

**BOROUGH OF SHIP BOTTOM  
OCEAN COUNTY  
NEW JERSEY**

**GENERAL BANKING SERVICE**

Project Name: General Banking Services

Date Packet Available: March 15, 2019

Bid Due By: April 5, 2019

Bid Submitted by: \_\_\_\_\_

## **REQUEST FOR PROPOSAL GENERAL BANKING SERVICES**

**NOTICE IS HEREBY GIVEN** that proposals and qualifications are being solicited by the Borough of Ship Bottom to obtain “General Banking Services” services as described herein for the Borough of Ship Bottom. Individuals responding to this Request for Proposal should have extensive experience, a knowledgeable background and qualifications in the provision of the services described herein.

The RFP package for this service is available online at [www.shipbottom.org](http://www.shipbottom.org) and in Municipal Hall, Borough of Ship Bottom, 1621 Long Beach Blvd., Ship Bottom, NJ 08008 during regular business hours (9:00 am to 4:30 pm).

Interested respondents shall submit one (1) original; and four (4) bound copies of their proposal of which one (1) must be unbound for further copying (if necessary).

The Borough requires that the RFP response be submitted by Friday, April 5, 2019 prior to 11:00 a.m. in the Municipal Clerk’s office of the Ship Bottom Borough Hall. There will be a public reading of the names and respective cost proposals at 11:00 a.m. on Friday, April 5, 2019 in the Council Room of the Municipal Hall.

Kathleen Wells  
Municipal Clerk

**REQUEST FOR PROPOSAL  
BANKING SERVICES  
FOR BOROUGH OF SHIP BOTTOM, NEW JERSEY**

**I. Background**

BOROUGH OF SHIP BOTTOM (the Borough) is seeking proposals from financial institutions to provide the Borough's primary banking services.

One (1) original and four (4) copies marked "A Proposal for General Banking Services" will be received prior to 11:00 am., local time prevailing, on April 5, 2019 at:

BOROUGH OF SHIP BOTTOM  
Chief Financial Officer  
1621 Long Beach Blvd.  
Ship Bottom, New Jersey 08008

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 Borough 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 CFO and Finance Chairman will review and evaluate all proposals submitted in response to the "Request for Proposal". Based on the results of this evaluation, the CFO and Finance Chairman will make a recommendation to the Borough Council.

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

- A. The effective date of the agreement is anticipated to be July 1, 2019.
- B. Proposals will be accepted from parties which:
  - 1. Have the capacity to provide primary banking services to the Borough with a professional staff experienced in such matters.
  - 2. Are fully qualified as a “Public Depository” pursuant to NJSA 17:9-41, or otherwise known as the Governmental Unit Protection Act (GUDPA).  
*Please submit a copy of your GUDPA certification.*
- C. The Borough 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 Borough is not liable for any costs incurred in the preparation of proposals.
- E. The Borough reserves the right to conduct personal interviews or require oral presentations of any or all proposers prior to selection. The Borough 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 Borough may reasonably require. The Borough reserves the right to make investigation of the qualifications of the proposer as it deems appropriate.
- H. The Borough reserves the right to reject any/or all proposals or to informally negotiate certain points of the final contract with a qualified proposer. The Borough reserves the right to split the relationship among different financial institutions if such would provide the Borough an overall cost savings. The Borough reserves the right to waive minor irregularities in the procedures. The Borough further reserves the right to seek new proposals when such a procedure is in its best interest. The Borough shall not be obligated to provide reasons for the rejection of any proposal.
- I. The Borough 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 C57, Law of 2004 (S1778 signed 06/29/04).
- K. The financial institution must comply with the State of 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.
- N. All forms along with the completed “checklist” must be completed and submitted.

### III. Evaluation of Proposals:

The contract will be awarded to the institution that best meets the needs of the Borough. The following criteria will be used, but the evaluation will not be limited to such criteria, for the evaluation of proposals:

- 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 Borough municipal building to the nearest banking location.
- F. Net earnings potential.
- G. The reputation, stability and longevity of the institution.
- H. Reasonableness of all fees.

- I. 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 BOROUGH OF SHIP BOTTOM. The Borough reserves the right to terminate such contract by giving (90) days in advance written notice.

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

Notwithstanding the intent for one single institution, the award for 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 Borough.

