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# Village of Greendale Banking Services Request for Proposal (RFP)

## **I. INTRODUCTION**

The Village of Greendale is requesting proposals for a banking services contract to be awarded October 31st, 2017, with service to begin January 1, 2018 and extend through December 31<sup>st</sup>, 2020. Through this contract the Village intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities. This Request for Proposal (RFP) represents the cash management goals, specifies all banks' required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and the contract award provisions.

## **II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS**

### **A. MINIMUM QUALIFICATIONS**

To assure a close working relationship, to facilitate available services, and to support local business, the entity may give priority to those banks with full service capabilities within the Village limits. Any required statement regarding equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

### **B. PROPOSAL SUBMISSION INSTRUCTIONS**

#### **1. Proposal Format**

In order to fully and equitably evaluate each bank's ability to meet the banking services needs of the Village, a standard reply format is required. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

#### **2. Submission Requirements**

The Village of Greendale is accepting written proposal until 4:30 PM on December 1<sup>st</sup>, 2017. It is the responsibility of the proposer to ensure that proposals include a response to each item in the RFP in the order given. Only proposals submitted in the given format and using the exhibit forms provided will be selected for evaluation. The proposal must arrive at the right place on time. Any proposals received after the above time will be disqualified.

#### **3. RFP Questions**

Questions regarding this RFP or the service requested will be accepted in written form at the address below on or before 4:30 pm November 28<sup>th</sup>, 2017. Responses to all material questions submitted will be communicated to each prospective bidder.

John Major, Director  
American Deposit Management  
W220 N3451 Springdale Rd  
Pewaukee, WI 53072  
john.major@americanpdeposits.com

4. Request for Proposal Amendments

Modifications or additions may be made as a result of questions submitted. Written notification of any such change will be made in writing to all known bidders.

5. Selection Criteria

Evaluation of proposals will be made on the basis of the following objectives:

- Time deposit interest rates: Overall return, including earnings credit rates
- Cost of Service(s)
- Customer Service availability
- Safety and creditworthiness of bank – Bauer rating is one indicator. In the last 3 years has the bank been under any regulatory consent orders?

6. Award of Bid and Service Initiation

The contract is to be awarded by Village Board December 8<sup>th</sup>, 2017.

**III. REQUIRED FINANCIAL INSTITUTION INFORMATION**

All banks must provide, as part of the proposal:

- Audited financial statements for the most recent fiscal year,
- a copy of the current call report, and
- A statement regarding any recent merger or acquisition.

**IV. REQUIRED BANKING SERVICES**

This section lists all the services to be provided by the bank under this agreement. Attachment A lists each of these services. The bank should use this Attachment to provide the specific price for each service.

**A. Consolidated Account Structure**

The bank is to provide a master consolidation account and zero balance accounts from which daily balance and detail reporting is available. The Village's current account structure contains the following accounts: The Village's main deposit account. Nearly all deposits are run through this account. Approximately \$40 million dollars per year are deposited into this account. This account requires ACH ability. The average daily balance for this account is in excess of \$3 million dollars, and the Village considers this account as part of its cash investments. In December and January of each year this account may have a daily balance in excess of \$8 million dollars, thus security and rate of return are important for this account. This account also has lock-box service for prompt receipt of tax payments. The Village requires images of all deposit items to be recorded and delivered to it on a monthly basis. This account requires ACH ability and receives approximately 100 ACH credits per month.

**B. Wire Transfer Services**

The Village Checking account ranges from 5-10 incoming wires each month. A standard wire transfer agreement will be executed with the bank. This proposal should include a copy of your standard transfer procedures and wire transfer agreement. The Village requires adequate security provisions and

procedures. If the wire transfer requests are available online, full information should be submitted detailing the use.

**C. Automated Daily Balance Reporting**

The Village requires an automated PC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which the access is available and describe the system to be used. Reporting should include balance and detail reporting. Samples of the reports are to be included in the proposal.

**D. Sweep Account Provisions**

If the Village chooses, the bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option (money market fund, repo, etc.). Describe the sweep options and, if a money market fund is used, provide a prospectus. The accounts will be swept to the compensating balance.

**E. Investment of Idle Funds and Safekeeping of Village Securities**

All certificates of deposit bought by the Village will be bought on a competitive basis. The Village has no obligation to invest its funds with or through the bank. If the bank is proposing overnight repurchase agreements, an executed Master Repurchase Agreement is required. In order to fulfill GASB III requirements for reporting, if a repurchase agreement is executed with the bank itself, the collateral must be held in the trust department of the bank in a separate account. All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. There will be approximately ten securities in safekeeping at any time. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangement will be stipulated in the proposal.

**G. Standard Disbursing Services**

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation.

**H. Standard Deposit Services**

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and all other checks based on the bank's published availability schedule. The Bank should specify in their proposal their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

**I. Reporting and Account Analysis**

Monthly account analysis reports must be provided by the bank on a timely basis for each account and on a total account basis. A sample account analysis format must be provided as part of the proposal. Samples of monthly statements should also be provided. The monthly statements are to be received within ten business days of the next month.

**J. Account Executive**

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the Village's account.

**K. Direct Deposit**

Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks.

**L. Positive Pay, ACH Debit Block**

The proposal must include a statement on the proposed positive pay process on an automated or manual basis. Please also include a statement detailing capability of ACH Debit Block.

**M. Collateralization of Deposits**

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit of \$250,000. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with the Village and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 102% and marked to market at least once a month. Control will be shared jointly between the bank and the entity. Substitution will be approved by the Village and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral.

**N. Online Banking Services**

Responding banking institutions should provide information including, but not limited to, reporting capabilities, transaction execution, internal controls, electronic documents storage options, customer support, and any available training.

**O. Additional Services**

If new services become available and are provided during the period of this contract, they will be charged at the banks then published rate.

**V. OTHER SERVICES**

The Village is interested in obtaining service and cost information on additional services for possible use during the contract period. These services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers and cost. The Village will make its determination after receipt of proposals as to whether a service will be used. If the service is accepted later in the contract period the services and charges stipulated in the proposal will be applied.

**A. Lockbox Services**

The Village may choose to utilize lockbox services for certain revenue collections. Describe the service including the lockbox location and a full description of the service.

**B. Remote Deposit Services**

Describe the service available including but not limited to enrollment process, cutoff times, and fees.

## **VI. Bank Compensation**

Any net settlement on compensating balances will be made annually. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.