

SUSSEX COUNTY, DELAWARE



REQUEST FOR PROPOSALS

FOR

BANKING SERVICES

SUSSEX COUNTY COUNCIL
2 THE CIRCLE
PO Box 589
GEORGETOWN, DE 19947
PHONE: (302) 854-5099
FAX: (302) 855-7722

FEBRUARY 2016



TABLE OF CONTENTS

Bid Notice 3

Request for Proposal Solicitation Form 4

General Conditions 5

 Introduction 5

 Description of Operations 6

 Delivery and Opening of Proposals 6

 Proposals 6

 Late Proposals and Withdrawals 7

 Right to Accept, Reject or Waive 7

 Right to Cancel Request for Proposals 7

 Proprietary Information 8

 Right to Negotiate 8

 Queries 8

 Contract Duration 8

 Minimum Requirements 8

 Terms and Conditions 9

 Bid Evaluation/Selection Criteria 10

 Award of Contract 11

 Addenda 11

 Procurement Certification 11

Scope of Services 13

 Required Services 13

 Receipts 13

 Disbursements 14

 Electronic Banking and Information Reporting 14

 ACH Services 15

 Wire Transfer Services 15

 Payment Card Services 16

 Automated Accounts Payable 16

 Funds Availability 17

 Collateralization 17

 Disaster and Emergency Situations 17

 Other Banking Services 17

 Maintaining the Relationship 18

 Bank Financial Strength Evaluation 19

 Bidding Forms 19

 Additions 19

 References 19

 Insurance 20

 Indemnification 21

Attachment A – Banking Services Questionnaire 22

Attachment B – Price Sheet 36

Attachment C – Depository Pledge and Security Agreement 38

Attachment D – Cover Sheet 42



BID NOTICE

Sussex County, Delaware ("County") will receive sealed proposals from commercial banking institutions on **Monday, April 18, 2016 at 2 p.m.** local time for the purpose of contracting for **Banking Services**. Banking services sought shall include, but are not limited to, various depository and disbursement services, which shall be compatible with Sussex County's County-wide ERP system, Tyler Technologies Munis Software. It is intended that one (1) commercial banking institution be selected to perform the requested services. The criteria for selection contained in the Request for Proposals ("RFP") shall include the following which are listed in order of importance: capacity to perform required services, price (including cost of services and rates of return), ability to go beyond minimum requirements, financial strength, experience and reputation, location of firm, community involvement in Sussex County and distribution of work. Negotiations may be conducted with responsible Respondents that submit proposals found to be reasonably likely to be selected for award. Respondents shall be accorded fair treatment with respect to any opportunity for discussion and amending proposals, and such amendments may be permitted after submissions and before award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors. The award shall be made in writing to the Respondent determined to be the most advantageous to Sussex County taking into account the evaluation criteria set forth in the RFP. No other factors or criteria will be used in the evaluation.

Sealed bids will be received by the Sussex County Council, c/o Mrs. Gina Jennings, Finance Director, Sussex County Administrative Office Building, 2 The Circle, P.O. Box 589, Georgetown, DE 19947, until 2:00 p.m., local time, on Monday, April 18, 2016, and then publicly opened, reading aloud only the name of the bidder(s). All other information shall be confidential.

The Request for Banking Services Proposals may be obtained by visiting Sussex County's website www.sussexcountyde.gov/e-service/rfp or by contacting Mrs. Andrea Wall, Manager of Accounting, at the Sussex County Administrative Office Building, 2 The Circle, Georgetown, Delaware, telephone: (302) 854-5099, email: awall@sussexcountyde.gov. The proposals may be obtained from 1:00 p.m. February 12, 2016 through 4:30 p.m. April 15, 2016. Sussex County, Delaware, may extend the time and place for opening of bids from that described in the advertisement, by providing not less than 2 calendar days notice, by certified delivery, facsimile machine, posting on Sussex County's website, or other electronic means to those bidders who obtained copies of the Request For Proposal. Questions regarding the solicitation requirements may be directed to Mrs. Andrea Wall **via email only** at awall@sussexcountyde.gov.

Each bid must be submitted in a sealed envelope, addressed to Mrs. Gina Jennings, Finance Director, Sussex County Administrative Office Building, 2 The Circle, P.O. Box 589, Georgetown, DE 19947. Each sealed envelope containing a bid must be plainly marked on the outside as "Sussex County Banking Services Proposals" and bear the name and address of the bidder. If sent by mail, the sealed envelope should be sent by certified mail and be indicated as received on the certified receipt prior to the Bid Opening. Late bids will not be accepted. Faxed or emailed bids will not be accepted.

Sussex County reserves the right to reject any and all bid proposals, to waive any informalities in bids received except with respect to the date, time and place where the documents are submitted, to cancel this RFP in whole or in part, to reissue this RFP and/or to accept or reject items of bids received. In the event this RFP is cancelled in whole or in part prior to the opening of proposals, all respondents shall receive a notice of cancellation and all proposals received shall be returned to the respective respondents unopened.



REQUEST FOR PROPOSAL SOLICITATION FORM

RFP Opening: 2 pm EST on April 18, 2016

Description: Banking Services Contract

Parties interested in the request for proposal referenced may download it in Adobe PDF format from our website www.sussexcountyde.gov/e-service/rfp. A printed copy may also be obtained from the Sussex County Accounting Division located on the second floor of the County Administration Building at 2 The Circle, Georgetown, Delaware. Any amendments or other additional information related to this solicitation will be posted with the original document on the web site and will be available from the Sussex County Accounting Division at the County Administration Building at 2 The Circle, Georgetown, Delaware.

The submittal of this form is not a mandatory requirement for submitting a bid. An attempt will be made to provide responders who submit this form with a copy of any addendum(s). However, responders are solely responsible for ensuring they obtain any and all addendum which may be obtained in the same manners as the original RFP.

Please return this form to the Accounting Division:

Sussex County Council
Accounting Division
Attention: Andrea Wall
P.O. Box 589 (via USPS)
2 The Circle (via hand delivery)
Georgetown, DE 19947
Fax (302) 855-7722; Attention: Andrea Wall
Phone (302) 854-5099
Email: awall@sussexcountyde.gov

Please complete the following:

Company: _____ Address: _____ _____ Contact: _____ Phone: _____ Fax: _____ Email: _____	<u>Vendor Response/Request</u> _____ No proposal at this time. _____ Please send complete RFP package. _____ I will download the RFP package. _____ I intend to submit a proposal. _____ I do not intend to submit a proposal. _____ Other:_____
---	--



GENERAL CONDITIONS

INTRODUCTION

The County seeks proposals from Financial Institutions interested in providing banking services for the County. The objective of requesting proposals is for the County to determine which institution can offer the highest quality of service at the most reasonable cost. The County wishes to maximize interest earnings on idle cash while minimizing service charges. The County is also very interested in exploring alternative procedural methods which use technological advances in order to improve its cash management and customer service capabilities. The investment activities of the County are not affected by the selection of a Financial Institution to provide the services listed in this RFP. Bond Registrar/Paying Agent services are not included in this RFP. Bond Escrow Agreements currently in place are not a part of this RFP. Any accounts legally required to be separately maintained will remain at the current financial institution. In addition, no other business or personal relationships shall be promised, implied, impacted, or expected as an outcome of this selection process.

