

# **SUSSEX COUNTY**

## **Request for Proposal for Banking Services**

**RFP# 2019-01**

## Purpose and Overview

The purpose of this Request for Proposal (RFP) is the procurement of banking services for the County of Sussex. The contract shall be for a period of two (2) years, with the option to renew for two (2) additional one year terms. The County reserves the right to order such services as may be required during the said period, and also reserves the right not to order any services offered by the vendor, if it is found that such services are not required by the County during the period covered by the RFP and resulting contract.

Vendors must have, at a minimum, the following qualifications:

1. Be capable of providing the services sought by the County.
2. Be a federally or state chartered bank.
3. Have experience providing banking services for similar sized organizations.
4. Be sufficiently capitalized to meet the County's cash management needs.
5. Be a qualified depository for public funds in the Commonwealth of Virginia and conform to all Code of Virginia requirements. Deposits must be protected by federal depository insurance or collateral held under the provisions of the Virginia Security for Public Deposits Act Section 2.0-4400 et. Seq. Investments must comply with the Virginia Investment of Public Funds Act Section 2.2-4500 et. Seq.
6. Have a branch location that accepts deposits located within a reasonable distance (preferable in the County) of the Sussex County Courthouse Complex at 15074 Courthouse Road, Sussex, Virginia.

### **BUDGET – SUSSEX COUNTY**

You will find the Adopted FY18-19 budget at [www.sussexcountyva.gov](http://www.sussexcountyva.gov).

### **REQUEST FOR PROPOSAL OVERVIEW**

The Treasurer of Sussex County, Virginia is seeking competitive proposals from qualified banking institutions to provide its primary banking services. The objective is to identify the banking institutions that can offer the most comprehensive services at the most competitive rates.

Sussex County, Virginia reserves the right to cancel the RFP and/or reject any or all proposals, to waive informalities in any proposal, to award any whole or part of a proposal, and to award to the Offeror whose proposal is, at the sole discretion of Sussex County, determined to be in the best interest of the County.

A. Primary Banking Services include the following:

1. Cash Management/Treasury services including Demand Deposit Accounts, Wire Transfers, and ACH Transactions.
2. Automation of daily, weekly, and monthly cash management procedures through versatile and fully integrated desktop or web-based banking software for use within Sussex County's main or designated office. (Demonstration of software functionality may be required of bidders identified as finalists.)

Sussex County is interested in the following services:

- Interest bearing accounts, including checking, savings, money market, etc.
- Branch Deposits
- Courier for Deposits
- Positive Pay
- Internet Banking – Including balance reporting, wires, ACH transmission, check inquiry, stop payments and payroll direct deposit
- Check Imaging
- ACH Processing Debit and Credits
- ACH Debit Block
- Accept Tax payments at local bank branches by residents
- Investment Services

**Please note:** All bidders must be FDIC insured and all deposits over \$250,000 must be fully collateralized by U.S. Government and/or U.S. Government Agency securities to be held in a joint collateral custody account.

## GENERAL INSTRUCTIONS TO BIDDERS

1. A **pre-proposal Q&A submission period** will allow for questions to be accepted until **May 17, 2019** and answers will be returned to all bidders at one time by the following week. Please direct all questions during this period in writing (via email) to Deste J. Cox at [djcox@sussexcountyva.gov](mailto:djcox@sussexcountyva.gov).
2. Please **submit two sealed copies of your proposal** (original and one copy), along with sample agreements required for implementation, **no later than May 24, 2019 at 2:00 pm**. All proposals for the aforementioned services will be acknowledged at that time. **NO E-MAIL OR FAX COPIES CAN BE ACCEPTED.**

OVERNIGHT OR HAND DELIVER PROPOSALS TO THE FOLLOWING ADDRESS:

Sussex County Treasurer  
Deste J. Cox  
15074 Courthouse Road  
Sussex, Virginia 23884  
(434) 246-1087

**THE OUTSIDE OF ALL ENVELOPES SHALL BE MARKED WITH:**

BIDDERS NAME AND ADDRESS:

