

**REQUEST FOR PROPOSALS FOR
BANKING SERVICES
TOWN OF CROMWELL, CONNECTICUT**

The Town of Cromwell is seeking written responses to a Request for Proposals (RFP) to retain a financial institution for depository and banking services.

An original and four (4) copies of all proposals (an electronic version of the proposal may be submitted in lieu of three (3) copies), including all executed documents and needed attachments, must be submitted to the Finance Office, Town Hall, 41 West Street Cromwell, CT 06416 by 2:00 PM on February 28, 2018. This RFP is available in the Finance Office or by accessing the Town's website. Proposals and Fee must be submitted in separate sealed envelopes marked "Town of Cromwell-Proposal for Banking Services" and "Fee for Banking Services".

REQUEST FOR PROPOSALS

BANKING SERVICES

I. INTRODUCTION

A. GENERAL INFORMATION

The Town of Cromwell is requesting proposals for the purpose of selecting a highly qualified financial institution to provide depository and banking services for the Town.

The Town of Cromwell's Comprehensive Annual Financial Report can be found on the Town's website: <http://cromwellct.com> on the home page under "News".

Selection will be based on a combination of the Quality Based Selection Process and financial considerations. The Town reserves the right to waive informalities or reject any proposal, or any part thereof, when said action is deemed to be in the best interest of the Town.

B. QUALIFYING REQUIREMENTS

In order to qualify for consideration, an institution must meet the following minimum requirements:

1. **Qualified Depository**: Any bank submitting a proposal must be a qualified public depository, as defined by Connecticut General Statutes (Revised), Sections 7-402 and 36a-330.
2. **Location**: State the nearest branch banking facility to be used. Should a branch banking facility not be located in Cromwell, specify the services to be provided in lieu of an available branch. In either case, the full range of banking services required by this RFP is to be available.
3. **Equal Opportunity - Affirmative Action**: The successful contractor shall comply in all aspects with the Equal Opportunity Act. Each contractor shall be required to have an Affirmative Action Plan that declares that the contractor does not discriminate on the basis of race, color, religion, sex, national origin or age. By signing the proposal sheet for this bid, all vendors and contractors agree to this condition of doing business with the Town and should the Town choose to audit their compliance, the vendor agrees to fully cooperate. Findings of non-compliance with applicable State and Federal equal opportunity laws and regulations could be sufficient reason for revocation or cancellation of this contract.
4. **Reporting**: Each proposer shall submit copies of their quarterly Uniform Bank Performance Reports (Schedule RC only) and their annual financial reports for the past two years. These reports will be used by the Town in helping to determine the financial soundness of the proposer. The successful institution shall, during the duration of this

contract, continue to furnish the Town with updated reports in a timely manner. Proposers must disclose any adverse audit findings, outstanding restrictions or sanctions imposed by federal or state regulators, or unresolved issues of a similar nature. Electronic versions of financial reports are acceptable.

5. **Rating:** The bank shall give evidence of a rating of “B” or better and indicate which rating service issued that rating, such as Shesunoff or Lace rating services. In lieu of such evidence, the institution shall provide (via Attachment C) information in the form of ratios for the past four (4) years.

6. **Federal Reserve Member:** The Town prefers a bank that is a member of the Federal Reserve System. Banks that are not members of the System shall identify their correspondent member bank. The Bank will not charge the Town for any transactions that are processed through that correspondent relationship.

7. **Other Data:**

- a) Number of current municipal clients in Connecticut purchasing services on either a fee or compensating balance basis.
- b) Samples of account statements and account analysis.
- c) Deposit availability schedule.
- d) Maximum Municipal Deposit Amount per Statutory limitation of CGS Section 7-402.
- e) Define any reserve requirement to be used in a compensating balance formula; and
- f) Define any earnings allowance to be used in the compensating balance formula.

II. PROCEDURAL INSTRUCTIONS

A. INTENT

The intent of this RFP is to select one banking institution to provide basic banking service to the Town. However, the Town may also elect to enter into an agreement with any institution for any or all optional services.

B. PROPOSAL FORMS

A proposer must use the attached Proposal Forms in submitting a proposal. It is requested that the forms be completed in their entirety.

Optional services should be submitted under separate cover with separate pricing determinations. DO NOT include optional service cost in your Exhibit A submission.

All proposals submitted and information included therein or attached thereto shall become public records afterward and information contained therein and attached thereto shall be subject to disclosure under the Freedom of Information Act after award decision has been made.

C. RFP CALENDAR

1. RFP Distribution: FEBRUARY 5, 2018 - The Director of Finance shall distribute the Request for Proposal to pre-selected Banks.

