

**REQUEST FOR PROPOSALS**  
**CITY OF WESTBROOK, MAINE**  
**COMPREHENSIVE BANKING RELATIONSHIP**  
**June 20, 2012**

**I. INTRODUCTION**

The City of Westbrook, Maine (The City) is requesting proposals for a comprehensive banking relationship including the following:

For all funds of The City:

- Cash management services

It is the intent that The City Council will approve the selection of a proposal on August 6, 2012.

It is the intent to implement the service agreements on September 1, 2012.

The Bank will be compensated for banking services on a fee basis: not by compensating balances. Fees will not be charged on bank statements; they will be invoiced and sent to City Hall, 2 York Street in Westbrook.

Service fees quoted in proposals must be fixed for a period of five years.

The City will evaluate proposals based on a number of factors including but not limited to: responsiveness to RFP; ability to provide all of the requested services; cost and references.

The City reserves the right to accept, reject or request modification of all or part of any proposal received, to waive any irregularities in any proposal or in the proposal procedures, and reserves the right to negotiate all or part of the terms of any proposal. Selection of a proposal for further consideration and negotiation shall not be considered as creating any obligation whatsoever on the part of The City.

The Bank must agree to limit transfers from all accounts to those requested by authorized City personnel and only to accounts designated by The City in the applicable service agreements.

The Bank will be required to indemnify The City for any loss of funds or any costs or expenses incurred, including but not limited to reasonable attorney fees, resulting from any act or omission of The Bank or any failure of The Bank to meet its service obligations. The City will not indemnify The Bank for any losses resulting from errors or omissions on The Bank's part, whether resulting from fraud, negligence, gross negligence or any other cause. Proposals will not be accepted from any institution which

cannot, or will not, agree to this provision.

## **II. PROPOSAL PROCEDURES AND TIME LINE**

### **A. DISTRIBUTION OF REQUESTS FOR PROPOSAL**

The City will post the Requests for Proposal on its website as well as on the Maine Municipal Associations website on **June 20, 2012**.

### **B. PROPOSAL**

No proposal will be considered without full responses to each Proposal Bid Form and each set of Proposal Questions. If not submitting a proposal for a service listed in one of the Proposal Bid Forms, please write "No Proposal" on that line.

The Proposal Bid Form is an Excel spreadsheet, including formulas to calculate extensions and total costs. Please include the form in your written proposal and also e-mail it as an Excel spreadsheet to The City at [agardiner@westbrook.me.us](mailto:agardiner@westbrook.me.us)

**Ten (10) copies of the proposal must be received at The City's offices no later than 4:00 PM on July 13, 2012.**

**I. PROPOSAL COVER LETTER** The proposal must be accompanied by a cover letter containing the following:

- a) Identification of the person representing The Bank in the proposal process, with indication that this individual is authorized to make commitments on behalf of The Bank.
- b) Statement that The Bank understands all of the services and terms required by The City and is committed to fulfilling them.
- c) Disclosure of any insurance operations and/or affiliated services in which The Bank is involved.
- d) Assurance that information concerning The City accounts and transactions is strictly confidential and will not be made available to any third parties or to any of The Bank's affiliated operations.

### **C. PRE-AWARD INTERVIEWS**

When the Comptroller has reviewed and rated the proposals, an interview shall be requested with the two or three top candidates to go into greater detail and/or for clarification, to visit relevant Proposing Bank facilities and to view demonstrations of software or systems as outlined below. These award interviews will take place **July 30 – August 1, 2012**.

### **D. AWARD RECOMMENDATION**

When the Comptroller has reached a decision on which Bank to recommend for Contract Award, she may schedule an additional conference to complete negotiations prior to presentation of the recommendation to the City Council for Award. At any time during the conference(s), the Comptroller may choose to modify her choice of selected proposer if the Comptroller in her discretion, determines that such a change is in the best interest of the City.

#### **E. TERMS AND CONDITIONS**

- I.** The Comptroller reserves the right to reject any and all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, and to accept or reject any item or combination of items. The award will be to the proposer whose proposal complies with all the requirements set forth in the RFP, and whose proposal, in the opinion of the Comptroller, is the best proposal taking into consideration all aspects of the proposer's response, including the total cost to the City. Exceptions to any specification must be placed on form **C-1** – Exceptions to Proposal, and their costs will be a part of the final analysis of the proposal. Exception costs will be added or subtracted from the submitted proposal to arrive at a net cost to the City. *Failure to include an exception on form C-1 will render the exception as invalid and the proposer will be treated as being in compliance with the specification, regardless of intent.*
- II.** In the event that the proposer to whom the services are awarded does not execute a contract within thirty (30) calendar days after the award of the bid the Comptroller may give notice to such proposer of intent to award the contract to the next most qualified proposer or to call for new proposals and may act accordingly.
- III.** The standard proposal form (A-1) indicates an estimate of the number of transactions for the year. This number is the City's best estimate of the average volume and the City in no way guarantees these as minimum or maximum volumes.
- IV.** Proposers shall thoroughly examine and be familiar with these specifications. The failure or omission of any proposer to receive or examine this document shall in no way relieve any proposer of obligations with respect to this proposal or the subsequent contract.
- V.** Qualified proposing banks must meet the following **minimum criteria**:
  - a)** The bank submitting a proposal must be a Federal or Maine chartered bank with a **bank location in Westbrook or within 1 mile of the City limits**, capable of servicing the City's bank accounts and be a member of the FDIC. The bank must be in compliance with all laws, rules, regulations and ordinances of the United States, the State of Maine, and the City of Westbrook at the time of the proposal submittal and, if award a contract, remain in compliance for its duration. The Bank also

must have adequate capitalization, organization, facilities, equipment and personnel to assure prompt and efficient service to the City.

