

Request for Proposal (RFP)



Kirksville, Missouri

Depository and Banking Services

Respond by:

June 30, 2022

General Information

The City of Kirksville (City) is soliciting competitive sealed proposals for banking services from full-service financial institutions that are Federal or State of Missouri chartered and located within the city limits of Kirksville.

The initial term of the depository and banking services contract will be from January 1, 2023 through December 31, 2024 with the option to extend the contract for an additional full two-year term.

The City has six interest bearing checking accounts and a non-interest bearing checking account used for pass-through funds. The City reserves the right to open additional accounts in the future as needed and such new accounts shall be provided with the same terms as apply to existing accounts at the time. The City utilizes Springbrook Software for its financial system processing and electronic file formats are in compliance with NACHA standards.

Occasionally, the City needs to set up a temporary account to handle receipt of funds or disbursements associated with a special project. No accounts are open for such a purpose at the current time.

Accounts Payable Account - This interest bearing account is the primary pooled operating account for the City. Deposits occur every business day into this account, including wires, ACH and credit/debit card transactions and total approximately 200 transactions per month. Utility deposits are transmitted electronically to the Bank through the use of the City's utility billing software around the 20th of each month.

The City prepares approximately 500 computer generated checks, ACH, wire, and inter fund transactions monthly. During the summer months, those numbers can increase based on the amount of utility refunds and City projects underway. This account is used to sweep funds to the Payroll Account, as necessary.

Payroll Account - This account is used to pay approximately 160 City employees (200+ during summer months) on a bi-weekly basis through a direct deposit ACH transaction. A fixed balance of \$10,000 is maintained and funds are swept from the Accounts Payable account as necessary to fund disbursements from this account.

Insurance Account - This account is used for the City's self-insured offerings. The City makes approximately two deposits each month for employee and employer contributions and ACH disbursements for claims and administrative expenses are made weekly. There are also transfers made to the general fund for wellness initiatives.

Employee Council Account - This account is used for the annual employee meeting and has very little annual activity. A minimal average monthly balance is maintained.

Cafeteria Plan Account - This account is set up for deposits under the City's Section 125 plan from employee deductions and the corresponding payouts as made by the City's third-party flex plan administrator. There is a deposit bi-weekly with weekly disbursements done through ACH and checks.

Police Administration Account - This account is for confidential transactions of law enforcement nature. It is currently set up as an interest bearing checking account and usually has little to no activity on a monthly basis. Withdrawals are primarily done through ATM transactions.

Miscellaneous Account - This account is maintained to accept Federal and State grant or reimbursement funds and acts as a pass-through account for that purpose. Wires are made occasionally into this account and then transferred to other accounts as necessary. This account must be structured as a non-interest bearing account.

The responding financial institution will evaluate and make recommendations for receiving the most favorable account structure.

Returned Checks

Any check that has been deposited and returned due to insufficient funds or any other reason will attempt to be re-deposited by the Bank. After the second attempt, the City's Finance Department will be notified and forwarded the check image for further handling and processing.

Collateral

In addition to the requirements of Missouri Statute 30.270, part 2, the City requests that deposits be collateralized at 105%. The securities described in Statute 30.270, part 1, are acceptable with the exception of items 6 and 7.

The Finance Director or designee may, at any time, inspect the securities collateralizing the City's funds. If, at any time, the securities are determined to be unsatisfactory, the acquisition of additional or replacement securities may be required. Securities pledged as collateral shall be evidenced with safekeeping receipts which are to only be released upon signature of the Finance Director.

Collateral is to be maintained with a disinterested banking institution chartered under existing Federal and State of Missouri law. A pledge and custodial agreement are to be executed.

A monthly report of collateral pledged and corresponding market values shall be furnished to the City within five business days of the close of each month.

Proposal Guidelines

Overview

The intent of this request is to select one financial institution (Bank) that can offer the highest quality of depository and banking services with the best net rate of return on balances for all operating City accounts. The City desires proposals that offer enhancements to improve the City's banking, cash management and customer service capabilities.

Provision of escrow accounts, investment of longer-term funds, short and long-term loans, lease financing, etc. is separate from this request and will be secured through competitive bid to all qualified financial institutions in the City.

The City is not responsible to any vendor for proposal submission costs. In addition, the City of Kirksville is not obligated to accept the lowest submitted proposal and reserves the right to select any proposal that best meets its needs.

