

**Request for Proposal
Banking and Cash Management Services
Town of Norwich, Vermont**

1. PURPOSE

1.1 The Town of Norwich (Town) invites banking institutions that provide full municipal banking services, to submit proposals for the Town's banking and financial management needs for a period no less than three (3) years.

2. NORWICH FINANCIAL INFORMATION

2.1 The following information is a brief explanation of the town operations:

- Fiscal Year- July 1 to June 30;
- 2016-2017 Final Municipal Budget \$4,827,139; School Taxes \$12,418,293;
- Taxes are payable in two installments, mid-August & mid-February;
- 2016-2017 # of A/P & P/R Checks written-1,250, ACH Vendor Payments 473;
- 2016-2017 Payroll was \$1,439,159 with paper checks and 717 ACH deposits;
- All of the town's payroll taxes are paid by EFTPS;
- Recreation credit card account 881 deposits totaling \$123,100.

2.2 Further information can be requested of Cheryl A. Lindberg, Treasurer via email at treasurer@norwich.vt.us and Roberta Robinson, Finance Director at rrobinson@norwich.vt.us. In an effort to provide a fair process and complete information, all written questions and written answers will be provided to all bidders. To be fair to all potential bidders, questions must be asked no less than ten (10) days before the deadline to submit a proposal.

3. INSTRUCTIONS FOR COMPLETING PROPOSALS

3.1 Banking Services Cost Determination

3.1.1 An itemized table, (Attachment A) located at the end of this document, is to be used in itemizing costs.

3.2 Miscellaneous Banking Services

3.2.1 Each bank is to use costs for an estimated annual number of items to arrive at an annual estimated cost of services. All listed services may not be required, and the Town reserves the right to seek competitive bids on some items. (e.g., checks, deposit tickets and/or supplies). Additional miscellaneous items may be added to the table (Attachment A) or attached on a separate sheet. The bank may detail its proposal for certain other cash management services, keeping in mind that the Town reserves the right to conduct its own cash management activities through competitive proposals.

3.3 Earnings Rate/Collateralization of Funds

3.3.1 The earnings rate should be for a specified percentage or tied to a market interest rate subject to independent verification (e.g., 90-day Treasury bill rate). If the percentage will change during the three year period detail the changes.

3.3.2 The Bank should detail in its proposal how all funds are collateralized for the Town which exceed the F.D.I.C. insurance limit of \$250,000.

3.3.3 Collateralization using obligations fully guaranteed by the full faith and credit of the State of Vermont, and/or the United States Government will be required on certificates of deposit and

repurchase agreements or an Irrevocable Stand-by Letter of Credit issued by the Federal Home Loan Bank issued in the Town's name. The current market value of the applicable collateral will at all times be no less than 102% of the sum of principal plus accrued interest of the certificates of deposit or the repurchase agreement secured by the collateral. Collateral shall be held by an independent party, in the Town's name, with whom the Town has a current custodial agreement that has been approved by the Selectboard. Evidence of ownership must be supplied to, and retained by, the Town.

3.3.4 The bank should also indicate the cost of providing collateral either as a direct fee or a change in the interest rate paid.

3.4 Account Structure

3.4.1 The Town currently maintains a business checking account, with a collateralized sweep account attached. The recreation account (for credit card transactions originated on a recreation sign up website) and the Vermont Fish & Game account (for direct debit of license fees by the State) are non-interest bearing accounts on the same statement. All designated reserve funds are included in this sweep account arrangement.

3.4.2 The Town invites other account structuring options that may simplify and improve the management of our financial resources.

3.4.3 On-line banking and ACH origination are also utilized. Deposits are made daily. ACH deposits come in from various outside government agencies. All bank fees are charged directly to the checking account on a monthly basis if the activity exceeds the earnings credit for the month. If the bank's programs differ from this arrangement or these services are not available, please provide details.

3.4.4 The bank shall fully explain its policy in crediting deposits made from various sources and locations, inclusive of the time at which funds will be made available and the time by which deposits must be made for "same-day" credit.

3.5 Reports and Statements required with response:

3.5.1 Samples of the monthly statements for accounts similar to what is proposed.

3.5.2 Two years of most recent annual reports.

3.5.3 A copy of the most recent Call Report, as well as the bank's most recent credit rating.

3.5.4 A copy of the most recent independent audit report.

3.5.5 A summary of any significant changes in management and/or ownership during the past five years and a statement regarding any foreseen acquisitions or mergers.

3.5.6 A description of your financial institution's experience, expertise and qualifications regarding municipal banking, investing and financing services. This could also include information and credentials for key personnel to whom the accounts would be assigned.

3.6 Business Hours/Night Deposits

3.6.1 The bank shall provide a schedule of business hours for any branch or location with which the Town would be conducting daily business, the availability of a night depository and policies. Please also include information on Merchant Remote Capture and associated costs.

