



**TOWN OF STRATFORD  
PURCHASING DEPARTMENT  
STRATFORD, CONNECTICUT**

**REQUEST FOR PROPOSAL**

RFP No. 2011-077

Issued : October 14, 2011

Subject : Banking Services for the Town of Stratford and Board of Education

The Town of Stratford through the Office of the Purchasing Agent, will receive proposals in accordance with the instructions, conditions and reservations that follow:

**A. CLOSING DATE:**

Proposals will be received until 3:00 pm November 14, 2011 in the Office of the Purchasing Agent, Room 202, Town Hall, 2725 Main Street, Stratford, CT 06615.

Any proposal may be withdrawn prior to the above-scheduled time for receiving proposals or authorized postponement thereof. Any proposals received after the date and time specified shall NOT be considered.

**B. INSTRUCTIONS:**

Proposals are to be submitted (**FIVE COPIES**) in a sealed envelope and clearly marked with the bid number and description on the outside of the envelope, including all outer packaging (DHL, FedEx, UPS, etc).

Proposals must be delivered to:

Purchasing Department  
Stratford Town Hall – Rm 202  
2725 Main Street  
Stratford, CT 06615

**C. CONDITIONS:**

**Taxes:** The Town of Stratford is exempt from all State and Federal taxes. Do not include these amounts in your quotation.

**Addendums:** All addendums will be posted on the town website, [www.townofstratford.com](http://www.townofstratford.com). It is the responsibility of the proposer to check the website for any addendums before submitting their proposal.

**F.O.B. Destination:** All prices quoted must be net delivered to destination.

**Conflict of Interest:** No public official or employee shall, while serving as such, have any financial interest or engage in any business, employment, transaction or professional activity or incur any obligation of any nature which is in substantial conflict with the proper discharge of his/her duties or employment in the public interest.

**D. RESERVATIONS:**

The Town of Stratford may consider informal any proposal not prepared and submitted to the Town in accordance with the provisions herein stated. The Town of Stratford reserves the right to reject any or all proposals or parts of proposals; to waive defects in same proposals; or to accept any proposal or part thereof deemed to be in the best interests of the Town of Stratford.

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Michael Bonnar, Purchasing Agent

**SPECIFICATIONS:** See next page.

**TOWN OF STRATFORD**

**RFP 2011-077**

**BANKING SERVICES FOR  
TOWN OF STRATFORD  
AND  
BOARD OF EDUCATION**

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**TOWN**

**REQUIREMENTS**  
**&**  
**SPECIFICATIONS**

**THE TOWN OF STRATFORD**  
**I. INTRODUCTION**

**A. GENERAL INFORMATION**

The Town of Stratford (Town) is requesting proposals for the purpose of selecting a highly qualified financial institution to provide depository and banking services for the Town. The Town reserves the right to waive informalities or reject any part of it, or the entire proposal, when said action is deemed to be in the best interest of the Town.

**The final award will not be based solely on price but a combination of cost and qualification.**

**B. QUALIFYING REQUIREMENTS**

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

1. **Qualified Depository**: The bank must be a Federal or State of Connecticut chartered commercial banking institution with at least one full-service branch located within the Town of Stratford. 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. A branch banking facility located in the Town of Stratford is a requirement of this RFP. Provide a map or table showing the location of the bank's branches and ATMs located within the Town of Stratford.
3. **Equal Opportunity**: Affirmative Action: The successful contractor shall comply in all aspects with the Equal Opportunity Act. Each contractor with fifteen (15) or more employees shall have an Affirmative Action Plan that the contractor does not discriminate on the basis of race, color, religion, sex, national origin or age, and which specifies goals and target dates to assure the implementation of equal employment. Each contractor with fewer than fifteen employees shall be required to have a written equal opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, sex, national origin or age. 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 (2) years. The Town in determining the financial soundness of the proposer will use these reports. The successful institution shall, during the duration of this contract, continue to furnish the Town with updated issues of each call report and quarterly and annual financial 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.

5. **Rating:** (A) The bank shall give evidence of a rating by a rating company, such as Sheshunoff or Prudent Man Analysis (PMA), of a "B" or better or an equivalent for the past 24 months OR (B) The following information in the form of ratios (as of end of latest quarter) for the past four (4) 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 assets growth
    - 4) Dividends as a percent of net operating income
  - e. Management:
    - 1) Total overhead expenses 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 Federal Funds sold to average assets
  - f. Maximum Municipal Deposit Amount per the Statutory limitation of CGS Section 7-402.
6. **Federal Reserve Member:** The Town requires a bank, which is a member of the Federal Reserve System.

7. **Other Data:**

- a. Number of current municipal clients purchasing services on either a fee or compensating balance basis. If none, current clients with operations of similar size and complexity as the Town.
- b. Samples of account statements and account analysis
- c. Deposit availability schedule
- d. Provide references of municipal clients with contact person's name and phone number
- e. Amount of basis points deducted for setting the daily open repurchase agreement (or sweep) for idle funds
- f. Provisions to handle interest reimbursement on failed wire transfers
- g. Define any reserve requirement to be used in a compensating balance formula
- h. Define any earnings allowance to be used in the compensating balance formula

## II. PROCEDURAL INSTRUCTIONS

### A. RFP Calendar:

The following is the timeline for the RFP process:

- a. **RFP Distribution: Friday, October 14, 2011:** The Purchasing Agent shall make the RFP documents available on the town website as well as advertise in the local newspaper.
- b. **RFP Question Deadline: Friday, October 28, 2011:** Questions and requests for clarification should be submitted to Michael Bonnar, Purchasing Agent, either by fax (203) 385-4046 or email, [purchasing@townofstratford.com](mailto:purchasing@townofstratford.com). No individual meetings will be allowed. All interpretations of the RFP and additional instructions will be reduced to writing and made available as an addendum to the RFP.

**To receive the responses to any questions that other proposers have submitted, provide the name, address, telephone number, fax number and email address of the person to whom the responses should be sent. The contact information must be submitted directly to Michael Bonnar at the above email address in order to receive these responses.**

- c. **RFP Due Date: No later than 3:00 pm, Monday, November 14, 2011:** All proposals received later than 3:00 pm will be returned to the Banks unopened. All proposals must be submitted in sealed envelopes bearing on the outside the name of the bank, the bank's address, and the words "Town of Stratford - Proposal for Banking Services". 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 telephone number of the bank representative qualified to answer questions that may arise during the review process. Proposals must be submitted to:

Michael Bonnar  
Town of Stratford  
Purchasing Department  
2725 Main Street  
Stratford, Connecticut 06615

- d. **Evaluation Time Table: Friday, November 18, 2011** A Town banking services review committee will evaluate all proposals accepted and reserves the right to reject any and all proposals.

Acceptance of any bank's response does not place the Town under any obligation to accept the lowest priced response. The Town reserves the right to enter into an agreement for all or any of the services proposed.

- e. **RFP Presentation: Monday, November 28th thru Wednesday, November 30, 2011:** Should the Town deem necessary, selected banks will be requested to present their proposals in more detail. This process will give the Town and the Bank an opportunity to discuss the terms and conditions of the proposal. The time and location of the presentation will be determined at a later date.
- f. **Implementation: Monday, February 27, 2012**

**B: Evaluation Criteria:**

The institution will be evaluated on the following factors:

1. Qualified depository for public funds (mandatory)
2. Geographical location of nearest Stratford branch (mandatory)
3. Ability to provide requested financial information
4. Ability to meet the requirements of this RFP
5. Ability to handle on-line transfer/ACH
6. Best availability schedules
7. Bank rating
8. Deposit availability
9. Cost of services
10. Experience in providing banking services to similar accounts
11. Appropriate collateralization of public deposits (mandatory)

**C. COST:**

Cost considerations will include lowest combination of the following

1. Projected monthly service charges
2. Lowest deducted basis points on the open repurchase agreement
3. Highest availability of deposit
4. 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 or direct fee basis. All Banks shall submit proposals on both bases.

