

COPLEY TOWNSHIP, OHIO
REQUEST FOR PROPOSAL
DEPOSITORY & BANKING SERVICES FOR ACTIVE DEPOSITS

Copley Township's current contract with the Huntington National Bank for banking and cash management services will expire in 2021. Because of the contract expiration, the Township is currently soliciting **SEALED** proposals for banking and cash management services for a period of not less than three (3) years, and no more than five (5) years. The Township's intent is to award all services to the successful bidder; however, the Township retains the right to award a contract for partial services. The purpose of this RFP process is to obtain high-quality requisite depository and banking services at a competitive price.

The selected institution shall be designated as the Township's depository for an initial three-year term commencing January 1, 2022. The depository agreement shall contain an automatic annual renewal clause that may be used in the two (2) following years, thereby providing for five (5) years of depository and banking services. The agreement may be cancelled prior to the end of each contract period upon 180 days written notice from the institution, or with 60 days written notice from the Township prior to the close of the specific contract period.

Copies of the RFP document can be obtained at Copley Township Hall, 1540 S Cleveland Massillon Road, Copley OH 44321 or on the Township's website (www.Copley.oh.us) beginning on or about July 12, 2021. Signed proposals should be submitted to the attention of the Fiscal Officer, Copley Township, 1540 S Cleveland Massillon Road, Copley OH 44321, in a sealed envelope. **PROPOSALS ARE DUE BY 3:00 P.M. on Monday, August 16, 2021.**

Please include one original and two copies. Questions or requests for clarification may be directed to Ms. Linda Peiffer, Fiscal Officer, at (330) 666-1853 or via email at lpeiffer@copley.oh.us

Any exceptions to the specifications of this request for proposal must be clearly stated in writing in the proposal. The Township reserves the rights to reject any and all proposals, to waive irregularities, to retain all proposals submitted, and to 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 interest.

RFP PROCEDURES & PROCESS

RFP Schedule & Key Dates

July 12, 2021	Advertisement listed in Akron Legal News
July 12, 2021	Release of RFP document
July 22, 2021	Non-mandatory bank pre-bid meeting (10:00 a.m.)
August 16, 2021	Due date for sealed responses to RFP (3:00 p.m.)
September 28, 2021	Proposal evaluations completed, Resolution passed, agreements executed
January 1, 2022	Effective date of new Bank agreement

Verbal Communication

Verbal communication from any Copley Township employee or official concerning this RFP is nonbinding on the Township, and shall, in no way, alter a specification, term or condition of this RFP.

Pre-Bid Meeting

The Township shall conduct a non-mandatory, bank pre-bid meeting on **Thursday, July 22, 2021 at 10:00a.m.** in the Township Hall, located at 1540 South Cleveland-Massillon Road, Copley Ohio. Information discussed at the meeting pertaining to the RFP will be summarized and sent to bidders who have requested an 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.
- Banks must be eligible to serve as a public depository and meet all other applicable requirements of Chapter 135 *et seq.* of the Ohio Revised Code.
- 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.
- Exceptions to any of the RFP specifications and requirements shall be listed separately. Exceptions not included in a comprehensive listing of exceptions shall be deemed invalid.
- Responses shall be submitted in a SEALED envelope or package bearing the title '**Bid for Township Depository**', and include the bank's name and address. The package must contain three (3) copies of the responses in the specified format and other supporting documents.
- Submissions shall be sent to:

Ms. Linda Peiffer, Fiscal Officer
Copley Township
1540 South Cleveland-
Massillon Road
Copley, Ohio 44321

COMMUNITY BACKGROUND & BANKING NEEDS

Copley Township is a community located in western Summit County, approximately 5 miles east of Akron. The current population estimate for the community is approximately 18,000 residents.

Copley Township uses a pooled cash method of accounting, whereby cash from all governmental and fiduciary funds is combined to maximize its earnings potential and adequate cash balance is maintained to meet short-term requirements. Funds are in authorized investments as defined in the Township's Investment Policy.

