

HEMLOCK PUBLIC SCHOOL DISTRICT

REQUEST FOR PROPOSAL FOR BANKING SERVICES

INTRODUCTION

A. **PURPOSE AND SCOPE**

Hemlock Public School District is seeking proposals from qualified banking institutions (the “Bank”) to provide various banking services, as described herein. The objective is to identify the banking institution(s) that can offer the most comprehensive and best customized services at the most competitive rates.

The proposal has been divided into the following sections:

1. Financial Services Overview
2. General Banking Information
3. Depository and Collection Services
4. Treasury Management Services
5. Pricing Proposal

It is the intent of Hemlock Public School District to maintain most banking services with one bank

Other Services

The District is currently using a MasterCard program with JP Morgan Chase Bank. Based on recent program enhancements and the agreement set up between Michigan School Business Officials and Chase Bank, the District will be continuing with this program, and this service is not part of the rfp process.

B. **ELIGIBLE BANKS**

The Bank must be a federally or State of Michigan chartered banking institution with offices located within the boundaries of the Hemlock Public School District or provide courier services to and from the District.

C. **ACCOUNT COMPLIANCE**

All accounts proposed by the Bank must be in compliance with Michigan Act 20 PA 1943 and Michigan Act PA 451 1976, as amended.

D. **PROPOSAL FORMAT**

The Bank must follow the attached format in submitting a proposal. The proposal must be completed in its entirety. Any relevant supplemental information should be included as attachments. If the Bank cannot meet a service requirement, the Bank should enter “No Proposal” for that specific requirement.

E. **TIMELINE (subject to change)**

RFP distributed to banks	October 11, 2017
Proposals due from banks	November 3, 2017
Interviews of finalists	Week of November 13, 2017
Recommendation to Board	January 8, 2018 BOE Meeting
Implementation	Winter/Spring 2018

F. **RESPONSE DATE**

Three copies of your proposal must be received by Hemlock Public School District no later than 2:00 p.m. on Friday, November 3rd, 2017. Proposals must be in a sealed envelope, clearly marked "Banking Services Proposal." Mail or deliver responses to:

Rose Whaley
Business Manager
Hemlock Public School District
200 Wilson
PO Box 260
Hemlock MI 48626

Late proposals will not be considered. Amendments to proposals will be considered only if they are received by the above deadline. A corporate official, legally authorized to bind the Bank must sign the proposal.

G. QUESTIONS

The Request for Proposal will be posted on the district website: www.hemlockps.com.

Questions regarding the bid process or specific aspects of the RFP should be mailed, e-mailed or sent by facsimile transmission no later than October 23, 2017 to:

Rose Whaley
Business Manager
Hemlock Public School District
200 Wilson
PO Box 260
Hemlock MI 48626
Fax: (989) 642-2773
E-mail: whaley@hemlockps.com

Questions and answers will be consolidated and posted on the district website by October 25, 2017.

H. SELECTION CRITERIA

It is the intention of Hemlock Public School District to select the Bank that will provide the best overall value on a long term relationship. Accordingly, the following factors, listed in order of importance, will be considered in order to select the most qualified bank to serve our banking needs. **Although strength and service of the team assigned to serve Hemlock Public School District is listed 4th, customer service is of great importance.**

1. Net overall cost comprised of four components:
 - Treasury Management service fees
 - Earnings Credit Rate
 - Deposit Credit Structure
 - Investment/Yield
2. Quality of products included in written proposal
3. Financial Strength
4. Strength and service of the team assigned to serve Hemlock Public School District
5. Availability and commitment to implementing new technologies
6. Commitment and involvement in the local community
7. Quality of references
8. Quality of oral presentation

I. TERM OF BANKING SERVICES AGREEMENT

Hemlock Public School District is proposing a contractual agreement of 3-5 years, however reserves the right to terminate the agreement without cause at any time with 60 days' notice. (We have been with our current bank for over 10 years.)

J. RIGHT TO REJECT PROPOSALS

Hemlock Public School District reserves the right to contact Banks for clarification regarding their proposals, to waive any informalities or irregularities in any proposal and to reject any or all proposals.

