



MIDDLETOWN CITY SCHOOL DISTRICT

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Banking Services Request for Proposal

GENERAL INFORMATION

The Treasurer of the Middletown City School District, Butler County, Ohio is soliciting proposals for banking services for a period of not less than five (5) years. The purpose of this RFP process is to obtain the highest quality banking services with the greatest expected interest earnings net of the necessary charges for services at a competitive price.

The selected institution shall be designated as the school district's depository for an initial two-year term commencing August 1, 2018. The depository agreement will contain an automatic annual renewal clause that can be used in the three (3) following years, thereby providing for five (5) years of depository and banking services. The agreement may be terminated at the end of each annual period upon receiving a 60 day written notice prior to the close of that annual period by either party.

Copies of the RFP document can be obtained at the District's Central Office located at One Donham Plaza, 4th Floor, Middletown, Ohio or on the District's website <http://www.middletowncityschools.com> beginning on Monday, April 16, 2018. Proposals should be submitted to the attention of the Treasurer, Middletown City School District in a sealed envelope. **PROPOSALS ARE DUE BY 12:00 P.M. (noon) on Friday, May 18, 2018.**

Please include one original and three copies of the response in your submission. Questions or requests for clarification may be directed to Mr. Randall Bertram, Treasurer at (513) 423-0781 extension 2639 or by email at rbertram@middletowncityschools.com.

Any exceptions to the specifications of this request for proposal must be clearly stated in writing in the proposal. The School District reserves the right to reject any and all proposals, to waive irregularities, to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected, and to cancel this proposal if doing so would be in the public's interest.

The Treasurer reserves the right to award some banking services to more than one (1) institution.

RFP Schedule & Timelines

Friday, April 6, 2018 Advertisement listed in The Journal News
Monday, April 16, 2018 Release of RFP Document
Tuesday, May 8, 2018 Non-mandatory bank pre-bid meeting (9:00 a.m.)
Friday, May 11, 2018 Cut-off for bid inquiries (2:00 p.m.)
Friday, May 18, 2018 Bid responses to RFP due 12:00 p.m. (noon) EST
May 21 – 25, 2018 Evaluation of bid proposals
June 11, 2018 Recommendation to Board of Education
June 25, 2018 Resolution passed and agreement executed
August 1, 2018 Banking agreement term commences

Verbal Communication

Verbal communication from any Middletown School District employee concerning this RFP is nonbinding and shall, in no way, alter a specification, term or condition of this RFP.

The District shall conduct a non-mandatory, bank pre-bid meeting on Tuesday May 8, 2018 at 9:00 a.m. in the Purple Conference Room at One Donham Plaza, 4th Floor, Middletown, Ohio. Information discussed at the meeting pertaining to the RFP will be summarized and sent to bidders who have requested a RFP.

Mandatory Requirements

- Banks shall answer ALL questions in this RFP. Failure to respond to each of the requirements in this RFP may be the basis for rejecting a response.
- Failure to comply with any term and condition outlined in this RFP by the bank may disqualify the bank during the designation period.
- Banks shall submit the name, address, email address and telephone number of an individual with the authority to answer questions or provide clarification regarding their responses.
- Responses shall be submitted in a SEALED envelope or package bearing the title '**Bid for Banking Services**', and include the bank's name and address. The package must contain four (4) copies (one original and three copies) of the responses in the specified format and other supporting documents.
- Submissions shall be sent to:
Mr. Randall Bertram, Treasurer
Middletown City School District
One Donham Plaza
4th Floor
Middletown, Ohio 45042

DISTRICT’S PROCEDURES AND BANKING NEEDS

The Middletown City School District (MCSD) provides educational services to approximately 6400 students in the community. The District’s educational, food service, athletics, student activities, construction and capital reserve programs are funded by the State of Ohio and the Federal Government. The District has an operating budget in excess of \$95,000,000 and employs approximately 650 full time and part time staff.

