



FINANCE DEPARTMENT

Request for Proposal

Banking Services

Issue Date: April 10, 2015

Due Date: May 11, 2015, 10:00 a.m.

Request for Proposal

Iredell-Statesville Schools Banking Services

Section 1. General Information

A. Introduction and Mandatory Requirements

PNC Bank currently provides banking services to the Board. The Board is requesting proposals to periodically test the market to assure that the Board is receiving the optimum level of service at a competitive price.

The Board's expectation upon completion of the Request for Proposal (RFP) process is to enter into a 5-year contract with the option of extending the contract for another two-year period. The Board expects to develop a collaborative relationship with the selected vendor for banking services.

Proposals should demonstrate the vendor's cost effective and innovative approach to today's banking needs as well as the rapidly changing demands of the future.

To be considered for selection, vendors must meet at least the following minimum qualifications:

- Authority to offer Banking Services – must hold a charter from either the United States Government or the State of North Carolina.
- Access to Federal Reserve System – must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.
- Legal Compliance – must be in compliance with all applicable laws, rules, regulations, and ordinances of the State of North Carolina and the United States.
- Must maintain sufficient collateral as required by the North Carolina General Statutes.

The vendor should also meet the following requirements:

- Location of Banking Office – Should have established offices or local branches within Iredell County.
- Experienced Staffing – Agree to assign dedicated staff who are committed, capable and experienced with servicing school board accounts.

B. Account Descriptions

The Board’s central office is located in Statesville, NC. The Board is the 17th largest Board of Education in North Carolina, with an Average Daily Membership of 20,967.

The Board’s total payroll for 2014 was over \$103 million, of which close to 100% was by way of direct deposits to the employees’ bank accounts. Payroll is prepared once monthly for approximately 3,000 employees. Warrants issued for accounts payable activity would only be at the individual school level. All central office warrants are issued through the Board’s State Treasurer’s account.

C. Public Records

Under North Carolina state law, the documents (including but not limited to written, printed, graphic, electronic, photographic or voice mail materials and/or transcriptions, recordings, or reproductions thereof) submitted in response to this request for proposals (the ‘documents’) become a public record upon submission to the Board, subject to mandatory disclosure upon request by any person, unless the documents are exempted from public disclosure by a specific provision of law.

D. RFP Coordinator

Upon release of this RFP, all vendor communications concerning this information request should be directed to the RFP Coordinator listed below:

Name: Kara Steele, Assistant Finance Officer

Address: 549 N. Race St.
Statesville, NC 28677

Telephone: 704-924-2031

Fax: 704-872-3816

Email: kara_steele@iss.k12.nc.us

E. RFP Schedule

All sealed proposals will be received until **May 11, 2015 at 10:00 a.m.** A new contract will be in place by July 1, 2015.

F. RFP Amendments

The Board reserves the right to request any vendor to clarify its proposal or to supply any additional material deemed necessary to assist in the evaluation of a proposal.

The Board reserves the right to change the RFP schedule or issue amendments to the RFP at any time. The Board also reserves the right to cancel or reissue the RFP.

The Board reserves the right to reject any and all responses, to waive any irregularities or/and informalities in the selection process, to request clarification of information from any vendor and to effect any agreement deemed by the Board to be in its best interest.

The Board will not reimburse any vendors for any costs involved in the preparation and submission of responses to this RFP or in the preparation for and attendance at subsequent interviews. Furthermore, the RFP does not obligate the Board to accept or contract for any expressed or implied services. In the event of a material modification, vendors will be given an opportunity to modify their proposal in the specific areas that are affected by the modification.

Section 2. Account Structures

The banking services detailed in this section will be performed for the School System on a contractual basis for a period between July 1, 2015 and June 30, 2020, or approximately five (5) years. The banking contract can be extended beyond June 30, 2020 for a period not to exceed two (2) years if mutually agreeable to both parties.

It is the intent of the School System that a single bank provide all the banking services specified in this proposal.

Accounts Included

All banking services for the School System will be conducted according to this Request for Proposal and the subsequent banking services contract. There will be two banking services groups. All services will be included in the proposal and will be included in the banking service contract. Do not submit multiple proposals.

The School System will not accept any exceptions to the one proposal, one banking contract approach.

The following accounts will be included within each of the service groups:

<u>GROUP A</u> <u>School System Accounts</u>	<u>GROUP B</u> <u>Internal Accounts</u>
Concentration Account (Main)	36 separate accounts for the schools
Special Account	32 separate Child Nutrition accounts
After School	
Child Nutrition (Main)	

Specific banking services requested for each group will be detailed below by group.

GROUP A (SCHOOL SYSTEM ACCOUNTS)

Account Structure

The School System desires to maximize its cash availability through the use of a concentration account with the account swept nightly to a Super NOW Account.

Concentration Account

The purpose of this account is to concentrate all cash balances on a daily basis. This account will contain all cash balances within the entire account structure. All deposits will be made to the concentration account. Incoming and outgoing wire transfers or ACH transactions will be made to and from this account.