The County has a primary operating account that serves as the disbursement account and the payroll account for the County as well as being the primary depository account. In addition to the operating account, the County anticipates that it will maintain the following individual accounts:

Interest Bearing:

- Employee Pension Plan Account
- Escrow Account
- Post Employment Benefit Plan Account
- Recorder of Deeds Recording Account
- Sheriff Superior Court Account
- Sheriff Court of Common Pleas Account

Non-Interest Bearing:

- Airport Improvements Account
- CDBG Account
- HOME Account
- HPG Account
- HRLP Account
- NSP Account

Proposals should include samples of the respondent's MICR spec sheets and file layouts for: check reconciliation file, positive pay, EFT, direct deposit and deposit reconciliation file, if available. The County welcomes any alternatives, enhancements or improved methods of providing the services mentioned in this RFP.



DESCRIPTION OF OPERATIONS

The government is composed of a legislative body, the County Council, an administrative body including operating departments and four "Row Offices" which are administered by officials elected at large. The County is financially and operationally responsible for sewage collection, paramedic services, planning and zoning and libraries. Additional information and financial statements can be found at the Sussex County website: www.sussexcountyde.gov.

DELIVERY AND OPENING OF PROPOSALS

It is required that four (4) complete proposals be received not later than:

2:00 P.M.
April 18, 2016

Each bid must be submitted in a sealed envelope, addressed to Ms. Gina Jennings, Finance Director, Sussex County Administrative Office Building, 2 The Circle, P.O. Box 589, Georgetown, DE 19947. Each sealed envelope containing a bid must be plainly marked on the outside as "Sussex County Banking Services Proposals" and bear the name and address of the bidder. If sent by mail, the sealed envelope should be sent by certified mail and be indicated as received on the certified receipt prior to the Bid Opening. Late bids will not be accepted. Faxed or emailed bids will not be accepted.

Proposals should be delivered to:

Ms. Gina Jennings
Finance Director
Sussex County
Administrative Office Building
2 The Circle
Georgetown, DE 19947

or if mailed:

Ms. Gina Jennings
Finance Director
Sussex County
Administrative Office Building
P.O. Box 589
Georgetown, DE 19947

All proposals shall be publicly opened and only the name of the respondent read aloud and recorded at the time and place set forth in this paragraph.

PROPOSALS

All questions and forms in the RFP must be completed in full in order for a proposal to be considered.

All proposals must remain valid for a period of ninety (90) days from the due date for proposals.



The respondent is solely responsible for any costs incurred by them in the preparation of a proposal.

All information contained in the proposal shall be confidential during the evaluation process. The contents of any proposal shall not be disclosed to competing vendors prior to contract award. However, vendors are advised that once a decision on contract award is made, the contents of the proposals will become public record and nothing contained in the proposals will be deemed to be confidential except proprietary information.

All proposals must contain a signed transmittal letter summarizing the respondent's understanding of the services to be provided, a commitment to implement the services before July 1, 2016, and a statement of why the respondent believes it to be the best qualified to provide the services. The transmittal letter must include a statement that the proposal is a firm and irrevocable offer for 90 days.

All proposals must be signed by the respondent's authorized representative who has binding authority.

LATE PROPOSALS AND WITHDRAWALS

A proposal received after the closing date and time for receipt of proposals is late and shall not be considered. A best and final offer received after the closing date and time for receipt of best and final offers is late and shall not be considered. No respondent shall be permitted to make a modification to its original proposal after the date and time for the receipt of proposals and before negotiations start. This does not apply to clarifications of proposal terms. Modification of a proposal resulting from an amendment issued after the closing date and time for receipt of proposals or a withdrawal or modification of a proposal resulting from discussions during negotiations shall be considered if received by the closing date and time set forth in the amendment or by the closing date and time for submission of best and final offers, whichever is applicable. If such modifications are received after the respective date and time described herein, the modifications are late and shall not be considered by Sussex County.

RIGHT TO ACCEPT, REJECT OR WAIVE

Notwithstanding any other provision of the RFP, the County reserves the right to: (1) waive any immaterial defect, irregularities, omissions, errors and/or other informalities, except with respect to the date, time and place where the documents are submitted; (2) negotiate with all respondents, in any manner necessary, to serve the best interest of the County; (3) reject any or all proposals or portions thereof; (4) cancel the RFP in whole or in part as further set forth in this RFP and/or (5) reissue the RFP. A proposal may be rejected if the respondent is determined to be nonresponsive or nonresponsible, the proposal is unacceptable, the proposed price is unreasonable, or the proposal is otherwise not advantageous to Sussex County. Respondents whose proposals are rejected shall be notified in writing about the rejection and the respondent shall not be afforded an opportunity to modify its offer. Record of the rejection shall be made part of the procurement file. The reasons for the rejection shall be stated in the determination.

RIGHT TO CANCEL REQUEST FOR PROPOSALS

Sussex County reserves the right to cancel this request for proposals, in whole or in part, prior to the opening of the proposals if it determines that it is in the best interest of Sussex County. In the event this RFP is cancelled prior to the opening of the proposals, Sussex County shall send



notice of the cancellation to all of the respondents who submitted proposals and any proposals received shall be returned to the respondents unopened.

PROPRIETARY INFORMATION

Responders shall identify any portions of their proposals deemed to contain confidential or proprietary information or trade secrets and provide justification of why such material, upon request, should not be disclosed in accordance with 29 Del. C. Section 6924(c).

RIGHT TO NEGOTIATE

Prior to engaging in negotiations, Sussex County shall evaluate the proposals to determine if they are likely to be selected for an award or are unacceptable.

Sussex County shall have the right to negotiate with responsible respondents that submit proposals found to be reasonably likely to be selected for award.

If negotiations are conducted as set forth above, Sussex County shall issue a written request for best and final offers. The request shall set forth the date, time, and place for the submission of best and final offers. The request for best and final offers shall inform respondents that, if they do not submit a notice of withdrawal or a best and final offer, their immediate previous offer will be construed as their best and final offer. Prior to the date and time set for best and final offers, any respondent with whom negotiations have been held may withdraw the offer or correct any mistake by modifying its proposal. Best and final offers shall be requested only once, unless Sussex County makes a written determination that it is advantageous to the County to conduct further negotiations or change its requirements.

QUERIES

Any questions about the RFP should be submitted **via email** to Andrea Wall at the following address: awall@sussexcountyde.gov. A reply will be made via addendum posted on the County's website and via email to responders who submitted a Request for Proposal Solicitation Form. It is the respondent's responsibility to ensure that any and all addendum(s) are obtained. Addendums will be available via the same means as the original RFP. While an attempt will be made to email addendums to respondents who submitted a Solicitation Form, the County accepts no responsibility if addendums are not received. All questions and responses will be answered without indicating the name of the bank that submitted the question.

CONTRACT DURATION

The banking services contract may be for a period of approximately three (3) years beginning no later than July 1, 2016, and ending on June 30, 2019. The successful respondent and the County may mutually agree to extend the term of the contract to be set forth in the banking services contract.

MINIMUM REQUIREMENTS

The respondent firm shall:

1. Be a federally or State of Delaware chartered Financial Institution.
2. Be a qualified depositor as defined by the State of Delaware.



