



Legal Notice

Request for Proposal

City of Spartanburg
P.O. Box 5107
145 W. Broad Street
Spartanburg, SC. 29304
Email:
cwright@cityofspartanburg.org

RFP# 1617-04-11-01 Banking Services

NOTICE IS HEREBY GIVEN that The City of Spartanburg, South Carolina (hereinafter referred to as “city”) is soliciting banking services proposals on a competitive basis for the period of July 1, 2017 to June 30, 2022.

All banking institutions interested in responding to the city’s request for proposals regarding banking services must adhere to the guidelines contained herein.

The City of Spartanburg, hereby, notifies all proposers that it will affirmatively ensure that all disadvantaged and women’s business enterprises will be afforded full opportunity to submit proposals in response to this invitation and will not be discriminated against on the grounds of gender, race, color, or national origin in consideration for an award. Each proposer shall attest that they engaged in good faith efforts in an endeavor to achieve the City’s M/WBE goal of 10%.

The City of Spartanburg reserves the right to reject any and all Bids or to waive any informality in the bidding. Bids may be held by the City of Spartanburg for a period not to exceed sixty (60) days from the date of the opening of Bids for the purpose of reviewing the Bids and investigating the qualifications of Bidder(s), prior to awarding of the Contract.

Sealed Proposals must be delivered to the Office of Procurement, Office address below, or mailed to the mailing address below. **Facsimile and other electronic forms of proposal will not be accepted.** All sealed proposals must be received by: **300 PM, EST, April 11, 2017** and then will be publicly opened. Sealed Proposals are subject to the conditions and all provisions set forth herein and attached.

Complete proposal package also available at <http://www.cityofspartanburg.org/bid-opportunities>

Proposals can be hand delivered or mailed to the following address:
City of Spartanburg
P.O. Box 5107
145 W. Broad Street
Spartanburg, SC. 29304

Firm’s name and address should appear on the envelope.

Deadline Enforced

Proposals or withdrawal requests, received by the Procurement Division after the time and date set for receipt of Proposals, are late and WILL NOT be accepted. Late Proposals are void and will be returned unopened to the Proposer, regardless of when they were mailed or delivered. It is the Proposer’s responsibility to ensure timely receipt by the Purchasing Department of a Proposal.

CITY OF SPARTANBURG, SC
RFP FOR BANK SERVICES
Bid Number 1617-04-11-01

INTRODUCTION

The City of Spartanburg, South Carolina (hereinafter referred to as “city”) is soliciting banking services proposals on a competitive basis for the period of July 1, 2017 to June 30, 2022.

All banking institutions interested in responding to the city’s request for proposals regarding banking services must adhere to the guidelines contained herein.

GENERAL PROVISIONS

Please indicate on the envelope that a proposal for banking services is enclosed along with bid numbers. Under the provisions of the Freedom of Information Act, all proposals become public information after the award unless you specially request that the Trade Secrets Clause of the Freedom of Information Act be enforced. A decision on the successful proposal will be made and rendered to the responsive financial institution meeting the specifications desired by the city. Although cost will be a consideration, the award will be based on the cost consistent with the quality of service needed for effective use. Listed below are other general provisions that must be followed by all financial institutions responding to this request for proposals:

1. Each financial institution must submit their proposal based on Attachment A-1 and by providing the information requested in the RFP.
2. In the event that deviations are a must from the enclosed banking services required, the respective financial institution should note the exceptions in detail. Specifically, precise specifications should be attached for any substitutions offered or when amplifications are desirable or necessary.
3. The city reserves the right to reject any part of the proposal or the proposal in its entirety if the city deems it advisable in protecting its best interest.
4. The financial institution that is selected will sign a five (5) year contractual agreement approved by City Council, with services beginning on July 1, 2017. The signed contract will be reviewed each year in the month of March and will expire on June 30, 2022 and will include a one-year extension option. The contract may be terminated by either party during any contract year by providing at least 90 days written notification.
5. All of the city’s deposited funds must be 100 percent collateralized by federal, state, or municipal securities consistent with the South Carolina State Code. Institutions responding to this request for Proposal (RFP) must be insured through the Federal Deposit Insurance Corporation (FDIC), and must be able to demonstrate a capacity to meet the city’s requirements as stated in the RFP.

6. Balances maintained with the bank in separate, non-interest bearing accounts required by federal, state, or city regulations shall be counted towards the city's compensating balance requirement.

BANKING SERVICES REQUIRED

Contained in this section are the fundamental requirements by the City of Spartanburg. Each section is also addressed on Attachment A-1 that will be used as the primary tool in comparing financial institutions.

1. Concentration Account

This account is the primary account of the city and is used for the purposes outlined.

