

REQUEST FOR PROPOSAL
Banking Services
City of Union City, New Jersey

I. Background

The City of Union City is seeking proposals from financial institutions to provide the City's primary banking services.

The City anticipates awarding the services for one year in November 2016 effective 12/1/16 – 11/30/17 with an option to renew for an additional two (2) years. The fees/formulas/services indicated in this proposal are those which will be in effect for the duration of the contract. The bidder certifies that any fees or formulas for affixing the rate of interest or providing services will remain in effect for the duration of the contract.

One (1) original and (3) copies marked "A Proposal for General Banking Services" will be received no later than **1:30p.m.**, local time prevailing, on **Tuesday, November 22, 2016**.

City of Union City
Dominick Cantatore, City Clerk
3715 Palisade Avenue
Union City, NJ 07087

A CD Copy of the proposal may be submitted in addition to the required hard copies mentioned above.

Nothing herein is intended to exclude any responsible firm or in any way restrain or restrict competition. On the contrary, all responsible firms are encouraged to submit proposals.

All proposals submitted shall be binding for sixty (60) calendar days following the above due date.

Proposals received by the City after the time specified will not be considered.

All information required by the "Request for Proposal" must be submitted to constitute a valid proposal.

The Chief Financial Officer will review and evaluate all proposals submitted in response to the "Request for Proposal". Based on the results of this evaluation, the Chief Financial Officer will make a recommendation to the City. A contract will then be accepted or rejected with the highest rated proposer and presented to the Board for approval.

II. Terms of the Banking Agreement:

- A. The effective date of the agreement is anticipated to be December 1, 2016.
- B. Proposals will be accepted from parties which:
 - 1. Have the capacity to provide services with an experienced professional staff.
 - 2. Are fully qualified as a “Public Depository” pursuant to N.J.S.A. 17:9-41, or otherwise known as the Governmental Unit Protection Act. Please submit a copy.
- C. The City requires all banking institutions submitting a proposal to have a satisfactory rating by Federal examiners under the Federal Community Reinvestment Act (CRA). Please submit a copy.
- D. The City is not liable for any costs incurred in the preparation of proposals.
- E. The City reserves the right to conduct personal interviews or require oral presentations of any or all proposers prior to selection. The City will not be liable for any costs incurred by the proposer in connection with such interviews. (i.e. travel, accommodations, etc.).
- F. By submitting a proposal, the proposer certifies that they have fully read and understands the “Request for Proposal” and have full knowledge of the scope, nature, quantity and quality of the work to be performed.
- G. The proposer shall furnish such additional information as the City of Union City may reasonably require. The City reserves the right to make investigations of the qualifications of the proposer as it deems appropriate.
- H. The City reserves the right to reject any/or all proposals of the final contract with a qualified proposer. The City reserves the right to split the relationship among different financial institutions if such would provide the City an overall cost savings. The City reserves the right to waive minor irregularities in the procedures. The City further reserves the right to seek new proposals when such a procedure is in its best interest. The City shall not be obligated to provide reasons for the rejection of any proposal.
- I. The City does not guarantee any minimum or maximum volume activities or balances. All vendors are to indicate unit prices for all services. Failure to submit all information requested will be considered non-responsive and may be disqualified.
- J. The financial institution must submit a copy of their NJ Business Registration Certificate.

K. Services and pricing must be guaranteed and locked in for three years.

III. Evaluation of Proposals:

The contract will be awarded to the institution that best meets the needs of the City. The following criteria will be used but not limited to for the evaluation of this proposal:

- A. Responsiveness of the proposal related to the scope of work.
- B. Ability, capacity and skill of the financial institution to perform the services on a timely basis.
- C. Response to client references
- D. Experience of the financial institution in establishing and maintaining similar accounts.
- E. Physical proximity of the City Municipal Building to banking locations within the City.
- F. Net earnings potential.
- G. The reputation, stability, and longevity of the institution.
- H. The quality, availability, and adaptability of the services to the particular need required.
- I. Fees to be charged will be part of the evaluation.

IV. Required Services for Responding Financial Institutions:

General

The banking services detailed in this section are to be performed for the City of Union City. The City reserves the right to terminate such contract by giving ninety (90) days advance written notice.

It is the intent of the City to have one single banking institution provide all of the general banking service needs of the City (except for services such as escrow accounts, investments, short and long term loans, lease financing, etc. which will be negotiated separately).

The award of banking services and credit/debit payment services may be made to more than one institution. This may be done in the event that one institution does not meet the requirements or has not bid all of the items listed, or in the event that using more than one institution will result in a cost savings to the city.

The City expects the following accounts to be linked together to aggregate earnings credits, against which charges will be deducted:

1. Current
2. Claims Checking
3. Investment Account
4. Federal and State Grant Account
5. Payroll Checking
6. Payroll Agency
7. Capital Fund
8. Dog License Trust
9. Dedicated Trust Fund
10. Lien Redemption Trust Checking
11. Emergency Medical Services
12. Lockbox
13. POAA
14. Public Defender
15. Fire Victims
16. Municipal Court
17. Municipal Court Bail

The Following accounts will stand alone and earn interest individually:

1. COAH Trust
2. DEA Trust
3. CDA Trust
4. HCLET Trust

The total property tax levy for fiscal year 2016 was approximately \$67,000,000. All tax collections and other receipts are deposited into the Current Fund Account.

