



# Request for Proposals for Banking Services

Proposals will be accepted until **4:00PM, Wednesday, May 29, 2019** at the following address:

City of Falmouth  
230 Main Street  
Falmouth, Kentucky 41040

## REQUEST FOR PROPOSAL FOR BANKING SERVICES

### SCHEDULE

RFP Available	May 1, 2019
RFP Closing	May 29, 2019
Proposals Reviewed	Beginning June 3, 2019
Select Interviews	Beginning June 10, 2019
Award Contract by City Council	June 18, 2019

Contact Person: Ramona Williams  
City Clerk  
859-654-6937  
[rwilliams@cityoffalmouth.com](mailto:rwilliams@cityoffalmouth.com)

**CITY OF  
FALMOUTH  
KENTUCKY**

**REQUEST FOR PROPOSAL**

The City of Falmouth is accepting proposals for banking services for its bank accounts and related depository and cash management services.

Interested parties should submit **one (1) hard copy** and **one (1) electronic copy on USB drive** of their proposal by **4:00PM, May 29, 2019** to:

City of Falmouth  
230 Main Street  
Falmouth, Kentucky 41040

Questions about this Request for Proposal should be direct to Ramona Williams, City Clerk, at [rwilliams@cityoffalmouth.com](mailto:rwilliams@cityoffalmouth.com) or 859-654-6937. Answers to all questions submitted will be directed to the entire plan holders list.

It is the bidder's responsibility to ensure that bids are received by the 4:00PM bid closing time on May 29, 2019. **Late bids will not be accepted.** The City of Falmouth reserves the right to award or reject bids in part or in whole and on any basis it deems in the best interest of the City.

## **I. INTRODUCTION**

The City of Falmouth is seeking proposals from qualified public depositories (local, state, or national bank located in Kentucky, as defined by the Kentucky Revised Statutes) to provide a variety of commercial banking services. The bank must be a member of the Federal Reserve System. The bank must be a federal, state, or local chartered financial institution and in good standing among other comparable banks. Preference will be given to any bank with a banking location in the City of Falmouth.

The RFP does not cover institutional custody services or corporate trust services.

### **BACKGROUND**

Falmouth is a home-rule class city. The City provides basic governmental services including police, public works, code enforcement, economic development, finance and internal management support functions. In addition to, the City provides utility services in the form of electric, water, sewer and trash. The City has a current budget of \$5.4 million, reserves of over \$370,000.00, and 23 full-time employees.

The City of Falmouth currently maintains a primary commercial banking relationship with one depository institution. The City has determined that a review of the services offered by qualifying intuitions is appropriate at this time. It is the City's preference to maintain all commercial banking services with one financial institution to maximize cash flow and minimize administrative costs. The City encourages financial institutions to submit the most comprehensive proposal possible offering the highest quality of service while providing opportunities for improving the current management of cash flow. The City is also interested in various technological advances that could improve banking, cash management, and customer services. All proposals shall set forth applicable fees for all banking/account services.

The City will administer the proposal process in accordance with the terms and dates outline in this RFP, however, the City reserves the right to modify the activities, schedule, or any other aspect of the process at any time, as deemed necessary. By requesting proposals, the City is in no way obligated to award a contract or pay the expenses of proposing banks in connection with the preparation or submission of a proposal. The award of any contract shall be contingent on the requisite administration and Council approval.

All costs directly or indirectly related to the presentation of a response to the RFP, any oral presentations required to supplement and/or clarify a proposal, and/or reasonable demonstrations which may, at the discretion of the City, be required of the proper shall be the Proposers sole responsibility.

## II. PROPOSAL OVERVIEW

### **Contract Term**

It is the intent of the city to award the contract for an initial four (4) year period with the option to renew for an additional four (4) year period at the sole discretion of the City. The City desires fixed pricing for the four-year contract period. Prices in subsequent years shall be negotiated based on satisfactory customer service.

### **Proposal Submission**

Proposals must be submitted to:

City of Falmouth  
230 Main Street  
Falmouth, Kentucky 41040

Questions shall be submitted to:

Ramona Williams, Clerk  
[Rwilliams@cityoffalmouth.com](mailto:Rwilliams@cityoffalmouth.com)  
859-654-6937

Answers to all questions submitted will be distributed to the entire plan holders list and an addendum will be included if necessary.

All proposals must be delivered no later than **4:00PM on Wednesday, May 29, 2019**. Late submissions or proposals delivered via fax or email will not be accepted.

**One (1) hard copy of the proposal should be submitted along with One (1) electronic copy on a USB drive.**

### **Proposal Format**

A proposing financial institution must follow the instructions for preparing the proposal in the prescribed format. Please answer the questions in the PROPOSAL section. Do not include any extraneous marketing information.

If a service requirement/proposal cannot be met then “No proposal” should be indicated on that particular section. An alternative equivalent service may be offered.

If a service is provided by a third party, please indicate this clearly.

### **III. PROPOSAL**

#### **Cover Letter**

(One Page Max) The Letter should designate the proposing bank, the address of the bank office where the relationship will be domiciled, the address of the local branch, if different, and be signed by an authorized bank officer. No pricing information should be included in the cover letter.

#### **Bank Services to Public Sector**

(Three Pages Max)

*Bank Overview* - General overview of bank, governmental client service philosophy, and corporate organization including identification of the government services unit, location of corporate, processing center, and branch localities.

*Experience* – Describe the bank’s direct experience in servicing public sector clients. Please include: the number of public agency clients, the dollar amount of public funds on deposit, and bank’s knowledge of and adherence to the Kentucky Government Code and other applicable laws.

