

Request for Proposals

Payroll and Parking Division Banking and Depository Services

Issue Date: October 12, 2018

Proposals Due Date: November 16, 2018



The City of St. Louis, MO
Office of the Treasurer
1200 Market Street
St. Louis, Missouri 63103

<http://www.stltreasurer.org>

The City of St. Louis Treasurer's Office ("STLTO") will accept sealed Proposals for Bank Depository Services due on November 16, 2018 at 4:00pm at the STLTO office located in St. Louis City Hall, Room 220. **Proposals received after this time will not be considered.**

Please carefully review all of the required information (Section D and Appendixes). Proposals that do not provide all of the requested information may be deemed unresponsive and excluded from consideration. Please mark on the outside of the envelope and on any carrier's envelope: Response to Proposal for Banking and Depository Services.

The STLTO will not be responsible if the U.S. Postal Service or any other courier system fails to deliver the sealed proposals to the STLTO by the given deadline above.

The STLTO reserves the right to reject any or all responses and to waive irregularities contained therein and to accept any response deemed most advantageous to the STLTO.

Tishaura Jones
Treasurer
City of St. Louis, MO
City Hall, Room 220
1200 Market Street
St. Louis, Missouri 63103



Section A: Description of the City of St. Louis and the STLTO

The City of St. Louis (“the City”) is located on the Mississippi River, the eastern boundary of the State of Missouri just below its confluence with the Missouri River. The City occupies approximately 61.4 square miles of land, and its area has remained constant since 1876. The City is a constitutional charter city not a part of any county, organized and existing under and pursuant to its Charter, the Constitution and the laws of the State of Missouri.

The Treasurer is the City's chief banking officer and operates the municipal parking division. The STLTO controls and monitors all the bank accounts of the City. There are currently 50 accounts under STLTO's control. Through daily contact with the Comptroller's Office and detailed reconciliations of these accounts, the STLTO provides a check and balance for the Comptroller's Office. In addition, the STLTO is by ordinance the depository for all receipts of the City and provides a means for departments to make daily deposits. The STLTO issues all payroll checks, deposits funds for federal and state taxes, funds for savings bonds and other payroll deductions.

The Treasurer is also responsible for making all investments for the City. This includes purchasing, selling and auditing the earnings on these investments as well as ensuring that City funds are safe and secure.

Section B: Request for Proposal

The STLTO is requesting proposals for Bank Depository Services for the Parking Division and for City Payroll from qualified banking institutions. Qualified institutions eligible to respond to this Request for Proposal include those that meet the requirements defined by St. Louis Ordinance 64457 and Missouri State Statute 95.530 and designated as city depository by the City of St. Louis Funds Committee. A qualified institution must also be insured and must demonstrate the capacity to meet all of the requirements of the STLTO as stated in this RFP.

Banking services being requested under this RFP include full service basic banking services including but not limited to receiving deposits, remote deposits, paying items, wire transfers, stop payments, positive pay verifications, credit card services, ACH services, account analysis, records management, monthly statements, check printing services, special reports, meeting daily collateral requirements, quarterly feedback meetings, etc.

This RFP is intended to serve as the bid for the depository agreement. This depository agreement will not cover investment transaction activities. The STLTO will manage its investment portfolio under a separate agreement under its Investment Policy.

By submitting a proposal in response to this RFP, financial institutions will be deemed to agree to the service provisions contained herein. This RFP and the proposal submitted will be incorporated into and form the basis for the Bank Depository Services agreement.

Section C: Proposal Submission Process, Due Date, and Required Documentation

A cover letter must be signed by an individual authorized to bind the institution, state that the proposal is valid for 180 days from the submission date and give full contact information regarding the proposal.

Proposals must be received in the Treasurer's Office on a removable USB drive and three hard copies no later than November 16, 2018 at 4:00pm Central Standard Time. The proposal should be enclosed in an envelope and delivered to:

Connie Johnson, Assistant Treasurer

City of St. Louis Treasurer's Office, 1200 Market, Room 220, St. Louis, MO 63103

The outside of the sealed envelope or container must state: Response to Proposal for Banking and Depository Services

Responses received after the above date and time submission deadline will be rejected. All proposals that have been submitted shall be open to public inspection after the contract is awarded, except for trade secrets and confidential information contained in the proposals marked "confidential" by the proper responding party.