### **III. TERMS AND CONDITIONS**

#### **A. CONTRACT PERIOD:**

The contract shall become effective immediately upon execution by all parties, with implementation of all specified services to take place by March 1, 2012. The contract entered into between the Town and the Bank shall extend for a 3-year term through and including March 1, 2015. The contract may be extended for three one year periods thereafter by agreement of the parties. In the event that a proposer to whom the contract is awarded does not implement the Banking Services Agreement (Contract) according to the agreed upon schedule or there is indication that such proposer is performing in such a way that will delay implementation from occurring in the scheduled dates, the Town reserves the right to award the contract to another proposer or to call for new proposals, following reasonable notice of it's intent to do so.

#### **B. COMPENSATION:**

It is the intent to award the contract(s) for an initial three-year period with the option to renew it for three, one-year periods for a possible total contract term of six years. The decision to renew the contract(s) will be at the sole discretion of the Town.

Proposers must agree to fix contract fees for the first three (3) years. If the vendor intends to revise it's fee schedule after the initial 3-year period, it must give written notice to the Town 90 days in advance of the expiration of the 3-year period. Fees may be changed only on the contract anniversary date thereafter, with written notice to the Town 90 days in advance of the anniversary date. These fees are subject to negotiation and may not exceed the annual consumer price index-urban (CPI-U) for the most recently available 12-month trailing period.

#### **C. REJECTION OF PROPOSALS:**

The Town will:

1. Reject any or all proposals, waive any irregularities or informalities and select the best proposal in the opinion of the Town.
2. Require exceptions to proposal specifications to be listed under a separate cover. Failure to do so will result in rejection of proposal.
3. Reject unauthorized modifications of proposal specifications, forms or terms.
4. Render a proposal invalid for failure to enter into the subsequent contract within 60 days after award.

#### **D. FAMILIARITY:**

Banks shall thoroughly examine and be familiar with these specifications. The failure or omissions of any proposer to receive or examine these documents shall in no way relieve any proposer of obligations with respect to this request for proposal. All calculations, including footing and extensions, should be double checked for mathematical accuracy. The submission of a proposal shall be taken as prima face evidence of compliance with this paragraph.

**E. DISPOSITION OF PROPOSALS:**

All materials submitted in response to this RFP will become the property of the Town.

**F. COST INCURRED WHILE RESPONDING:**

Each proposer shall bear all costs in connection with its preparation and submission of a proposal. This solicitation does not commit the Town to pay any costs incurred in the preparation and submission of proposals or in making necessary studies for the preparation thereof, nor to procure or contract for services.

**G. ASSIGNMENT:**

The successful proposer shall not assign, transfer, convey, or otherwise dispose of the contract, or right, title of interest, or power to execute such a contract to any person, firm, or corporation without the prior consent in writing by the Town , which consent may be withheld in the Town's sole discretion.

**H. CAUSES FOR TERMINATION:**

Causes for termination of the agreement may include any of the following: Failure to promptly and faithfully provide the services required at the prices indicated in the Proposal; violation of any law governing any public government depositories; failure to cooperate upon receiving any reasonable request for information or service; or improper actions of the officers or employees, which in the opinion of the Town, would adversely affect its interest, or endanger the structure of the banking institution such as a spin off or merger which materially affects the terms of this agreement. The Town may terminate the agreement without penalty on 90 days prior written notice. The Town also reserves the right to terminate the agreement for convenience upon 180 days prior written notice.

#### **IV. DESCRIPTION OF CURRENT SYSTEM**

The following describes both the Town's current banking system and its related transactions. The volumes listed in Attachment A and A-1 are estimates based on monthly activity. The actual volume may be greater or lesser. If the Bank does not provide these services as described below, but believes it can offer equivalent or superior results by some other means, the alternative service should be described, in detail. The Town reserves the right to change the current banking system to maximize the best operating efficiency possible.

##### **TOWN BANKING ACCOUNTS:**

The Town currently has in excess of 20 individual checking accounts with several state banking institutions. These accounts include the Operating accounts, Capital Investment account, Escrow accounts and Primary accounts for each of the Town's funds. The Town also utilizes Lockbox services for Tax Collection and Railroad Collection. Details are as follows:

##### **Operating Accounts:**

Operating accounts for the Town of Stratford encompass the Town Cashier's account, Town Payroll account, Town Treasurer's account, Tax Collector account and the Town General Checking account. All accounts should be liquid and funds immediately available for use. Account transfers are made between the accounts on a daily basis based on operational needs. Funds are deposited into the accounts through daily deposits, ACH credits, Merchant credit card transactions and Lockbox activity postings. Payments are made through direct debit, live checks and direct deposit pay to employees. Wire transfers are also made in both batch form and single wire on a regular basis. All accounts may be accessed and administered on-line.

##### **Capital Investment Account:**

The Town of Stratford currently maintains a Capital Investment Account. This account maintains a high yield liquid investment rate. Funds within the Capital Investment account will be used for disbursement or investment, provided they are available. Any funds not needed for disbursing will be invested either overnight or other types of maturities with various maturity dates.

##### **Escrow Accounts:**

The Town of Stratford currently administers Escrow accounts for Town Planning and Zoning performance bonds, Inland and Wetland performance bonds and Senior Taxpayer services. Each escrow account has a master distribution account and several related sub accounts. New accounts are set up immediately upon request. Conversely, accounts are also closed immediately upon request. All accounts are interest bearing. The ability to access and administer the accounts on-line would be preferred.

##### **Primary Accounts:**

Primary accounts for the Town of Stratford represent the majority of the Town's Special Revenue Funds. Primary accounts are inclusive of both the Recreation Department's CoMingled account and the Short Beach Golf Course account. Account transfers are made on an as needed basis. Funds are deposited into the accounts through counter deposits, ACH credits from various sources and Merchant credit card postings. Accounts are also subject to direct debit for credit card fees and EFT corrections. All accounts may be accessed and administered on-line.

Currently the Town does not utilize the ZBA account structure or the overnight repo investment agreements. The Town reserves the right to implement either or both of these options at a future date.

In the case of implementing the overnight repurchase investment, it is required that all available funds be withdrawn each evening from the accounts designated by the Town and placed into an open repurchase agreement. Banks having limits on available collateral should state the maximum amount accepted for overnight repo investment purposes. Amounts over that limit will be invested on a "best efforts basis".

The open repurchase agreement rate calculation will be based on the effective Federal Funds rate minus a certain number of basis points to cover bank profit. The bank will submit the number of basis points deducted for bank profit.

**V. BANKING SERVICE REQUIREMENTS**

**A. ACCOUNT MAINTENANCE:**

**1. Banking Experience:**

- A. Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees.
- B. Provide the address of the office location(s) that will service the account.
- C. Describe the experience of the financial institution in providing similar services for other governmental agencies.
- D. Complete the following table with current credit ratings by Standard & Poor's Rating Services and Moody's Investor Services. If the Proposer is not rated by these rating organizations, provide other evidence of the institution's financial strength.