The Middletown City School District currently has seven (7) accounts; a general operating, payroll, and investment accounts. There are controlled disbursement accounts for both vendor checks and payroll checks. An adequate cash balance is maintained to cover the disbursements. The district has other investment vehicles other than the primary bank. Other funds are invested in U.S. Treasury securities, U.S. agency securities, and in other authorized investments as defined in the District’s investment policy. Daily deposits of cash and checks are prepared by the Treasurer’s Office, food service and various school buildings and transported each day, to the branch or night depository. The District uses online banking services for viewing daily account activity, performing bank reconciliations, and pays certain vendors using the Automated Clearing House (ACH) and Fed wire systems. The district uses Positive Pay for account payable checks.

BANKING SERVICES PROPOSAL INSTRUCTIONS

Your response to the District’s RFP must follow the enclosed Proposal Response Format, in the exact order listed. The banking services identified for inclusion in the RFP include: (A) Required Banking Services; (B) Desired Banking Services; and (C) Other Instructions.

Any proposal that does not address or cannot provide all of the required banking services, elements or conditions qualifying a bank to propose, or does not provide the information requested in “other instructions,” may be excluded by the District from consideration. Should there be any changes made in the RFP, a written addendum will be provided to all registered parties and will include any required adjustments in schedule dates.

A. REQUIRED BANKING SERVICES

A1. Currently the District has the following seven (7) accounts:

2 - General Operating Accounts – regular and ACH deposits, returns, night drop, vendor checks/ACH payments, and incoming wire transfers

2 - General Operating Controlled Disbursement Accounts – paid items, controlled disbursement for the Budgetary and the Payroll accounts

Payroll Account – paid items, ACH payments, regular and ACH deposits

Money Market Account – investments

Credit card payments deposit account

A2. Describe the overnight investment vehicle for the aforementioned accounts. The following will be required of the overnight investment vehicle:

1. All securities pledged as collateral will be consistent with, and comply with, the Ohio Revised Code.
2. A Customer Advice for each transaction will be provided to the school district with the following information:
 - a. Date
 - b. Amount of purchase or sale
 - c. Beginning and ending balance in the account
 - d. Interest rate earned that day
 - e. Amount of interest
 - f. Account charged or deposited to

A3. Describe the calculation of interest and the allocation to the respective accounts.

If any depository wishes to propose an alternative to the use of the overnight investment vehicle described above, those alternatives will be closely examined. Therefore, it is important that the methods of operation, as well as the rates of return of any proposed alternatives be clearly stated in the proposal.

A4. Describe the merchant bankcard services offered, as well as the costs, including the discount charged, and the type of equipment used. Include fees, if any, associated with changing over bankcard machines to your bank, annual fees, on-line statement access, hard copy of monthly statements (even if a zero balance), authorization process for adding or deleting credit card accounts.

A5. The bank will have a branch facility within a 5-mile radius of the District's Central Office (One Donham Plaza, 4th Floor, Middletown, OH 45042) for deposits, lockable or other secure deposit bags, as well as overnight depository services. If these criteria are not met, please describe process for deposits and depository services.

A6. Provide details on process for non-sufficient funds (NSF) ACH conversion for re-presentment of NSF check. Automatic redeposit of returned checks a second time is desired, if the instruments are initially dishonored due to "NSF" notations. Discuss how NSF fees are to be assessed.

A7. Discuss how stop payment fees shall be charged.

A8. Describe the positive pay services offered by the depository. Include timeframes for reviewing transactions as well as the default options in the event a response is not received within the posted timeframes. Please identify whether the option of payee positive pay is available.

A9. Describe the depository's stale date check management processes to ensure that items are not honored beyond the period printed on the face of the item.

- A10. Each proposal shall provide documented examples of its funds availability schedule for electronic and paper transactions.
- A11. Monthly checking account statements shall be available online the next business day following month-end. Samples of standard statement formats available should be provided. The District shall have the ability to download the list of checks that have cleared the bank in a spreadsheet format for reconciliation purposes.
- A12. All securities pledged as collateral will be consistent with and comply with the Ohio Revised Code. A quarterly report on pledged collateral shall be made available.
- A13. Electronic data transmissions available via on-line banking system on the next day by 8:00 a.m. including the following:
1. Previous day's ending ledger balance
 2. Previous day's ending collected balance
 3. One- and two-day float
 4. Total debits – detailed debit listing
 5. Total credits – detailed credit listing
 6. Zero-balance account transfer amounts
 7. Interest earned monthly
 8. Previous day's book transfers

If the information is available online on a real-time basis, please indicate what information is available and any additional costs associated with such real-time access and services.