- A. A list of institutions requesting RFP's will be maintained. Questions regarding the RFP will be answered via email. Contact info: msylvester@cromwellct.com.

2. RFP Due Date: FEBRUARY 28, 2018 (2:00 p.m.) Proposals will be due at this time. All proposals stamped in later than this time will be returned to the banks unopened.

An original and four (4) copies* of all proposals, including all executed documents and needed attachments, must be submitted in sealed envelopes bearing on the outside the name of the bank, the bank's address, and the words "Town of Cromwell -Proposal for Banking Services". **Please submit the dollar cost bid in a separate sealed envelope labeled "Town of Cromwell Proposal for Banking Services – Fee Proposal."** The proposal must be signed in the name of the bank and must bear the signature of a person authorized to sign the proposal. Include the main office address and office telephone number of the bank representative qualified to answer questions that may arise during the review process.

Proposals must be submitted to:
Marianne Sylvester
Finance Director
Town of Cromwell
41 West Street
Cromwell, CT 06416

*An electronic version of the proposal may be submitted in lieu of three copies, including all executed documents and needed attachments.

3. Evaluation Time Table: All proposals will be reviewed. The Town reserves the right to reject any and all proposals to best serve its interests, and to hold the proposals for ninety (90) days before rendering a decision. Also, the Town reserves the right to waive any and all informalities or immaterial irregularities and to request clarification of any item.

Acceptance of any bank's response does not place the Town under any obligation to accept the lowest priced response.

Contract execution will be within 60 days of the award. The Town may choose to implement the contract in stages as determined by the Town.

4. Evaluation Criteria: Selection of firm(s) will be the responsibility of a committee consisting of Town-designated representatives. The evaluation will be based on the

written submissions and selected presentations/interviews. The factors that will be evaluated include the following (not necessarily in rank order):

- a) Qualified depository for public funds
- b) Geographical location of nearest branch(es) to Town Hall
- c) Ability to meet all requirements of this RFP
- d) Best availability schedules
- e) Bank rating
- f) Cost of services
- g) Experience providing banking services to similar accounts
- h) Best deposit availability

The Town may invite a short list of responding institutions for an interview based on its review of the written submissions. Interviews tentatively would be scheduled for Wednesday, March 21st.

D. COST

Cost considerations may include lowest combination of projected monthly service charges, highest availability of deposits, and highest earnings credit on collected balances. Cost of optional services will also be considered. The Town reserves the right to determine whether compensation will be provided on a compensating balance or direct fee basis. All Banks shall submit proposals on both bases.

Compensation for services shall be fixed for the first two years. Compensation shall be negotiated in the third year and subsequent optional extension years.

III. DESCRIPTION OF CURRENT SYSTEM

Cromwell's 2017-18 annual operating budget is \$49,252,328. Currently, the Town maintains one primary bank account and eleven other checking accounts as well as investment accounts and other accounts for specific purposes, such as capital projects.

Payroll checks are issued both weekly (Town-Thursdays) and bi-weekly (BOE-Fridays). Proposals should clearly describe the timing for direct deposit transactions. Any rejected ACH transactions must be communicated to the Town the same business day so it can be rectified. The Town also issues pension checks on a monthly basis. The pension checks follow the same procedures as the Town.

The Town and Board of Education currently use a teller positive pay system, which we would like to continue. An electronic file is sent to the bank for all accounts payable and payroll checks issued, and the bank issues confirmation of receipt. Positive pay exceptions must be communicated to the Town on a timely basis to allow fast adjudication and prevent fraud.

On-line functionality is currently being used to view transaction reports, status of issued checks and cancelled check images, issue stop payments, transfer funds internally and externally. All deposits are made into the primary account, other than some grant payments for the Board of Education. Deposits are made, at a minimum, twice a week to the local branch. Deposits include cash and checks.

IV. BANKING SERVICE REQUIREMENTS

Your submission should include how you address the following:

A. Account Maintenance

1. **Account Balances:** The successful bidder must have an online banking function which enables the Town to check balances regularly and have up-to-date information. Timeliness of information must be discussed.
2. **Bank Statements:** A monthly concentration (month end) bank statement for all accounts, with documentation supporting all entries on the statement is required within 5 days after calendar month end. Full reconciliation reports are required.
3. **Check Imaging:** The bank will supply the Town with a method to view all paid checks on a monthly basis by using an online banking system. This will allow the Town to view and/or print both the front and back of all paid checks.
4. **Deposited Items:** The bank will supply the Town with a method to view all deposited items for a certain date of deposit by using the online banking. This will allow the Town to investigate differences that occur within a certain deposit.
5. **Check Printing:** The bank will either reimburse the Town for printing of checks or provide checks per Town specifications.
6. **Deposit Slips and Bank Deposit Bags:** The bank will provide four-part pre-encoded MICR deposit slips.
7. **Account Representative:** The bank shall have assigned personnel in their municipal finance department available to answer questions pertaining to Town transactions which require more explanation. In addition, the bank shall provide the name and direct business telephone number of the bank officer with overall management responsibility for the account relationship. It is expected that this person will have regular contact with the Town, including in-person meetings at least quarterly. It is also expected that this person will regularly review the account analysis and make recommendations for improvements.