Firm / Bank

	Standard & Poor's Rating	Moody's Investor Services
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		

Bank Holding Company

	Standard & Poor's Rating	Moody's Investor Services
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		

- E. Discuss the firm's current capital structure, adequacy, and coverage. What is the firm's Tier 1 Ratio? If applicable, provide the firm's risk-based capital classification (Well Capitalized, Adequately Capitalized, Under Capitalized, Significantly Undercapitalized).
- F. Include an electronic copy of the most recent audited annual financial statement and the latest 10-k report with the proposal.
- G. If the firm received funds under the Troubled Asset Relief Program, detail the amount received. What is the history of repayments to date?

2. **Account Representative:** The bank shall have assigned personnel in their government banking department available to answer questions pertaining to Town's transactions, which require more explanation.
  - A. Provide the name, title, address, phone number, fax number and email address of the primary contact person(s) assigned to this account.
  - B. Describe your firm's policy on changing the primary contact person on an account.
  - C. Name the individuals who will work with the Town on a day-to-day basis. Please name the individual responsible for each proposed Service Group. Information should include:
    - a. Biographical information
    - b. Experience working with public agencies
    - c. Proposed role with regard to the Town's account
    - d. Number of years of experience in this field
    - e. Number of years with your firm
  - D. Will a specific customer service representative or a customer service department be assigned to handle day-to-day transactions for the Town?
    - a. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolutions.
    - b. Is local customer service support available at the bank's local branches?
    - c. If an error is discovered by the Town, how would you propose to resolve it (i.e. who should the Town contact first, etc.)?
3. **References:** Submit at least five (5) references from current local Municipalities or other government entities who can attest to the financial institution's experience as it relates to providing banking series. The references must include contact name, title, address, email address, telephone number and services used.
  - A. How many public sector clients in Connecticut have terminated services in the last three years?
4. **Community Participation/Involvement:** Describe your institution's community participation/reinvestment program including your Community Reinvestment Act (CRA) rating.
5. **Account Services:** The following services must be provided:
  - A. **Account Statements:** A monthly (month-end) bank statement for all accounts with documentation supporting all entries on the statement is required within seven (7) banking days after calendar month end.
  - B. **Cancelled checks:** Provide electronic check image retrieval on CD monthly including supporting software.
  - C. **Analysis Statements:** Provide individual and consolidated monthly account analysis for all accounts within seven (7) banking days after calendar month end.  
 The Town shall have the right to examine any records that support this monthly statement.
    - a. Please provide a sample analysis statement. How soon after month-end is the analysis statement mailed?
    - b. Will the bank pass on FDIC or FICO charges to the Town? If so, what is the current charge for an entire year on a \$1,000,000 balance? How is this charge computed?

6. **Online Access:** The Bank will provide the Town with a method to access the Town accounts online. The Town requires the following services:

A. Account Balances:

Provide online balance reporting system, with information on collected, available and closing balances, as well as a detail of total debits and credits posted to the account for the previous day. Prior day activity must be available by 7:00 a.m. each business day. The Town shall not be charged or penalized if an overdraft results because the account balance information was not available when requested.

B. Statements & Documents:

a. How soon after the cut-off date are the following items ready?

	Online	By Mail
Bank Statements		
CD-ROMs	n/a	
Partial Reconciliation Information		
Full Reconciliation Information		
Account Analysis Statements		

b. Describe the process of locating a cancelled check on CD-ROMs. What type of indexing capabilities is available and used to identify the CD-ROM with the desired check image?

c. Are electronic images stored on the bank's online reporting system? If so, how does the bank charge for this service (per item viewed / per item loaded)? Is there a difference in price for deposited items versus disbursement items?

d. How long are electronic images for deposited and disbursement items stored on the reporting system and available for customer access?

e. What technology would you recommend the Town use for archiving historical data (i.e. receive both CD-ROMs and online access, CD-ROMs only, online access only)?

f. Please describe how reconciliation data is transmitted to the Town?

C. Balance Reporting:

a. Describe the reports that will be available to the Town through the bank's balance reporting system. Include sample reports.

b. How will the Town access the reporting system?

c. Are there any limits on the number of the Town users that could have access to the bank's online website? What levels of authorization (i.e. accounts viewed, transaction capabilities, etc.) can be permitted or turned off for individual users?

d. What current day reporting is available through the reporting system (i.e. beginning and ending ledger balances, collected balances, available balances, and float assignment)?

e. Are there differences in information available for current day and previous day reporting? If yes, please describe.

f. Does the bank's deposit reporting system report electronic transactions (e.g. ACH, wire) as well as paper documents?

g. What time is previous day information available?

h. What file formats can data be downloaded?

i. Can electronic reports be customized? Is there an additional charge?

j. How many business days of balance history are stored on the reporting system for previous day reporting? If there are differences in information available for current day and previous day reporting, how many business days of balance history are stored on the reporting system for current day reporting?

k. How can float information be obtained?

D. Wire Transfers:

Provide an online wire transfer system for transferring money to other institutions, along with appropriate security levels for wire transfer initiations and approvals.

The service bank shall have wire transfer facilities to the Federal Reserve Bank for investment purchases, sales and other transactions with commercial banks.

Wire services credit and debit notices must be mailed, faxed or emailed to the Town once the transactions has been confirmed.

a. Describe the process of initiating wire transfers.

b. If wire transfers can be initiated online, describe the system's security features. Can varying degrees of authorization be set on (i.e. multiple authorizers, maximum dollar amounts, etc.)?

c. Does the bank offer its customers dual control release options (secondary approval levels) for electronically initiated transfers? If so, describe.

d. What is the cut-off time for same-day wire transfers?

E. ACH:

Provide an online ACH system that allows automated ACH debits and credits.

a. What ACH file transmission options are available?

b. What are the transmission deadlines for ACH files? When does the bank need the file from the Town and when are funds debited from the Town's accounts?

c. How are returned and rejected ACH transactions handled? What information does the bank provide to assist in identifying returned and rejected ACH transmissions? When is this information available?

d. Is your bank planning to opt-in and participate in processing same-day ACH debits?

e. Describe the financial institution's ability to block unauthorized ACH debits?

f. If the bank provides ACH debit blocking, what level of filtering can be applied?

g. Does the bank offer ACH Positive Pay (ability to make pay / no pay decisions on unidentified ACH transactions)?

h. Does the bank offer Universal Payment Identification Codes (ability to mask visible account numbers to reduce the risk of unauthorized direct debits)?

F. Check Procedures:

Provide online stop payment and check look up system.

a. How are stop payments orders placed? Can stop payments be placed online?

b. Are stop payment requests effective immediately? If not, how long does it take for a stop payment request to be effective?

c. How long will the stop payment remain in effect? Are there different term options?

d. Can stop payments be automatically renewed? If so, for how long? Is there an associated fee for each renewal?

e. Describe the inquiry options available for researching the status of checks.

G. Security Permission: Provide various levels of security permission for online access.

7. **Direct Deposit:** The Town utilizes direct deposit for employee payroll. Currently, approximately 75% of the 600 Town employees paid utilize direct deposit. The proposal must include the structure of the bank's direct deposit program, cost and related automated clearinghouse processing information. Confirm banking software is flexible for file layouts to match MUNIS application requirements.