- A. All deposits, except those required by federal, state, or city regulations to be separate, are channeled through the concentration account. The list below provides approximate estimates of city deposits.

- Estimated annual deposits \$60,000,000
- Average number of deposits per month 90
- Average Monthly Cash & Coin 71,000

- B. The bank will be required to provide a deposit reconciliation printout within five (5) working days following the last day of each month, which segregates the various deposits made, provides a separate listing and contains a grand total for all deposits. The printouts shall include the numeric category of the deposits, the amount, and the date of deposit of each item listed in date sequence.

2. Zero Balance Accounts

The bank shall provide one (1) zero balance disbursement account for accounts payable and payroll. This account is funded daily from the concentration account. The list below shows the anticipated monthly volume.

- Estimated number of Account Payable checks per month 625
- Payroll Direct Deposits Per month and other two day ACH items 1,110

The bank will also provide a clear cross reference of transactions between the zero balance accounts and the concentration account. Please enclose an example bank statement.

3. **Reconciliation Services**

Within five (5) working days following the last day of each month, check reconciliation is required for the zero balance account. This will be accomplished by direct data transmission from the bank's computer system to the city's reconciliation software. The transmission will include the following information: account number, serial number, dollar amount, and date paid.

4. **Investment Services**

The bank may propose investing the city's available funds in a public funds type interest bearing account or may invest in overnight repurchase agreements limited to the types of investments allowed by SC law. Attach a schedule to the bid forms describing the method the bank will use in calculating the interest rate the city would earn on its available funds. The method should reference at least one widely publicized market rate. The bank may propose daily investment alternatives other than public funds or overnight repurchase agreements as long as the proposed investment demonstrates a high degree of safety and is in compliance with SC law regarding investments allowable for political subdivisions.

The city reserves the right to negotiate interest rates and yields for any type of investment alternative with any other bank or financial institution at any time.

5. **Balance Reporting Service**

The bank will provide the city's Finance Director with daily account balance information, which includes opening available balances, closing ledger balances, closing available balances. The bank will notify the Finance Director immediately of any discrepancies in the city's actual daily deposit and the related deposit ticket. This service shall be provided with an on-line inquiry system.

6. **Other Services**

- A. The bank will provide a monthly account analysis showing the cost of services as well as average balance levels.
- B. The bank shall be capable of handling electronic wire transfers into the concentration account with same day credit. The bank shall also have the capability of allowing wire transfers from the concentration account by the city through direct computer access.

- C. All returned checks (NSF) for uncollected and insufficient funds shall be presented twice before debiting the depository account. Returned checks shall be forwarded to the attention of the Finance Director.
- D. The bank shall provide stop payment services through direct computer access.
- E. The city offers direct payroll deposit and has approximately 600 ACH transactions per bi-weekly payroll. The information needed for direct deposit shall be electronically transmitted to the bank from the city's computer on a bi-weekly basis.
- F. The bank shall provide ACH Fraud Control. All unauthorized electronic debit items will be blocked and returned to the originator.
- G. The bank shall provide fund transfers between all accounts controlled by the city through direct computer access. These transfers will be between the concentration account and other accounts required by federal, state, or city regulations.
- H. The bank shall provide MICR encoded deposit slips and sealed deposit bags at no cost to the city.
- I. The bank must have dual control feature for all ACH and Electronic transfers.
- J. The bank should provide remote deposit capture of checks. Please describe your process and explain what type of equipment would be required and the fees for this process.
- K. **Merchant Services:** Currently the City is using SCGov for credit card services. Please include in your proposal the merchant services provided by your institution and any other relevant information you chose to provide.

7. **Compensation for Services**

The city reserves the right to utilize either a fee basis or compensating balance basis (or a combination of each) for payment of banking services during the contract period dependent upon interest rate options. The city reserves the right to change the payment methodology during the contract period upon no less than 30 days written notice to the bank with the change commencing the first of the following month. This will enable the city to take advantage of changing interest rate environments.

8. **Customer Service**

Service will be the focus of the evaluation. Describe the bank's philosophy and approach to satisfying this need through the following responses. The city is particularly interested in high-performance customer service.

- A. What is distinctive about the bank's approach to customer service? How does the bank anticipate satisfying the city's need for customer service?
- B. How many individuals does the bank have in the local bank(s) serving the city? How will the bank provide the city with relationship support for its services? What approach will be instituted to provide the optimal service?
- C. How does the bank intend to support the new and ongoing automation needs of the city? How will this impact the city now and throughout the contract period, if at all?
- D. Are there any new services planned by the bank which may impact the city? When are these planned to be available?
- E. Is the bank offering any transition or retention incentives? Describe fully and quantify completely.
- F. What support will the bank be able to offer the city in a disaster situation to maintain stable banking functions?