Daily deposits of cash and checks are prepared by the Fiscal Office, which are then deposited via either remote deposit capture (RDC) or transported daily to the branch or night depository. The Ohio Uniform Depository Act requires that the depository institution collateralize deposits in excess of FDIC coverage, or participate in the statewide collateralization program.

The Township currently has approximately 63 full time employees. They receive their payroll distribution via ACH direct deposit or net payroll checks.

The Township uses online banking services for: (1) viewing daily account activity; (2) processing vendor ACH payments; (3) submitting remote deposit capture (RDC) items for deposit; (4) transmitting positive pay information; (5) processing interfund bank transfers; (6) downloading monthly bank reconciliation data; and (7) paying certain vendors using the Federal Reserve wire system.

The Fiscal Office continually seeks to improve efficiency available with alternative systems through acceptance of web-based payments and expanded use of payment cards and will look to its bank for creativity and flexibility.

RECENT MONTHLY VOLUME OF TRANSACTIONS

Transaction Description/Type	Recent Activity
	Volume
Checks paid	152
Deposits made	8
Deposited items	82
Returned items	0
Remote Deposits	13
Remote Deposit Items	42
Wire transfers – outgoing/outgoing	0/0
ACH Credit Originated	191
ACH debit transactions	17
ACH credit transactions	16
Average Balance	\$7,613,692

BANKING SERVICES PROPOSAL INSTRUCTIONS

Your response to the Township'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/Optional 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 from consideration.

Should there be any changes made to the RFP, a written addendum will be provided to all parties and will include any required adjustments in schedule dates.

A. REQUIRED BANKING SERVICES

- A1. **Account Structure** - The Township currently has, and will continue to require, a total of two (2) demand deposit accounts (DDA), and two (2) overnight sweep accounts or similar structure.
- A2. **Overnight Sweep** - The following will be required of any overnight investment vehicle entered into as part of this proposal:
 1. All securities pledged as collateral will be consistent with the applicable sections of the Ohio Revised Code.
 2. A Customer Advice for each transaction will be provided to the Township 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

3. Interest will be calculated on the daily balance, and deposited to the appropriate account on, at minimum, a monthly basis.
4. Each depository shall define in detail the rates and formula for calculating any charges resulting from an overdraft of minimum balance required of sweep account.

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.

A3. **Funds Availability** - Each proposal shall provide documented examples of its funds availability schedule for electronic and paper transactions, and provide the following information:

1. Does the institution's funds availability policies differ from the Federal Reserve Bank's availability schedule? If so, please highlight the differences between the schedules.
2. Describe the bank's policy on receiving same-day credit for deposits. The Township shall receive same-day credit for any on-us checks and incoming wire transfers.
3. Does the institution offer the option of expedited funds availability? If so, please provide the details and requirements of such expedited availability.

A4. **Online Banking Services** – The Township extensively uses the online capabilities with its' current banking and depository services provider, and expects a similar service offering through this RFP. Please respond to the following:

1. Is the institution's online banking system a web-based platform, or is software required to be installed on the Township's computer systems?
2. Describe how online access is restricted, controlled and protected. Does the institution utilize multi-factor authentication (MFA) in order to remotely access an account? If so, does it incorporate a physical aspect (e.g., fob) or an email/text/phone call?
3. Describe the various formats accepted/preferred by the institution's online banking system for uploading or downloading banking information (e.g., PDF, .CSV, etc.).
4. Is training on the use of the online banking system provided by the institution? What format does the training take place (e.g., webinar, onsite, etc.)?