Section D: Scope of Banking Services

The STLTO is seeking one or more financial institutions to provide various banking services that will meet the operational needs of the STLTO. The STLTO may choose to divide services between banking institutions if it is in the best interest of the STLTO. All deposits must be managed consistent with applicable local, state, and federal laws.

1. Customer Service

Please include the following information in your proposal for Customer Service:

A description of the customer service approach your financial institution will employ with the STLTO. Factors include training, initial testing and set-up, equipment servicing, and communication.

- i. The names, email addresses, and telephone numbers of staff members who are authorized to respond to operational, pricing, and technical questions related to this RFP.
- ii. The name, email address, physical address, one paragraph bio, and telephone number of the primary relationship manager and secondary relationship manager(s), if any, who will be assigned to the STLTO.
- iii. The current total percentage of public deposits held by the banking institution.

- iv. The institution's experience in serving similarly situated governmental entities. Staff qualifications and general experience of those individuals who will be assigned to work with the STLTO.
- v. A description of the institution's corporate structure, including holding companies, parents, subsidiaries, or corporate affiliates.
- vi. The role of any third-party processor to be used in providing the services listed in this RFP.

2. General Account Services

A. The STLTO currently operates the following public funds banking accounts. The STLTO requires an account structure that meets the needs outlined below. Each of the following accounts is a Demand Deposit Account (DDA). Proposals should be made according to the current structure, but alternative account structure recommendations, if applicable, should be included as a separate exhibit within the proposal.

Parking Division Account: The majority of the STLTO's parking operations flow through this account, including the deposit of revenues and payment of accounts payable. The STLTO also sends and receives wire transfers and ACH transactions in this account. This account has a balance ranging between \$1,000,000 and \$2,500,000.

Payroll Account: The STLTO has a separate checking account for processing payroll, which includes direct deposits for between 6,000 and 7,000 employees. The STLTO also issues check payments for some employees and other payroll-related items. This account is funded via an account transfer (Zero Balance Account) from the operating account in the amount of gross payroll. The average month disbursement of this account ranges between \$8,000,000 and \$9,000,000.

B. The STLTO requires a monthly bank statement on each banking account to be received no later than the 5th business day following the end of the month. The STLTO also requires access to electronic or internet statements, including a serial listing of the checks paid, no later than the first business day following the end of the month.

Please include the following information in your proposal for General Account Services:

- i. List and map of all bank branches located in the City of St. Louis. Identify and sort each branch based on its distance from 1200 Market Street, St. Louis, Missouri 63103.
- ii. List and map of all bank ATMs located in the City of St. Louis. Identify and sort each bank ATM based on its distance from 1200 Market Street, St. Louis, Missouri 63103.
- iii. List and map the location of your call center(s).
- iv. Provide samples of standard statement formats available, a sample of the monthly account analysis statement and associated issuance timetables, a sample reconciliation statement, and a sample of the quarterly collateral statement provided to the STLTO.

- v. A description of daily activity cutoff times.
- vi. A fee schedule for banking services.
- vii. Availability of funds deposited.
- viii. Policies and procedures regarding earnings credits and reserve requirements. The current monthly earnings credit rate and the historical monthly credit rates since January 1, 2016. Include the earnings credit rates' associated benchmark (i.e., 10-year US Treasury, One Month LIBOR, etc.) and the related spread for each monthly period.
- ix. In lieu of earnings credits, the STLTO is interested in interest-bearing accounts. Please indicate a fixed interest rate for the duration of the RFP term. The City also requests a one-time option to convert from a fixed interest rate to the prevailing variable interest rate. Please clearly indicate whether this option is available.
- x. A schedule of fees itemizing all proposed fees for the designation RFP period based upon our estimated account balances. Include any charges for any banking supplies, such as deposit tickets and requests for change. Indicate if any fees are excluded from payment through earnings credits.
- xi. A description of your stop payment process.
- xii. Security practices in place to protect accounts from unauthorized activity.
- xiii. Policies for automatic redeposit of items returned for insufficient or uncollected funds, as well as notification timeline and method for returned (NSF) items.
- xiv. Any other relevant policies and procedures.