9. **E-Payables**

The city is interested in implementing electronic payable services to increase efficiencies and decrease costs. The bank shall propose an electronic payables settlement solution that would streamline and automate our supplier invoice payment process by transitioning from traditional paper checks to electronic payments. In addition to benefiting the city, the ePayables electronic payment application should also make our business relationship more cost effective for our suppliers by reducing processing costs and creating a more favorable business climate for both the city and its suppliers. The bank shall provide a synopsis of its' Electronic Payable Services to include any program definition, upfront costs, payment process, rebate programs, reporting programs, controls, etc.

10. **Creditworthiness**

In order to fulfill the city's fiduciary responsibility to protect public funds, each bank submitting proposals shall provide the following in response to this question.

- A. Provide an audited annual financial statement for the most recent fiscal period. The financial statements may be submitted in electronic form or provided as a reference link on the internet. The bank will be required to submit an audited statement to the city each year of the contract period, as soon as it is available. Provide statement and confirm agreement to this requirement.
- B. As an integral part of its proposal, each bank should provide a report which sets forth the institution's philosophy related to the Community Reinvestment Act, its record of compliance, and its record of accomplishments in the achievement of the goals of the Act. If the institution's CRA program has been evaluated within the last four years by the appropriate federal agency, the results of that evaluation should be included. **IMPORTANT: Details on LOCAL application of the Community Reinvestment Act must also be included.**

- C. Provide the bank's most recent four quarters rating from an independent rating agency such as Highline, Veribanc, or comparable bank rating agency. As an alternative, supply the most recent senior and subordinate debt ratings of the holding company. The bank will be contractually liable for notifying the city within thirty (30) days of any change in any of these ratings during the contract period. Provide and confirm agreement to this requirement.

11. **Qualifications**

The bank must meet the following minimum qualifications:

- A. The bank must have a minimum of 5 years experience in providing the required services.
- B. The bank must have a demonstrable history of successfully providing banking services.
- C. The bank must have a local agent reasonably accessible to serve as a liaison with the city.
- D. The bank must have a fully staffed office within the boundaries of the city in order to be considered.
- E. Indicate the capability of your company to meet the proposed requirements to the city.
- F. List at least three references in South Carolina. (Preferably with a governmental agency of similar size).
- G. List the locations of your branches within city limits.
- H. List any technological approaches that your bank may offer that may be beneficial to the city and the cost associated.

12. **Implementation timeline**

The contract period will commence July 1, 2017. The city recognizes that not all services and funds will be transferred by this date but expects that all services should be available by that date and that all services should be transferred by September 1, 2017. Collateral should be in place three days before any funds are transferred.

- A. Provide a proposed, detailed timeline for implementation of the contract. Include each activity required defined by its responsible party and assigned responsibilities. Denote any limitations or potential delay points.

The timeline must reflect the number of calendar days required to put the services in place or the end date of when such services will be in place and available to the city.

Default in promised delivery of services, without acceptable reasons, or failure to meet the terms or conditions of the depository contract without remedy, will represent an event of default and may result in the city having the right to terminate the contract, but the exercising of such right to terminate the contract does not limit any other remedies the city may have for damages or other relief under law.

SELECTION CRITERIA

A selection committee will review and evaluate the proposals based upon, but not limited to, the following criteria:

30 % - responsiveness and ability to provide services and reports required,

30 % - banking services costs and earnings potential,

25 % - creditworthiness and stability of the bank,

15 % - experience, references, and continuity of bank and bank officials, and community involvement.

BID INSTRUCTIONS

- A. Completion of Consolidated Bid Form
- B. The deadline for submission of sealed proposal is Tuesday, April 11, 2017 by 3:00 p.m. Please submit five (5) copies of the entire bid response to Mr. Carl Wright in the Purchasing Manager's Office located in City Hall, using the bid number as indicated.
- C. Any questions regarding the content of the RFP should be directed to Dennis R. Locke, Finance Director. Telephone number (864) 596-2119 or by e-mail at dlocke@cityofspartanburg.org
- D. The city reserves the right to reject any part of all proposals in their entirety.
- E. The City of Spartanburg will enter a five (5) year contract with a one year option with the successful proposal. This contract will begin July 1, 2017.
- F. The contract can be terminated by either party on any contract anniversary date by providing written notification as least 90 days prior to the anniversary date.
- G. Use the attached Proposal Sheets to submit your proposal. Please include a draft of your contract agreement with your response. We expect that the provisions of the bid be incorporated in the contract agreement. The bid sheets are included as a guide. Please identify, describe and cost additional services your institution is able to provide the City of Spartanburg.

CONCLUSION

We realize that Attachment A-1 is not an exhaustive list of all costs related to the city's banking services. However, every effort should be made to disclose all cost associated with providing banking services for the city.