The School System is requesting a Deposit Reconciliation Service by establishing a number (4 digits or less) for each deposit, so that NSF checks and deposit errors can be easily tracked back to the particular location. This unique number would be located on the deposit ticket in two places. One number located on the main portion of the ticket, preprinted for easy reading and reference, and the other location would be the MICR encoded line.

The Bank is requested to provide the Deposit Reconciliation Service indicated above, and to provide on a monthly basis a listing of each deposit made by using the unique number on the deposit ticket.

Any balances remaining in the concentration account at 5:00 p.m. will be automatically swept into an overnight investment vehicle by the Bank in accordance with the provisions in Section 2-4 'Overnight Investment of Available Funds'.

On a daily basis (see Section A-3 Daily Balance Report Notification), the School System will be notified through a PC connection of the balance in the concentration account available for investment.

Special Account

The purpose of this account is to facilitate vendor payments with a credit card. The activity within this account will consist of deposits and ACH transfers only. We anticipate a minimum amount of monthly activity.

After School Account

The Board operates a Before and After School Program. This account is a depository only account. Receipts are collected centrally and deposited at one deposit. Prime Time deposits will be predominately made prior to the banks closing but will occasionally be made via the night depository. All available funds will ZBA daily to the Concentration Account.

Child Nutrition Main Account

This account is a depository only account. This account will accept ACH transactions and all available funds will ZBA daily to the Concentration Account.

GROUP B (INTERNAL ACCOUNTS)

Individual School Accounts

Each elementary, middle and high school will have their own separate bank account. Each bank account will be established as a “not for profit or governmental interest bearing account”. This not for profit, interest bearing account will be the same basic account structure used for each school included in Group B.

Each individual school account will be a full service account with depository and warrant activity. Furthermore, all accounts should be able to accept ACH transactions from *approved* vendors.

Each bank account established under this agreement will be subject to the control of the individual school. Questions and decisions will be handled at the individual school and not by the School System, unless it is a decision affecting all schools and their individual accounts.

At the present time, there will be 36 individual accounts established as part of Group B. Any schools added to Group B will be handled in the same manner as the other existing accounts in this group, including the scope of services, and bank services costs.

A sample of the volume at one high school is included Exhibit A. Your proposal should address both Groups A and B together. Individual proposals for Group A and Group B will not be acceptable to the School System.

Unless otherwise identified, it is the intent that all schools have the same basic banking services and banking service charges.

Schools will be allowed to add other accounts, such as savings accounts, money market accounts, NOW or SUPER NOW accounts, at their discretion. Additionally, the schools may choose to purchase certificates of deposits from your bank (with the approval of the Finance Officer).

Group B receipts will be collected by the School System’s courier service and deposited in the awarded bank daily by individual school.

Child Nutrition Accounts

Included in the daily deposits will be a significant amount of cash, coins and checks for the School System's 32 school cafeterias. These receipts will be deposited in the awarded bank daily by individual school. Balances remaining in each school-based child nutrition account will ZBA daily to the Main Child Nutrition account.

Section 3. RFP Elements

A. Proposed Fee Schedule

The vendor shall provide a schedule of fees using the activity information in Exhibit B as a basis for the proposal. Volumes indicated on Exhibit B represent the February 2015 activity for all accounts (Group A and B). Actual activity may vary from month to month. For services not specified on the form, but which the vendor proposes to charge for, or where a differing level of service is proposed, the Vendor shall provide a description of the service and the proposed fee structure. The vendor shall also provide a “Pro Forma Account Analysis” which includes proposed product and services.

Furthermore, the vendor shall provide a schedule of supply cost. Supplies detailed should include, but are not limited to, checks, deposit tickets, ‘deposit only’ stamps, and coin wrappers.

B. Statement of Qualifications

The vendor shall provide a summary of the vendor’s qualifications to provide banking services including:

- A list of the specific individuals who would be assigned to work on the account and their qualifications, separately for each of the following areas: general banking services, wire transfer services, ACH Direct Deposit, and local office/branch contact.
- A summary of the vendor’s experience in providing required services;
- A summary of the vendor’s experience in providing these services to Boards of Education in North Carolina;
- A list of the number and location of your branches within Iredell County.

C. Banking and Ancillary Service Requirements

Vendor shall provide a description of services proposed, specifically covering the following areas:

1. General Banking: The vendor must have centralized cash vault operations that can accommodate the security, deposit volume, and change order demands associated