Minimum Qualifications of Proposing Financial Institutions

This section lists the qualifications and criteria to be considered a qualified financial institution and to be considered for an award. Specific responses to each must be provided in the accompanying **Exhibit A**. To be considered, an institution must:

1. Be insured by the Federal Deposit Insurance Corporation (FDIC).
2. Be Federal or State of Missouri chartered, with a main office in the State of Missouri and have a full service branch in the City of Kirksville.
3. Be an on-line cash and securities member of the Federal Reserve.
4. Have an acceptable quality rating by a nationally recognized bank rating organization. Financial Institutions should provide their current rating in the response to the RFP.
5. Be able to provide 105 percent collateralization of all City deposits with collateral permitted by Missouri Statute and be in compliance with the City Investment Policy. The use of surety bonds is an acceptable alternative to using securities for collateral. It is contemplated that the City and the winning financial institution will enter into a security agreement related to the collateral.
6. Have the capacity of providing all "Required Services". No joint ventures, consortiums, or contract service providers are acceptable.

The awarded Bank will be required to coordinate with the City's staff all the activities necessary to ensure a smooth transition. Conversion will begin in December 2022 is expected to be completed by Friday, December 30, 2022 at 5:00 p.m.

The City shall reserve the right to terminate the contract upon its stated expiration and solicit new bids. The City also reserves the right to terminate the contract at any time with sixty (60) days advance written notice to the Bank.

The Bank awarded the agreement will be whose bid best complies with all the requirements set forth in this request and whose bid, in the opinion of the City, is the most favorable taking into consideration all aspects of the bidder's response. All bids are final.

Indemnification and Hold Harmless

The Banks submitting proposals agrees to indemnify and hold harmless the City of Kirksville, Missouri, its agents, officials and employees and to assume all risk, responsibility for death of, injury to or damage to, any persons and for loss, damage or injury to any property (together with all expenses, including attorney fees, in defense or prosecution of any action involving any such death, injury or damage), directly or indirectly related to the performance of this work.

The City will not hold harmless or indemnify any Bank submitting a proposal for any liability whatsoever.

Insurance Provisions

- A. Worker's Compensation: The coverage must include Employer's Liability with a minimum limit of \$1,000,000 for each employee, \$1,000,000 each accident, and \$1,000,000 policy limit, and Workers' Compensation covering all employees meeting Statutory Limits in compliance with the applicable state and federal laws. The City reserves the right to waive the requirement for this provision upon the approval of the City Manager.
- B. Comprehensive General Liability: Coverage shall have minimum limits of \$2,000,000 per Occurrence, Combined Single Limit for Bodily Injury and Property Damage Liability. This shall include: Premises and Operations, Independent Contractors, Products and Completed Operations, Broad Form Property Damage and XCU Coverage, and a Contractual Liability Endorsement. The City reserves the right to waive the requirement for this provision upon the approval of the City Manager.
- C. Business Auto Liability: Coverage shall have minimum limits of \$2,000,000 per Occurrence, Combined Single Limit for Bodily Injury and Property Damage Liability, including Owned, Hired, and Non-owned Vehicles and Employee Non-ownership.
- D. Professional Liability/Errors & Omissions: Coverage shall have minimum limits of \$2,000,000 per Occurrence and Aggregate.

Special Requirements

- A. Current, valid insurance policies meeting the requirement herein identified shall be maintained during the duration of the named project. Renewal certificates or cancellation notices shall be sent to the City 30 days prior to any expiration date.
- B. It shall be the responsibility of the vendor to ensure that all subs comply with the same insurance requirements that he is required to meet.
- C. Certificates of insurance meeting the required insurance provisions shall be forwarded to the Office of Risk Management.

Proposal Format

The City requests the submission of the attached **Exhibits A-E** in order to be considered as a valid proposal. Alternate proposals may be submitted by the same banking institution, but must still be in the requested format. All proposals shall be signed by an authorized officer or employee of the submitting organization. The name of the financial institution, contract person, telephone number, and address shall be included.

If an individual banking service is proposed, then the proposal will be assumed to meet or exceed the requirements as stated. If a banking service cannot be met by the Bank,

then the phrase of “NO PROPOSAL” should be entered on the proposal form for that service. In the case of “NO PROPOSAL”, the Bank may offer an alternative service. The City reserves the right to reject the Bank’s entire proposal due to such deficiency.