8. **Errors and Adjustments:** Describe your adjustment process for resolving deposit discrepancies. Provide examples of adjustments and their related turn around time

9. **Positive Pay:** The Town currently utilizes positive pay for both payroll and accounts payable. Does the bank offer positive pay? Please provide in detail the process of how positive works within your bank. Confirm banking software is flexible for file layouts to match MUNIS application requirements.
10. **NSF or Returned Items:** Describe your NSF or Returned Items processing procedures, fees or other related services available.
11. **Safety of Public Funds:** The safety of public funds is the Town's foremost objective in cash management. In order to ensure that funds are secure, the Town requires collateralization of its deposits to be at least 102% of the uninsured amounts on deposit. Additionally, the pledged collateral must comply with the Connecticut State Statutes. The Town requests a detailed plan of your ability to secure Town deposits by means of collateralization, deposit insurance or other means acceptable to the Town. Include type of securities and percentage of market value that will be used, the location of the pledged securities (e.g. third-party safekeeping), and the effect that collateral will have on interest rates.
12. **Compensating Balance / Earning Credit Rate:** Describe in detail the formula used in determining the compensating balance and the earning credit rate.
13. **Reserve Requirement:** Describe in detail the reserve requirement used in calculating the compensating balance.
14. **Timetable of Transition:** The Town requests a detailed timetable of implementing this proposal in order to ensure a smooth transition to the qualified banking institution. A bank representative shall be available for on-site training and transition.
15. **Banking Supplies:** The Bank will be required to provide keyed locking bank bags (as needed), plastic secure sealing deposit bags, coin wrappers, multi-part pre-printed deposit tickets and endorsement stamps for all accounts. In addition, the bank shall also provide any other bags or supplies for banking services the Town deems necessary.
16. **Check Printing:** The bank will either reimburse the Town for the printing of checks or provide checks per Town specifications for various bank accounts.
17. **Local Branches:** List the address and hours of operation of your nearest branches.
18. **Optional Services:** In addition to the required service described above, the Town requests proposals for new services or ideas that will enhance the Town's utilization of banking services. A proposer may, under separate cover, submit proposals for new/optional services that would be beneficial to the Town.

## **B. DEPOSIT SERVICES:**

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. In addition, the Bank shall make special provisions to accept deposits and give same day Demand Account Ledger Balance credit up to at least 5:30 p.m. on several pre-selected dates per year, upon advance notice by the Town. Banks agree to credit the respective accounts for all checks in accordance with the banks availability schedule.

Banks are required to attach a copy of their availability schedule to the bid. The awarded bank agrees to notify the Town, in writing, of any changes to the 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 at no charge to the Town.

## **C. INVESTMENT SERVICES:**

The bank will provide investment opportunities for the Town at no additional charge. Funds are invested in accordance with *Connecticut General Statute 7-400*. 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.

## **D. CHECK SERVICES:**

The bank will be required to process all checks and perform related services as follows:

1. Accept all Town checks presented each day and sort the checks monthly by the MICR document number.
2. Provide a monthly fully automated reconciliation plan (ARP) report to the Town.
3. The bank will indemnify the Town for any payment claims made against the Town, by the payee of a Town check, in the event that:
  - a. The redeemed check and any photocopy is missing.
  - b. The check giving rise to the claim is not listed on an Automated Account Reconciliation printout presented to the Town.
  - c. The bank is unable to provide sufficient evidence, that the missing check was cashed or otherwise negotiated and presented to the bank for payment.
  - d. The Town's check records have not been tampered with, destroyed or otherwise impaired.

## **E. LOCK-BOX – RAILROAD:**

The Town of Stratford utilizes a lockbox collection system for ticket collection and payment for delinquent notices. A local Post Office Box is secured by the Town to receive these payments. A courier, provided by the bank, picks up all payments at the PO Box once daily and delivers them to the central lockbox facility for processing.

## **F. LOCK-BOX – TAX COLLECTION:**

The Town currently handles tax payments and sewer service charges through a lock-box system. In keeping with the Town's intent to consolidate its banking services, deposits processed through the lock box should be credited to the Town's concentration account. The deposits must be identifiable on the monthly statement as being lock-box deposits. So that the Town may compare internal processing and lock-box services, the proposer should include in a proposal the following key items:

1. Time and frequency of pickups
2. Turn-around processing time
3. Deposit deadlines
4. Acceptance criteria for payments
5. Rejection criteria for payments
6. Method and time of data transmissions (computer to computer)
7. Photocopies of checks needed
8. Method and time of delivery for turn around documents
9. Handling of payments received outside the lock-box processing system
10. Ability to accept On-Line payments
11. Method of paying for service (if applicable)
12. Location of post office box within Stratford town limits
13. Courier service for lockbox collection at Tax Collector's Office within Town Hall.  
*Courier to pick up at Town Hall and deliver directly to central Lockbox processing facility.*

In addition, include the estimated average time of deposited funds to "good funds" credit. Include the cost of service, the method of computation and the estimated monthly cost to perform the services. The primary activity for the lock-box service will occur in January, February, July and August.

## **G. WALK-IN TAX PAYMENTS:**

Town residents have an option to make tax payments and sewer service charges through local bank branches via bank tellers. The proposal must describe the bank's ability to provide this service to the Town.

## **H. SECURE, BONDED AND ARMORED COURIER SERVICE – DAILY DEPOSITS:**

The bank shall include the cost of providing a secured, bonded and armored courier service to and from the Town Hall a minimum of once each working day, at times mutually agreeable, for pickup of daily deposits. The Town reserves the option of contracting for this service independent of the bank services contract.

**COST PROPOSAL FORM**

**ATTACHMENT A - Town Costs if agreement with Town only**

**Bidding Bank:** \_\_\_\_\_

Transactional charge fees schedule

Cost Sheet for Banking Services

	<b>Estimated</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>
	<b>Monthly Service</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>
	<b>Volume</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>
<b>*General Account Services*</b>							
Account Maintenance	19						
Account Analysis Automated-Transm	1						
<b>*ACH Services*</b>							
ACH Maintenance Direct	2						
ACH Originated Items	2618						
ACH Received Credits	205						
ACH Received Debits	51						
ACH Returns File Transmission	20						
OBS-Desktop-Achnoc-Outbound-Total	20						
ACH Returns Per Item	2						
<b>*Depository Services*</b>							
Deposits Processed	276						
Checks Deposited	26,763						
Courier/Armored Services-Tax	20						
Courier Services-RR	20						
Checks Paid	1398						
<b>*Paper Disbursement Services*</b>							
Returned Checks Final Presentation	44						
<b>*Account Reconciliation*</b>							
Positive Pay Checks Paid	1398						
Partial Reconciliation - Maint.	2						
ARP Paid Items	1,398						
ARP Pd/Dep Item Output File	4						
OBS- Desktop-Recon_Outbound-Total	4						

**COST PROPOSAL FORM**

**ATTACHMENT A - Town Costs if agreement with Town only**

**Bidding Bank:** \_\_\_\_\_

Transactional charge fees schedule

Cost Sheet for Banking Services

	<b>Estimated</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>
	<b>Monthly Service</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>
	<b>Volume</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>
<b>*Information Reporting Services*</b>							
ACH File Transmission- Webx/Vali	4						
On-line Transmission Maintenance	1						
On-line Secure Token	3						
On-line Transaction Record	2,185						
On-line Book Transfers	45						
On-line Number of Accounts	25						
On-line Stop Payment	1						
# Of Accts with Stop Payment Svc	3						
# Of Accts with Wire	10						
# Of Accts with Info Report	24						
# ACH Std A/C Without Tax	5						
# ACH Std A/C With Tax	7						
Web Com'l Deluxe High Volume	1						

**COST PROPOSAL FORM**

**ATTACHMENT A - Town Costs if agreement with Town only**

**Bidding Bank:** \_\_\_\_\_

Transactional charge fees schedule

Cost Sheet for Banking Services

	<b>Estimated</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>
	<b>Monthly Service</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>
	<b>Volume</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>
<b>*Lockbox Services*</b>							
Lockbox Maintenance	1						
Lockbox Remittance-Per Item	338						
Lockbox Photocopy	118						
Lockbox Wholesale Correspondence	5						
Lockbox Monthly Maintenance Unique Zip	1						
Lockbox Item Processing	43424						
Lockbox Transmissions	1						
Lockbox Unprocessable Item	1883						
Lockbox Daily Reporting	10						
Lockbox Mail-Number Packages	17						
<b>*Wire &amp; Other Funds Trnsf Svcs*</b>							
On-line Wire Out-Dom/Foreign Usd	21						
Wire IN-Domestic	2						
<b>*Cash Management Services - Other*</b>							
Vendor Payments	-						
<b>****TOTAL COST****</b>							

Any additional changes/pricing must be listed herein. The Town will not pay for any charges not included.