3. Be a member of the Federal Reserve System and have access to all services that would impact business of the County.
4. Maintain FDIC insurance.
5. Be assigned and maintain a rating of "B" or better by Standard & Poor's, Moody's, Fitch Ratings, or other such bank rating service.
6. Maintain its home office or a full service branch in Sussex County.

TERMS AND CONDITIONS

1. All exceptions to the bid specifications must be listed separately in the proposal. Unauthorized modifications of bid specifications, forms or terms may render the bid invalid.
2. Once a bank has been selected, an agreement will be signed between the bank and the County, and the RFP document and the bank's proposal will become an integral part of that agreement. The County will seek a term of three (3) years, with an option to renew.
3. Failure to enter into a subsequent agreement within 30 days of notification of acceptance may render the bid invalid.
4. The agreement may be terminated by either party on 120 days' written notice.
5. Costs of services included in the RFP will be fixed for one (1) year. Unit price increases or decreases will be permitted starting July 1, 2017 and on July 1 of each year thereafter, if agreed upon by both parties 90 days prior to that date. Any price increase shall not exceed the **lesser** of the change in the Producer Price Index (PPI) over the prior twelve months as provided by the Bureau of Labor Statistics, or four percent (4%). The bank must supply the Finance Director the proper documentation which confirms the need for a price increase. If the bank feels that this price cap will not fairly compensate it for a given period, the bank must provide adequate justification for a higher proposed price increase. Price increases must be mutually agreed upon.
6. Should the County and the bank institute a system which would lower the bank's expense of providing a service, a reduction in price for that service would be in order. Price decreases must be mutually agreed upon.
7. Should the County require additional accounts or services during the term of the agreement, they will be charged at the rates in the agreement or, if the services are not covered by the agreement, at rates agreed between the bank and the County.
8. The bank must provide files which are compatible with the County's payroll system and accounts payable system check reconciliation, both systems being provided by Tyler Technologies, Inc's Munis ERP system.



9. The County reserves the right to enter into separate agreements with other banking institutions for geographic areas where the bank selected by the County does not have suitable branch locations, or for services which the selected bank cannot provide at a level of quality, cost, or return acceptable to the County.
10. The County reserves the right to eliminate any individual service contained in this proposal, if based on analysis, the fees for providing the service are excessive, or if the service proposed can be performed in an alternative manner.
11. The County reserves the right to reject any or all bids, waive any irregularities or informalities, and select the best bid in the opinion of the County.

BID EVALUATION/SELECTION CRITERIA

A proposal may be rejected for one (1) or more of the following reasons:

- (1) The respondent is determined to be nonresponsive or nonresponsible;
- (2) The proposal is unacceptable;
- (3) The proposed price is unreasonable; or
- (4) It is otherwise not advantageous to the County.

Respondents whose proposals are rejected under this section shall be notified in writing about the rejection. Record of the rejection shall be made part of the procurement file. The reasons for the rejection shall be stated in the determination.

The County shall determine that a respondent is responsible before awarding a contract to that respondent. The contract shall be awarded to the respondent whose proposal is determined in writing to be most advantageous to the County, based on the factors set forth herein. The determination shall explain the basis of award. Factors to be considered in determining if a respondent is responsible include:

- (1) The respondent's financial, physical, personnel or other resources, including subcontracts;
- (2) The respondent's record of performance and integrity;
- (3) Whether the respondent is qualified legally to contract with Sussex County; and
- (4) Whether the respondent supplied all necessary information concerning its responsibility.

A committee, consisting of the Finance Director, Manager of Accounting and Accountant, will evaluate the proposals using the following criteria:

Criteria	Possible Points
1. Capacity to perform required services	0 – 40
2. Price (including cost of services and rates of return)	0 – 20
3. Ability to go beyond minimum requirements	0 – 10
4. Financial strength	0 – 10
5. Experience and reputation	0 – 10
6. Location of firm	0 – 10
TOTAL	0 – 100



The County reserves the right to reject any or all proposals and to accept the proposal the County considers most advantageous. Acceptance of a proposal will be based on the total package of services offered by the banking institution. The County reserves the right to select the service/provider which best meets the required needs, budget constraints, quality levels, and administrative expectations.

AWARD OF CONTRACT

A contract may be awarded to a single commercial banking institution that submits the proposal deemed to be most advantageous to the County based on the criteria set forth herein, unless otherwise noted in this document. The determination shall explain the basis of the award.

In submitting a proposal, the Respondent accepts the terms, conditions and specifications contained in the County's RFP. All proposals shall include a letter form contract proposal reflecting the minimum terms and conditions specified in the RFP. Proposals do not become contracts unless the County executes the letter form contract. All of the terms and conditions to be included in proposed contracts are contained in the RFP, unless any of these terms and conditions are modified by a RFP addendum, a contract amendment, a Best and Final Offer, or by mutually agreed terms and conditions. If the Respondent proposes changes to any of the specifications of this RFP, such changes will be considered, provided that the Respondent can clearly demonstrate and the County agrees, that the change will be in the best interest of the County. All recommended changes should be clearly identified and submitted in a separate section of the Respondents contract proposal; they should not be included in the main body of the proposal.

The contract shall be awarded within ninety (90) days of the closing date and time for this RFP. A formal contract shall be executed with the successful respondent within twenty (20) days of the contract award. Once an award has been made, the County shall notify each unsuccessful Respondent in writing of the award. After receipt of a fully executed contract, all proposals shall be open for public inspection in accordance with 29 Del. C. §6924(j)(3).

ADDENDA

In accordance with 29 Del. C. §6924(c)(5), this RFP may be amended in order to make changes in the RFP, correct defects or ambiguities in the RFP and/or change the date, place or time of the bid opening. In the event it becomes necessary to revise or amend any part of the RFP, addenda will be mailed or emailed to all respondents to whom the County distributed an RFP; however, because the RFP can be obtained from the Sussex County website, respondents must complete and submit a timely Request for Proposal Solicitation Notice Form in order for the County to properly identify respondents. Sussex County shall obtain verification of the respondents' receipt of all amendments it issues and sends to those respondents that provide a Request for Proposal Solicitation Form. However, it is the respondent's responsibility to ensure that they obtain any/all addenda. Any amendments or other additional information related to this solicitation will be posted with the original document on the web site and will be available from the Sussex County Accounting Division at the County Administration Building, 2 The Circle, Georgetown, Delaware.

PROCUREMENT CERTIFICATION

By submission of a proposal, the respondent certifies that in connection with this proposal:



1. The fees in the proposal have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such fees with any other respondent or with any competitor; and
2. Unless otherwise required by law, the fees which have been quoted in the proposal have not been knowingly disclosed by the respondent directly or indirectly to any other respondent or to any competitor; and
3. No attempt has been made or will be made by the respondent to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.



SCOPE OF SERVICES

REQUIRED SERVICES

The County requires the following banking services:

- Depository
 - Operating account
 - Passive investment/sweep account (generally an overnight investment vehicle on available cash balances) and/or compensating balances/ECR
 - Collateralization of aggregate deposits (see collateralization policy)
 - Accounts for other County program activity (e.g. federal grants, etc.)
 - Branch Services (physical depositing of cash/checks)

- Disbursement
 - Account reconciliation
 - Positive Pay
 - Paid Check Image Services
 - Wire Transfer
 - ACH (includes origination (debit/credit), receipt and fraud control services)
 - On-line Banking and Information Reporting

The County's use of these services is described further in this section. Please advise of any services that respondent bank does not provide. If respondent bank has additional services available to the County, please briefly describe and provide a demo if possible.

