

CITY OF JACKSONVILLE REQUEST FOR PROPOSAL FOR BANKING SERVICES

RFP # 2018-04-01
DUE DATE: February 27, 2018



I. INTRODUCTION

The City of Jacksonville is requesting proposals for a banking services contract to be awarded March 13, 2018, with services to begin April 1, 2018 and extend through March 31, 2023. Through this contract the City 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 City will only accept proposals from banks with full service capabilities within the City limits. The proposal submitted will become part of the final contract.

B. PROPOSAL SUBMISSION INSTRUCTIONS

1. PROPOSAL FORMAT

To fully and equitably evaluate each bank's ability to meet the banking services needs of the City, 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

Four (4) sealed copies of the proposal, along with one (1) unbound original copy suitable for reproduction must be received prior to 3:00 PM (local time), Tuesday, February 27, 2018. All copies of the proposal must be under sealed cover and plainly marked as "RFP 2018-04-01 Banking Services" and delivered to:

Physical Address: Ben Jones
Purchasing Agent
215 East Rusk
Jacksonville, Texas 75766

Mailing Address: Ben Jones
Purchasing Agent
P.O. Box 1390
Jacksonville, Texas 75766-1390

3. RFP QUESTIONS

Inquiries regarding the RFP may be addressed by phone at 903-586-3510 ext. 1133 or by e-mail at ben.jones@jacksonvilletx.org. Inquiries should be conducted during normal business hours, Monday through Friday. Inquiries to any other person other than the person so named in this RFP may result in elimination of the proposal from any further consideration.

4. REQUEST FOR PROPOSAL AMENDMENTS

Modifications or additions may be made resulting from 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 based on the following objectives:

- Safety and creditworthiness of bank
- Service availability
- Time deposit interest rates
- Cost of service

6. SUBMISSION PROCEDURES

If an applicant cannot meet a service requirement, please indicate on the form. An applicant may offer an alternative equivalent service for the City's consideration, provided sufficient detail is furnished to allow evaluation and comparison to listed services.

Listed services for which an applicant intends to charge a fee must have the applicable fee indicated on the application. Any service that does not have a fee indicated in the application will be considered to be free of charge in the Depository Contract.

The application must be signed by an officer of the bank having the authority to bind the bank to the proposed contract.

The City reserves the right to reject any or all applications, to waive any non-material irregularities or informalities in any application, and to accept or reject any item or combination of items.

7. AWARD OF BID AND SERVICE INITIATION

The contract is to be awarded by the City Council at its meeting Tuesday March 13, 2018 at 6:00 pm. The targeted service initiation date is April 1, 2018.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

All banks must provide, as part of the proposal:

- audited financial statements for the most recent fiscal year,
- statement on quality assurance standards and customer satisfaction procedures,
- description of professional cash management assistance to be provided,
- a statement regarding any recent or foreseen merger or acquisition,
- historic interest rate information reflecting the proposed rate in the application,
- and the bank's funds availability schedule must be included in the application.

IV. REQUIRED BANKING SERVICES

This section lists all the services to be provided by the bank under this agreement. Attachment B 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 from which daily balance and detail reporting is available. The City's desired account structure contains the following accounts:

1. Consolidated Cash
2. JEDCO Account*

*JEDCO is a separate entity from the City with its own tax identification number. The City Finance Director is the banking and investment officer for JEDCO.

B. WIRE TRANSFER SERVICES

A standard wire transfer agreement will be executed with the bank. The proposal should include a copy of your standard transfer procedures and wire transfer agreement. The City requires adequate security provisions and procedures. If the wire transfer requests are available on-line, full information should be submitted detailing the use. The City desires on-line wire capabilities with dual security authentication.

C. AUTOMATED DAILY BALANCE REPORTING

The City requires an on-line 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.

D. SWEEP ACCOUNT PROVISIONS

If the City 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 CITY SECURITIES

All certificates of deposit bought by the City will be bought on a competitive basis. The City 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. 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. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangements will be stipulated in the proposal.

F. STANDARD DISBURSING SERVICES

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation. The City requires Positive Pay service in order to deter check fraud.

G. 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.

H. 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 made available either on-line or by mail within ten business days of the next month. The City prefers on-line monthly statements.

I. 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 City's account.

J. ACH and DRAFT PAYMENT

The City allows its customers to pay their utility bills via draft from the customer's account. The City also pays employees via direct deposit and makes payment to various vendors and/or receives deposits via ACH transaction. Describe the requirements and deadlines for ACH transactions. The proposal should indicate when funds will be available in participating banks.

K. DAYLIGHT OVERDRAFT PROVISIONS

Every effort will be made to eliminate daylight overdraft situations on the account. However, in case this situation does arise, the proposal should include any and all bank policies regarding daylight overdrafts charges or handling procedures.

L. STOP PAYMENTS

The proposal must include a statement on the proposed stop payment process on an automated or manual basis.

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 City 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 City. Substitution will be approved by the City 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. ADDITIONAL SERVICES

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

V. OTHER SERVICES

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

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 the receipt of the account analysis.

ATTACHMENT A – ESTIMATED ACTIVITY VOLUMES

12 Month Average Daily Balance	3,260,000
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Service Unit	Current Monthly Average Volume
Account Maintenance	2
Account Analysis	2
Collateralization Report	1
Safe Deposit Box	0
Night Depository Services	15
Account Research Time	0
Positive Pay	6
Reconciliation	
Depository Services	
Cash Deposited Branch	\$484,900
Deposits Credits	100
Return Item Special Handling	
Return Items	5
Adjustment/Deposit Corrections	
Preprinted, Encoded, Bound Triplicate Deposit Slips	400
Paper Disbursement Services	
Checks Paid	225
Stop Payment	1
Cashier's Checks	0
Overdrafts	0
General ACH Services	
ACH Received Debit	30
ACH Received Credit	25
ACH Return Items	3
ACH Maintenance	1
ACH Transactions (Utility Customer Draft Transactions)	600
Wires & Transfer Services	
Outgoing Wire Transfer	5

ATTACHMENT B – BANKING SERVICES PROPOSED CHARGES

Any and all anticipated service charges must be shown on this form to be applicable under the agreement. Attach additional lines as required

	Proposed Charge
General Account Services	
Account Maintenance	
Account Analysis	
Collateralization Report	
Safe Deposit Box	
Night Depository Services	
Account Research Time	
Positive Pay	
Reconciliation	
Depository Services	
Cash Deposited Branch	
Deposits Credits	
Items Deposited Unencoded	
Return Item Special Handling	
Return Items	
Adjustment/Deposit Corrections	
Preprinted Duplicate Deposit Slips	
Lockbox	
Paper Disbursement Services	
Checks Paid	
Stop Payment	
Cashier's Checks	
Overdrafts	
General ACH Services	
ACH Received Debit	
ACH Received Credit	
ACH Return Items	
ACH Maintenance	
ACH Transactions (Utility Customer Draft Transactions)	
Wires & Transfer Services	
Outgoing Wire Transfer	
Other Services Not Listed Above (List)	