Compensating Balance Formula

Earning Credit Rate Formula

Authorized Representative Sign: \_\_\_\_\_ Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

**COST PROPOSAL FORM**

**ATTACHMENT A-1 - Town Costs if agreement with Town and Board of Education**

**Bidding Bank:** \_\_\_\_\_

Transactional charge fees schedule

Cost Sheet for Banking Services

	<b>Estimated</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>
	<b>Monthly Service</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>
	<b>Volume</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>
<b>*General Account Services*</b>							
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OBS- Desktop-Recon_Outbound-Total	4						

**COST PROPOSAL FORM**

**ATTACHMENT A-1 - Town Costs if agreement with Town and Board of Education**

**Bidding Bank:** \_\_\_\_\_

Transactional charge fees schedule

Cost Sheet for Banking Services

	<b>Estimated</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>
	<b>Monthly Service</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>
	<b>Volume</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>
<b>*Information Reporting Services*</b>							
ACH File Transmission- Webx/Vali	4						
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# Of Accts with Info Report	24						
# ACH Std A/C Without Tax	5						
# ACH Std A/C With Tax	7						
Web Com'l Deluxe High Volume	1						

**COST PROPOSAL FORM**

**ATTACHMENT A-1 - Town Costs if agreement with Town and Board of Education**

**Bidding Bank:** \_\_\_\_\_

Transactional charge fees schedule

Cost Sheet for Banking Services

	<b>Estimated</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>
	<b>Monthly Service</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>	<b>Price per</b>	<b>Annual</b>
	<b>Volume</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>	<b>Unit</b>	<b>Cost</b>
<b>*Lockbox Services*</b>							
Lockbox Maintenance	1						
Lockbox Remittance-Per Item	338						
Lockbox Photocopy	118						
Lockbox Wholesale Correspondence	5						
Lockbox Monthly Maintenance Unique Zip	1						
Lockbox Item Processing	43424						
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Lockbox Unprocessable Item	1883						
Lockbox Daily Reporting	10						
Lockbox Mail-Number Packages	17						
<b>*Wire &amp; Other Funds Trnsf Svcs*</b>							
On-line Wire Out-Dom/Foreign Usd	21						
Wire IN-Domestic	2						
<b>*Cash Management Services - Other*</b>							
Vendor Payments	-						
<b>****TOTAL COST****</b>							

Any additional changes/pricing must be listed herein. The Town will not pay for any charges not included.

Compensating Balance Formula

Earning Credit Rate Formula

Authorized Representative Sign: \_\_\_\_\_ Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_



**BOARD OF EDUCATION**

**REQUIREMENTS  
&  
SPECIFICATIONS**

# ***Stratford Board of Education***

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Request for Proposal for Banking Services

## **I. INTRODUCTION and INTENT**

### **A. GENERAL INFORMATION**

The Stratford Board of Education (Board) is requesting proposals for the purpose of selecting a highly qualified financial institution to provide depository and banking services for the Board. The Board reserves the right to waive informalities or reject any part of it, or the entire proposal, when said action is deemed to be in the best interest of the Board.

### **B. INTENT**

The intent of this Request for Proposal (RFP) is to select one banking institution to provide basic banking service to the Board. However, the Board may elect to enter into an agreement with other institutions for any or all optional services.

The Board will pay for these services on a compensating balance/earning credit agreement.

***The final award will not be based solely on price but a combination of cost and qualification.***

# ***Stratford Board of Education***

Request for Proposal for Banking Services

## **II. QUALIFYING REQUIREMENTS**

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

**Qualified Depository:** The bank must be a Federal or State of Connecticut chartered commercial banking institution with at least one full-service branch located within the Town of Stratford. The bank must be a Qualified Public Depository as defined in section 36a-330 of the Connecticut General Statutes.

**Location:** State the nearest branch banking facility to be used. A branch banking facility located in the Town of Stratford is a requirement of this RFP. Provide a map or table showing the location of the bank's branches and ATMs located within the Town of Stratford.

**Equal Opportunity - Affirmative Action:** The successful contractor shall comply in all aspects with the Equal Opportunity Act. Each contractor with fifteen (15) or more employees shall have an Affirmative Action Plan that the contractor does not discriminate on the basis of race, color, religion, sex, national origin or age, and which specifies goals and target dates to assure the implementation of equal employment. Each contractor with fewer than fifteen employees shall be required to have a written equal opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, sex, national origin or age. 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.

**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 (2) years. The Board in determining the financial soundness of the proposer will use these reports. The successful institution shall, during the duration of this contract, continue to furnish the Board with updated issues of each call report and quarterly and annual financial 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.

**Rating:** (A) The bank shall give evidence of a rating by a rating company, such as Sheshunoff or Prudent Man Analysis (PMA), of a "B" or better or an equivalent for the past 24 months OR (B) The following information in the form of ratios (as of end of latest quarter) for the past four (4) 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

# *Stratford Board of Education*

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## Request for Proposal for Banking Services

- d. Capital Adequacy:
  - 1) Primary capital to total assets
  - 2) Total capital to assets
  - 3) Equity growth to assets growth
  - 4) Dividends as a percent of net operating income
  
- e. Management:
  - 1) Total overhead expenses 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 Federal Funds sold to average assets
  
- f. Maximum Municipal Deposit Amount per the Statutory limitation of CGS Section 7-402.

**Federal Reserve Member:** The Board requires a bank, which is a member of the Federal Reserve System.

# *Stratford Board of Education*

Request for Proposal for Banking Services

## **III. TERMS AND CONDITIONS**

1. **Contract Period:** The contract shall become effective immediately upon execution by all parties, with implementation of all specified services to take place by January 1, 2012. The contract entered into between the Board and the Bank shall extend for a 3-year term through and including January 1, 2015. The contract may be extended for three one year periods thereafter by agreement of the parties. In the event that a proposer to whom the contract is awarded does not implement the Banking Services Agreement (Contract) according to the agreed upon schedule or there is indication that such proposer is performing in such a way that will delay implementation from occurring in the scheduled dates, the Board reserves the right to award the contract to another proposer or to call for new proposals, following reasonable notice of its intent to do so.