*Relationship Management* – Please describe what sets the bank’s government banking unit apart from others. Identify the size and scope of your public banking unit, bank officers responsible for the City’s accounts, what each person’s role and responsibilities will be, and the relevant credentials and experience of each person on the relationship management team.

#### **References**

Pease provide three (3) local references that are of similar size and scope of service utilization as the City. Local government references are preferred. Include the following information for each reference:

- Contact Name and Title
- Name and Address of Business or Government
- Telephone Number
- Number of years as Customer

#### **Bank Fee Schedule**

Submit your standard bank fee schedule for government and corporate clients and a standard form services agreement.

**Bank Credit and CRA Rating**

Please submit with proposal response.

**Conversion Plan**

(Three Page Maximum) Describe the overall plan your financial institution would coordinate to ensure a smooth transition from current provider. What on-site training to the City’s staff would be offered? Provide a time-line schedule and applicable charges for the conversion plan.

**Demand Deposit Accounts**

(Two pages maximum.) The City currently has Ten (10) accounts. Please describe in detail the ability of the bank to provide the above deposit services for the accounts named below:

- |                  |                       |                     |
|------------------|-----------------------|---------------------|
| 1. Utility Fund  | 5. Municipal Road Aid | 9. Sewer Reserve    |
| 2. General Fund  | 6. LGEA               | 10. Garbage Reserve |
| 3. Meter Deposit | 7. Electric Reserve   |                     |
| 4. ABC           | 8. Water Reserve      |                     |

**ACH, Wire and Other Transfers**

(Three Page Maximum) Please describe the bank’s on-line transfer service capability and what specifically is recommended for the City’s use and consideration.

1. What is the funding requirement for ACH payments? Are same-day payments possible? Please include deadlines for same and next day payments.
2. How are authorization levels established for transfers?

**Deposit Transmittal Process**

(Three Page Maximum) The City currently makes cash/check deposits in person at a local bank branch.

1. Does the bank offer desktop deposit? What is the recommended deposit preparation for cash and checks?
2. Do you provide courier services for cash and/or check deposits? How often is the courier available?
3. What are the cut-off times for deposits at the bank’s local branch to ensure same day credit? Is there additional charge for after banking hours processing fee?
4. Please describe the bank’s deposit requirements. Can checks, currency and coin be included in the same deposit or are split deposits required?

5. Please describe the documentation available for checks deposited. Is a copy of the check available via the website?
6. Please describe in detail the bank's procedures for handling deposit adjustments. What documentation on discrepancies does the bank provide?
7. Please describe the bank's return item handling and notification procedures. Is an automatic re-clearing options available? How long does it take for returned items to be sent to the City?

### **Account Reconciliation**

(Two Page Maximum) Currently, the accounts are reconciled manually.

1. Describe the bank's web-based services as they pertain to stop payments, copies of paid checks, ACH exceptions, and voided checks. How many days is data available to verify if a check has been cashed?
2. How quickly are monthly statements available to allow for account reconciliation?
3. Will the bank guarantee that all items drawn on City accounts be paid regardless of the balance in the funding accounts? What is the charge for covering these items? Please be comprehensive in your response. What notification is given if there are insufficient funds (email, phone call, etc.)? Is there a service available for notification of balance below and agreed upon float amount?

### **Direct Deposit of Payroll**

(Two Page Maximum) Direct Deposit of Payroll is currently in place with all of the City's employees participating (by July 1, 2019). The City uses Paycorp Payroll as a 3<sup>rd</sup> party contractor and wishes to retain their services.

1. Please describe the bank's procedure in detail for receiving electronic payroll data.
2. What are the transmission deadlines for Direct Deposit ACH files? When (day and time) does the bank need the file from the City, and when specifically are funds debited from the City's account?

### **Balance & Detail Reporting**

(One Page) The City utilizes web-based daily balances and detail reporting information (prior day detail). Please describe the bank's on-line information reporting system including cost of web-based reports.

### **Investment Services**

(Two Page Max) Describe investment services offered by the financial institutions for public entities. How will you secure the deposits of the City?



### **Service Enhancements**

(One Page Max) Based on the information provided in the RFP and your bank's knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that may be considered for further improving the effectiveness of the city's treasury management operations.

### **Business Continuity Plan**

(Two Page Max) The City requires assurance of ability to provide financial services in the event of a major emergency and during the disaster recovery period.

1. Describe in detail, the bank's compliance with state and federal regulations pertaining to this area.
2. Describe testing of core service applications and systems that assure information backup, anti-intrusion and other privacy requirements.
3. Describe operational diversification and geographical dispersal of service centers.

### **Insurance Certificates**

Provide a list of insurance carried and amounts covered for the categories listed. Indicate insurance underwriter if self-insured.

- Errors and Omissions
- Fidelity coverage (Crime Bond). Will the city be named as loss payee?
- General Liability coverage. Will the City be named as additional insured?
- Evidence of worker's compensation coverage.

### **Additional Services**

(One Page Max) Provide information and pricing on additional services not requested previously in the RFP that might also include Lock Box capabilities.

## **IV. EVALUATION OF PROPOSALS**

This RFP seeks financial institutions to provide commercial banking services to the City. Selection will be made from a short list of proposers deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors listed below.

- Understanding of the needs and operation requirements of the City.
- The experience, resources, and qualifications of the financial institution and individuals assigned to this account.
- Relevant experience managing similar account relationships with public institutions and agency clients.
- Bank and branch locations.
- Availability schedule.
- Scope of services offered including automation.
- Financial strength of proposing institution.
- Adequacy of financial controls and protection against loss.
- Quality and scope of conversion plan.
- The value of any new product or service suggestions or other new ideas and enhancements.
- Compliance with the requirements of this RFP and quality of proposals.
- Proposed fees and compensation.