- A14. Depository will provide the district with individual monthly account analysis statements, as well as a consolidated statement that combines all Demand Deposit Accounts (DDA) and sweep accounts, clearly defining services, ledger and collected balances, credits for balances in excess of uncollected funds, and costs incurred by the district. All fees and charges are to be charged against the account analysis. Monthly account analysis statements shall be provided not later than ten (10) days after the end of each month.
- A15. The depository must maintain wire transfer facilities through the Federal Reserve Bank System.
- A16. Each depository shall indicate the primary resource personnel and location of such personnel who will service the District within the scope of this agreement. In addition, the bank shall identify liaison staff members as well, on the basis of "primary" contact people and "backup" contact people.
- A17. The bank shall provide an explanation of disaster recovery and business continuity processes and procedures that are in place to protect the District and the bank in the event of disaster or business disruption to either entity or both.
- A18. Each depository shall define in detail the rates and formula for calculating any charges resulting from an overdraft of minimum balance required of a sweep account.

- A19. If the institution utilizes the services of a third-party vendor, such relationships must be identified. Please describe the role of such third-party processors to be used in providing the services listed within this RFP.
- A20. If the District develops a need for additional accounts or services during the term of the depository agreement, those new accounts or services shall be provided with the same conditions that apply to the existing accounts.
- A21. The institution shall provide ACH filter services to protect from unauthorized electronic transactions.
- A22. The institution shall provide Stop Payment services via internet or phone.
- A23. Describe how the institution will provide images of cancelled checks to the district.
- A24. If the depository is a bank, the following question must be addressed. Is the institution or any of its directors, officers, employees or controlling shareholders currently party to an active final or temporary cease-and- desist order issued under Ohio Revised Code §1125.08?
- A25. If the depository is an association: is the association or any of its directors, officers, employees, or controlling shareholders currently a party to an active final or temporary cease-and-desist order issued under Ohio Revised Code §1155.02?

B. DESIRED BANKING SERVICES

The Treasurer's Department seeks to improve efficiency available with alternative systems and technology. Separate from the aforementioned required banking services, the District invites the depository to separately provide information on the following services. The price of these services and their impact on the compensating balance should be listed separately and NOT included in the compensating balance requirement.

- B1. Describe the web-based payment services offered including the costs of initial implementation as well as ongoing monthly fees of the service.
- B2. Describe the payment card services offered and related pricing including:
1. Cost of issuing cards
 2. Ability and cost to customize card design
 3. Online account information available
 4. Rebate programs and required spend requirements
 5. Flexibility of modifying spending limits and authorized users
 6. Software available to code transactions online
 7. Other pertinent information regarding the institution's credit purchasing card program.

- B3. Please provide information on any banking-related benefits available to District employees and any requirements to qualify for such benefits.
- B4. Other services the depository believes would be of benefit to the District. The Treasurer reserves the right to supplement the financial information provided by the bank with information obtained independently from market sources.
- B5. Investment options for long-term and interim funds. Please include if these services are in house or provided by a third party vendor. If provided by a third party please give details about the third party vendor including primary contacts, company information, service agreements with your institution, and other details of importance.

C. OTHER INSTRUCTIONS

C1. Financial Strength of the Provider

In order to determine the institution's financial strength, each depository should provide:

1. A copy of the most recent audited financial statements including those of any bank holding companies or parent.
2. Current Fitch, Moody's and Standard & Poor's rating reports.

- C2. The proposal may include other services the District may want to purchase. The District reserves the right to solicit comparable information on those services from all other banks responding to this request for proposal.
- C3. Include references for similar banking services from other school districts. Please list school district names; contact person, the address and telephone number.
- C4. Describe your organizational structure.
- C5. Include a sample of any service agreements your bank requires.
- C6. Include a schedule of all bank service fees.
- C7. Depository shall complete and submit the Pricing Matrix (Exhibit A). Services and products not included in the standard matrix may be added at the bottom of the worksheet. Unless the item description would be self-explanatory, details on the additional items should be included on a separate document and submitted along with the matrix.
- C8. Describe what index the earnings rate on the sweep accounts would be pegged to, listing the last six months applicable rates.
- C9. Does the institution allow for the carry-forward of any unused earnings credits? If so, what is the related settlement interval: monthly, quarterly, or annually? The bank must specify the precise methodology for calculating the earnings credit as well as any applicable reserve requirements. Explain any charges that would not be offset by compensating balances.

