

**REQUEST FOR PROPOSAL  
BANKING SERVICES  
FOR CITY OF ORANGE TOWNSHIP, NEW JERSEY**

**I. Background**

City of Orange Township is seeking proposals from financial institutions to provide the Township's primary banking services.

One (1) original and four (4) copies marked "A Proposal for General Banking Services" will be received no later than 10:00 a.m., local time prevailing, on **November 26, 2013** at:

City of Orange Township  
Chief Financial Officer  
29 North Day Street  
Orange, NJ 07050

A CD copy of the proposal may be submitted in addition to the required hard copies mentioned above.

Please mark the outside of the envelope: "A Proposal for General Banking Services"

Nothing herein is intended to exclude any responsible firm or in any way restrain or restrict competition. On the contrary, all responsible firms are encouraged to submit proposals.

All proposals submitted shall be binding for ninety (90) calendar days following the above due date.

Proposals received by the Township after the time specified will not be considered.

All information required by the "Request for Proposal" must be supplied to constitute a valid proposal.

The Chief Financial Officer will review and evaluate all proposals submitted in response to the "Request for Proposal". Based on the results of this evaluation, the Chief Financial Officer will make a recommendation to the Township Administration.

**II. Terms of the Banking Agreement:**

- A. The effective date of the agreement is anticipated to be January 1, 2014
- B. Proposals will be accepted from parties which:
  - a. Have the capacity to provide services with an experienced professional staff.
  - b. Are fully qualified as a "Public Depository" pursuant to NJSA 17:9-41, or otherwise known as the Governmental Unit Protection Act. *Please submit a copy.*

- C. The Township requires all banking institutions submitting a proposal to have a satisfactory rating by Federal examiners under the Federal Community Reinvestment Act (CRA). *Please submit a copy of the most recent rating.*
- D. The Township is not liable for any costs incurred in the preparation of proposals.
- E. The Township reserves the right to conduct personal interviews or require oral presentations of any or all proposers prior to selection. The Township will not be liable for any costs incurred by the proposer in connection with such interviews. (i.e. travel, accommodations, etc).
- F. By submitting a proposal, the proposer certifies that they have fully read and understands the “Request for Proposal” and have full knowledge of the scope, nature, quantity and quality of the work to be performed.
- G. The proposer shall furnish such additional information as the City of Orange Township may reasonably require. The Township reserves the right to make investigations of the qualifications of the proposer as it deems appropriate.
- H. The Township reserves the right to reject any/or all proposals or to informally negotiate certain points of the final contract with a qualified proposer. The Township reserves the right to split the relationship among different financial institutions if such would provide the Township an overall cost savings. The Township reserves the right to waive minor irregularities in the procedures. The Township further reserves the right to seek new proposals when such a procedure is in its best interest. The Township shall not be obligated to provide reasons for the rejection of any proposal.
- I. The Township does not guarantee any minimum or maximum volume activities or balances. All vendors are to indicate unit prices for all services. Failure to submit all information requested will be considered non-responsive and may be disqualified.
- J. *The financial institution must submit a copy of the Business Registration Certificate under the recently enacted C57, Law of 2004 (S1778 signed 6/29/04).*
- K. *The financial institution must comply with the State if New Jersey Pay to Play regulations.*
- L. *The financial institution must submit a Business Entity Disclosure Certification for Non-Fair and Open Contracts required pursuant to N.J.S.A. 19:44A-20.8.*
- M. Services and pricing must be guaranteed and locked in for a minimum of two (2) years.

### **III. Evaluation of Proposals:**

The contract will be awarded to the institution that best meets the needs of the Township. The following criteria will be used but not limited to for the evaluation of this proposal:

- A. Responsiveness of the proposal related to the scope of the work.
- B. Ability, capacity and skill of the financial institution to perform the services on a timely basis.
- C. Response to client references
- D. Experience of the financial institution in establishing and maintaining similar accounts.
- E. Physical proximity of the Township municipal building to banking location in town.
- F. Net earnings potential.
- G. The reputation, stability, and longevity of the institution.
- H. The quality, availability, and adaptability of the services to the particular need required.

#### **IV. Required Services for Responding Financial Institutions:**

##### **General**

The banking services detailed in this section are to be performed for City of Orange Township. The Township reserves the right to terminate such contract by giving ninety (90) days advance written notice.

It is the intent of the Township to have one single banking institution provide all of the general banking service needs by the Township (except for services such as escrow accounts, investments, short and long term loans, lease financing, etc. which will be negotiated separately).