Anticipated Schedule

RFP distribution:	June 10, 2022
RFP due date:	June 30, 2022
Final evaluation/Council award date:	July 18, 2022
Depository Agreement Executed	December 2022

Proposal Submission and Due Date

Three (3) copies of your proposal should be delivered or mailed in a sealed package clearly labeled **Depository and Banking Services** and addressed to:

City of Kirksville
Attn: City Clerk
201 S. Franklin Street
Kirksville, MO 63501

Your proposal must be received **by 3:00 p.m. CST on Thursday, June 30, 2022**. Late submissions will not be accepted and will be returned unopened to the sender. Oral, facsimile, or electronic mail transmittals will not be accepted. Proposals must be honored for ninety (90) calendar days after proposal due date.

The City of Kirksville does not discriminate in its decisions on the basis of age, ancestry, color, disability, gender, gender identity, marital status, national origin, race, religion, sexual orientation, or on any other basis that would be in violation of any applicable federal, state, or local law.

Proposal Questions

Any questions or clarifications regarding the RFP must be submitted in writing via mail or e-mail and received no later than seven (7) calendar days prior to the proposal due date. Send all written inquiries to:

City of Kirksville
Attn: Lacy A. King, Finance Director
201 S. Franklin Street
Kirksville, MO 63501
Email: lking@kirksvillecity.com

Clarification of Responses

The City reserves the right to request additional information or obtain clarification of any point in a financial institution’s response or to obtain additional information necessary to evaluate a response. Failure of a vendor to respond to such a request for additional information or clarification within five (5) business days may result in rejection of the Proposal.

Incorporation of RFP Responses in Contract

The submitted RFP and the vendor's response, including all promises, warranties, commitments, and representations made by the selected vendor, shall be binding and incorporated by reference in the contract.

Selection Process

Proposals will be evaluated by the City Manager and Finance Director based on the criteria of maximizing interest earnings, lowest net cost and enhanced service offerings made available to the City.

It is anticipated that the City Council will approve the contract with the selected Bank on July 18, 2022. The selected Bank must agree to negotiate in good faith and make best efforts to execute the contract as soon as possible following notification of selection. In the event the selected Bank cannot or will not execute such contract, the City may award its banking services to the next most qualified Bank or request new proposals.

The proposal submitted will be the primary document upon which each bidder will be evaluated. All proposals will first be screened for minimum required bank qualifications as outlined previously. Proposals that do not meet this requirement will automatically be rejected.

All proposals and related reference information submitted in response to the RFP will become the property of the City and will not be returned. The City will use discretion with regard to disclosure of proprietary information contained in the response but cannot guarantee that information will not be made public. As a public entity, the City is subject to making records available for disclosure after approval of the contract.

Each Bank, by submitting a proposal, waives any right of confidentiality as to the proposal. If a Bank considers certain material in the proposal proprietary information, the Bank shall clearly designate those portions of the proposal it wishes to remain confidential.

Proposals submitted will be evaluated based on the following criteria (as a comprehensive package):

- Ability to meet or exceed scope of proposed services
- Clarity and completeness of information provided in **Exhibits A-E**
- Interest rates offered on City accounts
- Costs of provision of services
- Proximity to City Hall or alternative solution to minimize City cost of travel
- Best overall advantage to the City based on type and level of services provided
- Quality level of services to be performed and proposed approach to cost control
- Scope of on-line services and electronic data retrieval/submittal capability
- Ability to accept files from the City's financial accounting software
- Reputation, stability and financial strength of bidding financial institution
- Extent and cost of conversion in change of financial institutions
- Experience of staff assigned to service account
- Service enhancements beyond City's minimum expectations

Scope of Services Requested

It is the City's intent to secure a banking services contract with a qualified Bank that offers the best solution of maximization of earnings, lowest net cost and enhanced level or value of services. Details of the services to be provided to the City are separated into three categories.

Required Banking Services

The banking services detailed in the attached **Exhibit A** must be provided by the selected financial institution. Except for non-essential deviations or acceptable alternatives, all services are mandatory.

Optional Banking Services

The banking services detailed in the attached **Exhibit B** may be offered by the selected financial institution. The City may utilize these services depending on the availability and price of the service offered.

Other Value Added Banking Services

Please submit your proposal on **Exhibit C** for any additional services that you wish the City to consider including any discussion regarding the existing bank account structure.