- C10. Include a sample of the online balance report showing ledger balance, collected balance, and float balance, summary and detail, as well as user instructions.
- C11. Include a sample of the monthly detailed statement.
- C12. Include a sample of the monthly account analysis.
- C13. Describe briefly your proposed implementation plan and timetable for conversion, including any required training. The plan should provide the District with sufficient detail to allow for a reasonable estimate of the complexity and costs.

SELECTION PROCESS

The Treasurer will evaluate all proposals and submit a recommendation to the Middletown Board of Education. The criteria that will be used to make the selection include the following items; each area will have different weights:

1. Technical ability and customized services of the financial institution as evaluated by the Treasurer's Department on the basis of materials submitted in the written proposal, or subsequent written addenda.
2. Ability to enter into banking services agreement without exceptions or modifications. Each modification shall be considered in determining the final award.
3. New cost of services (required minimum balance, fee structure).
4. Type of third party institution holding collateral.
5. Financial strength of institution.
6. Experience in providing depository services to similar accounts.
7. Earnings rates offered on accounts.
8. Electronic capability for daily and monthly information and transactions.
9. History of the financial institution in meeting the terms and conditions in prior contracts with the Middletown City School District and other government entities.
10. Any additional services offered.

The Middletown City School District reserves the right to reject any and all proposals and to accept the proposal the District considers most advantageous. Acceptance of a proposal will be based on the total package of services offered by the banking institution.

Equal Opportunity

The financial institution agrees that they will not discriminate against any employee, applicant for employment or customer because of race, color, religious creed, ancestry, physical handicap, sex or political affiliation.

Firm Prices

The proposal prices shall remain firm until award for this contract has been made. Notification of pricing changes shall be given to the district before or upon implementation.

Pre-Bid Conference

A pre-bid conference will be held on Tuesday, May 8, 2018 at 9:00 A.M., at One Donham Plaza, 4th Floor, Middletown, Ohio in the Purple conference room to allow an opportunity for questions or clarification of information requested within the RFP.

Letter of Transmittal

An institution’s response to the District’s RFP for banking and cash management services must be accompanied by a letter of transmittal. A sample transmittal letter follows:

Middletown City School District
Attn: Mr. Randall Bertram, Treasurer
One Donham Plaza
4th Floor
Middletown, Ohio 45042

Dear Mr. Bertram:

In accordance with the District’s Request for Proposal, we are pleased to submit our written proposal. _____ (insert firm’s name) will provide financial institution services for the Middletown City School District for the period from August 1, 2018 – July 31, 2020 with a possibility of three additional years in accordance with the requirements of the Request for Proposal issued by the Middletown City School District and in accordance with sections 135.01 through 135.21 of the Ohio Revised Code.

_____ (insert firm’s name) acknowledges that they are qualified to provide banking services in the State of Ohio and the legal domicile of the contract is the State of Ohio.

If _____ (insert firm’s name) is designated to be awarded the District’s deposits, a formal Bank Agreement incorporating such terms and conditions as mutually agreed upon by the parties will be executed by August 1, 2018.

Any information or questions concerning this written proposal may be directed to _____ (insert name of institution’s liaison) at the following address _____ (insert address) and telephone number _____ (insert telephone number).