3. Retail Lockbox

The STLTO currently issues monthly utility billing, which is collected through a retail lockbox system. The current lockbox provider creates a data file for payment processing based on coding from the bill stub.

Please include the following information in your proposal for Retail Lockbox:

- i. Time and frequency of pickups.
- ii. Turn-around processing time.
- iii. Ability to provide images of remittance documents and checks online.
- iv. Acceptance and rejection criteria for payments, treatment of exceptions, the method of data transmissions, and related technical specifications.

4. Mobile/Online Banking Functionality

The City utilizes internet and mobile banking services for a variety of functions, including reconciliation, research, fund disbursement, and fund transfers. Please describe your online/mobile banking capabilities. Please clearly differentiate which services, if any, are available only online rather mobile browser/mobile applications.

Please include the following information in your proposal for Mobile/Online Functionality:

- i. Four (4) to Eight (8) screenshots of your mobile banking application.

- ii. A description of inquiry capabilities, including verification of discrepancies and processes to retrieve images of individual deposit checks.
- iii. The time that the previous day's information, ACH transactions, and wire transfers will be posted and available online.
- iv. Online initiation and management procedures for wire and ACH transfers, stale dated checks, and stop payments (please also provide screenshots for each of these features if available).
- v. On-line log-in security methods and how user access is granted/modified/revoked by system administrators.
- vi. The hardware system(s) requirements necessary to access online services.
- vii. Any other pertinent information.

5. Automated Clearing House (ACH) Services

The STLTO pays some of its vendors and merchants electronically via ACH transfers. Please describe any electronic payment system your financial institution provides the fees for such services.

Please include the following information in your proposal for ACH Services:

- i. Daily posting and cut-off times for both ACH deposits and payments.
- ii. The methodology and procedures involved for importing ACH files and the associated file requirements.
- iii. The ability of the STLTO to build a database of repetitive ACH transactions.
- iv. Security procedures in place to minimize the risk of unauthorized ACH transactions.
- v. Any other pertinent information.

6. Wire Transfer Services

The STLTO pays some of its vendors and merchants electronically via wire transfers. Please describe any electronic payment system your financial institution provides and the fees for such services.

Please include the following information in your proposal for Wire Transfer Services:

- i. Associated policies.
- ii. Wire transfer initiation and verification processes, including daily cut-off times.
- iii. How the institution addresses repetitive wire transfers.
- iv. Methodology for notification of incoming wire transfers.
- v. Security policies and procedures in place to the minimize risk of unauthorized wire transfers.
- vi. Any other pertinent information.

7. Merchant Services

The STLTO Parking Division currently accepts MasterCard, Visa, Discover, and American Express in its offices and online for payment of various public services. The financial institution would be expected to provide fast authorization and settlement of all cards, reliable transaction processing, and appropriate payment card industry (PCI) data security standard compliance and liability.

Please include the following information in your proposal for Merchant Services:

- i. Description of the financial institution's credit card service, including all set-up charges.
- ii. A sample merchant credit card agreement and transaction analysis statement.
- iii. Equipment policies and local service availability.
- iv. Deposit of funds methodology and timing.
- v. Screenshots displaying the online interface
- vi. Security protocols and procedures.
- vii. Any other pertinent information.

8. Positive Pay

The STLTO currently utilizes positive pay services for its payroll account.

Please include the following information in your proposal for Positive Pay Services:

- i. Description of the financial institution's positive services, if any, system requirements, and operating procedures.

9. Reloadable Debit Cards

The STLTO uses the Skylight Paycard for direct deposits for employees without a checking or savings account. Please provide information about similar products or services offered by your institution.

10. Other Service Lines

The STLTO is interested in working with a financial institution that can provide recommendations to improve our efficiency. Please provide a list of other services that your financial institution offers governmental or corporate entities similar to the STLTO.

Please include the following information in your proposal for Other Services:

- i. Other Services: A detailed description of any other service lines your institution believes may improve the STLTO's efficiency and effectiveness and how they will benefit the STLTO.

- ii. Employee Banking Services: The STLTO would like to provide its employees with information about employee banking services. Please describe any opportunity for employees to receive discounts or benefits through your financial institution.