**Compensation: It is the intent to award the contract(s) for an initial three-year period with the option to renew it for three, one-year periods for a possible total contract term of six years. The decision to renew the contract(s) will be at the sole discretion of the Board.**

**Proposers must agree to fix contract fees for the first three (3) years. If the vendor intends to revise its fee schedule after the initial 3-year period, it must give written notice to the Board 90 days in advance of the expiration of the 3-year period. Fees may be changed only on the contract anniversary date thereafter, with written notice to the Board 90 days in advance of the anniversary date. These fees are subject to negotiation and may not exceed the annual consumer price index-urban (CPI-U) for the most recently available 12-month trailing period.**

2. **Rejection of Proposals:** The Board may:
  - a. Reject any or all proposals, waive any irregularities or informalities and select the best proposal; in the opinion of the Board.
  - b. Require exceptions to proposal specifications to be listed under a separate cover. Failure to do so may result in rejection of proposal.
  - c. Reject unauthorized modifications of proposal specifications, forms or terms.
  - d. Render a proposal invalid for failure to enter into the subsequent contract within 60 days after award.
3. **Familiarity:** Banks shall thoroughly examine and be familiar with these specifications. The failure or omissions of any proposer to receive or examine these documents shall in no way relieve any proposer of obligations with respect to this request for proposal. All calculations, including footing and extensions, should be double checked for mathematical accuracy. The submission of a proposal shall be taken as prima face evidence of compliance with this paragraph.
5. **Disposition of Proposals:** All materials submitted in response to this RFP will become the property of the Board. All information submitted is considered public and disclosable.
6. **Cost Incurred While Responding:** Each proposer shall bear all costs in connection with its preparation and submission of a proposal. This solicitation does not commit the Board to pay any costs incurred in the preparation and submission of proposals or in making necessary studies for the preparation thereof, nor to procure or contract for services.
7. **Assignment:** The successful proposer shall not assign, transfer, convey, or otherwise dispose of the contract, or right, title of interest, or power to execute such a contract to any person, firm, or corporation without the prior consent in writing by the Stratford Board, which consent may be withheld in the Board's sole discretion.

# *Stratford Board of Education*

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## Request for Proposal for Banking Services

8. **Causes for Termination:** Causes for termination of the agreement may include any of the following: Failure to promptly and faithfully provide the services required at the prices indicated in the Proposal; violation of any law governing any public government depositories; failure to cooperate upon receiving any reasonable request for information or service; or improper actions of the officers or employees, which in the opinion of the Board, would adversely affect its interest, or endanger the structure of the banking institution such as a spin off or merger which materially affects the terms of this agreement. The Board may terminate the agreement without penalty on 90 days prior written notice. The Board also reserves the right to terminate the agreement for convenience upon 180 days prior written notice.

# *Stratford Board of Education*

Request for Proposal for Banking Services

## **IV. PROCEDURAL INSTRUCTIONS**

### **RFP Calendar:**

The following is the timeline for the RFP process:

- a. **RFP Distribution: Friday, October 14, 2011:** The Purchasing Agent shall make the RFP documents available on the town website as well as advertise in the local newspaper.
- b. **RFP Question Deadline: Friday, October 28, 2011:** Questions and requests for clarification should be submitted to Michael Bonnar, Purchasing Director, either by fax (203) 385-4046 or email, [purchasing@townofstratford.com](mailto:purchasing@townofstratford.com). No individual meetings will be allowed. All interpretations of the RFP and additional instructions will be reduced to writing and made available as an addendum to the RFP.

**To receive the responses to any questions that other proposers have submitted, provide the name, address, telephone number, fax number and email address of the person to whom the responses should be sent. The contact information must be submitted directly to Michael Bonnar at the above email address in order to receive these responses.**

- c. **RFP Due Date: No later than 3:00 pm, Monday, November 14, 2011:** All proposals received later than 3:00 pm will be returned to the Banks unopened. All proposals must be submitted in sealed envelopes bearing on the outside the name of the bank, the bank's address, and the words "Stratford Board of Education - Proposal for Banking Services". 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 telephone number of the bank representative qualified to answer questions that may arise during the review process. Proposals must be submitted to:

Michael Bonnar  
Town of Stratford  
Purchasing Department  
2725 Main Street  
Stratford, Connecticut 06615

- d. **Evaluation Time Table: Friday, November 18, 2011** A Board banking services review committee will evaluate all proposals accepted and reserves the right to reject any and all proposals.

Acceptance of any bank's response does not place the Board under any obligation to accept the lowest priced response. The Town reserves the right to accept parts of a proposal from one firm and parts from another firm.

- e. **RFP Presentation: Monday, November 28th thru Wednesday, November 30, 2011:** Should the Board deem necessary, selected banks will be requested to present their proposals in more detail. This process will give the Board and the Bank an opportunity to discuss the terms and conditions of the proposal. The time and location of the presentation will be determined at a later date.
- f. **Implementation: Sunday, January 1, 2012**

# *Stratford Board of Education*

Request for Proposal for Banking Services

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## **V. EVALUTION CRITERIA**

Evaluations will be based on criteria outlined herein which may be weighed by the Board in a manner it deems appropriate. All proposals will be evaluated using the same criteria. The criteria used will be as follows:

1. **Responsiveness to the RFP**

The Board will consider all the materials submitted to determine whether the financial institution's offering is in compliance with the RFP document.

2. **Ability to Perform Required Services**

The Board will consider all the relevant materials submitted by each financial institution, and other relevant material it may otherwise obtain, to determine whether the financial institution is capable of providing services of the type and scope specific to the RFP. The following elements may be given consideration by the Board in determining whether a financial institution is capable

3. **Fees** – As described in Attachment B and B-1.

4. **References** – As described in Section VII 2.

5. **Community Participation/Involvement** – As described in Section VII 3.

6. **Interviews**

The Board may conduct interviews as part of the final selection process.

# ***Stratford Board of Education***

Request for Proposal for Banking Services

## **VI. DESCRIPTION OF CURRENT SYSTEM**

The following describes both the Board's current banking system and its related transactions. The volumes listed in Attachment B and B-1 are estimates based on monthly activity. The actual volume may be greater or lesser. If the Bank does not provide these services as described below, but believes it can offer equivalent or superior results by some other means, the alternative service should be described, in detail. The Board reserves the right to change the current banking system to maximize the best operating efficiency possible.

### **OPERATING ACCOUNTS**

The Board currently utilizes the following:

1. Payroll: A zero balance payroll account for employee payroll, tax disbursements and annuity payments. Transactions are through direct deposit, direct debit and live checks. Funds are deposited into account by the Town of Stratford on a biweekly basis.
  - a. Direct Deposit: The Board offers and encourages direct payroll deposit for its employees. The Board pays its employees bi-weekly. On an average payroll, over 775 employees receive direct deposit, which generates approximately 835 transactions per pay period due to multiple bank accounts. Currently, the Board transmits the payroll data to the institution online by 2:00 p.m. two (2) days prior to the payday. Deposits are typically made into the employees account by 8:00 a.m. on payday, which in most instances is a Friday.
2. Accounts Payable: A zero balance accounts payable account for vendor and payroll vendor payments. Payments are through direct debit and live checks. Funds are deposited into the account by wire by the Town of Stratford on a biweekly basis.
3. State Project/Grant: This account is for projects and grants. Deposits are made through the bank branch as well as by the Town through wires transfers. There are on occasion book transfers from the Continuing Education account. Accounts Payable checks are issued from this account.
4. Continuing Education: This account is for continuing education services. Deposits are made through the bank branch as well as by the Town through wires transfers. There are on occasion book transfers from Project/Grant account. Accounts Payable checks are issued from this account.
5. Cafeteria Fund: This account is for cafeteria and food services. Deposits are made through the local bank branches. On occasion there are night deposits. Accounts Payable checks are issued from this account.
6. School Principal Accounts: Currently there are fourteen (14) school principal accounts. These accounts typically have low balances and are used for the school activity funds. These accounts have deposits in the local bank branches and issue checks. These accounts earn interest.
7. Scholarship Accounts: Currently there are approximately ninety (90) scholarship certificates of deposits. These CD's earn interest and mature yearly. CD's will be transferred upon maturity and if in the best interest of the Board.
8. Retirement Account: This account is used to maintain the retiree insurance funds. Deposits are made on a weekly basis. Live checks are issued from this account as well. This account earns interest.