BID NUMBER: 2019-01

SUSSEX COUNTY

BID ON: BANKING SERVICES

3. To be considered, all bids must be received in the office of the Treasurer no later than the bid acknowledgement date and time. Any bid received after the specified time will be returned to the sender and not placed under consideration. Proposals may be withdrawn, altered and/or resubmitted at any time prior to the time set for acknowledgement of the bids.
4. Each bid must be in a separate sealed envelope with the bidder's name and address, bid number, and bid name clearly marked on the outside of the envelope. Bids received via facsimile machine or by email will not be accepted and will be destroyed.
5. Sussex County reserves the right to reject any or all bids and to waive irregularities. It is understood that the final decision regarding adequate qualifications and conformance to specifications shall be made solely by Sussex County or its designee.
6. All prices must be firm and remain open to acceptance for a period of 90 days after the bid acknowledgement date. Once accepted by Sussex County, prices are firm for the two-year contract period.

7. **Addenda** – Sussex County shall not be responsible for any oral instructions given by any employees, officials or designees of Sussex County in regard to the Proposal instructions, specifications, or Proposal documents as described in this RFP. Any clarifications or changes will be addressed in writing in response to questions or in the form of an addendum, which will be furnished to all known potential Offerors.
8. NOTE: THE BID PROPOSAL CANNOT BE SENT ELECTRONICALLY. Two hard copies (original, plus one copy) of the entire bid document must be included in your bid package. Any attachments or agreements should be inserted in an Appendix.  
***Please note that the lists of questions in any particular section are not meant to be exhaustive; please include any relevant items not specifically addressed.***
9. Sussex County reserves the right to issue addenda for the purpose of modifying the documents referred to herein at any time prior to the day and hour set for acknowledgement of proposals.
10. Questions regarding these bid specifications shall be directed to Deste Cox at [djcox@sussexcountyva.gov](mailto:djcox@sussexcountyva.gov).
11. Failure to comply with any of these bid instructions may result in the bidder's proposal not being placed under consideration for bid award.

Proposal evaluation criteria include, but are not limited to, the following items:

**Cost of Services**

Competitiveness of cost for services provided

**Service Quality**

Completeness and Responsiveness to Specifications  
Dedicated Relationship Representatives and Locations  
Corporate Philosophy toward Quality Customer Service  
Corporate Philosophy toward Community Service

**Financial Institution Soundness and Reputation**

Experience and References  
Soundness of the Institution and Ratings

**Service Capabilities**

Banking Web-Interface or Software  
All Other Required Services  
Implementation Time  
Security and Disaster Recovery

Bidders may be required to provide banking software or web-based interface for demonstration purposes. Site visits and presentations may be required from financial institutions identified as finalists.

**ACCOUNT STRUCTURE AND DESCRIPTIONS**

This RFP covers the main areas of the Sussex County cash management system. Sussex County is wishing to establish: 1) depository checking accounts; and 2) banking software and technical support.

The following is a brief description of each proposed account within the Sussex County account structure (initial needs). All accounts must be accessible through banking software.

Sussex County has one local depository account. Daily deposits (cash and checks) are taken to a local branch for processing, using walk in service. Daily deposits (cash, coin and checks) are made by each of the three school cafeterias as well, using drive up window. Four different sequences of checks are issued off of this same depository account; the Treasurer is a signer on each sequence, as well as each having a different co-signer. Approximately 5,600 checks are issued yearly with positive pay. Two departments issue payroll bi-monthly through direct deposit from our depository account, for a total of 4 a month. We receive 30-40 ACH Credits monthly.

**General Section of Requirements**

## **I. BANK BACKGROUND**

### **SAFETY AND SOUNDNESS**

1. Identify key measures of the bank's financial strength, *e.g.*, capital ratios, market capitalization, total assets.
2. Provide ratings for the bank and/or bank holding company from two of the following agencies: Standard & Poor's, Moody's, or Other (Bauer, Weiss, IDC, VeriBanc). Include ratings for senior debt.
3. Provide the last two years of the bank's annual financial reports. (A website link is sufficient.)
4. Are there any pending mergers or acquisitions that may impact/improve your ability to meet the service requirements of this proposal?

### **EXPERIENCE**

5. How long has your bank offered each service being requested in this RFP?
6. Specify the experience your bank has with entities in local government currently using your services.