RECEIPTS

General Receipts: The County's Treasury Office serves as the collection point for deposit activity. Deposits are made daily into the County's various bank accounts with the majority of deposits being made into the operating account. The County currently does not use but is interested in separate pricing for remote deposit processing – Electronic Check Presentment (ECP). Please provide details on necessary interfacing equipment, imaging polices and retention periods.

Electronic Transactions: The County currently receives recurring funds and onetime payments. The County is looking for a provider who can streamline the current electronic payment process, provide adequate accounting records for tracking purposes and present an efficient solution that can be implemented.

All checks that are returned must be debited to the account into which the check was originally deposited.

The County requires:

1. Ten (10) moneybags. They are to be approximately 9" x 10.5", locking and of heavy duty material.
2. Pre-printed deposit tickets (Optional: Pre-numbered deposit tickets)



3. Bill straps, coin wrappers and coin bags as needed

The successful respondent will be expected to support vendor Automated Clearing House (ACH) payments and Electronic Fund Transfer (EFT) payments and County initiated wire deposits.

DISBURSEMENTS

Checking Accounts: The County will maintain approximately 6 interest bearing checking accounts and 6 non-interest bearing accounts. The operating account will be used to disburse most funds. The other checking accounts are used for federal grants and other situations requiring cash segregation. The current annual budget for all accounts is \$108,793,235.

In FY 2015, there were approximately 8092 checks totaling approximately \$36,000,000 issued from the operating account.

Operating account checks are printed using a MICR ink cartridge. If the respondent bank provides blank check stock for this purpose, please provide pricing and a sample. The bank shall proof the County's sample checks and test the magnetic ink. Provide a MICR spec sheet with your proposal.

The bank shall provide check safekeeping on all accounts. Please share your cost and imaging processes in the proposal.

ELECTRONIC BANKING AND INFORMATION REPORTING

The respondent firm shall:

1. Provide on-line query on all accounts, with, at minimum, the most recent 120 days transactions available for viewing and printing.
2. Furnish a monthly CD of paid checks for all accounts, with images of both front and back of each check. Each CD will contain a cumulative index with account number, check number, and date paid. The bank will also provide the necessary software to query, view, and print images of the checks from the CD.
3. Provide an electronic means for the County to issue "Stop Payment" orders.
4. Provide monthly check reconciliation services to be read into the County's accounting system for reconciliation. The bank will provide this data via electronic data transmission. A sample file must be provided with proposal.

The County requires electronic tools via internet or terminal to monitor and manage its cash balances. Daily automated balance reporting is required for each account by 8:00 am. The report must include closing ledger balance, opening and closing collected balance, total of debits and credits for the account, and float figures. The reporting capabilities must provide all relevant data such as payer, amount, date of transaction, as well as basic performance functions, such as Stop Payments, Wire Transfers, Cash Transfers, etc. Proposals must include a sample page of the electronic version of each statement.



The bank shall provide unlimited transfers between checking, savings, and money market accounts.

The bank shall be linked to the Automated Clearing House and as such will be expected to process electronic transfers, including ACH Debits, ACH credits, and wire transfers, between banks and other institutions.

ACH SERVICES

The County uses ACH payments to make payroll payments to employees and pensioners and process payments to vendors. The County receives payments by ACH into its depository account at present and may receive more in the future. The County uses ACH to receive payments from constituents for utility bills and tax payments.

Currently, for ACH transmissions, the County submits a NACHA formatted file through an HTTPS site and confirms the ACH batch through an online module.

The respondent firm shall support Direct Deposit of employee and pensioner pay, with a minimum of two (2) institution/account combinations per employee. Funds must be available in the employees' accounts at 12:01 am every other Friday, or other pay dates which may occur, including those required by holidays. The County recognizes that receiving banks must participate with the ACH. The County issues paychecks every other week, with a current estimated biweekly payroll of \$1,000,000.00 and approximately 530 direct deposit advices. The County has a monthly pension distribution of approximately 220 Direct Deposit advices. The current estimated monthly pension is \$245,000. Institutions allowed are banks and credit unions; accounts allowed are checking and savings. Direct Deposit is required for all new employees. Payroll and pension checks are only issued when a change has been made to account information.

The respondent firm shall support ACH for vendor payments. In FY 15, the County issued 2500 vendor payments via ACH totaling \$15,000,000.

The respondent shall support ACH origination (debit) for utility and tax billings. All such transactions are to be immediately authorized by the bank, captured, deposited, and settled electronically with the County's account receiving credit the following day. Currently for utility bills, the County has two quarterly billing cycles and three billing groups, resulting in 12 total ACH files per year. Each quarter has an approximate volume of 5,834 transactions and \$549,010. The County is in the process of setting up ACH for tax billings. The estimated frequency will be monthly with volume of 500 transactions and \$25,000.

The respondent shall provide notification of failed ACH transactions within 24 hours. The County is interested in resubmitting returned ACH items five days after the item was returned. Please describe any services available to the County that would allow this to be an automated process. Provide describe reporting and the reconciliation process. Please detail any fees associated with this service.

WIRE TRANSFER SERVICES

The County currently initiates outgoing wire transfers for one-time and recurring transactions. On average, 2 transactions are processed per month with an average volume of \$10,000,000, with the maximum amount around \$120,000,000. Examples of outgoing wire transfers include:



debt payments, transfer of school tax collections to the State of Delaware and certificate of deposit purchases.

Incoming: The County intends to consider all wire transfers received by the bank prior to the end of the business day as available for investment that day, regardless of the actual time of receipt by the bank. Should the bank not receive a wire transfer, the transfer will be traced from origin to destination to ascertain the party responsible for the delay in the transfer. If necessary, adjustment will be made for lost interest.

Outgoing: The awarded bank agrees to execute any wire transfer order within one hour after notification by the Accounting Division via the internet, by telephone, or by fax if necessary. Wire transfers ordered and not received by the destination party will be traced by the bank from origin to destination to ascertain the party responsible for the delay in the transfer. If necessary, adjustments will be made for lost interest or charges from a "fail" (failed Fed wire transfer) to consummate an investment transaction or bond payment.

Other: The County requires the capability to initiate outgoing wire transfer via personal computer internet connection. The County utilizes pre-formatted (repetitive) and free-form (non-repetitive) wire transfers. The County requires on-line access for confirmation of wires executed for both incoming and outgoing wire transfers.

PAYMENT CARD SERVICES

Sussex County utilizes a purchasing card system to promote the effective and efficient purchase of supplies and services. There are currently 10 cards distributed to County employees. A total of \$100,000 was spent during the last twelve months through this program.

The County is interested in any rebate programs that may be associated with this service. Please provide associated fees, policies and procedures. Additionally please provide a detailed description of the fraud monitoring, reporting and reconciliation process associated with the service. The County must have the ability to add and delete cardholders, vary individual and monthly purchase limits, receive detailed transaction reporting by cardholder which displays vendor, purchase amount and date of purchase. The County also requires the ability to manage and restrict merchant category codes by card. The reporting should also include the cardholders balance, credit limit and available credit. The County must have online access to these services.