# Stratford Board of Education

Request for Proposal for Banking Services

## **VII. BANKING SERVICE REQUIREMENTS**

### 1. Banking Experience:

- A. Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees.
- B. Provide the address of the office location(s) that will service the account,
- C. Describe the experience of the financial institution in providing similar services for other governmental agencies.
- D. Complete the following table with current credit ratings by Standard & Poor's Rating Services and Moody's Investor Services. If the Proposer is not rated by these rating organizations, provide other evidence of the institution's financial strength.

Firm / Bank

	Standard & Poor's Rating	Moody's Investor Services
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		

Bank Holding Company

	Standard & Poor's Rating	Moody's Investor Services
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		

- E. Discuss the firm's current capital structure, adequacy, and coverage. What is the firm's Tier 1 Ratio? If applicable, provide the firm's risk-based capital classification (Well Capitalized, Adequately Capitalized, Under Capitalized, Significantly Undercapitalized).
- F. Include an electronic copy of the most recent audited annual financial statement and the latest 10-k report with the proposal.
- G. If the firm received funds under the Troubled Asset Relief Program, detail the amount received. What is the history of repayments to date?

### 2. **Account Representative:** The bank shall have assigned personnel in their government banking department available to answer questions pertaining to Board's transactions, which require more explanation.

- A. Provide the name, title, address, phone number, fax number and email address of the primary contact person(s) assigned to this account.
- B. Describe your firm's policy on changing the primary contact person on an account.
- C. Name the individuals who will work with the Board on a day-to-day basis. Please name the individual responsible for each proposed Service Group. Information should include:
  - a) Biographical information
  - b) Experience working with public agencies
  - c) Proposed role with regard to the Board's account
  - d) Number of years of experience in this field
  - e) Number of years with your firm
- D. Will a specific customer service representative or a customer service department be assigned to handle day-to-day transactions for the Board?
  - a) Describe the responsibilities of the customer service personnel, including the chain of command for problem resolutions.
  - b) Is local customer service support available at the bank's local branches?

# Stratford Board of Education

## Request for Proposal for Banking Services

- c) If an error is discovered by the Board, how would you propose to resolve it (i.e. who should the Board contact first, etc.)?
3. **References:** Submit at least five (5) references from current local Board of Educations or government customers who can attest to the financial institution’s experience as it relates to providing banking series. The references must include contact name, title, address, email address, telephone number and services used.
- A. How many public sector clients in Connecticut have terminated services in the last three years?
4. **Community Participation/Involvement:** Describe your institution’s community participation/reinvestment program including your Community Reinvestment Act (CRA) rating.
5. **Account Services:** The following services must be provided:
- A. **Account Statements:** A monthly (month-end) bank statement for all accounts with documentation supporting all entries on the statement is required within seven (7) banking days after calendar month end.
- B. **Cancelled checks:** Provide electronic check image retrieval on CD monthly including supporting software.
- C. **Analysis Statements:** Provide individual and consolidated monthly account analysis for all accounts within seven (7) banking days after calendar month end.
- a) Please provide a sample analysis statement. How soon after month-end is the analysis statement mailed?
- b) Will the bank pass on FDIC or FICO charges to the Board? If so, what is the current charge for an entire year on a \$1,000,000 balance? How is this charge computed?
6. **Online Access:** The Bank will provide the Board with a method to access the Board accounts online. The Board requires the following services:
- A. **Account Balances:** Provide online balance reporting system, with information on collected, available and closing balances, as well as a detail of total debits and credits posted to the account for the previous day. Prior day activity must be available by 7:00 a.m. each business day.
- B. **Statements & Documents**
- a. How soon after the cut-off date are the following items ready?

	Online	By Mail
Bank Statements		
CD-ROMs	n/a	
Partial Reconciliation Information		
Full Reconciliation Information		
Account Analysis Statements		

- b. Describe the process of locating a cancelled check on CD-ROMs. What type of indexing capabilities is available and used to identify the CD-ROM with the desired check image?

# *Stratford Board of Education*

## Request for Proposal for Banking Services

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- c. Are electronic images stored on the bank's online reporting system? If so, how does the bank charge for these service (per item viewed / per item loaded)? Is there a difference in price for deposited items versus disbursement items?
  - d. How long are electronic images for deposited and disbursement items stored on the reporting system and available for customer access?
  - e. What technology would you recommend the Board use for archiving historical data (i.e. receive both CD-ROMs and online access, CD-ROMs only, online access only)?
  - f. Please describe how reconciliation data is transmitted to the Board?
- C. **Balance Reporting**
- a. Describe the reports that will be available to the Board through the bank's balance reporting system. Include sample reports.
  - b. How will the Board access the reporting system?
  - c. Are there any limits on the number of the Board users that could have access to the bank's online website? What levels of authorization (i.e. accounts viewed, transaction capabilities, etc.) can be permitted or turned off for individual users?
  - d. What current day reporting is available through the reporting system (i.e. beginning and ending ledger balances, collected balances, available balances, and float assignment)?
  - e. Are there differences in information available for current day and previous day reporting? If yes, please describe.
  - f. Does the bank's deposit reporting system report electronic transactions (e.g. ACH, wire) as well as paper documents?
  - g. What time is previous day information available?
  - h. What file formats can data be downloaded?
  - i. Can electronic reports be customized? Is there an additional charge?
  - j. How many business days of balance history are stored on the reporting system for previous day reporting? If there are differences in information available for current day and previous day reporting, how many business days of balance history are stored on the reporting system for current day reporting?
- D. **Wire Transfers:** Provide an online wire transfer system for transferring money to other institutions, along with appropriate security levels for wire transfer initiations and approvals. Wire services credit and debit notices must be mailed, faxed or emailed to the Board once the transactions has been confirmed.
- a. Describe the process of initiating wire transfers.
  - b. If wire transfers can be initiated online, describe the system's security features. Can varying degrees of authorization be set on (i.e. multiple authorizers, maximum dollar amounts, etc.)?
  - c. Does the bank offer its customers dual control release options (secondary approval levels) for electronically initiated transfers? If so, describe.
  - d. What is the cut-off time for same-day wire transfers?
- E. **ACH:** Provide an online ACH system that allows automated ACH debits and credits.
- a. What ACH file transmission options are available?
  - b. What are the transmission deadlines for ACH files? When does the bank need the file from the Board and when are funds debited from the Board's accounts?
  - c. How are returned and rejected ACH transactions handled? What information does the bank provide to assist in identifying returned and rejected ACH transmissions? When is this information available?
  - d. Is your bank planning to opt-in and participate in processing same-day ACH debits?
  - e. Describe the financial institution's ability to block unauthorized ACH debits?
  - f. If the bank provides ACH debit blocking, what level of filtering can be applied?
  - g. Does the bank offer ACH Positive Pay (ability to make pay / no pay decisions on unidentified ACH transactions)?

