

REQUEST FOR PROPOSAL - BANKING SERVICES FOR CITY'S PAYROLL ACCOUNT

I. INTRODUCTION

The City of _____, Tennessee invites qualified banking institutions to submit proposals to provide banking services to the City for a ____ year period beginning _____. Proposals may only be submitted by banking institutions who are Federally or State of Tennessee chartered. Written proposals, using the official forms provided herein, will be received until ____:____ m. on _____ at the office of _____, _____ City Hall, _____, _____, TN _____.

A. Intent

The intent of this RFP is to select one financial institution that can offer the highest quality of banking services at the most favorable combination of cost / earnings to the City of _____ for the City's payroll account in order to provide direct deposit benefits to the City's employees.

B. Proposal Instructions

1. Sealed proposals: Responses to this request must be identified as:

PAYROLL BANKING SERVICES PROPOSAL and delivered or mailed to:
_____, City Manager
City of _____

_____, TN _____

2. Proposal response: Each proposer shall submit only one proposal. Supporting material may be submitted; however the decision in selecting the most responsive Bank will be based on the standard forms provided and the information requested in the RFP.

Each proposer shall submit three (3) copies of completed Proposal Form.

3. Questions and Additional Information: Written requests for clarification or additional information should be addressed to:

_____, Finance Director
City of _____

_____, TN _____

All proposals will be on file in the Finance Director's office after the opening of formal proposals and may be examined during normal business hours by appointment.

4. Selection Criteria: The following criteria will be used to evaluate and to select the Bank:

- a. complete response to all required items on standard proposal forms;
- b. aggregate total net banking service cost, per identified activity;
- c. ability to meet basic service requirements;
- d. ability to handle transfers reliably;
- e. best availability schedule for deposit items;
- f. location and convenience to City offices;
- g. interest rates offered on City accounts; and
- h. best overall advantage to the City based on types and level of services provided

Subsequent to the opening of proposals, the staff will review the proposals and formulate a recommendation to be made to the City Council. A conference may be requested to formulate plans in greater detail and clarify any unclear items prior to the formal award.

At any time before consideration by the City Council, the City may choose to modify its recommendation if the City, in its discretion, determines that such a change is in the best interest of the City.

Proposals must clearly and specifically detail all deviations to the exact requirements imposed upon the Bank by this RFP. Such deviations should be listed in Exhibit B.; otherwise the proposal must be considered as being made in strict compliance with and subject to the RFP instructions and specifications.

If a service requirement cannot be met by a proposer, than the term "No Bid" should be entered on the proposal form for that specific requirement. In the case of a "No Bid" remark, the proposer may offer an alternative or equivalent service.

Any services for which the proposer intends to charge must be listed along with the price per item on the proposal form or on the back thereof. Any services not listed thereon will be assumed to be free of charge.

In instances in which a deviation is listed, as required in Exhibit B, the proposal may be subject to rejection by the City for failure to meet exact requirements; except, however, said proposal may not be subject to rejection where, in the sole discretion of the City, the stated deviation is considered to be equal to, or better than, the imposed requirement and/or where such deviation does not destroy the competitive character of the proposal or the proposal process.

The proposal may be accepted for the Bank submitting the lowest and best proposal in compliance with the requirements of the RFP without further change or negotiation.

4. Terms and Conditions:

- a. The City reserves the right to accept or to reject any or all proposals, to waive any irregularities or informalities in any proposal or in the process, and to accept or reject any item or combination of items. Selection will be to the bank whose proposal, in the opinion of the City, is the best proposal taking into consideration all aspects of the Bank's response, including total net cost to the City.
- b. In the event that the Bank to whom the service is awarded cannot fulfill the proposal, the City may give notice to such Bank of intent to award the service to the next most qualified Bank or to call for new proposals.
- c. The Proposal form (Exhibit A) indicates the estimated number of transactions during the last fiscal year. The number is the City's best estimate of average volume and the City in no way represents or warrants these to be minimum or maximum volumes.
- d. The Bank shall thoroughly examine and be familiar with these specifications. The failure or omission of any Bank to examine this document shall in no way relieve any bank of obligations with respect to this proposal.
- e. Services may be terminated by the City or by the Bank by giving written notice to the other party no later than ninety (90) days before the proposed termination date. This provision may be exercised only after the service has been in effect for three (3) calendar months. The Bank shall be entitled to just and equitable compensation for any satisfactory work completed to the termination date based on fee schedules provided.