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

- General Operating (Current Fund)
- Utility Operating (Water Sewer Fund)
- General Capital
- Utility Capital
- Municipal Court
- Municipal Bail
- Payroll
- Construction Trust
- Dog Trust
- Public Defender
- Accumulated Absences
- Trust Other
- Disposal of Federal Property
- Time Capsule Reserve
- Tax Sale Premium
- Grant Fund
- Alcohol Education Fund
- Credit Card Clearing

The total property tax levy for calendar year 2018 was \$14,138,792. All tax collections and other receipts are deposited into the Current Fund Account. The Current Operating Budget is \$7,736,185.

The total utility charges levied for calendar year 2018 was approximately \$1,735,021. All utility collections and other receipts are deposited into the Water and Sewer Operating Account. The Utility Operating Budget was \$1,906,500 in 2018.

The Borough issues approximately 1400 accounts payable checks annually. Checks and deposit tickets should be provided by the financial institution as part of the proposal from compensating balances.

#### Credit Card Processing

The accepted proposal must allow the Municipal Court to accept credit card payments for processing. Fees are not to be paid by the Borough directly and would come out of compensating balances. The court does approximately \$10,000.00 per month in credit card transactions. Please include this in your calculation.

#### Payroll

The Borough currently uses an outside payroll system (Delaware Valley Payroll) for payroll and Human Resources needs which are processed bi-weekly. The annual cost for 2018 was approximately \$8,000, excluding worker hours. The cost is part of the Borough's budget. The Borough mandates direct deposit.

The Borough requires the successful banking institution to have the ability and coordination with the Borough to obtain direct deposit information in the required ACH format.

#### Armored Car Service

The Borough does not have Armored Car Service at this time. Deposits are brought to the bank by Borough employees. The banking institution willing to offer this service at no cost to the Borough would be a benefit in evaluation but not mandatory. Scanning of checks is also an option that is acceptable and would be beneficial in proposal.

### Deposit

The successful banking institution offering armored car service will provide deposit bags at no cost to the Borough.

### On-Line Banking

As part of online 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 Borough currently has access to all bank accounts on-line.

### 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 Borough accounts, providing monthly statements along with all cancelled checks (or some report in compliance with CHECK 21) no later than the 10<sup>th</sup> 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 the activity.

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

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

### Record Keeping

The successful banking institution will be required to retain all records on CD's or pdf format 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 Borough 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 Borough 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 Borough does not guarantee any minimum or maximum volume of activity.
3. A completed Proposal Sheet "B" must be submitted with your proposal. The Borough requests that all questions be answered and all information provided.
4. Submission of all completed required forms.

#### **VI. Questions and Additional Information:**

1. To ensure fair consideration for all responses, the Borough 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 15, 2019 to the Chief Financial Officer of the Borough:

Borough of Ship Bottom  
Kathleen Flanagan, Chief Financial Officer  
1621 Long Beach Blvd.  
Ship Bottom, NJ 08008

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

**BOROUGH OF SHIP BOTTOM RFP for Banking Services**  
**Proposal Sheet A**

Interest Rate Submittal Form

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

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

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

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

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

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

Email: \_\_\_\_\_

Please indicate all costs and the interest rate effective for the period ending December 31, 2019

Method 1 Bank Pays for Payroll Maintenance and Armored Car

Guaranteed Average Ledger Balance (all accounts) \*\*\*\* 7,800,000.00  
Required Reserve Balance  
Compensating Balances required for Monthly Services  
Excess Investable Balance  
Interest Rate on Excess Balance\*\*  
ESTIMATED \$ Amount of Interest Earned Annually\*\*

Method 2 Borough Pays for Payroll Maintenance and Armored Car

Guaranteed Average Ledger Balance (all accounts) \*\*\*\* 7,800,000.00  
Required Reserve Balance  
Compensating Balances required for Monthly Services  
Excess Investable Balance  
Interest Rate on Excess Balance\*\*  
ESTIMATED \$ Amount of Interest Earned Annually\*\*

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

\*\*\*\* It is the intent of the Borough to have one single banking institution provide all of the general banking service needs of the Borough. 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.

Please include \$10,000.00 monthly Credit Card transaction fees in calculation

Notes:



- 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. Please include any and all fees associated with your service
- E) If volumes or balance levels change as stated in the 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.
- F) Please state how interest is calculated and the interest rate formula.
- G) Please include a rate history page for the past 12 months from March 1, 2018 through February 28, 2019, providing rates as of month's end, at a minimum.
- H) Please provide a listing of comparable government client references, within this area, which are presently using the institution's 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 Borough 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 Borough.

- 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.

**BOROUGH OF SHIP BOTTOM**  
**BOROUGH OF SHIP BOTTOM, New Jersey**

Request for Proposal for Banking Services

April 2019

**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 a 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 April 5, 2019"**

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

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

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

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

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