# *Stratford Board of Education*

## Request for Proposal for Banking Services

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- h. Does the bank offer Universal Payment Identification Codes (ability to mask visible account numbers to reduce the risk of unauthorized direct debits)?
- E. Check Procedures: Provide online stop payment and check look up system.
- How are stop payments orders placed? Can stop payments be placed online?
  - Are stop payment requests effective immediately? If not, how long does it take for a stop payment request to be effective?
  - How long will the stop payment remain in effect? Are there different term options?
  - Can stop payments be automatically renewed? If so, for how long? Is there an associated fee for each renewal?
- F. Security Permission: Provide various levels of security permission for online access.
- Direct Deposit**: The Board utilizes direct deposit for employee payroll. As of current, approximately 72% of the Board's 1075 employees utilize direct deposit. The proposal must include the structure of the bank's direct deposit program, cost and related automated clearinghouse processing information.
  - Errors and Adjustments**: Describe your adjustment process for resolving deposit discrepancies. Provide examples of adjustments and their related turn around time
  - Positive Pay**: Does the bank offer positive pay? Please provide in detail the process of how positive works within your bank.
  - NSF or Returned Items**: Describe your NSF or Returned Items processing procedures, fees or other related services available.
  - Safety of Public Funds**: The safety of public funds is the Board's foremost objective in cash management. In order to ensure that funds are secure, the Board requires collateralization of its deposits to be at least 102% of the uninsured amounts on deposit. Additionally, the pledged collateral must comply with the Connecticut State Statutes. The Board requests a detailed plan of your ability to secure Board deposits by means of collateralization, deposit insurance or other means acceptable to the Board. Include type of securities and percentage of market value that will be used, the location of the pledged securities (e.g. third-party safekeeping), and the effect that collateral will have on interest rates.
  - Compensating Balance / Earning Credit Rate**: Describe in detail the formula used in determining the compensating balance and the earning credit rate.
  - Reserve Requirement**: Describe in detail the reserve requirement used in calculating the compensating balance.
  - Timetable of Transition**: The Board requests a detailed timetable of implementing this proposal in order to ensure a smooth transition to the qualified banking institution. A bank representative shall be available for on-site training and transition.
  - Banking Supplies**: The Bank will be required to provide locking bank bags (as needed), deposit slips, checks, and endorsement stamps.
  - Local Branches**: List the address and hours of operation of you nearest branches.

## ***Stratford Board of Education***

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### Request for Proposal for Banking Services

17. **Optional Services**: In addition to the required service described above, the Board requests proposals for new services or ideas that will enhance the Board's utilization of banking services. A proposer may, under separate cover, submit proposals for new/optional services that would be beneficial to the Board.

**Stratford Board of Education**

Request for Proposal for Banking Services

**ATTACHMENT B - BID SHEET FOR BANKING SERVICES**  
 Board for Education Costs if agreement with Board of Education only  
 (All quantities provided are estimates only and not guaranteed)

2012	2013	2014
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Item	Estimated Monthly Service Volume	Price per Unit	Annual Cost	Price per Unit	Annual Cost	Price per Unit	Annual Cost
<b>Account - Basic Services</b>							
Deposit Insurance Fee	2,514,884						
Monthly Maintenance	20						
Electronic Debit Posted	23						
Electronic Credit Posted	8						
Checks/Items paid	1,439						
Checks Deposited (US, Clearinghouse, District & National)	1,729						
Deposit Check Encoding	1,750						
Return Deposit Item-Chargeback	14						
Overdraft Charges	-						
DDA Stop Payment	3						
Fund Transfer Advice Mail							
<b>Account Reconciliation</b>							
Full Reconciliation - Monthly Maintenance	-						
Full Reconciliation - MICR-Per Diem	-						
Partial Reconciliation - Monthly Maintenance	1						
Partial Reconciliation - MICR - Per Diem	353						
ARP Ck Fine Sort - Monthly Maintenance	1						
ARP Check Fine Sort - Per Diem	353						
ARP Stop Payment	-						
<b>ACH Origination Services</b>							
ACH Monthly Maintenance	2						
ACH Returned Items (fax/mail)	1						
ACH Debit Origination	2,148						
ACH Credit Origination	1						
ACH File Input-Transmission	2						
<b>Branch Services</b>							
Branch Cash Deposit	162						
Branch Deposit Verification	4,918						
QBD/Night Drop Deposit	329						
<b>On-Line Services/Information Reporting</b>							
On-line - Mthly Maintenance	-						
On-line - Wire Repetitive	6						
On-line - Wire Non-Repetitive	-						
On-Line Previous Day Reporting per Line	1						
On-Line Advice	-						
<b>TOTAL COST</b>							

Any additional changes/pricing must be listed herein. The Board will not pay for any charges not included.

The undersigned an authorized representative of the named institution or firm, submits the following proposal for the Stratford Board of Education banking services for the period of January 1, 2012 through January 1, 2015.

AUTHORIZATION:

\_\_\_\_\_  
 Signature of Authorized Representative

\_\_\_\_\_  
 Title

\_\_\_\_\_  
 Institution Name

\_\_\_\_\_  
 Date

**Stratford Board of Education**

Request for Proposal for Banking Services

**ATTACHMENT B-1 - BID SHEET FOR BANKING SERVICES**  
**Board of Education Costs if agreement with Board of Education and Town**  
 (All quantities provided are estimates only and not guaranteed)

2012	2013	2014
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Item	Estimated Monthly Service Volume	Price per Unit	Annual Cost	Price per Unit	Annual Cost	Price per Unit	Annual Cost
<b>Account - Basic Services</b>							
Deposit Insurance Fee	2,514,884						
Monthly Maintenance	20						
Electronic Debit Posted	23						
Electronic Credit Posted	8						
Checks/Items paid	1,439						
Checks Deposited (US, Clearinghouse, District & National)	1,729						
Deposit Check Encoding	1,750						
Return Deposit Item-Chargeback	14						
Overdraft Charges	-						
DDA Stop Payment	3						
Fund Transfer Advice Mail							
<b>Account Reconciliation</b>							
Full Reconciliation - Monthly Maintenance	-						
Full Reconciliation - MICR-Per Diem	-						
Partial Reconciliation - Monthly Maintenance	1						
Partial Reconciliation - MICR - Per Diem	353						
ARP Ck Fine Sort - Monthly Maintenance	1						
ARP Check Fine Sort - Per Diem	353						
ARP Stop Payment	-						
<b>ACH Origination Services</b>							
ACH Monthly Maintenance	2						
ACH Returned Items (fax/mail)	1						
ACH Debit Origination	2,148						
ACH Credit Origination	1						
ACH File Input-Transmission	2						
<b>Branch Services</b>							
Branch Cash Deposit	162						
Branch Deposit Verification	4,918						
QBD/Night Drop Deposit	329						
<b>On-Line Services/Information Reporting</b>							
On-line - Mthly Maintenance	-						
On-line - Wire Repetitive	6						
On-line - Wire Non-Repetitive	-						
On-Line Previous Day Reporting per Line	1						
On-Line Advice	-						
<b>TOTAL COST</b>							

Any additional changes/pricing must be listed herein. The Board will not pay for any charges not included.

The undersigned an authorized representative of the named institution or firm, submits the following proposal for the Stratford Board of Education banking services for the period of January 1, 2012 through January 1, 2015.

AUTHORIZATION:

\_\_\_\_\_  
 Signature of Authorized Representative

\_\_\_\_\_  
 Title

\_\_\_\_\_  
 Institution Name

\_\_\_\_\_  
 Date