- f. Failure to comply with any of the terms and conditions of this RFP will be cause for termination of the service.
- g. These specifications constitute the complete set of specification requirements. The standard forms are to be filled in, signed, sealed in an envelope, and mailed or delivered to the City Manager's Office on or before the specified time and date of the opening of proposals. The envelope should indicate "Bid Proposal for Banking Services for City's Payroll Account". Timely delivery is solely and strictly the responsibility of the bank. The City will in no way be responsible for delays caused by the United States Post Office or delays caused by any other occurrence. Offers by telephone or facsimile will not be accepted. Under no circumstances will a proposal delivered after the time specified be considered. Such proposals will be returned to the Bank unopened.
- h. The Bank will not be allowed to withdraw or modify its proposals after the opening time and date.
- i. The City reserves the right to reject the proposal of any Bank who has previously failed in the proper maintenance of an award or to deliver on time services of a similar nature or who is not in a position to perform properly under this award.
- j. The City reserves the right to inspect all facilities of Banks in order to make a determination as to their capabilities.
- k. Federal, State, County, and City laws, ordinances, rules, and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Bank will in no way be a cause for relief from responsibility.
- l. No Bank may make any assignment of the resulting service between the parties without prior written authorization by the City.
- m. Changes to the RFP may be made by, and at the sole discretion of the City. Said amendments will be mailed to the Banks who have exhibited interest in the RFP.
- n. Each Bank submitting a proposal assures the City that it is in compliance with Title VII of the 1964 Civil Rights Act, as amended, in that the Bank does not, on the grounds of race, color, national origins, religion, sex, age, handicap, or marital status, discriminate in any form or manner against its employees. The Bank understands and agrees that this service is conditioned upon the veracity of this Statement of Assurance.
- o. The Bank must be insured by the Federal Deposit Insurance Corporation (FDIC).

II. Scope of Banking Services

A. General

The banking services detailed in this section will be performed for three (3) years unless terminated earlier as provided herein. It is the intent of the City that a single Bank provide all banking services specified in this proposal. At the end of the three year period, another RFP will be conducted.

B. Accounts Included

The City's payroll account is included in this RFP.

C. Account Structure

This account will be used solely to process payroll disbursements to employees and will maintain a minimum balance of _____. The City currently has _____ employees and we anticipate _____ % participation for direct deposit. All employees are paid on a _____ basis. An ACH file will be created by the City and transmitted to the bank on _____ with processing of deposits to employee personal accounts to take place no later than _____ morning.

The Bank should describe its ACH process and per item costs associated with this process. The Bank should also provide a description of any encryption process available and the related costs.

All checks issued by the City in regards to this account will be computer generated and must bear the facsimile or actual signatures of any two (2) authorized individuals. Approximately _____ checks are written monthly.

D. Availability of Funds

Deposits will be made periodically during the business day (9:00 a.m. to 3:00 p.m. or later) to a designated cashier or location mutually agreed upon by the City and the Bank.

The Bank agrees to credit the City's Accounts for selected items according to the following schedule:

- a. Items on the depository - wire transfers, ACH deposits, cash - SAME DAY
- b. Items of local institutions - NEXT DAY

All other items will be based on the Bank's availability schedule. The Bank is required to attach a copy of its availability schedule to the proposal. The Bank agrees to notify the City in writing of any changes to the schedule. The City reserves the right to periodically audit the Bank's compliance with the existing availability schedule.

E. Collateral Requirements

Collateral requirements will be directed under State of Tennessee laws and City Ordinance. Ordinance No. _____ indicates that _____.

The Bank may satisfy the collateral requirement by being a member of the State of Tennessee Collateral Pool Program.