B. Deposit Services

8. The bank shall include all deposits received at any of its branches up until regular bank closing time in the determination of the Town Demand Account Ledger Balances for the same day. The bank agrees to credit the town account for all checks immediately upon deposit. Banks are required to attach a copy of the availability schedule to the bid. Awarded bank agrees to notify the Town, in writing, of any changes to this schedule. All NSF checks must

be processed twice before being returned to the Town. Bank encoding errors are to be corrected within 72 hours after notification by the Town at no cost to the Town. Transfers between accounts will be charged to the Town only as transfers and not as items deposited and checks paid. The Town currently uses remote deposit for checks.

9. The bank shall credit the Town's account with the amount shown on deposit tickets and make adjusting entries if the tickets vary from the actual amounts deposited. The bank shall notify the Town of any overage or shortage. Such notification shall include full identification to enable the Town to debit or credit the appropriate department.
10. Monthly bank statements must show all deposits by amount, date, and deposit type (wires, ACH, account transfers, manual deposits).

C. Investment Services

11. If required, the bank will provide safekeeping for investments purchased from the bank at no additional charge. Funds are invested in U.S. Government and Agency securities, Bank and Savings & Loans Associations, Certificates of Deposit, Savings Deposits, and Repurchase Agreements. Normal investment activities of the Town are outside the scope of the banking service contract. The Town will endeavor to use the service of the operating bank for all normal and traditional banking activity; however, the banking services contract shall not be an exclusive contract nor shall the contract preclude the Town from obtaining services from any other bank.

D. On-Line Wire Transfer Service

12. The service bank will be required to maintain online wire transfer facilities to the Federal Reserve Bank for investment purchases and sales and other transactions with commercial banks. Wire transfers ordered by noon and not received by the designation party by 2 p.m. will be traced from origin to destination to ascertain the party responsible for delaying the transfer. The bank will define in their submitted proposal provisions to handle interest reimbursement on failed wire transfers.

E. Check Services

13. The bank will be required to process all checks and perform related services as follows:
 - a. Accept all Town checks presented each day and sort the checks monthly by the MICR document number.
 - b. Positive Pay or similar services must be available. The selected bank must allow for multiple uploads of check issue files. The bank will confirm by e-mail within two hours that the positive pay uploads have been received and processed.
 - c. Provide monthly a fully automated reconciliation report to the Town. This report should show each check paid amount, check number, date paid, and date issued. Outstanding checks should be listed by check number, date issued, and check amount.

F. On-Line Access

14. The bank will provide the Town a method to access the Town's accounts on the bank's website. The town should have the ability to obtain the information on screen and download the information, including analysis statements, reconciliation statements, and other bank statements. The Town desires to perform the following functions via this link (please describe in detail the on-line procedures the Town will need to follow to access this information via the website):
- a. Obtain the balance of all accounts daily including the ledger balance, detailed debits and credits to the account, the collected balance, and the available balance. Obtain the monthly bank statement.
 - b. Monthly Analysis Statement for all accounts, showing the average ledger balance, earnings allowance settlement period to date and a detail breakdown of services performed and costs associated with these services. This statement should be available within approximately five calendar days after the month of service. The Town shall have the right to examine any records that support this monthly statement.
 - c. A display of paid checks for the current and previous seven years.
 - d. Place and remove stop payments with duration of one year.
 - e. Place and reverse (if necessary) ACH transactions. Repetitive and non-repetitive ACH transactions will be electronically initiated through the bank's web-based banking system with dual control authorization. The web-based banking system must have the ability to establish repetitive ACH transfer templates. The system should also allow for the checking of returned ACH transactions.
 - f. Adjudicate exceptions with positive pay.

G. Miscellaneous Services

15. In addition to the above-identified services, the bank shall also provide endorsement stamps, coin bags and deposit bags as needed.