5. Please provide a detailed description of the institution's online services, requirements and costs of the services offered.
6. Describe the institution's online availability of monthly checking account statements with images of cleared checks. The Township prefers that they be available at 8:00 am EST the next business day following month-end.
7. Online access to prior-day transactions shall be available via the institution's online banking system on the next day by 8:00 a.m. including the following:
 - a. Previous day's ending ledger balance
 - b. Previous day's ending collected balance
 - c. One- and two-day float
 - d. Total debits – detailed debit listing
 - e. Total credits – detailed credit listing
 - f. Zero-balance account transfer amounts
 - g. Interest earned monthly
 - h. Previous day's book transfers

If the information is available online on a real-time basis, please indicate what information is available

A5. **Remote Deposit Capture (RDC)** – The Township currently uses RDC to scan and deposit checks. We would require this capability to be continued under the new agreement. Please provide the following:

1. Describe the institution's RDC services, including:
 - a. Scanning equipment (lease options), software, transfer procedures, batching and security
 - b. Portal entry, or stand-alone service
 - c. Deadlines for same-day credit of deposits
 - d. Document retention policy for checks processed via RDC or converted to ACH
 - e. Liability for fraudulent deposit items

A6. **Collateralization:**

1. All Township funds on deposit with the institution in excess of any FDIC insurance shall be collateralized against the risk of loss due to institutional failure.
2. The institution may choose to participate in the statewide pooled collateral program. If so, this election would satisfy this requirement of the RFP.
3. If the institution does not participate in the statewide program, it shall collateralize the deposits equal to 105% of the amount of Township funds on deposit with the institution less any FDIC coverage. Eligible collateral instruments permitted would include: (1) US Treasury and fully-guaranteed agency securities; (2) Government-sponsored enterprise (GSE) securities; and (3) AAA-rated municipal bonds. The securities held as collateral shall be held by a third-party custodian. The institution shall provide the Township with a quarterly report on pledged collateral.

A7. **Stop Payment Services** – Please respond to the following:

1. Describe the institution's online stop payment services (initiation and renewal)
2. Describe the institution's confirmation requirements
3. What is the institution's duration for an issued stop payment? Is this able to be modified for a specific item?
4. The Township requires that any stop payment expenses shall be charged against the account analysis.

A8. **Wire Transfer Services** - The depository must maintain wire transfer facilities through the Federal Reserve Bank System. While the Township does not generally send or receive a large volume of wire transfers, the following information must be provided:

1. Ability of the government to initiate and monitor wire transfers online.
2. Ability to create and store any recurring/repetitive wire instructions/templates.
3. Ability to create and store future-dated wire instructions, and any limitations on such scheduling.
4. Describe the security measures in place for wire initiation and authorization.

A9. **Automated Clearing House (ACH)** – Since 2014, the Township has been increasing its use of ACH for issuing vendor payments (see Matrix for volume detail). Currently, approximately __% of our current vendors have elected payment via ACH over the issuance of a physical check. Please provide the following information regarding the institution's ACH service:

1. Describe the methods by which the Township can submit or initiate ACH transactions.
2. Describe the pre-notification policy, and any cost associated with pre-note items.
3. Describe the institutions' RDC item representation policy through ACH, and the timing of such transactions.
4. Describe security measures in place for ACH initiation/origination and reception. Provide information on any ACH filters and blocks provided by the institution.

A10. **Positive Pay** – The Township currently utilizes positive pay to protect our accounts, and is a required component of this RFP. Our current accounts payable system generates the required file with each check run, which is electronically transferred to our current institution. Please provide the following information:

1. Describe the institution's positive pay service offerings, including if a 'payee' positive pay service is offered. In addition, describe:
 - a. Teller data update schedules
 - b. Data transmission methods and time windows
 - c. Control options – notification default (e.g., is default to reject or accept)
 - d. Internet/online access to positive pay

A11. **Account Analysis/Fees:**

1. Describe the institution's process for calculating and collecting fees. Identify any

compensating balance requirements associated with the fees.

2. Depository shall provide the Township with a monthly account analysis statement combining, at a minimum, the Governmental and Sweep Accounts, clearly defining services, ledger and collected balances, credits for balances in excess of uncollected funds, and costs incurred by the Township. The monthly account analysis statements shall be provided to the Township no later than fifteen (15) days after the end of each month.
3. Unless otherwise agreed to by the Township, all fees and charges are to be charged against the account analysis.