### **REFERENCES**

7. Provide names and telephone numbers of three references, preferably within our industry or with comparable volumes, which are currently using your banking software and a variety of the other services requested in this RFP.
8. Provide any additional information which you believe to be relevant to this RFP and your capabilities to provide the services requested, *e.g.*, product brochures, articles in trade journals, etc.

## **II. COMPENSATION**

1. Provide a price schedule for the services requested based on the volumes indicated. Include any one-time or set-up charges, and all other fees that will be charged.
2. Fees in this proposal must be guaranteed for a period of two years.
3. What fee payment options and billing periods does the bank offer?
4. All deposits of public funds over \$250,000 must be fully collateralized by U.S. Government or U.S. Government Agency securities. Is there a fee or other assessment for collateralization

## **III. CUSTOMER SERVICE AND QUALITY**

1. Indicate your bank's customer service organizational structure.  
 \_\_\_\_\_ Separate customer service department for each unit  
 \_\_\_\_\_ Centralized customer service department for all cash management services
2. Provide names, titles, telephone numbers, e-mail addresses, and brief biographies of key bank personnel for each area of service being requested.
3. Will one primary contact be assigned to our relationship? If so, from which area of the organization? Relationship Manager? Treasury Services Contact?
4. Does the bank provide on-going technical customer support for computer hardware, software, and communication problems? If so, for what areas of service?

**IV. GENERAL IMPLEMENTATION**

1. Submit an overall implementation plan for all services. Include your proposed sequence of events and timeline for completing transition from the inception/award date.
2. Does the bank assign an implementation team? If so, list the names/titles of proposed team members?
3. Describe support provided during implementation, including training, technical assistance, and user manuals.

**DEMAND DEPOSIT ACCOUNTS**

**I. CHECK AND ELECTRONIC FUNDS TRANSFER PROCESSING**

1. Does your bank offer controlled disbursement accounts? If so, explain your controlled disbursement process.
2. Will Sussex County ACH debits be blocked from selected demand deposit accounts?
3. Please explain any restrictions regarding individual check amounts.
4. Are illegible serial numbers repaired for all check processing checks?
5. What are your endorsement requirements for a check to be processed for payment?
6. Does your bank perform MICR encoding of checks internally? If so, describe your MICR encoding quality-monitoring process. If not, name the third party vendor that performs this service.
7. By what methods can Sussex County be notified of the amount of checks charged to its account? Does the method selected affect the notification time?

**II. DEPOSIT PROCESSING**

**DEPOSITORY SERVICES**



1. What is the cut-off time to ensure same day ledger credit?
  - a. Is it the same for cash as for checks, drafts, etc.
  - b. Are there any options that might affect this cut-off time (e.g., provisional credit, delayed verification)?
2. Are weekend or holiday deposit services available?
3. Provide a copy of your bank's availability schedule on all deposited funds. Include weekends and holidays, if applicable.
4. Can you provide a daily courier to the Sussex County Treasurer's Office? Will there be an additional fee for this service?
5. Are deposit slips or checks provided? Will there be an additional fee for this?
6. What types of deposit bags do you provide? Do you charge a fee for these bags?
7. Are there any restrictions on deposit bags provided by Sussex County?
8. Do you limit the number of deposit tickets that can be included in one deposit bag?
9. Do you require that cash be deposited in standard straps only? Is there a penalty for depositing non-standard straps?
10. Do you accept loose and/or rolled coin for deposit at branch and night drop locations? Is there a fee for depositing loose or rolled coin?
11. What are the requirements for depositing checks (e.g. pack size, audit tapes)?
12. What are your endorsement requirements for a check to be accepted for deposit?
13. What third party couriers are accepted and/or recommended for pick-up and delivery of deposits? What is the cut-off time for same day credit?

#### **DEPOSIT VERIFICATION**

14. How many bank employees are present when deposit bags are opened? What specific security measures are employed?
15. How will you return the validated deposit receipts to us? Within what time frame?
16. If provisional credit is given, when does verification take place? In 24 hours? 48 hours?
17. Does the bank identify and adjust all discrepancies?
  - a. If no, at what dollar amount do you write off discrepancies?

- b. Do you adjust the deposit amount or process an adjusting debit or credit?
- c. How will you notify the County when an adjustment is made?