- with our accounts. The vendor must process returned/re-cleared items, stop payments, change/currency orders, and photocopying services for items or documents related to the Board's bank accounts.
2. Deposit Verifications: The vendor must provide for deposit verification and return of validated deposit receipts to the Board.
 3. Electronic Money Transfers: The vendor must provide incoming and outgoing electronic money transfer services, including ACH and wire safeguards and security measures.
 4. Direct Deposit: The vendor must have the capability to accommodate a wide range of electronic payment and deposit services and must guarantee the turnaround time as determined by the Board for processing direct deposit to the employees' accounts.
 5. Overdraft Protection: The vendor must provide overdraft protection.
 6. Online Banking: The vendor must have an online banking system that allows the Board to access data electronically, including previous day balance, collected balances, earnings allowance, and transaction information for each account. The vendor will be required to provide any specialized software, as may be necessary, to use the on-line service. The vendor will inform the Board of any specialized computer, communications equipment or software requirement for using the on-line service.
 7. Account Reconciliation: The vendor must provide monthly reconciliation reports, bank statements, account analysis statements, confirmations and other report related features within a maximum of seven (7) working days after month end. The vendor must be able to provide various reports and statements in a computer media and also provide specialized reports as needed.
 8. Daily Balance Report Notification: The vendor will notify the Board via a PC on-line connection no later than 9:30 a.m. of the available balance for investment in the concentration account.
 10. Overnight Investment of Available Funds: The vendor will automatically invest the available balance in the concentration account overnight in a Super NOW Account (or other proposed accounts) within the bank. Interest will be calculated and posted daily to the Concentration Account.
 11. Monthly Service Charge Report: The vendor must complete and deliver to the Board within seven (7) business days after the end of the month. The Monthly Service

Charge Report must list all details of the activity during the month and will support the monthly service charge that is posted to the bank statement.

12. On-site Deposits: The vendor should include in the proposal a description of and the cost's associated with their On-site Deposit services.

D. Client References

The vendor shall submit three (3) references (preferably from current Boards of Education) who can attest to the Vendor's experience as it relates to providing banking services. The references must include contact name, title, address, and telephone number.

E. Funds Availability Schedule

The vendor shall provide a copy of their funds availability schedule and label it as Exhibit C. Describe one day, two day, availability and wire requirements.

Section 4. Evaluation Process

Proposals will be evaluated by a committee of Board staff. 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 and weighting. The criteria will be:

A. Responsiveness to RFP

The Board will consider all the material submitted to determine whether the Bank's offering is in compliance with the RFP documents.

B. Ability to Perform Required Services

The Board will consider all the relevant material submitted by each vendor, and other relevant material it may otherwise obtain, to determine whether the vendor is capable of and has a history of successfully completing contracts of this type. The following elements may be given consideration by the Board in determining whether a vendor is capable:

1. The ability and capacity of the vendor and the skills, experience, and availability of the specific individuals to be assigned to the Board to perform the services required;
2. The quality of performances by the vendor of previous and similar contracts and such other information as may be secured and considered relevant by the Board;
3. The ability of the vendor to present professional and innovative work to similar organizations; the skill of the vendor as demonstrated by samples of similar work and/or reference by similar organizations;
4. Compliance with and creativity in achieving the basic requirements of the RFP.

C. References

As described in "Section 3.D – Client References".

D. Fees

As described in "Section 3.A – Proposed Fee Schedule".

Iredell-Statesville Schools Banking
Lake Norman High School
February 2015 Activity

<u>Demand Deposit Related Services</u>	
Account Maintenance	1
Regular Deposit Ticket(n)	19
Deposit Items-On Us(n)	8
Deposit Items-Tier 1	98
Deposit Items-Tier 2	27
Deposit Items-Tier 3	36
Paid Items	70
Print Image Statement-Maintenance	1
Print Image Statement-Per Check	70
Dep Items Returned:maker Provided	1
Returns	1
Night Drop Bag Deposit	15
Cash Verification OTC-10.00 Units	21
Cash Verification/night Drop-10.00	787
<u>Automated Clearinghouse Services</u>	
Credits Received	2

Iredell-Statesville Schools Banking
February 2015 Activity

<u>Demand Deposit Related Services</u>	
Account Maintenance	40
Regular Deposit Ticket(n)	864
Deposit Items-On Us(n)	153
Deposit Items-Tier 1	2847
Deposit Items-Tier 2	716
Deposit Items-Tier 3	1909
Paid Items	723
Print Image Statement-Maintenance	37
Print Image Statement-Per Check	672
Dep Items Returned:maker Provided	27
Returns	27
Deposit Adjustment Fee	2
Dual Statement Delivery	2
Night Drop Bag Deposit	734
Cash Verification OTC-10.00 Units	1613
Cash Verification/night Drop-10.00	21752
<u>Account Reconciliation Services</u>	
Web Disb Stops And Cancels	3
Web Disb Check Inquiry	1
Web Image Viewed	22
Deposit Reconciliation Maintenance	1
Deposit Reconciliation Items	458
<u>Zero Balance Account Services</u>	
Parent Account	1
Zero Balance Transactions	29
Zero Balance Accounts	2
<u>Automated Clearinghouse Services</u>	
Pinacle ACH File Processed	5
Pinacle ACH Debit/credit Originated	3404
Addenda Records Received	8
Debits Received	24
Credits Received	37
<u>Wire Transfer Services</u>	
Mail Advice	2
Incoming Wire Transfer	2
<u>Information Services</u>	
Previous Day Account	40
Current Day Account	40
Pinacle-Prev Day Trans-6 Month	2772
Pinacle-Current Day Transaction	1573
Pinacle Account Transfer	65
Pinacle Information Reporting Image	34