AUTOMATED ACCOUNTS PAYABLE

Sussex County currently issues vendor payments utilizing Visa commercial cards which are assigned per supplier, and per payment batch. Currently Sussex County has 68 vendors enrolled in this program and we issued approximately 1000 payments totaling \$1,700,000.00 in 2015.

Please describe your automated payables solutions, including detailed descriptions of the fees, policies and procedures. Please provide details on how Sussex County would enroll new vendors, control and reconcile payments. If any rebates would be available for utilizing this program, please provide the details.



FUNDS AVAILABILITY

Deposits will be made during the business day (generally between 9:00 am and 3:00 pm) by armored car service. The armored car service is not part of this RFP. The County is to be given credit as collected funds for all items that are cleared by the bank on the same day as the deposit is made. Items deposited that clear at institutions located within the Federal Reserve Region will be considered collected funds within one (1) business day as a maximum. The bank will credit the County's account for incoming wire transfers on the day received regardless of the time of receipt during the day.

Respondents shall attach a copy of the bank's current availability schedule to the proposal.

COLLATERALIZATION

The bank shall collateralize County deposits in accordance with the Sussex County collateralization requirements (see Attachment C for the County's Depository Pledge and Security Agreement). Collateral must be pledged for all deposits which exceed the amount insured by the FDIC. Eligible collateral includes obligations guaranteed by the United States of America including Treasury Bills and Notes and Government National Mortgage Association (GNMA) securities. The County requires a collateral margin of 102%. If the Bank utilizes Federal Home Loan Bank letters of credit, they can be pledged at amount equal to 100% of the Depositors Funds. Collateral must be held at a third party custodian. Currently, the County has agreements with banks which utilize the Federal Reserve and the Bank of New York Mellon as a custodian. Evidence of collateral must be provided to Sussex County monthly.

DISASTER AND EMERGENCY SITUATIONS

During a disaster or emergency situation, the County would require immediate access to raise the credit limits and daily limits on purchasing cards, immediate access to additional liquidity of cash and if requested a single point of contact that would be available 24 hours a day. The ability would also be needed for the County to maintain a manual supply of checks to be used during the emergency.

In the event of a disaster situation (hurricane, tornado, etc.), the bank shall deliver upon request up to \$1,000,000 in cash from the Concentration account to a designated location. Cash would be provided in various denominations to pay employees and vendors during an emergency situation where local banking institutions are not open for business. Deliveries would be on a weekly basis until normal banking activities are restored.

OTHER BANKING SERVICES

All debit and credit memos required to adjust errors caused by the bank shall not be charged to the County. All deposit errors must be accompanied by a copy of the particular deposit slip. A person or team will be assigned to the County to research bank errors. Bank errors must be corrected within three (3) business days of notification by the County.

The bank shall provide research of debit and credit transactions which are unidentifiable by the County.



The County provides alternative methods of wage payments via debit card. Currently there are less than 10 employees enrolled in this program. Please include any costs related to this service in the proposal.

Unless otherwise indicated, all accounts are expected to be interest-bearing accounts. All interest earnings shall be stated as a specified percentage, using a 360 or 365 day basis for computation. Rates must be tied to future market conditions (i.e. 90-day T-bill rate). Any rate is subject to independent verification by the County. Approximate funds on deposit as of December 31, 2015 were \$65,000,000. Deposit amounts over \$120,000,000.00 should be anticipated during September and October of each year.

Sussex County maintains approximately \$30,000,000 in short term investments. The County reserves the right to place these investments with other financial institutions and they are not considered to be part of this RFP. Other investments, such as fixed income investment are not part of this RFP.

Account statements must be delivered to the County's Accounting Division by the 5th working day of each month. Delivery may be by first class mail, courier, or via Internet or proprietary software. Please provide a sample statement.

The bank shall provide, by the 15th of each month, a consolidated, detailed listing/report of the banking services rendered the previous month for each account. This listing will include service descriptions, volume, unit fee, total fee, and compensating balance. This report will include the Earning's Credit calculation for the month. All adjustments shall be explained on the monthly report. The account officer has the responsibility to send/provide an explanation for unusual adjustments to balances or services that cannot be explained on the report in either a separate note or e-mail. Please provide a sample report.

The bank shall be sufficiently capitalized to accommodate the cash management needs of the County.

The bank shall have customer hours from 9:00 am to 4:00 pm, Monday through Friday, as a minimum, excluding holidays.

A written notification of the termination or start of a new service that is not part of the original proposal/contract must be sent 90 days in advance to the Finance Director for prior approval.

The respondent firm is expected to make new technologies available to the County as they become available and are appropriate for the County's needs.

MAINTAINING THE RELATIONSHIP

The County expects that the bank will be motivated to maintain a positive relationship. Communication is vital to a strong relationship and the County will expect prompt communication of:

1. Any impending changes in bank officers.
2. Any impending changes in bank services:
 - a. New services being introduced,



- b. Changes in fees
 - c. Existing services that are to be changed or eliminated,
 - d. Other (e.g., planned outsourcing, changes in bank's computer system, etc.).
3. Any impending mergers or acquisitions the bank may be involved in.
 4. Regulatory changes that may affect the bank or the County's account.

Describe how this communication will be achieved by completing item 10 under "Bank Background" within the "General Questions" section of Attachment A.

The County also expects that a senior representative from the bank will oversee and develop the banking relationship with the County's Department of Finance and Accounting Division on a regular basis. The representative/relationship manager should have a strong background in and understanding of government operations. Please describe how this will be achieved.

BANK FINANCIAL STRENGTH EVALUATION

The financial strength of each banking institution will be evaluated, using publicly available information and information provided by the bank in response to questions in the "Bank Background" section located in Attachment A. Please provide audited annual financial statements for the past two fiscal years when submitting your proposal.

BIDDING FORMS

Please complete all the attached forms. All questions must be answered. The respondent must either use the forms provided, or type its own copy of the form that is *substantially the same*. Price Sheet (Attachment B): Please provide the cost of services for each applicable item on this attachment. If the respondent does not charge separately for a listed service, write "no charge" or "NC". If the applicant charges for additional services not listed, these should be described in additional lines on the form. Please highlight in the proposal any services being provided free of charge (e.g., free deposit slips).

ADDITIONS

The County may require other related services, products, and/or equipment not specifically listed. Vendor may be given the opportunity to provide a quote on such. Should the County deem the quote to be non-competitive, the County reserves the right to seek proposals from other vendors.

REFERENCES

Vendor shall supply three (3) business references with their proposal consisting of current or previous customers. Please include a brief description of scope of services, name, address, telephone number, and a contact person along with that person's email address.