- b) The City, as a primary recipient of certain federal funds, is required to obtain written assurance from the bank that it is an Equal Opportunity Employer and Lender. Appropriate supporting documentation of the bank's policies in this regard must be provided and retained on file by the City and available for examination by federal agencies.
- c) Submit financial statements for the past two fiscal years (must include an auditor's unqualified opinion and appropriate notes to financial statements).
- d) The Awarded bank will agree to permit access to its records by the City Finance Department, its agents, the State Auditor's Office, and if there is federal involvement, federal auditors for the purpose of examining records pertaining to City funds. The Awarded Bank will agree to cooperate in any prosecution for misuse or misappropriation of City funds. Records of the City transactions must be kept and maintained by the Awarded Bank for a period of no less than seven (7) years.
- e) All potential proposers are reminded that information contained in submitted material will become public record. Proposals will be on file in the Finance office after June 30, 2012.
- f) The City assumes no cost of the proposers for the preparation of this proposal.
- g) Failure to comply with any of the terms and conditions in this RFP by the Awarded Bank will be cause for termination of the "Banking Contract" to be entered into.

Banks shall also supply a synopsis of their local activity showing a commitment to the people and business of Westbrook and their support for local betterment, which commitment may be taken into account as a factor in the City's final decision.

## **F. CONTRACT PERIODS**

The City contemplates a five (5) year relationship for the banking and trust services enumerated herein, subject to early termination based on The City's satisfaction with services provided by the Bank. The relationship will be subject to termination by either party, without cause, by giving written notice to the other party not later than ninety (90) calendar days before the proposed termination date with prorated compensation for any satisfactorily completed work before the termination date.

## **G. MODIFICATIONS AND AMENDMENTS**

During the contract period, or any extension thereof, the City reserves the right to renegotiate with the bank such additions, deletions, or changes as may be necessitated by law or changed circumstance. However, no increase in quoted unit prices will be permitted and no additional charges shall be added to items or services in the original proposal that remain unchanged.

Each proposal shall be signed by a person legally authorized to bind the bank to a contract.

All proposals shall have a statement that the proposer has read and understands all conditions as outlined in this RFP. All proposals shall state that no person acting for or employed by the City has a direct or indirect financial interest in the proposal or in any portion of the profits which may be derived therefrom.

All communications to, and inquiries of, The City must be addressed to:

Alicia Gardiner, Comptroller  
City of Westbrook  
2 York Street  
Westbrook, Maine 04092  
(207) 854-9105 ext. 204 [agardiner@westbrook.me.us](mailto:agardiner@westbrook.me.us)

**BANKING SERVICES PROPOSAL**  
**BANKING SERVICES REQUIREMENTS**

1. Accounts Required

The City will maintain the following accounts:

General banking services will be conducted within one master account with the following subsidiary zero-balance accounts:

School General  
School Payroll

Other current accounts include the following:

Rescue Billing  
Westbrook Cemetery Perpetual Care  
Capital Project Reserves

Other accounts may be opened as needed

The bid Proposal Form provides the estimated volume of transactions for each account.

Collected balances are automatically transferred to the MFISAs and are transferred by The Bank from the MFISAs to Concentration/Depository Accounts as required to cover checking account over-drafts.

The City monitors and transfers funds between accounts through a web based corporate treasury management facility.

2. Account Structure

The City desires to maximize its cash availability through the use of Sweep Accounts. There shall be a Sweep Account linked to the General Account that will, at the end of each business day, take any available balance of the General Account and sweep it into an overnight investment account. Any net cash required for disbursement purposes on any business day will be drawn from the Sweep Account back into the General Account.

Disbursements for City accounts payable, whether by check, ACH, or wire transfer will flow directly through the General Account. All disbursements for School Department accounts payable by whatever means will flow through the School General Account and all other disbursements for School Payroll items by whatever means will flow through the School Payroll Account. These zero-balance accounts will be reimbursed from the General Account at the close of the business day or at the opening of the business day following the day the checks are presented for payment, depending on the

bank's policy, and will always have a zero ledger balance at the beginning of each business day. Both the City and School process their own payroll in-house using their respective software systems.

The City or its units maintains several separate accounts for specific purposes. Currently, those are:

1. Rescue Billing, the City of Westbrook has an agreement with the Town of Gorham Fire Department to perform our rescue billing on our behalf, this account will be used to deposit funds.
2. Woodlawn Cemetery, per the Cemetery Trustee charter, their funds shall be kept separate from the general funds of the City of Westbrook. A certain portion (currently \$250,000) shall be kept as principal and the remainder is allowed to be spent.
3. Capital Project Reserves, the City of Westbrook is legally obligated to ensure bond proceeds are not comingled with general funds. This account needs to be interest bearing at a competitive rate.