3.7 References

3.7.1 The bank must provide three municipal references, including municipality name, and contact person. These references should be for customers of at least two years with similar banking and cash management services.

3.8 Additional Banking/Financial Services

3.8.1 The bank may supply information regarding any additional services not specifically requested (e.g., Financial Advisory Services, Borrowing Services, and Term Investment Services, New Banking Services).

4. GENERAL INFORMATION

4.1 Form of Proposal

4.1.1 Proposals must use Attachment A as a basis (available electronically upon request) and may provide supplemental material as applicable. All information requested must be provided and two copies submitted (not necessary for supporting reports). The Town reserves the right to reject any or all proposals.

4.2 Exceptions to Specifications

4.2.1 Any deviation to these requirements shall be identified and explained in detail in the proposal.

4.3 Notice of Evaluation

4.3.1 All proposals submitted in accordance with the above will be evaluated by the Selectboard, Town Treasurer and Finance Director. It is anticipated that an award will be made in October, 2017.

4.4 Basis for Determination of Award

4.4.1 The award will be granted to the financial institution that provides the best combination of potential earnings for each cash management service, minimal estimated annual charges, adequate collateralization of the Town funds in excess of FDIC insurance, coupled with convenient daily banking services.

4.4.2 As applicable, proposals will also be evaluated in accordance with the primary objectives of the Town's Investment Policy, in order of priority: 1) security; 2) liquidity; and 3) return on investment.

4.5 Length of Agreement

4.5.1 The agreement would be for no less than three (3) years from a date mutually agreed upon in writing by the Town and the selected financial institution.

4.6 Termination

4.6.1 The Town may terminate the agreement, at its sole discretion, for failure to perform with 90 days' notice to the financial institution. If the Town and selected financial institution are unable to reach an agreement within 30 days of the notice of the award to the financial institution

negotiations on the agreement will be terminated, unless the parties mutually agree to extend the 30-day period to a time certain.

4.7 The Town has the right to reject any and all proposals if doing so is in the best interest of the Town.

4.8 All questions on this RFP should be directed to the Town Treasurer Cheryl A. Lindberg and the Finance Director Roberta Robinson at:

4.8.1 Email: treasurer@norwich.vt.us and rrobinson@norwich.vt.us.

4.8.2 Phone: 802-649-1678 Treasurer; 802-649-1419 x105 Finance Director.

4.9 Proposals shall be submitted in a sealed envelope and clearly marked on the envelope “Request for Proposal for Banking and Cash Management Services” for the Town.

4.10 An original and 2 copies of the proposal shall be submitted no later than 4:30 pm on Friday, October 6, 2017 to:

Mary Layton, Chair
Selectboard
Town of Norwich
300 Main Street
PO Box 376
Norwich, VT 05055

Cheryl A. Lindberg
Treasurer
Town of Norwich
300 Main Street
PO Box 376
Norwich, VT 05055

ATTACHMENT A
Proposed Fee Structure
For the
Town of Norwich

Provide proposed fee structure for the services identified in this attachment and any other fees that may be proposed. Please indicate any services for which you may require direct payment (hard dollars). It will be assumed that all services may be paid for through service charge credit and/or a compensating balance unless indicated otherwise in the bank’s response. Please provide a proforma account analysis including each description of service item below. (Provide more detailed cost data under each description if needed.)

Service	Estimated Annual Volume Based on FY16-17	Unit Price	Projected Annual Cost
General Account Services:			
Monthly Account Maintenance	12		
Debits/Credits			
Other Account Maintenance			
Deposit Services:			
Deposits Made	244		
Items Deposited	5,622		
Other Deposit Services			
Return Item Deposited			
Disbursement Services:			
Checks Paid (paper)	1,276		
Other Disbursement Services			
Automated Investment Services:			
Sweep Monthly Maintenance			
Per Item Maintenance			
Sweep Transaction Fees			
Other Investment Services			
Zero Balance Monthly Maintenance			
ACH Services:			
ACH Debit/Credit Originations	Payments 212		
ACH Network Fees			
ACH Maintenance			
ACH File Transmission			
ACH Return Items			

Service	Estimated Annual Volume Based on FY16-17	Unit Price	Projected Annual Cost
Other ACH Services			
Wire Transfer Services			
Outgoing Wire Transfers			
Incoming Wire Transfers	2		
Other Wire Transfer Services			
Collection Services			
Lockbox Services			
Cash Concentration			
Remote Deposit Capture			
Other Cost:			
Check Imaging Services			
Monthly Maintenance			
Per Item			
Payment of Federal Taxes			
Other:			
TOTAL <i>ESTIMATED</i> PROJECTED ANNUAL BANKING			