INSURANCE

The selected respondent shall not commence services until original certificates of insurance evidencing all required insurance has been submitted to and approved by the County. The selected respondent shall be required to maintain, at its own expense, and provide satisfactory evidence of the following required insurance, throughout the term of the contract:

1. Commercial General Liability - \$1,000,000 combined single limit - each occurrence; \$1,000,000 personal and advertising injury; \$2,000,000 combined single limit - general aggregate per location; \$2,000,000 combined single limit - products/completed operations aggregate. Policy shall specifically name Sussex County and Sussex County Council appointed and Elected officials, directors, employees, and agents as additionally insureds, on a primary basis.
2. Business Auto Liability Insurance - combined single limit of \$1,000,000 per accident.
3. Workers Compensation Insurance - \$100,000 each accident for bodily injury by accident; \$100,000 each employee for bodily injury by disease; and \$500,000 policy limit for bodily injury by disease.
4. Umbrella Excess Liability or Excess Liability Insurance - \$5,000,000 each occurrence; \$5,000,000 aggregate other than products/completed operations and auto liability; \$5,000,000 products/completed operations aggregate; and including coverage for commercial general liability, business auto liability and employers liability. All insureds on underlying insurances shall be insureds on this policy.
5. Broad Form Company Liability - \$10,000,000 each wrongful act and policy limit.
6. Internet Security and Privacy Liability - \$10,000,000 each wrongful act and policy limit.
7. Financial Institution Bond - \$10,000,000 each loss for each of the following insuring agreements (or their equivalent):
 - a. Fidelity;
 - b. Forgery or Alteration;
 - c. Computer Systems Fraud; and
 - d. Fraudulent Transfer Instructions.

Regarding coverages required in E., F. and G. above, any retention greater than \$250,000 must be disclosed in certificates of insurance provided to the County.

Each policy shall provide sixty (60) days' advance written notice of the insurer's intention to: cancel, refuse to renew, or otherwise terminate the policy; suspend, or terminate any coverage under the policy; or reduce any policy limits, increase any policy deductibles, or otherwise alter any terms or conditions of the policy or a renewal issued by the same insurer.



INDEMNIFICATION

To the fullest extent permitted by law, the respondent shall indemnify, hold harmless and defend Sussex County and its elected and appointed officials, officers, employees and agents from and against any and all claims, damages, injuries and expenses (including related attorney's fees and other defense costs) arising out of or resulting from the respondent's actions or inactions which are in any way related to its role as a respondent hereunder and its duties with respect hereto, whether occurring in Sussex County, DE or elsewhere, including, but not limited to, claims, damages, losses, injuries or expenses attributable to bodily injury, sickness, disease or death, or injury to or destruction of tangible and intangible property, including the loss of use resulting there from, asserted by any person, persons or artificial entity, including, but not limited to respondent's employees, servants, representatives, guests, invitees, contractors, licensees, visitors, etc. regardless of whether or not such claims, damages, injuries and expenses are caused in part by a party indemnified hereunder.



Attachment A

Banking Services Questionnaire

General Questions

I. BANK BACKGROUND

1. Provide the following key measures of the bank's financial strength - annually for the past three full fiscal years and quarterly for the bank's current fiscal year:
 - a. Return on average assets
 - b. Return on average equity
 - c. Net interest margin
 - d. Average capital ratio (total equity to total assets)
 - e. Tier 1 capital
 - f. Risk-based capital
 - g. Ratio of non-performing loans to total loans
 - h. Ratio of net charge-offs to average total loans
 - i. Ratio of loan loss reserves to total loans
 - j. Ratio of loan loss reserves to non-performing assets
2. Provide ratings for the bank and/or bank holding company for the past three fiscal years from two of the following agencies: Standard & Poor's, Moody's or Fitch. Include ratings for: senior debt, subordinated debt, long-term deposit.
3. List names, titles, phone/fax numbers, and e-mail addresses, and provide brief biographies of bank contact personnel that would normally have contact with the County, such as a regional vice president, a government services representative, a relationship manager, a cash management representative.
4. Specify the number of government (state, county, or municipal) customers your bank serves in Delaware. Also specify the number of government customers your bank serves in New Jersey, Pennsylvania and Maryland.
5. Please provide your bank's overall Community Reinvestment Act (CRA) rating and the rating as it applies to government. Please describe how the bank has been involved in supporting projects or initiatives that benefit local communities within Sussex County.
6. What differentiates your service—both in general, and specifically for the services covered in this RFP (depository services, disbursement, wire transfer,



- ACH, electronic banking, and information reporting)—from other banks and financial institutions?
7. How do you plan to retain the competitiveness of your products?
 8. What additional services (if any) do you plan to add by January 1, 2017?
 9. Are any of the required services described in this RFP not available from your bank?
 10. Discuss any impending significant changes that may affect the bank (e.g., restructuring, mergers, acquisitions, etc.) and may impact services listed in this RFP. Also, describe how in the future the bank will communicate to the County any changes (such as those listed in “Maintaining the Relationship”) during the course of the agreement.
 11. Provide a list of your bank’s branch locations, including street address and branch hours, in Sussex County. If you do not have a branch in Georgetown or within 10 miles of our library locations in Milton, Greenwood and Bethany Beach please provide alternatives for making deposits.
 12. 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.
 13. Provide a copy of your latest Statement on Auditing Standards (SAS) No. 70 report.
 14. Identify and describe any current litigation or investigation by a regulatory authority or contingent liabilities that your company, its officers, or principals have been involved in within the last five years.
 15. Does the bank outsource any of the proposed services? If so, provide the name and address of any third-party processor. List the services (required/optional) that they provide, how long they have provided these services to the bank, and discuss any anticipated changes in the relationship.
 16. Describe any additional services the bank would provide at no cost and any additional products or services the bank would provide at a fee.

II. CUSTOMER SERVICE

1. Please describe your proposed customer service organization; including hours of availability EST. Would County employees call a centralized customer service center or the primary relationship contact?
2. Does the bank have a formal quality improvement program for these services? If yes, describe.



3. What will be the role of the bank's senior relationship manager throughout the term of this contract?
4. How are inquiries requiring research and adjustments handled by the bank? How are these inquiries tracked? Are there established response times for research and adjustments? What is your record for adhering to these guidelines?
5. Does the bank provide technical customer support for computer hardware, software and communications problems? What are the hours of availability Eastern Time?
6. Is a formal disaster recovery plan in place in the event of a systems failure or other disaster at the bank? Describe the plan, both in general and for the required services in this RFP. Include in your discussion any "hot" backup processing site, its location and capabilities, and the timeframe to become fully operational.
7. When was the disaster recovery plan last updated and tested? Does the bank compensate the County in the event of any losses? Explain. How frequently are customer records backed up?

III. PRICING/ACCOUNT ANALYSIS

1. Using Attachment B, provide a price for each service (depository, disbursement, wire transfer, ACH). Include any one-time or set-up charges, and all other fees that will be charged. Please add any items as necessary to complete pricing.
2. How does the bank charge for overdrafts? Does the bank charge for use of uncollected funds? If so, how is the charge calculated?
3. What quality assurance measures are in place at the bank to ensure an accurate account analysis is produced and that pricing correctly reflects contract terms prior to its release to the County? If the County discovers any errors on the account analysis, how will the bank handle these corrections? How long would these corrections typically take?
4. How soon after the close of the billing period is the account analysis available to the County? How will these reports be made available to the customer?
5. Will the bank cash the County employees' and pensioners' payroll checks without charge, even if the payee is not a customer of the Bank? If not, what are the charges?