11. Other Proposal Information

Please include the following information in your proposal for Other Proposal Information:

- i. A transition plan with associated timelines for the described service lines.
- ii. The institution's disaster recovery plan and backup facilities.
- iii. Community Support and Investment

In addition to the quality of banking services and fees, the City will consider certain community support and investment in selecting a depository. Please provide information on the following topics:

1. List any services presently in place that serve the unbanked and/or underbanked community. If none, are any such programs being developed?
2. List your banks involvement with the Calls to Actions in the *Forward Through Ferguson Report*.
3. List any financial education and counseling programs and/or resources your bank has available to meet the needs of the community.
4. Does the Respondent directly or indirectly engage payday lending, or support payday lending in any manner?
5. List any loan modification programs presently in place. If none, are any such programs being developed?
6. List any small business loan programs presently in place. If none, are any such programs being developed?
7. List any affordable home loan programs presently in place that target LMI communities. If none, are any such programs being developed?
8. List any loan programs presently in place that specifically assist small or M/WBE businesses. If none, are any such programs being developed?
9. List any partnerships with minority-owned institutions that lend in low- to moderate-income census tract areas of the City.
10. List any banking products specifically provided to municipal employees.

Section E: Clarification of Requirements and Questions

All requests for additional information or clarification concerning this Request for Proposals must be submitted, in writing, no later than October 31, 2018 by 5:00pm CST and shall be emailed to the Assistant Treasurer, Connie L. Johnson at Johnsonco@stltreasurer.org.

Section F: Contract Term

The initial contract shall be for a three-year period with two options to renew for one year terms. Anticipated contract start date is January 1, 2019.

Section G: Cancellation

The STLTO has the option to terminate the contract during the first twelve (12) months of the contract if the successful Offeror does not perform under the contract to the STLTO's satisfaction. Thereafter, either party may terminate the contract by giving the other party ninety (90) days prior written notice. The successful banking institution may not assign the contract to any other party without the STLTO expressed written consent.

Section H: Schedule for Proposal Submission

The STLTO will make every effort to adhere to the following schedule; however, the schedule is subject to change without notification to Offerors.

Date	Action(s)
10/12/2018	Release of Request for Proposal.
10/31/2018	Questions due to STLTO regarding RFP from any proposer.
11/5/2018	Responses to any questions submitted to be provided to all known proposers.
11/16/2018	Deadline for proposal submission.
TBD	Bank presentations.
TBD	STLTO awards contract.
TBD	Anticipated contract commencement.

Section I: Selection Criteria

The following criteria will be used as the weighting basis for evaluation of the proposals and the award recommendation.

Percentage	Criterion
5%	Customer Call Center located in Missouri
10%	Offerors' Information Technology Platform (Including Online and Mobile banking) offerings, availability of reports, ease of use, functionality)

5%	Additional Services offered to STLTO, the City of St. Louis, and their employees
20%	Experience and references of bank and bank officials
15%	Safety and Creditworthiness of the Offeror
10%	Location and number of branches located in the City of St. Louis
20%	Fees and Charges to be applied
<u>20%</u>	<u>Community Support and Investment</u>
100%	Total

Appendix A: Financial Institution Qualifications

1. In order to fulfill the STLTO's fiduciary responsibility to protect public funds, each bank submitting a proposal shall provide:
 - A. An audited annual financial statement for the most recent fiscal period.
 - B. The bank's current CRA rating.
2. Describe the bank's approach to satisfying the STLTO's banking and customer service requirements.
 - A. What, if anything, is distinctive about the bank's approach to customer service?
 - B. How does the bank keep up with changes in automation?
 - C. Is the bank offering any transition or retention incentive?
3. List references from at least three of the bank's current, comparable governmental clients. Include the length of time under contract, a client contact, title, and telephone number.
4. Provide the bank's current senior and subordinated debt ratings. If debt ratings are not issued, provide the bank's most recent bank rating from an independent rating service. The bank will be responsible for notifying the STLTO within thirty (30) days of any change in these ratings throughout the entire contract period. Confirm agreement to this condition.
5. This relationship will be executed under a Master Depository/Banking Agreement or Pledge Agreement with the RFP, the bank's proposal and bank service agreements subordinate to it. Any changes and negotiation required on the agreements will be made and agreed upon before awarding of the contract.