The Current Operating Budget for 2016-2017 is approximately \$114,000,000.

The City issues approximately 3600 checks annually from 3 checking accounts. None of these accounts will require check printing services provided by the bank.

Payroll

The City currently uses ADS for their payroll which is processed bi-weekly. The City requires the successful banking institution to coordinate with ADS to obtain the City's direct deposit information in the required ACH format. There will be no fees charged for payroll checks cashed at a local branch. The financial institution will also provide City employee banking services.

Deposit

The successful banking institution will provide triplicate deposit slips, deposit bags and endorsement stamps to the City at no cost to the City.

On-Line Banking

As part of on-line banking, the successful banking institution must have the capability of providing for wire transfers, stop payments, ACH transfers, account transfers, monthly statement retrieval, detail of account activities, check detail look up capabilities including ability to print copy (front and back) of cancelled checks and detail of State of New Jersey direct deposits. All these capabilities should be available online for at least a one year period. The City currently has access to Twenty-one bank accounts on-line.

Wire Transfers

The successful banking institution must have the capability to originate incoming and outgoing wire transfers via online banking.

Account Statements

The successful banking institution will maintain the various City accounts, providing monthly statements along with all cancelled checks (or report with copies of front and back of cancelled checks) no later than the 10th day of the following month. The statement cutoff date for all accounts shall be the last day of the month. All accounts will receive monthly statements regardless of activity.

Positive Pay services are needed for the Payroll Account.

Interest on all accounts will be credited directly to operating accounts so designated.

The City expects the financial institution to provide at least next business bank day availability for checks being deposited in the City accounts.

The successful banking institution will provide monthly account analyses to include bank earnings credit, itemized fees, and interest earned to be credited to the City.

Record Keeping

The successful banking institution will be required to retain all records digitally for seven (7) years.

V. RFP Response Forms:

1. The cost proposals submitted to the City must be inclusive. Compensating balance levels, reserve requirements, etc. should be addressed. All services not mentioned or general services incidental to the operations of accounts maintained by the City and not addressed are expected to be provided at no cost.

2. In order to simplify and standardize all proposals, attached as Proposal Sheet “A” is a Monthly Activity Form” in the form of an account analysis, which must be used when submitting your proposal. The fees should be presented on a unit cost basis. Assume the activity estimated referred to throughout this document to be a reasonable estimate of activity to be experienced. The rate quoted per item by the proposer will be considered fixed, regardless of activity deviation. The City does not guarantee any minimum or maximum volume of activity.
3. A completed Proposal Sheet “B” must be submitted with your proposal. The City requests that all questions be answered and all information provided.

VI. Questions and Additional Information:

1. To ensure fair consideration for all responses, the City prohibits communication to or with any department, bureau or employee during the submission process except in writing.
2. Any questions relative to interpretation of specification of the RFP process should be submitted in writing no later than **4:00p.m. on Monday, November 21, 2016** to the Chief Financial Officer of the City:

Susan Colditz
3715 Palisade Avenue
Union City, NJ 07087

Responses will be in writing and copied to all proposers as addenda to the RFP.

City of Union City

Proposal Sheet A

Monthly Activity Form

(This form must be completed and submitted with your proposal)

Date: _____

Bank: _____

Contact: _____

Address: _____

Phone: _____

Email: _____

Please indicate all costs and the interest rate effective for the period ending 9/30/16.

You may expand the form to include items listed which the City did not identify, but which you think should be listed, whether it is a chargeable item or not.

Item	Monthly Volume	Unit Cost	Annual Total
ACCOUNT BASIC SERVICES:			
Monthly Maintenance Charge All Accounts			
Checks Paid			
Deposits Processed			
DDA Stop Payment			
Checks Deposited			
DDA Check Fine Sort - Monthly Maintenance			
DDA Check Fine Sort - Per Item			
Fine Sort Maintenance			
Deposit Corrections			
Encoding Surcharge			
Return Deposit Item - Charge Back			

Item	Monthly Volume	Unit Cost	Annual Total
Check Book Order Charges (Cost per 200)			
Deposit Slips - Triplicate (Cost per 200)			
Overdraft Charges (Per Item)			
Check Image Storage Maintenance			
Check Image Capture - Per Item			
Check Image CDRom - Additional CDs			
Check Return Maintenance			
Check Return - Original Checks			
Electronic Data Interchange Maintenance			
Electronic and Other Debits (ACH) Corp Transition			
Electronic and Other Credits (ACH) Corp Transition			
Currency Coin Deposit / \$100			
DDA Statements			
LOCK BOX SERVICES:			
Lock Box Rental Maintenance			
Lock Box Wholesale Correspondence			
Lock Box IR - Monthly Maintenance			
Lock Box Rental - CD ROM Monthly Maintenance			
Lock Box Rental - Item Processing			
Lock Box Express Mail Cost			
Lock Box Rental - Unprocessable Item			
Lock Box IR - Stop Maintenance			
Lock Box - RMT - Transmissions			
Lock Box IR - Info Delivery Expedited Mail			
ACCOUNT RECONCILEMENT:			
CD ROM Maintenance			
CD ROM Per Image			
CD ROM Disk			
Full Maintenance			
Partial Maintenance			
Manual Issue Input Per Item			
Full Positive Pay Account			
Full Positive Pay Item			