SECTION 1 – FINANCIAL SERVICES OVERVIEW

A. PROPOSED ACCOUNTS – BASED ON CURRENT OPEN ACCOUNTS, ALL TO BE INTEREST BEARING

General Fund
Primary account for the schools

Student Activity

Payroll
Funds transferred to account bi-weekly to cover payroll

Food Service
Primarily receives deposits/occasional transfer out

General Fund Investment

(2) Debt Funds
Transactions primarily by wire and fund transfers

Sinking Fund (Potential) / Capital Projects

Insurance Account
Some ACH transfers out with occasional transfers in

(6) Trust Scholarships (Includes CDs)
Occasional deposits and typically one annual transfer out

B. AVERAGE BALANCES

Our major accounts had monthly ending balances as follows. The remaining accounts have monthly ending balances of \$1,000 - \$30,000 each (Payroll, Insurance Account, (6) Trust Accounts, Capital Projects)

	General Fund	GF Investment	Food Service	Debt Fund 1	Debt Fund 2	Student Activity	Monthly Total
July	550,702.56	383,590.90	101,012.48	205,071.23	274,404.33	242,579.02	1,757,360.52
August	2,175,055.59	33,602.53	101,105.74	55,536.78	274,424.16	238,473.37	2,878,198.17
September	1,042,282.12	33,604.74	112,661.64	55,543.38	274,442.19	254,799.83	1,773,333.90
October	882,395.96	33,607.02	126,086.12	55,550.20	137,058.41	252,781.71	1,487,479.42
November	1,131,685.30	33,609.23	138,341.23	55,556.80	137,067.41	257,157.17	1,753,417.14
December	1,118,532.16	33,611.44	149,647.18	55,563.62	137,076.42	269,839.83	1,764,270.65
January	1,802,539.59	33,613.80	156,350.98	55,570.46	137,086.03	247,797.43	2,432,958.29
February	3,064,465.11	33,615.86	168,130.63	55,573.55	137,094.44	249,769.68	3,708,649.27
March	2,759,779.13	33,619.57	179,671.86	218,341.75	570,108.98	262,572.93	4,024,094.22
April	1,189,909.43	33,622.92	190,246.92	218,378.84	571,135.33	251,329.71	2,454,623.15
May	1,168,373.63	33,626.87	200,930.50	218,415.93	571,202.43	255,956.39	2,448,505.75
June	1,975,921.15	33,631.84	209,160.56	105,854.31	69,365.03	236,655.65	2,630,588.54
Avg. Balance	1,571,803.48	62,779.73	152,778.82	112,913.07	274,205.43	251,642.73	2,426,123.26

C. SERVICES REQUESTED

In addition to the standard bank services, Hemlock Public School District is interested in the following services:

1. Internet Banking – Including balance reporting, wires, ACH transmissions, stop payments
2. Remote Deposit
3. Point of Sale Banking
4. Account Reconciliation/Positive Pay

SECTION 2 – GENERAL BANKING INFORMATION

A. FINANCIAL STRENGTH

Financial Strength information is required for the last three years.

1. Safety and Soundness
 - Identify key measures of the bank's financial strength, (e.g. capital ratios, market capitalization, total assets).
2. Credit Ratings
 - Provide ratings for the bank and/or subsidiary bank from Standard & Poor's and Moody's. Include ratings for Bank Financial Strength, Bank Deposits and Issuer Rating.
3. Financial Statements
 - Each Bank must submit with its proposal copies of their annual financial reports for the past three years and interim through July 30, 2017.

B. ACCOUNT SERVICING

1. Bank Contacts
 - List names, titles, telephone/fax numbers and e-mail addresses for key bank contact personnel. Also, provide a brief resume for each contact. This should include local branch contacts.
2. References
 - Each Bank should include three to five references of customers who have used services similar to those included in this request, preferably public schools or municipalities. Please provide name, address, telephone number and a contact person for each reference.
3. Competitive Position and Future Commitment
 - What differentiates your products/services from other providers?
 - What new services or features does the bank plan to offer and within what time frame?
 - Provide any additional information, which you believe to be relevant to this RFP and your capabilities to provide the services requested, e.g., product brochures and articles in trade journals.
 - Is there a fee assessed to a non-depositor for cashing a SAS check?
4. Disaster Recovery
 - Provide an overview of the bank's disaster recovery plan.
5. Implementation
 - What is the average lead-time required for implementation, including the following services?
 - Account opening
 - Deposit ticket orders and endorsement stamps
 - Information reporting
 - ACH direct deposit of payroll
 - Remote deposit
 - Other

SECTION 3 – DEPOSITORY AND COLLECTION SERVICES

BASIC INFORMATION

The General Fund account is our primary account and all accounts payable is processed through this account. Deposits to the General Fund are mainly made through night deposit.

The Payroll account maintains a modest account balance with transfers from the general fund to cover bi-weekly payroll disbursements.

The Food Service account receives credit card payments and paper deposits but no checks are issued from this account.

The Student Activity Account has multiple deposits and checks weekly.

The activity for the Trust Scholarship accounts and Debt Investment accounts are primarily transfers in/out and checks are not written on any of the accounts.