Depository Services

I. PROCESSING

1. List the cut-off times Eastern Standard Time, by depository service that ensures same day ledger credit. Please include branch, ICL, and RDC services.
2. How does the County order deposit slips or other supplies (coin wrappers, deposit bags, etc.) and are there fees associated with them?
3. Is provisional credit given on all items?
4. Are there any potential problems in depositing tainted/marked money?
5. Describe the bank procedures for identification and adjustment of deposit discrepancies.
6. The County is interested in Image Cash Letter and Remote Deposit Capture. For each of these services:
 - a. What safeguards does your system have to verify that files/checks are not duplicated?
 - b. Does your system have an image quality review of scans?
 - c. Do you repair images if necessary?
 - d. How and when are we notified of a duplicate file or rejected item?
 - e. How long has the bank been offering ICL? RDC?
7. What availability schedule would your bank offer the County?
8. How often during the day does the bank exchange images with other banks to accelerate balance availability? How long has the bank been exchanging image files with other banks?
9. Can deposit slips be pre-numbered?
10. Can returned items be automatically re-deposited? If so is there a fee for this service? Is the County notified of the re-deposit?

II. ON-LINE BILL PAY AGGREGATION SERVICE

1. Do you provide a service that aggregates payments made to the County through various on-line bill payment companies/banks, then makes a consolidated deposit for each program to the County's account and sends an electronic file with payment information to the County? In your response, please include the ability to:
 - a. Provide transaction information in an electronic format to update the County's accounts receivable system and list all available transmission protocols.



Disbursement Services

I. PROCESSING

1. Are illegible serial numbers repaired for all disbursement checks? If not, are illegible serial numbers repaired as part of the Account Reconciliation for ARP checks?
2. If checks issued to the County vendors happen to be converted to ACH, what impact (if any) would this make to:
 - a. Positive pay services?
 - b. Account reconciliation reports?
 - c. Account reconciliation payment files (for client download)?

II. OVERDRAFTS

1. What procedures/remedial measures are used to resolve overdrafts caused by funding failures as a result of:
 - a. Improper funding by the customer?
 - b. The bank's error or delay in notification?
 - c. A Federal Reserve problem?
2. Will the bank honor any/all checks in the event of an overdraft situation?
3. What fees are involved in overdraft situations? Please include these fees in Attachment B as part of your pricing information.

III. POSITIVE PAY

1. Do you offer Positive Pay?
2. What is the latest time that a positive pay file can be transmitted for same business day acknowledgement and beginning of next day production update?
3. Aside from positive pay, please describe any initiatives your bank is currently working on or has established to mitigate payment risks associated with disbursement accounts.

IV. STOP PAYMENT SERVICES

1. What are the methods offered for initiation of stop payment orders?
2. What form of confirmation is offered?
3. What is the duration of a stop payment (e.g., six months or in perpetuity)? If not perpetual, what are the renewal processing options?



V. ACCOUNT RECONCILIATION SERVICES

1. How soon after the cut-off date are bank statements, cancelled checks (on CD ROM) and reconciliation information sent? What reports are available on-line? Is there a fee for statements to be available on-line?
2. Will the monthly CDs with images of cleared checks provided by the Bank have software necessary to view the images?
 - a. What quality assurance measures are in place at the bank to ensure an accurate product is produced – i.e., all images are good, and all images can be accessed?
3. The County's ERP system allows integration for partial reconciliation. Please provide sample files to confirm compatibility with the Tyler Technologies, Inc's Munis system.



Wire Transfer Services

I. PROCESSING

1. Does the bank offer the following methods of wire transfers? For each method, describe the process of initiation, approval and release:
 - a. Telephone
 - b. Fax
 - c. Internet
2. What are the cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution? List by type of transfer and method of communication (include book transfers). Are there any exceptions to these cut-off times, particularly if the County needed to execute a wire transfer with little advance notice?
3. Does your bank normally pass along Federal Reserve daylight overdraft charges? If yes, please include the charges in the pricing form (Attachment B).
4. What options does the bank offer for the establishment of repetitive or semi-repetitive transfers?
5. Does the bank charge for repetitive transfer template storage on its system? If so, please include the fee in the Form of Proposal (Pricing) (Attachment B).

Automated Clearing House (ACH) Services

I. PROCESSING

1. Does the bank use transaction or file dollar limits? If so, is the County informed of its limit? What procedures are followed when the County submits a file that exceeds the limit?
2. What are the bank's cut-off times for customer initiation of ACH transactions? Specify by input method (e.g., Telephone, Internet, FTP, etc.).
3. Is it possible to transmit a file and have it processed after the normal cutoff with proper notification to the production unit?
4. Is the County notified of any differences found during the confirmation process? How?
5. What controls are in place to protect against lost files and duplication of transmissions? How and when is the County notified of a duplicate file?
6. What back up procedures (or alternate methods) are available should our standard delivery mechanism(s) fail?



II. FRAUD PREVENTION

1. Does the bank offer ACH debit block? ACH debit filtering?
2. How does the bank notify the County of any unauthorized ACH debits?
3. Does the Bank have an ACH Positive Pay Service?

Passive Investments/Collateralization of Deposits

I. PASSIVE INVESTMENTS

1. Discuss the passive investment/sweep accounts (PI/S) that you recommend based on information the County provided in the Scope of Banking Services section.
2. How are rates for the Earnings Credit Rate, checking with interest, and overnight repo determined (e.g., Fed funds rate minus xx basis points)? Would you offer the County rates better than these? If so, describe how the rates would be determined.
3. List the average rate of return for the periods in the table below; assuming the County keeps an average of \$50 million in the account. **Please ensure that rates reflect what the County would actually earn net of fees.** If there are monthly maintenance fees for the account in addition to the rates presented below, please indicate what those fees are.

Historical Returns

Timeframe	Checking w/Interest	Money Market	Daily Repo	Earnings Credit Rate
Quarter: Jan – Mar 2013				
Quarter: Apr – Jun 2013				
Quarter: Jul – Sept 2013				
Quarter: Oct – Dec 2013				
Quarter: Jan – Mar 2014				
Quarter: Apr – Jun 2014				
Quarter: Jul – Sept 2014				
Quarter: Oct – Dec 2014				
January 2015				
February 2015				
March 2015				
April 2015				
May 2015				
June 2015				
July 2015				
August 2015				
September 2015				
October 2015				



November 2015				
December 2015				
January 2016				

4. If the County chooses to use a daily sweep to an overnight repo or similar interest earning account rather than using an ECR system, can monthly interest earned in the repo account be netted against bank service fees?

5. If the County chooses to use an ECR system, and in a given month the earnings credits are greater than fees, what happens to excess interest earned? Is it:
 - Credited to the County's account?
 - Forfeited (i.e., kept by the bank)?
 - Credited to the County or forfeited on a quarterly basis rather than monthly?
 - Other (describe)

6. As described in the Scope of Banking Services section, additional accounts maintained by the County that fall outside the scope of the County's operating funds, (e.g., federal grants) may require proceeds to be held in separate interest bearing investment instruments. Potential balances may range from tens to hundreds of thousands of dollars. Please provide a list of additional investment vehicles the bank provides for smaller fund balances.

II. COLLATERALIZATION OF DEPOSITS

1. Identify the third party the bank plans to use to hold collateral pledged for the County's deposits. If a Tri-Party Agreement is required, provide a copy of the agreement.

2. Describe the bank's reporting process to be used to provide the County with balance and collateral position statements. Provide a sample report.



Electronic Banking & Information Reporting Services

I. PROCESSING

1. In the chart below, please indicate whether or not you provide the listed services on line. Also, please indicate (where applicable) the on-line history maintained for each service. If the service is not offered online, please indicate all available methods of delivery to the County, and note the primary recommended method.