F. Other

Fees for all debit and credit memos required to adjust errors caused by the Bank will not be charged to the City.

Banks submitting proposals are requested to list any other services that will be provided to the City at no cost.

III. Standard Proposal Forms:

A. Explanation of Proposal Form

Use of the Proposal Form (Exhibit A) or a copy thereof is required by all Banks. No proposal will be considered without amounts being placed on this form. If the Bank is unable to meet or exceed the requirements as specified, then the phrase "No Bid" should be placed in the extension column.

The City reserves the right to eliminate any individual service contained in the proposal, if in the City's opinion, the costs for providing the services are excessive, or if the service proposed can be performed in an alternative manner.

B. Completion of Proposal Form

Each Bank should review the Proposal Form and price each service specified. Per item charges should be extended to the "Annual Service Charges" column. The total of this column will be entered on the line "Total Proposed Bid".

C. Monthly Service Charge Calculations

The Bank will prepare on a monthly basis a billing for services rendered by account.

Total service charges will be calculated based on the actual number of transaction for the month multiplied by the fixed charge per item.

It is the intention of the City that all per item charges remain fixed over the life of the three-year service. However, the City recognizes that an adjustment in a per item charge may be necessary based on price changes by the Federal Reserve System. Adjustments in per item charges will only be allowed after complying with the following conditions.

1. The per item charge (or portion thereof) will change only for corresponding adjustments in the Federal Reserve System's Fee Schedules, on or after the effective date of the adjustment,
2. Changes in the Federal Reserve Fee Schedule must be final and not proposed, and
3. The Bank will provide the City a copy of the Federal Reserve System's notification supporting the adjustment, with the "Monthly Service Charge Report".

IV. Summary

The Bank shall complete the "Proposal for Payroll Banking Services" form and attach the requested forms, reports and exhibits and return to the City per Section I.B.

**PROPOSAL FOR PAYROLL BANKING SERVICES
CITY OF _____, TENNESSEE**

PROPOSAL SUBMITTED BY:

Bank _____

Address _____

This proposal contains all the information requested in the Request for Proposal, including the following exhibits:

Exhibit A: Proposal Form

Exhibit B: Deviations to be the Requirements in the RFP (Must be submitted with proposal. Additional pages may be used if necessary. If no exceptions, so state on form.)

Bank's Availability Schedule

We have read the RFP and fully understand its intent. We certify that we have adequate personnel, equipment, and facilities to fulfill the requirements within. We understand that all information included in, attached to, or required by this RFP shall become public record upon delivery.

Signature

Typed Name

Title

Date

Exhibit A

**PROPOSAL FOR PAYROLL BANKING SERVICES
CITY OF _____, TENNESSEE**

BANK SUBMITTING _____

<u>PAYROLL BANKING SERVICES</u>	<u>ESTIMATED ANNUAL VOLUME</u>	<u>BID CHARGE PER ITEM</u>	<u>ANNUAL SERVICE CHARGES</u>
Account Maintenance/Fixed Service Charge:			
Payroll accounts	12	_____	_____
Checks Posted:			
Payroll	_____	_____	_____
Account Reconciliation			
Checks Sorted	_____	_____	_____
Items Deposited	_____	_____	_____
Research Charges (Est. # of calls)	_____	_____	_____
Stop Payments	_____	_____	_____
Monthly Service Charge Report	12	_____	_____
ACH Transactions Payroll	_____	_____	_____
Any Additional Charges (Please List):			
Total Proposed Bid		\$ _____	

Exhibit B

**PROPOSAL FOR PAYROLL BANKING SERVICES
CITY OF _____, TENNESSEE**

DEVIATIONS TO THE REQUIREMENTS IN THE RFP

The items below constitute deviations or exceptions to the requirements listed in the RFP for Banking Services:

<u>PAGE</u>	<u>PARAGRAPH OR ITEM NUMBER</u>	<u>DEVIATION OF</u>	<u>DESCRIPTION REASON</u>
-------------	---------------------------------	---------------------	-------------------------------

Signature

Typed Name

Title

Date