

**BUSINESS OF THE CITY COUNCIL
WINDSOR HEIGHTS, IOWA
AGENDA STATEMENT**

Item No. 5b
For Meeting of 02.04.08


ITEM TITLE: Consideration of a banking RFP.

CONTACT PERSON(S): Marketa George Oliver, City Administrator

SUMMARY EXPLANATION

The Policy, Administration and Finance Committee recommends as a matter of policy the periodic review of business agreements the city has entered into in order to provide the most cost effective services to the city and its citizens. They recommend the City request proposals for banking and professional services approximately every five years to ensure competitive rates and services.

The current banking agreement is with Bankers Trust.

_____ Resolution _____ Ordinance _____ Contract _____ Other (Specify) _____
Funding Source _____
APPROVED FOR SUBMITTAL _____ <div style="text-align: center;"> _____ City Administrator</div>

RECOMMENDATION: Approve RFP on a voice vote.

COUNCIL ACTION:

City of Windsor Heights Request for Proposals for Banking Services

OVERVIEW

1. The purpose of this RFP is to solicit proposals from financial institutions to provide banking services to the City of Windsor Heights. The primary objectives are:
 - a. To provide qualified financial institutions with an equal opportunity to submit a proposal
 - b. To provide the information necessary for preparation of proposals
 - c. To provide the City of Windsor Heights with a basis for evaluation of the services offered
2. The intent of the City of Windsor Heights is to select one financial institution to provide the highest quality banking services at the lowest cost for a period of three years. The City of Windsor Heights reserves the right without prejudice to reject any or all proposals and to accept or reject any item or combination of items in any proposal. Any proposal received by the City of Windsor Heights will be valid and binding for a period of thirty (30) days beyond the submission deadline.
3. To be considered to provide the City of Windsor Heights's banking services, one copy of the bid form pages 6-11 must be submitted to:

Marketa George Oliver
City Administrator
1133 66th Street
Windsor Heights, IA 50311

no later than 5:00 p.m. on March 21, 2008. All proposals will be evaluated and the City Council will make its selection at their regular meeting on May 5, 2008 based upon the recommendation of the City Manger.

4. All inquiries regarding this RFP should be directed to:

Marketa George Oliver
City Administrator
1133 66th Street
Windsor Heights, IA 50311
(515) 279-3662
fax (515) 279-3664
e-mail: moliver@windsorheights.org

5. Samples of bank forms and reports, when requested, will be furnished free of any expense to the City of Windsor Heights. In addition, the City of Windsor Heights will not pay for any information requested, nor is it liable for any costs incurred by the financial institution in the preparation of this proposal.
6. Criteria for evaluation of proposals will be:
 - a. Legal and other qualifications have been met by the proposing financial institution
 - b. Completeness of the proposal
 - c. Financial strength of the financial institution
 - d. Qualifications and expertise of the financial institution's staff
 - e. The financial institution's community involvement program

- f. Availability of services within this RFP
 - g. Cost of services proposed
-
- 7. During the evaluation process, the City of Windsor Heights reserves the right to request additional information or clarifications from financial institutions submitting proposals, or to allow corrections of errors or omissions. At its discretion, the City of Windsor Heights may request any one or all financial institutions submitting proposals to make oral presentations as part of the evaluation process. All proposals become the property of the City of Windsor Heights and will not be returned to the financial institution.
 - 8. The financial institution warrants that no person or selling agency has been employed or retained to solicit and secure business upon an agreement of understanding for commission, percentage, brokerage, or contingency except employees or selling agents maintained by the financial institution for the purpose of securing business.
 - 9. The financial institution shall comply with the requirements of federal, state, and local law and regulations to ensure that no employee or applicant for employment is discriminated against because of race, sex, age, religion, national origin, mental or physical handicaps, or any other prohibited factor.
 - 10. Iowa Code Chapter 12C requires that a depository be an “approved depository” as designated by the State Treasurer’s Office, in order to accept deposits of public in excess of federal deposit insurance. The financial institution shall collateralize all City of Windsor Heights accounts in accordance with Chapter 12C.
 - 11. The City reserves the right to give preference to financial institutions that maintain a full service office or branch in Windsor Heights, Iowa.
 - 12. The City of Windsor Heights is exempt from state and local sales and use taxes on services provided by the financial institution.

PROPOSAL PREPARATION

Financial institutions submitting a proposal for the service categories described in the RFP shall provide information on the following three items:

- 1. Discussion of the financial institution’s qualifications and experience.

2. Response to the requirement listed under the service category.
3. Completion of the bid form and accompanying information for the service category.

1. **Financial Institution's Qualifications and Experience.** In this section of the proposal, document the organization, experience, size and stability of the financial institution and specific qualifications for the service category.
 - a. Name the account representative(s) who will be working most closely with the City of Windsor Heights and describe their background and qualifications.
 - b. Include copies of the financial institution's most recent Annual Report and audited financial statements.