- 18. What is the bank's policy on receipt of tampered bags?
- 19. When counterfeit bills are discovered, what is your notification and adjustment process?

### **RETURN ITEM PROCESSING**

- 20. Can return items be automatically re-deposited? If so, how many times?
- 21. Does your bank offer conversion to ACH debit for redeposit? Are there any additional charges for this service?
- 22. Provide the bank's standard return item and redeposit processing instructions. List any non-standard options that are available.
- 23. Can you provide a detailed return item electronic transmission to depository customers? If not, when will the service be available?
  - a. Is there a separate record for each returned item?
  - b. Can these records identify the depositing location and the type of item being returned (*e.g.*, personal check, traveler's check, money order)?
  - c. Indicate which of the following details the bank can report: Check number, check date, check amount, reason code, check account and ABA number, Full name on check, Complete address, and original deposit date.

### **TRANSACTION RESEARCH**

- 24. What documentation is provided with deposit correction adjustments?
- 25. Within what time frame can you provide requested copies or documentation?

### **III. DEMAND DEPOSIT ACCOUNT REPORTING**

- 1. What type of demand deposit account (DDA) reporting services do you provide for your customers?
- 2. How many months of historical data is maintained on the website and available for access?
- 3. Will the account reporting system provide collected balances, available balances, and float assignment?
- 4. Is a summary report available at period end?
- 5. Provide a sample month-end statement and account analysis.
- 6. Does your reporting service report electronic transactions (*e.g.*, ACH, wire), as well as paper documents?

#### **IV. ACCOUNT RECONCILIATION SERVICES**

1. What transactions items are returned to Sussex County with monthly statements?
2. What, if any, activity is reported as miscellaneous transactions on statements?
3. Sussex County requires a month-end cut-off date on all accounts. Can the bank meet this requirement for bank statements?
4. How soon after the cut-off date will the following be sent?
  - bank statements
  - canceled checks (or images thereof)
  - reconciliation information – paper reports, account/float analyses
5. If check truncation is used, how long will you retain the physical checks? After what period are they stored off-site? How long are images retained?
6. Describe the bank's current or planned image processing capabilities.
  - a. Do they include on-line customer access to return and adjustment images?
  - b. If not currently available, when do you plan to implement image services?
7. Explain whether copies or images of checks can be requested on-line. If yes, how are they delivered?
8. Can stop payments be placed on-line? Manually?
  - a. What is the deadline for same day action?
  - b. Will the system verify if a check has been paid before accepting the stop?
  - c. How much history is examined in the verification process?
  - d. How long will the stops remain in effect?
  - e. Can the period be extended?

#### **V. SPECIFIC IMPLEMENTATION**

1. Provide a copy of all proposed agreements to initiate demand deposit account services.
2. What is the average lead-time required for implementation, including but not limited to the following services? What are the critical factors which may impact that lead time?
  - a. Opening an account

- b. Deposit ticket orders and endorsement stamps
- c. Information reporting
- d. Establishing routine ACH debits/credits (*e.g.*, direct deposit payroll, direct debit bill pay, etc.)

## **WIRE SERVICES**

### **I. PROCESSING**

#### **INITIATION**

1. What methods of initiation does the bank offer?
2. What is the cut-off time for incoming domestic wire transfers to receive same day credit?

#### **CONFIRMATION**

3. How soon after wire execution would an internal *bank* confirmation/sequence number (not the Fed Reference number) be available?
4. How long does it take for the Fed Reference number to be assigned to a wire assuming no repairs are needed and there are sufficient funds in the account?
5. Have there been interruptions in the processing of wire transfers due to the bank managing its net debit cap? What steps are you taking to ensure uninterrupted service?
6. When and how can a wire transfer be canceled after it is released to the system by the utility? What is the latest time in the day to cancel? Is there a charge for cancellation?
7. How is the status of transfers tracked by Sussex County once the transfer is in the system (input, approved, released)?
8. What is the bank's policy in the event of a wire transfer failure for which receipt of instructions has been confirmed to Sussex County?
9. How and when is Sussex County notified of a failed wire transfer?