A12. **Merchant Services** – The Township plans to accept credit card payments. Please respond to the following:

1. Describe the merchant bankcard services offered, as well as the costs, including the discount charged, and the type of equipment used. Please provide a comprehensive fee schedule, including any annual fees
2. What one-time charges would be associated with changing over bankcard machines to your institution?
3. Please confirm that the Township will have: (1) online activity access, (2) mailed hard copy of monthly statements (even if a zero balance); and (3) online authorization process for adding or deleting credit card accounts.

A13. **Management** – It is in the Township's best interest that it enters into an agreement with an institution that is well-run, stable and able to provide banking and depository services over the entire term of the contract. Please respond to the following:

1. If the depository is a bank, the institution or any of its directors, officers, employees or controlling shareholders, please confirm that the above captioned representatives of the institution are not currently a party to an active final, or temporary cease-and-desist order issued under Ohio Revised Code §1125.08.
2. Each depository shall indicate the primary resource personnel and location of such personnel who will service the Township within the scope of this agreement. Brief bios of those key personnel will be provided with the RFP submission. In addition, the bank shall identify liaison staff members as well, on the basis of "primary" contact personnel and "backup" personnel in the event the primary staff would be unavailable.
3. The bank shall use their disaster recovery and backup procedures that are in place to protect the Township and the bank in the event of disaster to either entity or both.
4. 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.

A14. **Other/Miscellaneous:**

1. If the Township 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 as apply to existing accounts.

2. The bank will have a branch facility within a 3-mile radius of Township Hall for deposits, lockable deposit bags and night depository services.
3. Deposit slips and debit/credit forms shall be provided by the depository. The Township currently uses a standard deposit slip using a carbonless duplicate for filing. The Township will provide all checks utilized.
4. Automatic redeposit of returned checks a second time, if the instruments are initially dishonored due to “NSF” notations. NSF fees are to be assessed against the monthly analysis.
5. The Township’s current records retention schedule (AC-2) requires that bank statements be retained for five years post-audit, which would generally mean that the documents must be retained for six (6) years. Please confirm that the institution would be able to, and agrees to, retain access to statement and check images for the six-year period. If not, please describe rationale and any alternative to this request.
6. Failure of the parties to enter into an agreement within 45 days from the notice of award, may render the institution’s response invalid.
7. Exceptions to any of the RFP specifications and requirements listed in Section A above shall be listed separately. Exceptions not included in a comprehensive listing of exceptions shall be deemed invalid.
8. Any contract or subsequent agreement between the parties may be terminated by the bank with 180 days written notice, or by the government with 90 days’ notice.

B. DESIRED/OPTIONAL BANKING SERVICES

The Fiscal Office continually seeks to improve efficiency available with alternative systems and technology. Separate from the aforementioned required banking services, the Township invites the depository to separately provide information on the following items. 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. Copley Township desires to conduct business with a depository that is located in the Copley Circle Mixed Use District. This district encompasses Copley Circle and its immediate area (<https://www.copley.oh.us/DocumentCenter/View/3148/Zoning-Map>). Detail your commitment and timing to add a permanent location in the heart of our township.
- B2. Describe any web-based payment services offered; including the costs of initial implementation and any ongoing monthly fees for the service.
- B3. Describe any 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 availability to code transactions online and download information to the Township's accounting system
 7. Travel and workflow system to complement paycard program
 8. Other pertinent information regarding the institution's credit (purchasing) card program
- B4. Please provide information on the availability of 'smart safe' or similar equipment, program details, requirements and costs.
- B5. Please provide information on any ancillary banking-related benefits available to Township employees, and any costs or requirements to qualify for such benefits.
- B6. Other services the depository believes would be of benefit to the Township.

