall Qualifications

Proposers must demonstrate the ability, knowledge, and background to successfully provide banking services. Experience in municipal banking services is required.

B) Evaluation

The following factors will be considered when evaluating bid proposals:

- Charges for Services
- Overall Qualifications of the Bank
- Stability of the Bank – Collateral Reserve
- Accessibility of Local Agent
- Municipal and other Government Banking Experience
- Sample Bank Statements
- Service Enhancements, Including Online Banking
- Proper Submission of Proposal

IV. BANKING SERVICES

A. General Fund Account-Main Checking Account

- Normal demand deposit account through which all deposits are made, checks will be written, and ACH/wire transfers will be initiated.
- Deposits consisting of cash, coin and checks are made weekly.
- Disbursements are made through checks and ACH wire transfers. The general fund issues an average of 50 accounts payable checks per month.
- The General Fund may operate as a zero balance account, and will require a corresponding master account to handle the overnight investment of the available General Fund balance.
- Deposits accepted and or received by 3:00 pm will be credited to the account on that same day.
- The bank must provide electronic notification of insufficient and returned items as soon as practicable.
- The bank shall provide printed deposit tickets and endorsement stamps per the Town's specifications.
- The bank must provide electronic notification of any deposit overages or shortages as soon as practicable. Such notification should include full identification to enable the Town to trace the deposit to the originating department.
- The bank will supply the Town with check imaging software to allow the Town to view all paid checks on line and CD ROM format for the Town Expense Account. This will allow the Town to view and/or print both the front and back of all paid checks. The CD will be sent to the Town on a monthly basis within ten business days after calendar month end.

B) Town Expense Account

- The Town processes expense checks bi-monthly. On average, approximately 350 checks are written for all Town department expenses, including School Department.

C) Other Miscellaneous Accounts

- Federal Grant Account
- Recreation Checking Account
- Tax Collector's Account
- School Department Accounts

D) Other Services

1) Wire Transfers

- The bank will provide the Town with the ability to initiate secured wire transfers.
- The transfers should be initiated immediately and should provide access to any bank using the interbank or Fedwire system.
- The Town shall be able to track these transfers through the use of an online system.

2) Online Banking

- The Town shall have the ability to view all accounts online.
- The account activity shall be updated throughout the day, as activity occurs.
- The website shall allow the Town to transfer funds externally and internally.
- The Town shall be allowed to initiate stop payments online.

3) Overdraft Protection

- The bank shall provide the Town with overdraft protection including daylight overdrafts.
- The bank will honor all demands upon the Town's accounts including outgoing wire transfers.
- The cost of such overdraft protection shall be included within the fee schedule.

4) Positive Pay Fraud Prevention Program

- The Town is currently investigating implementation of positive pay services and may require these services as part of the awarded contract.
- The positive pay program must detect differences in payee name, in addition to check number and dollar amount.
- This service may require training of Town staff at their discretion. Please describe the Bank's positive pay services, including automatic account reconciliation, stop payment and stale dated check management, and manual and voided check processing.

5) Other Accounts

- The Town may choose to open other miscellaneous accounts with the selected bank.
- Any other accounts opened will be grouped together with the General Fund under the Town's umbrella and will be subject to the same fee schedule. All accounts will be consolidated on the Town's monthly analysis statement and will be included when calculating the monthly fee.
- Miscellaneous accounts will not reflect any individual service charges.

6) Audit Confirmations

- The bank will work with the Town's external auditors to provide timely confirmations of fiscal year end account balances.

7) Monthly Statements

- The bank shall provide the Town with detailed monthly statements for all accounts within 10 days from the end of each month. The Town will review sample statements from bidders.

8) Analysis Statements

- The bank will provide a monthly analysis statement detailing all prior month fees. This statement will include all accounts under the Town's umbrella, and will provide detailed information, including the calculation of the compensating balance and adjustment of such balance, if necessary. The report will reflect any accumulated surplus or deficit.

9) Remote Deposit

- The Town is currently utilizing remote deposit services and wishes to continue this service. Please provide the cost for hardware, any technology requirements and the per item cost.

10) Paying Town Vendors by ACH Credit

- Although not currently used, it is the desire of the Treasurer's Office that at some point during the term of the contract covering these banking services that the Town will utilize electronic ACH capabilities to pay Town vendors in lieu of issuing checks. All responding banks are to provide a narrative describing their current capabilities in providing this service as well as any future planned enhancements to this service. If not currently able to provide this service, please state the estimated timeframe for offering this service. Include all fees associated with implementation.

11) Electronic Check Recovery

- If available, please outline your Bank's electronic check recovery program for the collection of checks that have been returned due to insufficient funds and the cost of the program.

V COMPENSATION

All bidders must calculate their compensation based upon the Compensating Balance Formula. As an option Banks may include an alternate method such as the Target Earnings Method.

A) Compensating Balance Formula

The compensating balance will be determined by a formula, which will remain standard for the life of the contract. The basis of this calculation is the development of a precise fee schedule for each and every service provided. Monthly charges will be calculated based upon this schedule and will be offset by compensating balances left in designated accounts. The compensating balance will be determined by an exact formula which will reflect such variables as services charges, earnings credits, and reserve requirements. . Bidders are asked to complete EXHIBIT A-Individual Service Pricing Schedule. Feel free to add additional items at the bottom of the form. Bidders must also complete EXHIBIT B which requests the detailed mathematical formula which serves as the basis for the computation of the compensating balance. Bidders are asked to provide an accompanying explanation.