2. **Requirements.** This section of the proposal should address the requirements listed for the service category that is bid on.
 - a. Where appropriate, describe the work that will be done by the financial institution to meet each requirement. Include samples of reports and other information to be provided to the City of Windsor Heights.
 - b. Include additional or alternative services that the financial institution can provide for the account type being addressed.
 - c. Describe any exceptions to the requirements.

3. **Bid Forms.**
 - a. All questions on the bid forms must be answered.
 - b. If volume discounts are available on specific services, explain on bid form.

BANKING SERVICES OFFERED FOR BID

This RFP seeks responses to the following service categories:

1. Basic Depository Services
2. Automated Clearing House Services
3. Investment Services
4. ACH transfers
5. Credit Card Processing Services

The remainder of this section of the RFP presents a general description of current City of Windsor Heights practices and the specific requirements of each service category.

1. **Basic Depository Services.** The City of Windsor Heights maintains one principal operating account for daily deposits and A/P and Payroll check writing, when needed. This account is a Corporate Investment Account. Deposits are delivered to the bank on business days by the City of Windsor Heights employees.

Requirements for basic services are:

- a. The financial institution will credit the account for all deposits in accordance with its availability schedule. Please attach a copy of the availability schedule and indicate the cut-off time for same-day credit of deposits.
- b. The financial institution must have direct access to the check clearing and collection services of the Federal Reserve.
- c. The financial institution must have direct, electronic access to the Federal Reserve wire network and immediately wire transfer funds as requested by authorized personnel of the City of Windsor Heights.
- d. The financial institution will provide the City of Windsor Heights with on-line electronic access to account information, balances, etc., through an internet site.

- e. The financial institution will prepare monthly bank statements reflecting all activity for the City of Windsor Heights account(s) including supporting documentation and imaged cancelled checks, and they must be provided to the City of Windsor Heights within three (3) business days after the last calendar day of each month. (Include a sample bank statement)
- f. The financial institution will provide reconciliation services for the checking account which will include a listing, by check number, of the checks paid including the amount and the date paid. (Include sample if different from bank statement)
- g. The financial institution will present returned checks twice for collection.
- h. The financial institution will provide on request, coin and currency orders.
- i. The financial institution must have the ability to research deposit items and provide timely information on these items. Indicate the average length of time for resolution on the following research items:
 - 1. Dollar amount of item
 - 2. Total amount of batch and deposit ticket
 - 3. Copy of an item
- j. The financial institution must provide signature guarantee services.
- k. If the financial institution can offer any innovative services or cost-saving ideas concerning the City of Windsor Heights depository account, please describe them.

2. **Automated ClearingHouse Services.** The City of Windsor Heights initiates ACH debit transactions for customer direct payments for utility billing and ACH credit transactions for payroll. The City of Windsor Heights transmits ACH transactions to the bank via Internet TCP/IP connection.

Requirements for ACH Services are:

- a. The financial institution will provide the following information on all returned ACH debits and credits posted to the City of Windsor Heights's account:
 - 1. Name on the original transaction
 - 2. Whether return item is a debit or credit
 - 3. Amount of the returned item
 - 4. Effective date of original transaction
 - 5. Receiving bank routing number
 - 6. Receiving bank account number associated with original transaction
 - 7. Reason for return
- b. The financial institution will provide the City of Windsor Heights with any changes or updates to the ACH file records.
- c. The financial institution must have the ability to receive ACH file information via Internet TCP/IP connection.
- d. The financial institution will furnish bank statements that reflect all ACH activity no less than monthly. For payroll ACH activity, a statement for each payroll is required. Include a sample of a statement showing ACH transactions.
- e. The financial institution must have direct, electronic access to the Federal Reserve wire network and immediately wire transfer funds as requested by the City of Windsor Heights.
- f. If the financial institute can offer any innovative services or cost savings ideas concerning the City of Windsor Heights ACH account, please describe them.

3. **Investment Services.** The investment of funds by the City of Windsor Heights is governed by Iowa Code, Chapter 12C. In addition, investments must be made in accordance with the investment policy of the City of Windsor Heights. In addition to investing operating funds, the City of Windsor Heights invests bond proceeds held for future projects. The City of Windsor Heights currently has one account, a Corporate Investment Account that serves as the operating account for payroll and A/P, as well as an investment account. The target balance in the Corporate Investment Account is \$175,000. In the event the City wishes to invest in other types of investment accounts, the requirements for investment services shall be:

- a. The financial institution shall purchase investments in accordance with the investment policy of the City of Windsor Heights and Iowa Code, Chapter 12C.