#### **WAREHOUSING**

10. Does the bank's wire transfer system have the capability of warehousing instructions for future value dated wire transactions? If so, what are the limitations? How many days/months in advance?
11. Can the wires be input, approved and released so they will be executed automatically on value day?
12. Is it possible to cancel a previously warehoused wire transfer request before value day? On value day?
13. At what time are future value dated wires automatically executed on the value date?

## **REPETITIVE WIRES**

14. Does the bank have an on-line repetitive wire setup function? Is this function available through your desktop banking software?
15. Are repetitive wire instructions stored on Sussex County's PC or the bank's system? Does the bank charge for storage on its system?

## **PROCESSING ERRORS**

16. What are the bank's procedures and time frames for repairing incoming and outgoing wires? When and how is Sussex County notified of wire transfer repairs?
17. Does the bank require Sussex County to submit written inquiries for resolution of wire transfer discrepancies? Does the bank have an on-line customer service/inquiry facility? Describe inquiry options.
18. If either the originating or receiving bank makes an error, is Sussex County charged for wire transfer investigations? If so, how?

## **II. TECHNICAL CAPABILITIES**

### **SECURITY**

1. Are two-factor authentication standards/methods used for secure logins (*e.g.*, Security Code from a security device, plus used ID and Password)?
2. Can dollar limits by user be established for single transaction amounts and daily aggregate amounts?
3. What controls has the bank put in place to prevent wire transfer fraud? What has been the bank's experience with fraud in the wire transfer area?

### **DISASTER RECOVERY**

4. Is the bank's wire transfer system exclusively dedicated to that function? What contingency plans does the bank have for backup in the event of equipment (hardware) or system (software) failure? How frequently is this plan tested? Indicate the date of the most recent test.
5. Does the bank have off-site backup capability? Does the bank or a third party provider manage this site?
6. How often in the last 12 months has the bank's wire transfer system had unscheduled downtime for a total of more than 30 minutes in a single day? What are the most common causes of unscheduled downtime?

## **III. INFORMATION REPORTING**

1. What methods of current day wire transfer information reporting are available to Sussex County?
2. What detailed information is provided on incoming and outgoing wire transfers (*e.g.*, amount, payor, comment field, date received, time received, Fed Reference number)? Is this information available on your banking software or web-based interface?
3. Does your bank provide wire transfer inquiry by status, (*e.g.*, warehoused wires, pending wires, confirmed wires), amount, and dollar ranges?

#### **IV. SPECIFIC IMPLEMENTATION**

1. Provide a copy of your proposed agreement(s) with any ancillary exhibits. List all proposed documentation required to implement wire transfer service with your bank.
2. What is the average lead-time required for implementation of the following? What are the critical factors, which may impact that lead-time?
  - a. Account set-up
  - b. Installation of software or web-based interface
  - c. Repetitive wire set-up
  - d. Staff training

#### **AUTOMATED CLEARING HOUSE (ACH)**

##### **I. PROCESSING**

1. What methods of ACH initiation does your bank offer (banking software, etc.)?
2. Does the bank use transaction or file dollar limits? If so, describe your requirements.
3. What are your bank's cut-off times for Sussex County's initiation of ACH transactions via banking software?
4. Describe the procedures used to verify accurate and secure receipt of transmissions.
5. Do you require test runs on initial ACH transactions to verify bank routing and account numbers?
6. Can the bank automatically redeposit ACH debits returned for insufficient or uncollected funds? When items are redeposited, are any entries posted to Sussex County's account?
7. What is the bank's maximum retention period for future dated transactions? How long are transactions maintained for on-line reporting after the effective date?
8. Can the bank modify a transaction that the County has originated prior to releasing the transaction to the ACH operator? What modifications can be made? If modifications are permissible, what is the deadline for receiving instructions to modify a transaction?

9. Describe your bank's process for reversing and deleting files, batches and items. What are the deadlines for reversing or deleting a file? Batch? Item?
10. By what methods do you provide confirmation of deletions and reversals?
11. Does the bank accept both debits and credits on the same file? If so, are there any additional requirements?
12. Does your banking software or web-based interface provide a database of ACH member institutions?
13. Describe your bank's ACH return process. When will returned funds be posted to Sussex County's account?
14. How do you advise customers of NACHA rule changes and their impact?