The award of banking services and credit/debit payment services may be made to more than one institution. This may be done in the event that one institution does not meet the requirements or has not bid all of the items listed, or in the event that using more than one institution will result in a cost savings to the Township.

The Township expects the following accounts to be linked together to aggregate earnings credits, against which charges will be deducted:

- Current Fund
- Trust Account
- Burial Permits/Death Certificates
- Orange UEZ Second Generation
- Trust Money Market Account
- Water Capital Account
- Parking Meters
- Law Enforcement Trust

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- Salary Account
- General Capital
- Water Account
- Dog Licenses Account
- South Orange Escrow
- Water Revenue Acct
- Balanced Housing Supplemental Rehab Program
- Township Municipal Insurance Fund Checking
- Community Dev Block Grant Program
- Urban Dev Action Grant

The Township expects the following accounts to be linked together to aggregate earnings credits, against which charges will be deducted:

- Water and Sewer Operating
- Water and Sewer Capital
- The total property tax levy for calendar year 2013 is **\$55,908,463.68**. All tax collections and other receipts are deposited into the Current Fund Account. The Current Operating Budget for 2013 is \$57 Million.
- The total water utility charges levied for calendar year 2013 are approximately \$8 Million. All utility collections and other receipts are deposited into the Water and Sewer Operating Account. The Utility Operating Budget is \$8 Million
- The Township issues approximately **2,600** accounts payable checks annually.

#### Payroll

The Township currently uses ADP for their payroll and Human Resources needs which are processed bi-weekly. The annual cost for 2013 is approximately **\$80,000**. The cost associated with ADP is currently not part of the Township budget but rather a cost absorbed by the financial institution which has the payroll account. ADP will send their bill to the Township for approval. The Township will then forward the approved bill to the bank for further payment to ADP. There are approximately **8,000** direct deposit transactions annually. The township does not issue any physical payroll checks, all employees are required to have direct deposit.

The Township requires the successful banking institution to coordinate with ADP to obtain the Township's direct deposit information in the required ACH format.

#### Armored Car Service

The Township currently does not use an Armored Car Service but will require it as part of any future banking relationship to take deposits to the bank at least three (3) times per week. The cost associated with this required armored car service is to be absorbed by the financial institution whose proposal is considered the most responsive.

#### Deposit

The successful banking institution will provide deposit bags to the Township.

#### On-Line Banking

As part of on line banking, the successful banking institution must have the capability of providing for wire transfers, stop payments, ACH transfers, book transfers, statement retrieval and inquiry of account balances. The Township currently has access to some bank accounts on-line but will require on-line access to ALL accounts.

#### Wire transfers

The successful banking institution must have the capability to originate incoming and outgoing wire transfers.

#### Account Statements

The successful banking institution will maintain the various Township accounts, providing monthly statements along with all cancelled checks (or some report in compliance with CHECK 21) no later than the 10th day of the following month. The statement cut-off date for all accounts shall be the last day of the month. All accounts will receive monthly statements regardless of activity.

Interest on all accounts will be credited directly to operating accounts so designated.

The Township expects the financial institution to provide at least next business bank day availability for checks being deposited in the Township accounts.

Partial reconciliation services are needed for all accounts including cleared checks sorted in numerical order.

The successful banking institution will provide monthly account analysis to include bank earnings credit, itemized fees, and interest earned to be credited to the Township.

#### Record Keeping

The successful banking institution will be required to retain all records on microfilm and/or CD's for seven (7) years.

#### Depository Trust Brokerage Account

The successful banking institution will be required to establish a depository trust brokerage account for safe keeping of investments.

### **V. RFP Response Forms:**

1. The cost proposals submitted to the Township must be all inclusive. Compensating balance levels, reserve requirements, etc. should be addressed. All services not mentioned or general services incidental to the operations of accounts maintained by the Township and not addressed are expected to be provided at no cost.
2. In order to simplify and standardize all proposals, attached as Proposal Sheet "A" is a "Monthly Activity Form" in the form of an account analysis, which must be used when submitting your proposal. The fees should be presented on a unit cost basis. Assume the activity estimates referred to throughout this document to be a reasonable estimate of

activity to be experienced. The rate quoted per item by the proposer will be considered fixed, regardless of activity deviation. The Township does not guarantee any minimum or maximum volume of activity.

3. A completed Proposal Sheet "B" must be submitted with your proposal. The Township requests that all questions be answered and all information provided.