MIDDLETOWN CITY SCHOOL DISTRICT

Bank Accounts Analysis



**Fifth Third - Public Fund Now
Budgetary Account**

MM/YY	Credits	Debits	Average Balance
Mar-17	11	41	3,503,226.17
Apr-17	14	39	4,576,246.34
May-17	11	37	2,442,256.96
Jun-17	18	41	2,464,523.26
Jul-17	10	34	2,406,474.07
Aug-17	14	36	6,501,167.98
Sep-17	14	40	4,892,338.90
Oct-17	17	37	2,841,147.12
Nov-17	16	40	2,816,539.07
Dec-17	13	35	3,555,520.13
Jan-17	12	35	2,679,038.98
Feb-17	14	37	2,521,242.87

**Fifth Third - PF Commercial 53 Analyzed
Payroll Clearing Account**

MM/YY	Credits	Debits	Average Balance
Mar-17	4	4	0.00
Apr-17	4	4	0.00
May-17	4	4	0.00
Jun-17	4	4	0.00
Jul-17	4	4	0.00
Aug-17	6	6	0.00
Sep-17	7	5	0.00
Oct-17	4	4	0.00
Nov-17	4	4	0.00
Dec-17	5	5	0.00
Jan-17	5	5	0.00
Feb-17	5	5	0.00

**Fifth Third - Controlled Disbursement
Payables Check Clearing Account**

MM/YY	Credits	Debits	Checks	Average Balance
Mar-17	22	0	187	0.00
Apr-17	20	0	176	0.00
May-17	22	0	291	0.00
Jun-17	22	0	260	0.00
Jul-17	22	1	119	0.00
Aug-17	26	0	195	0.00
Sep-17	24	0	242	0.00
Oct-17	21	0	258	0.00
Nov-17	21	0	173	0.00
Dec-17	20	0	166	0.00
Jan-17	21	0	225	0.00
Feb-17	19	1	201	0.00

MIDDLETOWN CITY SCHOOL DISTRICT

Bank Accounts Analysis

First Financial - Public Funds Analysis Checking

Budgetary Deposit Account - Mostly Building/FS/Athletics

MM/YY	Credits	Debits	Average Balance
Mar-17	259	9	1,033,955.97
Apr-17	177	8	1,469,166.57
May-17	183	7	1,254,340.71
Jun-17	11	10	1,035,906.38
Jul-17	14	9	954,659.88
Aug-17	133	13	635,299.14
Sep-17	253	11	298,097.01
Oct-17	261	11	305,506.57
Nov-17	215	8	300,330.25
Dec-17	203	10	322,266.90
Jan-17	209	9	314,705.01
Feb-17	221	12	313,131.34

First Financial - Public Funds Money Market Savings

Investment Account - Mostly transfers to Payroll Acct

MM/YY	Credits	Debits	Average Balance
Mar-17	3	2	1,664,583.21
Apr-17	2	3	3,556,071.04
May-17	1	3	3,679,376.85
Jun-17	1	2	1,485,757.11
Jul-17	1	2	2,173,662.31
Aug-17	1	3	1,963,544.67
Sep-17	2	2	7,294,965.15
Oct-17	0	2	7,676,876.90
Nov-17	0	2	4,905,832.95
Dec-17	1	2	2,462,108.49
Jan-17	0	2	2,392,066.89
Feb-17	1	2	1,938,873.05

First Financial - Public Funds Analysis Checking

Payroll Account - Mostly to Vendors

MM/YY	Credits	Debits	Average Balance
Mar-17	9	97	456,956.97
Apr-17	8	98	366,079.39
May-17	8	94	326,942.48
Jun-17	9	91	405,760.32
Jul-17	8	84	303,776.99
Aug-17	12	80	378,363.10
Sep-17	12	93	439,889.59
Oct-17	10	91	307,205.25
Nov-17	9	90	452,087.98
Dec-17	8	98	302,873.55
Jan-17	9	97	306,059.19
Feb-17	13	95	562,315.29

MIDDLETOWN CITY SCHOOL DISTRICT

Bank Accounts Analysis

Chase - Comm Money Market Savings

Credit Card Deposits

MM/YY	Credits	Debits	Average Balance
Mar-17	13	1	121,470.94
Apr-17	11	1	122,641.83
May-17	19	1	125,919.06
Jun-17	5	1	129,188.85
Jul-17	6	1	129,192.24
Aug-17	12	2	129,160.16
Sep-17	6	2	129,228.33
Oct-17	10	2	129,226.48
Nov-17	12	2	129,406.90
Dec-17	6	2	130,176.82
Jan-17	11	1	130,552.46
Feb-17	12	1	131,168.86

**MCSD - REQUEST FOR PROPOSAL
EXHIBIT A**

SERVICE COSTS

We agree to furnish such required services to the Middletown City School District at the prices listed below. We are aware of the fact that all applicable fees/charges need to be disclosed in this proposal; otherwise, the School District will not be obligated to pay the fee. Bank shall not modify or change such fee schedule during the term of this Agreement unless by a properly executed amendment. No payment for new services shall be made until an amendment has been signed by both parties.