H. Training

16. The selected bank will provide on-site training for all bank services to selected Town employees.

I. Optional Services

17. In addition to the required services described above, the Town requests information on the following optional services. The bank may, under separate cover, submit proposals for these and other optional services the bank feels would be in the best interest of the Town.
- a. Lock-box services
 - b. Procurement Card services
 - c. Credit Card Merchant Services

J. Courier Services

18. A bank without a branch located within the Town limits will provide courier service to and from the Town Hall a minimum of three times per week, at time mutually agreeable, for pickup of deposits.

ATTACHMENT A

Required Banking Services Proposal Form

Ms. Marianne Sylvester, Finance Director
Town of Cromwell
41 West Street
Cromwell, CT 06416

Dear Ms. Sylvester:

We have read the Request for Proposal and fully understand its intent, contents and scope. We certify that we have adequate personnel, equipment, and facilities to fulfill the specified requirements. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the Town.

We have attached the following required and supplemental information:

1. Quarterly Uniform Bank Performance Reports - Schedule RC only - for the past two years.
2. Annual financial reports for the past two years.
3. Attachment A: Required proposal form.
4. Attachment B: Transactional charge fees schedule.
5. Attachment C: Required Bank Ratio information.
6. Statement of Acceptance of Terms and Conditions.
6. List of other data per Section I, Paragraph B, Subparagraph 7a-f.

The undersigned is aware that the Town reserves the right to reject any and all proposals, is submitting this proposal without collusion with any other person, individual or corporate. It is further understood that all information included in, attached to, or required by this Request for Proposal shall be public record upon delivery to the Town.

Submitted by:

Company Name

Name of Person Authorized and Date

Typed Name and Title

Telephone

ATTACHMENT B
 Transactional Charge Fee Schedule
Please Include in Separate Sealed Invoice

Bank Name:
 Annual Settlement Date:
 Earnings Credit Rate:

January 1, 2017 - December 31,2017

	Jun-17 Average Month	Jul-17 Highest Month	12 Month Average
	volume	volume	
Balance Related Services			
FDIC Assessment			701.579
COLL OVERDRAFT INTEREST CHARGE			
FDIC-TLGP Assessment			
Balance Related Services			
Dep Insurance-Bank Assessment			
Depository Services			
Account Maintenance	10	10	10
Banking Center Deposit	22	47	24
QBD/Night Drop Deposit	61	5	62
General Checks Paid Truncated	697	778	701
Paper Deposit Statement Mailed	1	1	1
Returns-Erin	2	4	2
Returns-Chargeback	3	4	3
Supplies-Dep Tickets	0	0	0
CKS DEP Un-Encoded Items	114	1	124
CKS Deposited Foreign Items	0	0	0
Stop Pay Automated>12 months	2	1	2
Debits Posted-Electronic	74	69	64
Credits Posted-Electronic	128	153	124
Deposit Account Statements	9	9	9
Gen Disb Cks PD-IS Front Img	40	22	30
Photocopy-Self Service	0	0	0
Check Deposit-ICL or RDSO	16	89	33
Image Deposited Items-RDSO	1260	6677	2058
CPO Account Transfer	21	21	19
Escrow Service Maintenance	1	1	1
EMS EOL Monthly Maintenance	1	1	1
EMS Acct. Maintenance Request	0	0	0
EMS Open Group-Sub-Account	0	0	0
Deposit Correction-Non-Cash	0	0	0
Stop Pay Automated<=12 months	0	0	0
RDI Discretionary Data Fields	2	4	2
Statement Copy-Self Service	1	0	1
Commercial Deps-Cash Vault			
Curr/Coin Dep/\$100-QBD-ND	79	162	131
Curr/Coin Dep/\$100-BKG CTR	152	1720	515
Change Order BKG CTR	0	0	0
Curr Supp \$100-BKG CTR	0	0	0
Coin Supp Roll-Bkg Ctr	0	0	0
Supplies-Deposit Bags	0	0	0
Supplies-Straps-Wrappers	0	0	0
General ACH Services			
ACH Optional RPTS-Electronic	26	25	24
ACH Monthly Maintenance	8	8	8
ACH Input-Echannel	0	3	1
ACH Input-File	12	7	8
ACH Blocks Auth Instructions	22	22	22
ACH Input-Batch	0	0	0