- b. For overnight investment of funds in excess of required balances, the financial institution shall provide a sweep arrangement that meets the requirements of the investment policy of the City of Windsor Heights and Iowa Code, Chapter 12C.
 - c. The financial institution must have direct, electronic access to the Federal Reserve wire network and immediately wire transfer funds as requested by the City of Windsor Heights.
 - d. The financial institution will send a confirmation notice to the City of Windsor Heights for each investment purchase.
 - e. The financial institution will send a maturity notice to the City of Windsor Heights as each investment matures.
 - f. The financial institution will prepare a monthly investment account statement reflecting all activity of the City of Windsor Heights.
 - g. The financial institution will provide safekeeping services for the City of Windsor Heights investments.
 - h. If the financial institution can offer any innovative services in the investment area, please describe them.
4. **Merchant Credit Card Services.** The City of Windsor Heights would like to accept credit card transactions for the payment of park and recreation fees.

Requirements for Credit Card Services shall be:

- a. The financial institution shall provide 24-hour customer assistance.
- b. The financial institution shall credit the City of Windsor Heights account within a period of 24-48 hours.
- c. The financial institution shall provide all credit card supplies other than hardware.
- d. The financial institution shall provide monthly statements that reflect all credit card deposits and clearly reflect fees charged to the City of Windsor Heights's operating account.

BID FORMS

The financial institution must use the bid forms on the following pages in preparation of its proposal.

City of Windsor Heights
Banking Services Bid Form
For

Basic Depository Services

Financial Institution _____

A. Service Description	Monthly Charge
Ledger credits	_____
Ledger debits	_____
Deposit items-on us	_____
Deposit items-local	_____
Deposit items-lowa	_____
Deposit items-non-lowa	_____
Return items	_____
Return item-reclear	_____
Electronic Deposits	_____
Stop Payment	_____
Wire Transfer in	_____
Wire Transfer out	_____
Account Maintenance fee	_____
Check Imaging fee	_____
Night Depositor	_____
 Total Monthly Cost	 \$ _____

B. Describe the financial institution's ability to collateralize the City of Windsor Heights's deposits including limits to the amount of deposits that can be accepted. Is a fee assessed to collateralize deposits? Is so, how will these charges be calculated?

C. Describe the financial institution's ability to provide the City of Windsor Heights with electronic access to account information. If there is a charge for this service, how will it be calculated?

- D. Describe the availability of and cost related to Master Card or Visa credit cards as well as the cost and availability of debit cards.
- E. Describe any other services not listed above that will be needed for the financial institution to meet the specifications of the RFP that will result in bank charges and explain how charges will be calculated.
- F. How are deposit items determined to be charged as on-us, local or out-of-state? Is it on a per-item basis or is a formula used?
- G. What is the financial institution's cut-off for receiving deposits to be credited to the account on the same day?
- H. Are volume discounts available for services? Describe the method used by the financial institution to determine volume discounts.
- I. What method does the financial institution use to determine the earnings credit?
- J. As noted, the City of Windsor Heights currently has one account that serves as an operating account as well as an investment account. In the event the City wishes to change accounts, what procedure is required with the financial institution to implement such a change?
- K. Describe the interest rate formula used by the financial institution.

Banking Services Bid Form
for

Automated Clearing House Services

Financial Institution _____

A. Service Description	Monthly Charge
Debits/credits	_____
Returned item-debit/credit	_____
Prenote	_____
 Total Monthly Cost	 \$ _____

B. Describe any other services with regard to ACH services not listed above that will be needed to meet the specifications of the RFP and will result in bank charges.

C. How are ACH items determined to be charged as on-us, local or out-of-state? Is it on a per item basis, or is a formula used? If a formula, please describe.

D. The City of Windsor Heights submits ACH files for a Friday payroll. What is the deadline for submission for this Friday settlement? Is the deadline different for debit and credit items?

- E. What is the deadline for making corrections to a file already submitted to the financial institution?
How must these corrections be submitted?

Banking Services Bid Form
For

Investment Services

Financial Institution _____

A. Service Description	Charge per Item
Investment Purchase	_____
Safekeeping	_____

- B. Describe any other investment services not listed on this form that will be needed to meet the requirements of the RFP that will result in bank charges. How will the charges be calculated?
- C. Are charges for investment purchases included in the account analysis or charged on a per transaction basis?

City of Windsor Heights
Banking Services Bid Form
for

Merchant Credit Card Services

Financial Institution _____

A. Service Description

Estimated
Monthly
Volume

Monthly
Charge

Credits

Average ticket size

The City of Windsor Heights began accepting credit card payment for recreation/park fees in the summer of 2000. The volume and ticket size is expected to dramatically increase in the next recreation season, as people will be aware of the availability of the service.

In addition, please describe the availability/ability to access the internet for the payment of all City fees. The City currently does not have this capability, but is interested in exploring the possibility of payments taken through the website.

Also please describe other products and support services available to the City of Windsor Heights in the electronic banking area.

The undersigned financial institution agrees to all conditions as set forth in this proposal unless otherwise noted:

Financial Institution _____

Address _____

Phone _____ Fax _____ E-mail _____

Signed _____

Title _____

Date _____