**VI. Questions and Additional Information:**

1. To ensure fair consideration for all responses, the Township prohibits communication to or with any department, bureau or employee during the submission process except in writing.
2. Any questions relative to interpretation of specifications or the RFP process should be submitted in writing no later than November 19, 2013 to the Chief Financial Officer of the Township:

City of Orange Township  
Joy Lascari, Chief Financial Officer  
29 North Day Street  
Orange, NJ 07050  
[joy.lascari@ci.orange.nj.us](mailto:joy.lascari@ci.orange.nj.us)

Responses will be in writing and copied to all proposers as addenda to this RFP.

**CITY OF ORANGE TOWNSHIP RFP FOR BANKING SERVICES**

**INTEREST RATE SUBMITTAL FORM**

Date: \_\_\_\_\_  
Bank: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

*This form must  
be completed and  
submitted with  
your proposal.*

Please indicate all costs and the interest rate effective for the period ending October 31, 2013.

**METHOD 1- BANK PAYS FOR ADP PAYROLL AND ARMORED CAR**

Guaranteed Average Ledger Balance (all accounts) \*\*\*\* \$16,000,000.00  
Required Reserve Balance  
Compensating Balances required for Monthly Services  
Excess Investable Balance  
Interest Rate on Excess Balance \*\*  
**ESTIMATED \$ Amount of Interest Earned Annually 0.00**

**METHOD 2- TOWNSHIP PAYS FOR ADP PAYROLL AND ARMORED CAR**

Guaranteed Average Ledger Balance (all accounts) \*\*\*\* \$16,000,000.00  
Required Reserve Balance  
Compensating Balances required for Monthly Services  
Excess Investable Balance  
Interest Rate on Excess Balance \*\*  
**ESTIMATED \$ Amount of Interest Earned Annually 0.00**

\*\* Indicate method of determining the interest rate and ECR and describe benchmarks.

\*\*\*\*It is the intent of the City of Orange Township to have one single banking institution provide all of the general banking service needs of the Township. Investments, short and long term loans, lease financing, etc. which will be negotiated as needed. This amount represents all monies available except escrow and Capital Investments Arbitrage Accounts on average per month.

**NOTES:**

**CITY OF ORANGE TOWNSHIP RFP FOR BANKING SERVICES  
PROPOSAL SHEET B**

Date: \_\_\_\_\_

Bank: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

***This form must  
be completed and  
submitted with  
your proposal.***

Please respond to the following questions:

A) The proposer must denote transaction cut off for deposits to be considered received that day and not carried forward to the next day. Indicate cut off time at branches and the following institution's main office.

B) The Township requires a bank office in a convenient location where it can transact business. State the location of the branch in town where the Township would transact their business and the number of branches within a ten mile radius of the Township municipal building.

C) List the number of branches in the Organization, State and County.



D) State in detail your method of compensation to maintain proposed interest rates i.e. compensating balances, expected volumes and/or balance levels etc.... Do not state "no fees". Please provide formulas to support your method of compensation.

F) Please state how interest is calculated and the interest rate formula.

E) If volumes or balance levels change as stated in this RFP, will this impact interest rate or fees proposed in your response? If so, explain how.

Example: Activity is the same however balances drop by \$3 million.

G) Please include a rate history page for the past 12 months from [2012 to October 2013](#), providing rates as of month's end, at a minimum.

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H) Please provide a listing of comparable government client references, within this area, which are presently using the institutions professional services. Include their name, address, telephone number, contact person and years of services.

I) The vendor shall provide a list of contact personnel within the bank who are qualified to provide information and assistance in the following areas on a daily basis.

- Relationship Manager
- Customer Service Support
- Cash Management
- Municipal Credit
- Merchant Services

J) The Township is interested in any new technologies and/or products that would benefit and improve on any efficiencies in our day-to-day operations. Please provide a list of any such technologies utilized by the bank.

K) Indicate the institution's background in providing primary banking services to municipal units of government, in general, and specifically, to municipalities the size of The City of Orange Township.

L) Please provide your understanding of the scope of the service to be performed.

M) Please provide as an attachment at the end of the proposal financial reports for the previous year as well as any other material that may be helpful in reviewing the proposal.

N) Attach additional sheets if required.

**City of Orange Township  
Orange, New Jersey  
Request for Proposal for Banking Services  
October 2013**

**PROPOSER'S WARRANTY**

**The person signing the proposal warrants that:**

- 1) He or she is an officer of the organization.**
  
- 2) He or she has been specifically authorized to offer a proposal in full compliance with all requirements and conditions as set forth in the RFP.**

**The undersigned, upon acceptance, agrees to furnish services as stated in "Request for Proposals for Banking Services dated October 2013**

Name of your organization: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Print Name of Authorized Representative: \_\_\_\_\_