	Jun-17 Average Month	Jul-17 Highest Month	12 Month Average
	volume	volume	
Balance Related Services			
ACH Blocks Auth Maintenance	4	4	4
ACH Blocks Auth Add-Change	0	0	0
ACH Notif of Change (NOC)	0	0	2
ACH Standard Reports-Fax	0	1	1
ACH Consumer on US Credits	220	86	163
ACH Consumer Off US Credits	1906	1245	1717
ACH Corporate Off US Credits	0	0	0
ACH on US Credits-Same Day			
ACH off US Credits-Same Day			
ACH Credit Received Item	0	0	0
ACH Credit Received Item	107	132	102
ACH Debit Received Item	16	12	10
ACH Debit Received Item	50	46	46
ACH Return Item	0	2	6
ACH Delete/Reversal	0	0	0
Delete/reversal batch/file	1	0	0
ACH Standard Reports-Electronic		1	0
ACH Unauthorized Entry			
Wire Transfer			
CPO GP Mthly Maint Basic	1	1	1
PH or STND Order Temp Store	6	6	6
Elec Wire Out-Domestic	2	2	2
Elc Wire Out-Book DB	1	1	1
Incoming Domestic Wire	4	1	4
Wire Advice-Mail	0	0	0
CPO GP Csut MNT Temp Storage	10	10	10
Manual Account Transfer	0	0	0
Account Reconciliation			
ARP Partial Maint-Paper Supply	1	1	1
ARP Partial Per Paid Item	18	14	12
ARP Full Ppay Maint-PPR Supply	4	4	4
ARP Full Ppay Input Per Item	748	671	676
ARP Recon Trans End of Cycle	2	2	2
ARP Void Cancell Items	11	4	4
ARP Output Processing Per Item	456	503	446
Positive Pay Exceptions	0	1	0
ARP Positive Pay Return-Other	0	0	0
ARP POS Pay Return Default	0	0	0
Information Services			
CPO ARP Online Reports	5	5	5
CPO ARP Positive Pay Notif	65	51	57
CPO Online Subscription	1	1	1
CPO Prem IR Maintenance	1	1	1
CPO Prem PDR Account	11	11	11
CPO Prem PDR ITM Stored	3983	4507	4184
CPO Prem PDR ITM Stored	326	381	349
CPO Prem CDR Account	9	9	9
CPO Prem CDR Item	3254	3216	3283
CPO Prem CDR Item	269	261	269
CPO Prem Research Item	2	4	4
CPO Per Image Access	0	3	2
GCS Transaction History	0	0	0
CPO Wire Payee Advising	0	0	0
Remote Deposit Services			
Remote Dep-Account Maintenance	1	1	1
Remote Dep CK Image Processing	1260	6677	2058
RDSOL-Item Storage	69480	141066	97528
Med Volum Scanner Maint	2	2	2
RDS-High Volum Scanner	1	1	1

Jun-17
Average
Month

Jul-17
Highest
Month

volume

volume

12 Month Average

Balance Related Services

IMAGING

CD Rom Maintenance	0	0	0
CD Rom Per Image	0	0	1
Image Archive-7 Years	823	937	828
Image Maintenance CPO	1	1	1
Image Maintenance CPO	6	6	6
Image Retrieval CPO	1	4	3

Miscellaneous

Remit Bill- enter "Service chg"			0
CHECK COPY			0
Money Orders			0
Check Order Fee			0
Photocopy-Manual			0
Statement Copy			0
Check Order Fee			0
Check Order Fee			0
Check Order Fee			0
Check Book Charge			0
Check Printing/Supplies			0
Check Book Charge			0
Check Book Charge			0
Check book charge			0
Check Printing/Supplies			0
Check Printing/Supplies			0
Nonrelationship Cust Ck Cashed			0
Merchant Fees			0

Total Service Volume

85833

169739

**PROPOSAL FORM
ATTACHMENT C**

Required Ratio Information for Banking Services (in lieu of rating evidence)

Please provide the following information in the form of ratios as of December 31st for the past four years:

A. *Liquidity*

- 1. Temporary investments to total assets**
- 2. Volatile liability dependence**
- 3. Net loans and leases to deposits**

B. *Asset Quality*

- 1. Net charge-offs to average loans**
- 2. Loan loss reserves to total loans**
- 3. Non-performing loans to total loans**
- 4. Loan loss reserves to loan charge-offs**
- 5. Gross loans to total assets**

C. *Profitability*

- 1. Return on earning assets**
- 2. Return on equity**

D. *Capital Adequacy*

- 1. Primary capital to total assets**
- 2. Total capital to assets**
- 3. Equity growth to asset growth**
- 4. Dividends as a percent of net operating income**

E. *Management*

- 1. Total overhead expense to average assets**
- 2. Total deposits over \$100,000 to total deposits**
- 3. Brokered deposits to total deposits**
- 4. Total standby letters of credit to total assets**
- 5. Percent of Fed Funds sold to average assets**

F. *Maximum Municipal Deposits per Statutory Limitation of Connecticut General Statutes 7-402*