The City reserves the right to open additional accounts, either zero-balance or regular and to add sweep accounts as required, during the contract period at the price proposed in this proposal provided the Awarded Bank is furnished notification at least thirty (30) calendar days before implementation date.

### 3. Mutual Fund Investment Sweep Accounts

Allowable MFISA investments are limited to government securities and repurchase agreements collateralized by government securities.

MFISAs must be rated "Aam" or "Aam-G" or higher by Standard and Poor's, or the equivalent rating by any other nationally recognized statistical rating agency.

### 4. Statements and Reconciliation

The Bank will provide monthly account statements for all accounts, displaying all transactions through the last business day of the month. Statements will be delivered to The City by the 10<sup>th</sup> day of the following month.

### 5. Retention of Checks

The Bank will maintain digital copies of all paid checks for legally required periods, and will provide electronic access to checks for a minimum of ninety (90) days and photocopies on request for older checks.

### 6. Web Based Corporate Cash Management Services

The City requires the ability to conduct general banking business via the

Internet.

Transactions to be conducted via the Internet include

- account inquiry (debit and credit)
- account reconciliation
- balance reporting
- transfers between accounts
- stop-payment orders
- check inquiry and photocopy requests
- ACH transfers, with addenda information
- wire transfers, with addenda information
- lock box file upload in TRIO compatible format and reporting

7. Electronic Transfer Protection

The Bank will provide security features to prevent unauthorized electronic charges to all accounts.

8. Remote Deposit Services

The Bank will provide The City with remote deposit capability, including:

- Check scanning equipment
- Software to facilitate deposits into more than one account
- Supply of account specific deposit slips for use when remote deposit is not possible.

9. Lock Box Service

The City does not currently use a lock box service for its tax payments but would like to receive a cost for this type of arrangement. Information on the bank's lock box service should include but not be limited to the following:

1. The time and frequency the bank will pick up all items in the box
2. Criteria used by the Bank personnel to process the payments, including copy of lockbox agreement showing the City's choices available for various scenarios that may arise.
3. Bank's method of entering checks into the bank's computer system, i.e. manually or scanned. The City's bill payment stubs contain a scan line in TRIO format.
4. Method utilized by the Bank to transfer the information to the City. The City's software system imports files received in TRIO format for direct credit of customer accounts. Any system requiring the City to do manual entries to credit accounts is not acceptable.
5. Bank's policy of handling correspondence received with the check and/or stub

6. Bank's policy of handling questions concerning payments. Will the customer be contacted or the City?

Information on the bank's lock box service and any associated fees will be considered as an integral part of the service proposal.

10. Line of Credit

The City wishes to establish a line of credit which it will use to fund its Revolving Loan Fund. All loans granted will have been approved by the City Council and each loan will be secured. The City will be responsible for all payments on the LOC but will use the funds received from the various participants in the program. The City would like the LOC to be funded at a minimum of \$1,000,000.

10. Affiliated Accounts

The City requires checking accounts for the seven Affiliated accounts that are held by each school and Superintendent's office. These accounts are to be interest bearing and are to be provided free of service charges.

### **Banking Services Requests for Information**

Please submit your responses to the following requests for information on Bank letterhead. Respond to each request in the order listed. For each, type and underline the request, followed by your response.

1. Provide a brief general description and history of your institution.
2. Identify and provide background information for each officer who will play a significant role in the provision of banking services.
3. Discuss the web-based client access system offered by The Bank. Identify the functions which The City will be able to carry out through the system.
4. Describe the electronic transaction authorization services included in this proposal.
5. Describe the system and equipment utilized in the remote deposit services included in this proposal.
6. Identify the money market mutual fund(s) which The Bank can make available as repositories for collected balances. Provide a prospectus for each. In addition, provide the most recent one-day, seven-day and 30 day yields. Fund investments must be limited to US government securities and over-night repurchase agreements collateralized by these investments.
7. Identify any banking services requested by The City which The Bank cannot provide

and discuss any alternatives you can propose.

8. Confirm that the fees included in this proposal are all inclusive for the requested services and that the fees are fixed and guaranteed for the five year term of the agreement.
9. Indicate the availability schedules for checks drawn on banks in Maine.
10. Briefly discuss any additional service The Bank can offer and/or any additional information not covered in the preceding questions.
14. Identify three clients served by your proposed team who may be contacted as references. Include contact names, titles and phone numbers.
15. Please complete the Banking Services Proposal Bid Form. If not providing a listed service, please so indicate on the Bid Form. If there is no separate fee for an indicated service, please enter "included". The City will send the Bid form electronically as well as on paper. The completed Bid Form should be included in your written proposal and also e-mailed to The City as an Excel spreadsheet.

Please attach copies of the following:

- Bank's web-based corporate cash management services agreement
- Bank's wire and ACH transfer agreements
- Bank's electronic transfer authorization agreement