C. OTHER INSTRUCTIONS

- C1. **Financial Data** - In order to determine the institution's fiscal health, each depository should provide the following ratios the financial strength of the depository institution:

1. *Liquidity*
 - a. Bank loans to deposits
 - b. Loans to assets minus plant and equipment
 - c. Cash and equivalents to total assets
 - d. Percentage of assets maturing in one year
 - e. Cash and equivalents to deposits

2. Asset Quality

- a. Current loan losses to total loans
- b. Reserves as a percentage of total loans
- c. Non-performing loans to total loans

3. Profitability

- a. Return on earning assets
- b. Return on equity

4. Strength

- a. Core capital ratio
- b. Primary capital ratio
- c. Common equity ratio

5. Management

- a. New charge-offs to loans
- b. Income before security transactions to assets

C2. The organization shall provide a copy of the most recently audited comprehensive financial statements of the parent organization. The Township would prefer to receive the 2019 report, if available. If it is not available, the FY 2018 report is acceptable. In addition, please provide a copy of the current quarterly Consolidated Report of Condition and the Consolidated Report of Income, known as Call Reports, for the preceding four (4) quarters.

C3. Please provide the name and the most recent rating received by an appropriate ratings agency.

C4. The proposal may include other services the Township may wish to purchase. Copley Township reserves the right to solicit comparable information on those services from all other banks responding to this request for proposal.

C5. Include references for similar banking services for similar clients or depositors. Include a comprehensive list of all local governmental customers, listing the names of the agency, a contact person, and the agency address and telephone number.

C6. Describe your organizational structure, identifying the process used in making decisions regarding Township accounts. (i.e., local vs. regional decision making).

C7. Include a sample of any service agreements your bank requires.

C8. Include a schedule of all bank service fees.

C9. Depository shall complete and submit the Pricing Matrix (Exhibit A). If additional fees other than those identified will be charged, please identify those in the open lines in the matrix.

C10. Describe what index the earnings rate on the Operating Account would be pegged to, listing the last six months applicable rates.

C11. 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.

- C12. Include a sample of the online balance report showing ledger balance, collected balance, and float balance, summary and detail, as well as user instructions.
- C13. Include a sample of the standard monthly detailed statement. If other statement formats are available, please provide copies of them.
- C14. Include a sample of the monthly account analysis report.
- C15. Describe briefly your proposed implementation plan and timetable for conversion, including any required training. The plan should provide the Township with sufficient detail to allow for a reasonable estimate of the complexity and costs.

SELECTION PROCESS

The Fiscal Officer will evaluate all submitted proposals. A written recommendation will be made to the Township Board of Trustees. The Copley Township Board of Trustees has final say in the selection process, and their decision may not conform with the Fiscal Officer's formal recommendation.

The criteria that will be used to make the selection includes the following items (not necessarily in order of importance):

1. The placement of a depository branch on or within one block of Copley Circle.
2. Technical ability and customized services of the financial institution as evaluated by the Fiscal Office based on materials submitted in the written proposal, or subsequent written addenda.
3. Ability to enter into banking services agreement without exceptions or modifications. Each modification or exception shall be considered in determining the final award.
4. New cost of services (required minimum balance, fee structure).
5. Type of third-party institution holding collateral.
6. Overall financial strength of the institution.
7. Experience in providing depository services to similar accounts.
8. Current earnings rates offered on the accounts.
9. Online access to daily and monthly information, statements and transactions.
10. History of the financial institution in meeting the terms and conditions in prior contracts with Copley Township and other governmental entities.
11. Any additional services offered.

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

Pre-Bid Conference

A pre-bid conference will be held on **July 22, at 10:00A.M.**, at Copley Township Hall, located at 1540 South Cleveland-Massillon Road, Copley, Ohio in the North Meeting room to provide all potential institutions with an opportunity to submit questions or seek clarification of any of the information provided with, or requested within the RFP.

Letter of Transmittal

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

SAMPLE LETTER OF TRANSMITTAL:

Copley Township
Attn: Ms. Linda Peiffer, Fiscal Officer
1540 South Cleveland-Massillon Road
Copley, OH 44321

Dear Ms. Peiffer,

In accordance with the Township's Request for Proposal, we are pleased to submit our written proposal.

_____*(insert firm's name)* will provide financial institution services for Copley Township for the period _____*(insert time frame)* in accordance with the requirements of the Request for Proposal issued by the Township's Fiscal Officer.

_____*(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 Township's deposits, a formal Bank Agreement incorporating such terms and conditions as mutually agreed upon by the parties will be executed by _____, 2021.

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)*.

Respectfully,