	Monthly Minimum	Per Item
ACCOUNT SERVICES STANDARD		
ELECTRONIC DEBITS TRANSACTIONS	_____	_____
COMMERCIAL DEPOSITS	_____	_____
COMPOSITE GROUP	_____	_____
UNENCODED ITEMS DEPOSITED	_____	_____
MONTHLY MAINTENANCE FEE	_____	_____
PAPER ITEM ADMIN FEE	_____	_____
ACH CREDIT RECEIVED	_____	_____
ACH DEBIT RECEIVED	_____	_____
ACH ADDENDA RECEIVED	_____	_____
DEPOSIT ADMINISTRATION FEE	_____	_____
 ACH - STANDARD		
ACH REVERSAL	_____	_____
ACH NOTIFICATION	_____	_____
ACH ORIGINATED - DIRECT SEND	_____	_____
ACH DIRECT SEND MONTHLY MAINT	_____	_____
ACH DIRECT SEND ORIGINATED CR	_____	_____
ACH DIRECT SEND FILE PROCESS	_____	_____
ACH ORIGINATED - ONLINE	_____	_____
ONLINE ACH MONTHLY FEE	_____	_____
ACH ADDENDA ORIGINATED	_____	_____
ACH FILE PROCESSED	_____	_____
REPORTING SERVICES	_____	_____
ACH CONTROL TOTAL WEB OPT	_____	_____
ACH RETURN	_____	_____
ACH ACKNOWLEDGEMENT FILE	_____	_____
 CASHIERING		
BANKING CENTER CASH DEPOSITS	_____	_____
CONTROLLED DISB BASE CHARGE	_____	_____
INCOMING CASH PER \$100	_____	_____

**MCSD - REQUEST FOR PROPOSAL
EXHIBIT A**

DISBURSEMENTS

ARP / POSITIVE PAY	_____	_____
ARP MONTHLY BASE CHARGE	_____	_____
ARP CHECKS PAID	_____	_____
ARP CHECKS ISSUED	_____	_____
POSITIVE PAY MONTHLY BASE CHARGE	_____	_____
BANK MAINTAIN POS PAY EXCPTN	_____	_____
DA - STANDARD	_____	_____
CONTROLLED DISB BASE CHARGE	_____	_____
CDA CHECKS PAID	_____	_____

IMAGE SERVICES

PAID CHECK IMAGING	_____	_____
CHECK IMAGING PER ACCOUNT	_____	_____
CHECK IMAGING PER ITEM	_____	_____

INFO REPORTING PORTAL - STANDARD

ONLINE WIRE MODULE	_____	_____
ONLINE ACH MODULE	_____	_____
ORTAL - PRIOR DAY	_____	_____
ONLINE PRIOR DAY BASE	_____	_____
ONLINE PRIOR DAY ACCOUNT	_____	_____
ONLINE PRIOR DAY DETAIL	_____	_____
ONLINE STOP PAYMENT BASE FEE	_____	_____
ONLINE BANKING - CASH MGMT	_____	_____

MISCELLANEOUS LEGACY

ACH THIRD PARTY PAYROLL MO	_____	_____
ACH THIRD PARTY PAY FILE ORIG	_____	_____
ACH THIRD PARTY PAY CREDIT	_____	_____
ACH THIRD PARTY PAY DEBIT	_____	_____

As noted above, if there are any additional fees it is the bank's responsibility to disclose those with the attachment of an additional schedule titled "Additional Fees" to the proposal.

In addition, and as requested in the proposal, if any or all fees could be waived under a "compensating balance" arrangement, please clearly disclose the terms and condition of this option in your bank's proposal.