## **II. SETTLEMENT**

1. What time and day must Sussex County fund disbursements?
2. Will your bank provide immediate availability for ACH transactions? If not, explain.

## **III. TECHNICAL CAPABILITIES**

### **SECURITY**

1. Are two-factor authentication standards/methods used for secure logins (*e.g.*, Security Code from a security device, plus used ID and Password)?
2. What security procedures are in place to minimize the risk of unauthorized transactions (*e.g.*, encryption/authentication)?
3. What controls are in place to protect against lost files and duplication of transmissions?
4. Does the bank provide automatic file receipt acknowledgments? If so, how?

## **IV. INFORMATION REPORTING**

1. What methods are available for reporting incoming and outgoing ACH transactions?
2. By what methods do customers receive notification of change and returned item advices? What information is provided, *e.g.*, date of origination, date submitted, date of return?
3. Do you provide notification of redeposited items?
4. Can returns and incoming transactions be list-posted to the bank statement? What supporting information can the bank provide to reconcile the transactions? How will this information be made available to us?
5. How often is same-day information updated on your banking software?

6. Is historical information available on your banking software or web-based interface? How many days/months of history are available?

## **V. RELATED SERVICES**

### **DEBIT AUTHORIZATION SERVICE**

1. Does the bank offer any service to protect our account from unauthorized ACH debits?
2. Can you block all ACH debits to our account?
3. Can you selectively accept ACH debits only from originators authorized by us?
4. How are such authorizations set up?
5. Can you ensure that originators do not charge our account for more than we have authorized?
6. How do you handle receipt of entries from unauthorized entities?
7. Can you stop payment of individual transactions? Describe procedure.
8. By what methods does the bank notify Sussex County of the receipt of unauthorized ACH debits?

## **VI. SPECIFIC IMPLEMENTATION**

1. Provide a copy of all proposed agreements to initiate ACH service.
2. What is the average lead-time required for implementation of ACH services? Discuss critical factors.

### **BANKING SOFTWARE/WEB-BASED INTERFACE**

#### **I. FUNCTIONALITY**

1. Does your proposed banking software solution incorporate all of the services requested in this bid for both initiation and reporting? For example, does the system support funds transfer initiation (*e.g.*, ACH, wire transfers, etc.)? If not, explain in detail the services not incorporated in the software.
2. Is current (intra) day information available using your proposed solution? How frequently is this information updated throughout the day? Provide a list of transaction types available on current day reports.
3. Please specify information available on a previous day basis. What time is that information available for access by Sussex County? If information is delayed, how and when will Sussex County be notified?



4. What are the hours of access to the initiation and information reporting functions of your banking software solution?
5. Discuss the features of the inquiry capabilities of your proposed solution. Does the solution offer the ability to inquire about specific transaction types?
6. How many days/months of history can be accessed through the system? Does the system provide for history inquiry (queries) by date ranges and other criteria?
7. Does the bank provide all of the services associated with this product, or does a third party provide any of the services?

## **II. TECHNICAL CAPABILITIES**

1. Describe customer hardware/software requirements for system access via your proposed banking software solution.
2. Will any of your available banking applications require a dedicated phone line?
3. Does the bank use and support any authentication and encryption methodology for communicating electronically with customers? If so, explain.
4. Are security access codes (passwords) encrypted or authenticated? Is a Log-on Report available showing all log-ins over a given period, including User ID, date and time?
5. Are passwords user-defined or bank provided?
6. How many log-on attempts does the system allow before disabling a user?
7. Does the software automatically log-off an inactive user? If so, when?
8. Can passwords be assigned an expiration date? Does the bank or the Security Administrator assign the date?
9. Can the Security Administrator assign multiple security levels? Can these security levels limit the functionality that a particular employee can perform? Who provides security administration for your software, Sussex County or bank? Can multiple users at different levels in the hierarchy access information concurrently?
10. What are the hours of technical support?
11. Is your banking software product MS windows-based? Completely online?

## **III. SPECIFIC IMPLEMENTATION**

1. Provide a copy of all proposed agreements to initiate use of your banking software product(s)/solution.
2. What is the average lead-time for implementation of banking applications? What are the critical factors, which may impact that lead-time?