B) Target Earnings Method

This is similar to the compensating balance formula, but here the bank's cost will not be determined by calculating set fees for each transaction. Instead, the bank will provide the Town with their target earnings credit. The credit would represent the bank's cost for providing the full range of services required. The target earnings credit would be a set amount per month regardless of the number of transactions processed. The compensating balance formula would be used to provide the bank with their target earnings credit. The compensating balance would be adjusted quarterly in accordance with the prevailing interest rate to produce the specified target earnings credit for the bank. On EXHIBIT B, Part B, proposers should specify the exact amount of their monthly target earnings credit and should extrapolate it over the five year period. Feel free to add additional pages if necessary.

VI SUBMITTAL INSTRUCTIONS

- 1.) The applicant shall provide a **Letter of Transmittal** which includes a brief description of the financial institution, its experience with local governments within Rhode Island, its ability to meet the Town's financial needs, and the address of the local branch located in the Town of Scituate.
- 2.) Identify the individuals from the bank who would work with the Town. Describe the role each would play. Provide a brief resume for each individual and describe the individual's personal experience in governmental banking
- 3.) The applicant must provide a **list of other Rhode Island municipal clients'** presently purchasing services on either a fee or compensating balance basis.
- 4.) The applicant shall provide **samples of account statements** and account analysis statements.
- 5.) The applicant must provide evidence of its financial strength. The applicant shall provide copies of their annual reports, including a complete set of audited financial statements, auditor's opinion, and notes to the financial statements for the last two (2) years. The successful applicant shall, during the duration of this contract, continue to furnish the Town with updated issues of these reports as well as all quarterly and annual financial reports in a timely manner. Applicants must disclose any adverse audit findings, outstanding restrictions or sanctions imposed by federal or state regulators, or unresolved issues of a similar nature.
- 6.) The applicant shall provide detailed information regarding their **on-line banking service** and reporting with special attention to its ability to handle both internal and external transfers. The finalists shall provide a demonstration of their full Internet service.

- 7.) The applicant must be sure to attach proof of the following: **Certification to do business in the State of Rhode Island, a Collateral Certificate, a copy of the bank's investment portfolio, and a Certificate of Insurance with FDIC.**
- 8.) The applicant shall submit five (5) copies of their proposal by **11:00 A.M. on Friday, September 29, 2017 to:**

Town Treasurer
Town of Scituate
195 Danielson Pike
North Scituate, RI 02857

- 9.) Proposals not including all requested information **will not be considered.**
- 10.) Any questions, please e-mail: przybylat@scituateri.org or beattiek@scituateri.org

INDIVIDUAL SERVICE PRICING SCHEDULE

<u>Service</u>	<u>Average Monthly Units</u>	<u>Unit Price</u>
Deposit Services:		
Account Maintenance	17	\$
Banking Center Deposit	70	\$
Debits Posted – Electronically	25	\$
Credits Posted - Electronically	125	\$
Credits Dep Un-Encoded Items	700	\$
QBD/Night Drop Deposit	75	\$
CPO Account Transfer	11	\$
Image Deposited Items	950	\$
Return Deposit Item Chargeback	2	\$
Deposit Correction – NonCash	1	\$
General Disb Cks Pd Image	450	\$
Check Deposit –ICL or RDSO	15	\$
Deposit Corrections-RDS	1	\$
Stop Payment Fee	1	\$
ATM Deposits	3	\$
General ACH Services:		
ACH Monthly Maintenance		\$
Consumer Off Us Credits		\$
Consumer On Us Credits		\$
ACH Debit Received	15	\$
ACH Credit Received	120	\$
ACH Return Item – NOC		\$
ACH Input – Transmission		\$
ACH Standard Reports – Fax		\$
ACH Reversals		\$
Commercial Deposit Cash Vault:		
Currency/Coin Dep/\$100-QBD-ND	62	\$
Currency/Coin Dep/\$100-Bk Ctr	468	\$
Deposit Corrections-Cash	1	\$

Wire Transfer Services:

CPO GP Mthly Maint	1	\$
Ph or Stnd Order Temp Store	3	\$
Elec Wire Out-Domestic	7	\$
Wire Advice-Mail	7	\$
CPO GP Cust Mnt Temp Storage	8	\$

Account Reconciliation Services:

CD ROM Maintenance		\$
CD ROM Per Image		\$
CD ROM Disk		\$
Full Maintenance		\$
Full Recon Input Item Transfers		\$
ARP Output Processing Per Item		\$

Remote Deposit Services:

Remote Dep-Account Maintenance	2	\$
Remote Dep-Ck Image Processing	848	\$
RDSOL-Item Storage	88,426	\$
Med Volume Scanner Maint	2	\$

Information Services:

Direct Previous Day Standard Item		\$
Direct Previous Day Maintenance		\$
Direct Current Day Standard Item		\$
Direct Current Day Maintenance		\$
Direct Per Account Fee		\$

Image:

CD ROM Maintenance	1	\$
CD ROM Per Image	320	\$
CD ROM Disk	1	\$
Image Archive – 90 days	20	\$
Image Archive – 180 days	373	\$
Image Maintenance CPO	1	\$
Image Retrieval CPO	1	\$

International Services:

Incoming USD Intl Wire – Charge Our \$

Miscellaneous Services:

Money Orders \$

Subtotal Page 14 \$

Subtotal Page 15 \$

Subtotal Page 16 \$

Total Service Fees \$

**The Town of Scituate, RI
Proposal for Banking Services**

EXHIBIT B

COMPENSATION METHODS

- **Compensating Balance Formula:**

Provide the exact compensating balance formula, which will be used each month to determine the cost of banking services. Please discuss the computation of earnings credits, service charges, and reserve requirements. Feel free to attach additional pages.

- **Target Earnings Method:**

Please provide the bank's required monthly Target Earnings Credit over the life of the contract. Feel free to attach additional pages.