Exhibit A

Minimum Required Banking Services

The following are the basic requirements of the banking services agreement. Specify whether each can be provided by marking the appropriate box. Explain any deviations from those services requested or proposed alternative solutions.

Minimum Qualification Requirements	Yes	No	Explanation
Are you insured by the FDIC?			
Are you Federal or Missouri chartered, with a main office in the State of Missouri and have a full service branch in the City of Kirksville?			
Are you an on-line cash and securities member of the Federal Reserve?			
Are you rated with a nationally recognized bank rating organization? Please provide the rating.			
Can you meet or exceed the collateralization requirements?			
Can you provide all "required services"?			
Minimum Required Banking Services			
Interest shall be paid on all collected balances in the accounts at the end of the business day. Proposals shall include the type of account and the basis for determining interest rate and compensating balance or fee necessary to cover all services provided in Exhibit D .			
City funds collected daily will be deposited into the respective accounts for credit the same day. There will be no "uncollected balances" in these accounts; checks deposited will be granted credit the same day if deposited in the Bank by the cut-off time for closing daily transactions. These accounts will accrue interest at a rate equal to the rate proposed on the bid form.			<i>Cut-off time for daily transactions.</i>
Wire transfers sent in an expeditious manner, whether the request is in writing, by telephone or via computer access. The City prefers to utilize an electronic system to initiate wire transfers.			<i>Cut-off time for same day wire.</i>
Payroll direct deposit is a service offered to City employees. The ACH data file for direct deposit shall be electronically transmitted to the Bank from the City on a bi-weekly basis.			<i>Cut-off time for ACH file submittal.</i>

Capability of accepting and initiating ACH transfers on behalf of the City.			
Checks shall be provided per the City's specifications for the Employee Council, Police Administration and Miscellaneous accounts. The City will provide the checks for Accounts Payable, Payroll, Insurance, and Cafeteria Plan accounts.			
Imprinted two-part deposit slips for each requested account.			
Monthly bank statements should have the closing date as the last business day of the month. The City should receive monthly bank statements on all accounts within five business days following the statement date.			
Copies of all canceled checks (or listing/report in compliance with Check 21 Act), sorted in numerical order and provided along with the bank statement.			
Issuance of stop payments, including stale dated check stop payments upon telephone, fax or on-line communications from authorized City personnel.			
Availability of after-hours deposits.			
Locked bags/keys and zippered deposit bags for use in overnight storage of funds both internally and for making nightly deposits at the bank. These should be available upon request.			
On-line cash management capability, allowing for transfer of balances between accounts, wire and ACH file transfer initiation, statement retrieval, account balance inquiry, item image retrieval, initiation of stop pays, etc. It is desired that the City have the ability to print statements, cleared checks and deposit detail. A demonstration of this capability may be requested.			
The Bank shall identify a senior staff person who will oversee the City's account and be available to answer questions pertaining to transactions and to facilitate resolution of any problems, as necessary.			<i>Specify name and title.</i>
Availability of automatic sweep account offerings or services.			
A monthly account analysis is to be presented within five business days after month-end statement date. The account analysis must show at a minimum the following information or an acceptable substitute: -Account numbers			

-Period covered			
-Average ledger balance			
-Average collected balance			
-Services rendered of type of service and quantity			
-Per unit charge for each service provided			
-Extended charges of each type of service provided			
-Total monthly charges of all services provided			
-Calculation of required compensating balances, or earnings credit provided by the balances and the effective annual rate if the City desires to pay for services by maintaining a compensating balance.			
One large safety deposit box.			

Exhibit B

Optional Banking Services

The City requests the proposing financial institutions to provide information regarding the optional banking services listed below, as Exhibit B. Financial Institutions are encouraged to describe factors that distinguish their institutions from potential competitors.

Optional services should be summarized on the attached Exhibit B but can be accompanied and supported by other material.

Credit Card Processor

The City receives credit card payments for various services totaling approximately \$121,000 per month. Various departments in the city accept credit cards. Please detail your credit card processing including charges.

Change for Weekend Operations of the Aquatic Center and North Park

There are times the desires information about a procurement card/credit card program to manage employee expenses for up to 10 City employees. Please describe your program to include costs.

Use of Positive Pay

The City desires information about this service used by financial institutions to deter check fraud. Please describe your program to include costs.