The Insurance account and direct deposit payments are processed by a third party administrator on our behalf.

A. PROCESSING

1. What is the cut-off time to ensure same-day ledger credit for wire transfers? For paper deposits?
2. Where would deposits made by Hemlock Public School District be processed?

B. BANK COMPENSATION

1. How do you determine and calculate availability of deposited items?
 - Do you give immediate availability for on-us items?
 - Do you use a standard schedule? Accelerated schedule? How often is it updated?
 - Do you place holds on any checks that are not drawn on your bank? If so, over what amount and for how long?
2. Can we compensate your bank for services by explicit fees, compensating balances or a combination of the two?
3. How are your bank's monthly earnings credit rates calculated?
4. Provide historical rates for the last year.

C. RETURNED ITEMS

1. Will you work with a third party collection agency (like Check Redi) and how would returned items be communicated to Hemlock Public School District?

D. WIRES

1. Can all wires be initiated online with separate initiation and approval rights?
2. Can wire templates be set up for recurring wires?
3. Does the bank's wire transfer system have the capability of warehousing instructions for future dated wire transactions?
4. What are the opening hours and the cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution?
5. What is the cut-off time for incoming domestic wire transfers to receive same-day credit?
6. Please describe the bank's internal control and security features related to the initiation and approval of wire transfers.

E. VAULT SERVICES

1. What is the cut-off time to ensure same day ledger credit?
2. What types of bags do you allow/require?
 - Do you provide these bags?
 - Do you charge for these bags?
3. Do you have requirements for how deposits are to be prepared, such as?
 - The number of deposit slips in a bag
 - The amount of coin, rolled or unrolled
 - Strapped or unstrapped bills
4. Do you mail duplicate copies of deposit slips? Could deposit slips be collected at the local branch and made available for pickup?

SECTION 4 – TREASURY MANAGEMENT SERVICES

A. ACCOUNT RECONCILIATION SERVICES

1. Provide a brief description of each account reconciliation service that the bank offers including sample reports.
2. Describe the product features including but not limited to:
 - File transmission time windows
 - File layout
 - Imaging capabilities
 - Reporting capabilities – paper vs. electronic vs. internet
 - Technical capabilities
 - System requirements

B. ONLINE SERVICES

1. Provide a brief description of the information reporting services that the bank offers. Please provide sample reports.
2. Describe the product features including level of detail provided, access to current day information, history retention, export capabilities, security features, etc.
3. Describe the capabilities of the information reporting services to segregate user authority by function (e.g., access account information, initiate transactions, and approve transactions).

C. POSITIVE PAY

Provide a brief description of each positive pay service that the bank offers. Please provide sample reports.

D. ACH PROCESSING

Hemlock Public School District currently uses ACH processing for direct deposit of payroll and may like to start processing vendor payments by ACH as well.

1. Describe the product features including but not limited to:
 - Transmission procedures
 - Transmission time windows/ACH hours of operation
 - Process for reversing/deleting files
 - Electronic reporting capabilities
 - Security features
 - System requirements

E. DISBURSEMENT SERVICES

1. Describe the Bank’s disbursement services that you recommend based upon the information outlined for our organization.
 - Is this the same system used for Account Reconciliation Services?
 - Is this the same system used for Information Reporting?
 - Is this the same system used for ACH Processing?

F. REMOTE DEPOSIT CAPTURE

1. What is the monthly maintenance fee?
2. What is the per check fee?

SECTION 5 – PRICING PROPOSAL

See Appendix A. This list may include items that are not applicable. If you have other items to price, please add at the end.

Please indicate how long you can guarantee the pricing listed.

NON-DISCRIMINATION

Upon submission of this proposal, the Financial Institution agrees that he/she will comply with the Federal Civil Rights Act of 1964 as amended; the Federal Civil Rights Act of 1991 as amended; the Americans With Disabilities Act of 1990 as amended; the Elliott-Larsen Civil Rights Act, Article 2, Act No. 453, Public Act of 1976 as amended; the Michigan Handicapper’s Civil Rights Act, Article 2, Act No. 220; Public Act of 1976 as amended, and all other applicable Federal, State, and Local laws and regulations. Specifically, providers are required not to discriminate against any employee or applicant for employment with respect to such person’s hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of such person’s race, color, religion, national origin, ancestry, age, sex, or disability, as defined by law. Breach of this covenant may be regarded as a material breach of the contract or purchase agreement and may be processed as provided under the State of Michigan laws.

OFFICIAL SUBMITTING PROPOSAL

Name:

Title:

Phone:

Date:

Signature: _____