Item	Monthly Volume	Unit Cost	Annual Total
Full Reconciliation Input Item Trans			
Partial Reconciliation Output Item - Report			
ACH ORIGINATION SERVICES:			
ACH Items Origination			
ACH Returned Item - NOC			
ACH Monthly Maintenance			
ACH Block or Filter			
ACH Input Vendor Batches			
ACH Consumer on US Credits			
ACH Credit Origin			
ACH Debit Origin			
WIRE TRANSFER SERVICES:			
Wire Advice Fax			
Incoming Domestic Wire			
Outgoing Domestic Wire			
ON-LINE BANKING:			
CTD Wire Out Domestic			
CTD-Base Package Maintenance			
CTD-Balance Reporting Accounts			
CTD-Transaction Record			
CTD-Secured Token			
Accounts Included			
Transaction Reporting			
Internal Transfers			
Account Reporting			
Outgoing Non-Repetitive Wire Transfers			
Stop Payments			
MISCELLANEOUS:			
Statement CD ROM			
Cancelled Checks CD ROM			
Payroll ADS Charges			
FDIC Charges			
City Employee Banking Services			
Deposit Bags			
Endorsement Stamps			
Armored Car			
Merchant Card Services			

Other Fees Not Listed: *			
Average Ledger Balance***			
Average Float			
Average Collected Balance			
Required Reserve Balance			
Compensation Balances required for Monthly Services			
Excess Investable Balance			
Interest Rate on Excess Balance**			
Amount of Interest Earned			

Charges for all other Services as Required:

Earning credit rate for Balance Compensation as of 10/30/16

* Attach additional sheets if required and detail other charges

** Indicate method of determining the interest rate and ECR and describe benchmarks

*** It is the intent of the City of Union City to have one single banking institution provide all the general banking service needs of the City investments, short and long term loans, lease financing, etc. shall be negotiated on an as-needed basis. This amount represents all monies available except escrow (including investments) on average per month.

Attach additional sheet(s) if required.

City of Union City

Proposal Sheet B

(This form must be completed and submitted with your proposal)

Date: _____

Bank: _____

Contact: _____

Address: _____

Phone: _____

Email: _____

- A) The proposer must denote transaction cut off for deposits to be considered received that day and not carried forward to the next day. Indicate cut off time at branches and the following institution's main office.

- B) The City requires a bank office in a convenient location where it can transact business. State the location of the branch within the City where the City would transact their business and the number of branches within a three mile radius of City Hall.

- C) List the number of branches in the Organization, State & County.

- D) State in detail your method of compensation to maintain proposed interest rates, i.e. compensating balances, expected volumes and/or balance levels etc. Do not state "no fees". Please provide formulas to support your method of compensation.

E) If volumes or balance levels change as stated in this RFP, will this impact interest rates or fees proposed in your response; i.e. minimum balance requirement, penalties for falling below minimum balance? If so, explain how.

Example: Activity is the same; however the balance drops by \$3 million.

F) Please state how interest is calculated and the interest rate formula.

G) Please indicate a rate history page for the past twelve months from September 1, 2015 – August 31, 2016. providing rates as of month's end, at a minimum.

H) Please provide a listing of comparable government client references, within this area, which are presently using the institutions professional services. Include their name, address, phone number, contact person and years of service.

I) The vendor shall provide a list of contact personnel within the bank who are qualified to provide information and assistance in the following areas on a daily basis.

- a. Relationship Manager
- b. Customer Service Support
- c. Cash Management
- d. Municipal Credit
- e. Merchant Services

J) The City is interested in any new technologies and/or products that would benefit and improve on any efficiencies in our day to day operations.

K) Indicate the institution's background in providing primary banking services to municipal units of government, in general, and specifically, to municipalities of similar size to Union City.

L) Please provide your understanding of the scope of the services to be performed.

M) Please provide as an attachment at the end of the proposal financial reports for the previous year as well as any other material that may be helpful in reviewing the proposal.

N) Attach additional sheets if required.

City of Union City
Hudson County, New Jersey
Banking Services Solicitation
November 2016
PROPOSER'S WARRANTY

The person signing the proposal warrants that:

- 1) He or she is an officer of the organization.

- 2) He or she has been specifically authorized to offer a proposal in full compliance with all requirements and conditions as set forth in the RFP.

The undersigned, upon acceptance, agrees to furnish services as stated in the Banking Services Solicitation received _____.

Name of your organization: _____

Address: _____

Telephone Number: _____ Fax Number: _____

Email Address: _____

Signature of Authorized Representative: _____

Print Name of Authorized Representative: _____