Procurement Cards/Credit Cards for City Use

The City desires information about a procurement card/credit card program to manage employee expenses for up to 10 City employees. Please describe your program to include costs.

Electronic Vendor Payments

The City would like to pay some of its vendors by other than a check. Please describe any electronic payment system your financial institution provides.

Lockbox Processing

The City receives approximately 2,000 utility bill payments by paper check. Please describe how you could assist the city in setting up this service to process these payments and provide an estimate of the annual cost.

Investment Assistance

Please provide description of any investment assistance services that the financial institution can provide.

Transportation Assistance

If location is over 5 blocks from City Hall, how to minimize City cost of transporting daily bank deposit, etc.

Exhibit C

Other Value Added Banking Services

Please attach, as Exhibit C, any other services offered by your financial institution that may enhance the cash management program of the City or be beneficial. Also, any comments or suggestions with regard to bank account structure is welcomed.

Exhibit D Method of Compensation

Each month the Bank shall prepare an account analysis and/or billing statement defining ledger and collected balances, services performed and other costs incurred by the City. The City requests flexibility in the choice of payment for banking services by either of the following methods:

Compensating balance - The City would maintain a minimum balance sufficient to receive the basic banking services provided at no cost.

Or

Fee payment - Compensation to the Bank may be through direct payment of fees.

The financial institutions making proposals should address the payment for services in their response describing costs associated with the alternative payment methods. It is important to describe the earnings allowance on compensating balances, and the earnings credit computation methodology. All charges shall be in conformity with those specified in **Exhibit D**.

All accounts will earn interest at a rate established by the Bank. The interest rate to be paid shall be subject to independent verification. The rate may be tied to another rate to allow for market fluctuations, i.e., the most recent 90-day Treasury bill plus or minus basis points. If the T-bill is used, it should be further explained whether it is the coupon equivalent yield or the discount rate. All accounts that are interest bearing will be compounded daily and paid monthly.

All bidders must submit a comprehensive service price listing which will be considered all inclusive. The prices, as submitted, will not deviate during the initial banking services contract.

Item	Monthly Volume	Unit Cost	Annual Total
Account maintenance/statements	7		
Deposit credits	210		
Deposited items	6,000		
Credit/debit card deposits	125		
On-line transfers	5		
Returned items	5		
Re-deposits	5		
ACH debits	70		
ACH credits	895		
Checks paid	1,000		
Stop payments	2		
Electronic Funds Transfers	700		
Outgoing wire transfers	1		
Incoming wire transfers	5		
A. Total Annual Account Fees			

OTHER REQUIRED SERVICES

Item	Monthly Volume	Unit Cost	Annual Total
Check sorting	660		
Safety deposit box, large	1		
Printed deposit slips, two-part	30		
Night depository bags/keys	12		
B. Total Annual Other Fees			
<i>On an attachment, itemize and describe any other fees associated with providing the requested banking services.</i>			

Exhibit E
Certification to Act as Depository and Banking Services
For the City of Kirksville

FINANCIAL INSTITUTION NAME _____

The undersigned certifies that the Bank submitting this proposal is an institution so qualified per the request for proposal and is legally authorized to enter into such agreement.

The undersigned hereby proposes, if selected by the City of Kirksville, to furnish the services at the prices and terms stated under **Exhibits A-E**. By submitting this signed proposal, the Bank officially agrees to provide the services requested and this agreement covers all the terms, conditions and specification of this proposal. The prices shall remain fixed from January 1, 2023 through December 31, 2024.

Signature _____

Title _____

Address _____

Telephone Number _____

Date _____

CERTIFICATION BY BANK

Before accepting funds or engaging in transactions for the City, an official of the bidding Bank certifies that:

1. Bank agrees to review the City investment policy and agrees to disclose potential conflicts or risks to the City's funds that might arise out of business transactions between the Bank and the City.
2. Bank agrees to undertake reasonable efforts to preclude imprudent transactions involving City funds.
3. Bank agrees to notify the City in advance of a change in personnel assigned to City's account.
4. Bank agrees to notify the City of any new or modified services offered by the Bank that would be beneficial for the City.
5. Bank agrees to provide the City with annual financial statements.
6. Bank is an institution eligible to be a depository of public funds under Missouri Statutes.
7. Bank is current and will remain current on City of Kirksville taxes, licenses, utility charges, fees, etc.