Service	Service Offered Online	History Maintained Online (as applicable)	Not Offered Online (Indicate all available methods and note primary/recommended method)
General Account Services			
Submit Stop Payments			
Review Status of Issued Checks from Disbursement Accounts			
Image Search for			
Paper Deposits			
Paid Checks			
Returned Items			
Monthly Account Analysis Statements			
Bank Statements			
Account Reconciliation Program Statements			
Payment Services			
Create/Approve Templates (Repetitive/Non-Repetitive)			
Create/Approve Electronic Transfers			
Domestic Wire Transfer			
Book/Account Transfers			
ACH Transfer (debit and credit)			
View Transfer History			
Submitting/Approving/Reviewing ACH File Control Totals (e.g., payroll direct deposit)			
Positive Pay Services (Decisioning/Approval)			
Add Manual Checks to Positive Pay			
Delete/Void Checks from Positive Pay			
Information Reporting - Obtaining Info			
Current Day Reports			
Intraday Position			
Current Day Data			
Previous Day Reports			
Previous Day Balances/Detail and Summary by Account			
Comprehensive Balances			



Deposit Correction Adjustments			
Electronic Payments Data/Detail (e.g. ACH, wire transfer)			

2. In addition to services listed in the chart, list other major services available through your on-line system.
3. We require that previous day information be available for access by the County each day by 8:00 a.m. If information is delayed, how and when will we be notified?
4. Does the electronic banking system allow the County to access current day information? If so, please discuss.
 - a. How frequently is this information updated throughout the day?
 - b. If information is delayed, how and when will the County be notified?
 - c. Describe transaction types/level of detail reported in current day information?
5. Discuss the inquiry capabilities of the electronic banking system.
6. Does the bank's on-line system include tools to download/export historical data? If so, what format(s) are available? If not provided online, can the bank provide this data in electronic files using different formats if requested?
7. Provide either a demo disk or Web site address to demonstrate the bank's electronic banking system.

II. SECURITY AND TECHNICAL CAPABILITIES

1. Describe all bank-imposed authorization requirements for repetitive, semi-repetitive and free-form wires. Are authorization requirements the same for all of the methods listed above? If not, how do they differ?
2. Describe major security features of the electronic banking and information reporting system, including the County Master User/Security Administrator privileges, multiple passwords, authorization, encryption, and other capabilities.
3. Describe the security levels that are available in the software, including whether security levels can be set by user, business unit, account, dollar amount, and type of transaction. How and when can these security levels be changed?
4. Are security access codes (passwords) encrypted or authenticated? Is a Log-on Report available showing all log-ons over a given period, including User ID, date and time? Describe procedures when security codes are violated.
5. What procedures does the bank use to verify accurate and secure receipt of all types of ACH transmission methods? Describe each available method.



6. Does the bank provide any type of file receipt acknowledgments? If so, how? What information is included in the acknowledgement?
7. Describe alternate methods available to the County in the event that primary services are unavailable. Indicate times that account information can be made available to the County after initial notification.
8. Does your on-line system offer a notification service for any of your on-line modules/functions (e.g., when certain reports/info is/are made available, when certain functions are performed/executed within system, when debits/credits post to accounts, etc.) Please describe.



Implementation

1. Provide a copy of all agreements that will be required to initiate each (required/optional) service (depository service, disbursement, wire transfer, ACH, electronic banking, and information reporting).
2. Provide a detailed description of the implementation process, including timetable, testing and a sample implementation schedule, as well as a proposed implementation team.
3. What is the average lead time for implementation? What are the critical factors which may impact that lead time? Are there moratoriums during our implementation time period? What resources must we commit to this process?
4. Describe support provided during implementation including training, technical assistance, user manuals (hard copy and on-line), and on-site visits.



Optional Services

1. The County currently processes payment of utility bills, taxes and some fees via Discover, MasterCard and Visa or debit cards utilizing Govolution, Inc. The County may be interested in utilizing the financial institution to provide merchant card services. The bank may be asked to manage credit card transactions or supply services for the electronic capture at the point of sale for credit card processing services. All MasterCard, VISA, Discover, and debit card transactions shall be authorized, captured, balanced and settled electronically with the County's account receiving credit the following day. Please provide a listing of reports provided to assist in the tracking and reconciliation of credit/debit card payments. Any necessary equipment should be provided by the selected bank. Please describe all costs necessary to provide this service, and any other pertinent information associated with this service line.
2. The County also seeks the ability to accept payments from other banks' on-line bill payment services. Any costs necessary to provide this service shall be included in the proposal.
3. The County is interested in lock box processing. Please provide the bank's retail lockbox services and reports provided, the location where payments are mailed and processed, deadlines, file and funds availability. Please provide details regarding the ability to integrate with Tyler Technologies Munis system. Also describe how exception items are handled, the bank's imaging capabilities, coupon and envelope specifications. Any costs necessary to provide this service shall be included in the proposal.
4. The County is interested in any and all additional products or services that the responder firm can provide that the responder firm believes would be advantageous and beneficial to the financial operations of the County. Please describe in detail any such additional product and/or service offerings in the proposal.



Attachment B

Price Sheet

	Estimated Annual Quantity (if applicable)	Unit Price	Estimated Annual Extended Price
GENERAL DEPOSIT SERVICES			
Deposit Services Fee	220,660		
Paper Statement Delivery	143		
Account Maintenance	143		
Deposit Tickets	1,489		
Audit Confirmation	1		
Branch Deposited Currency	1,422,037		
Branch Furnished Currency	2,751		
Branch Furnished Coin Rolled	92		
Checks Deposited	289,588		
Checks Deposited - Canadian	8		
Deposit Correction Credit	14		
Deposit Correction Debit	14		
Subtotal	1,936,940		
ACCOUNT RECONCILIATION SERVICES			
Positive Pay Service - Monthly	12		
ARP/POS Pay Check Return - Per Item	1		
Recon or Positive Pay Truncated - Per Item	5,661		
ARP Output Transaction - Per Item	5,661		
Electronic Check Issue Input - Per Item	5,837		
ARP Output Trans File - Monthly	12		
Subtotal	17,184		
ACH SERVICES			
ACH Origination - Monthly	12		
ACH Credits Received - Per Item	1,890		
ACH PPD Credits Originated - Per Item	22,992		
ACH PPD Debits Originated - Per Item	22,028		
ACH Debits Received - Per Item	543		
ACH Returns - Per Electronic Item	227		
ACH NOC - Per Electronic Item	40		
Online ACH Activity Report Monthly	12		
ACH File Handling - ACH Monitor Totals	197		
ACH Missing Control Totals - Per File	1		
ACH Manual Batch/File Reversal/Delete	2		



ACH Monitor Fraud Review - Monthly	12		
ACH Manual Item Reversal/Deletion	3		
ACH Monitor Transmission - Monthly	12		
Subtotal	47,975		
CHECK IMAGE SERVICES			
Online Check Image Svc - Monthly	12		
Subtotal	12		
CHECK PAYMENT SERVICES			
Checks Paid - Truncated	7,074		
Excess Checks Paid Rejects >1%	27		
Subtotal	7,101		
INFORMATION REPORTING SERVICES			
Online Book Transfers - Per Item	58		
Online Book Transfer Service	12		
Online Stop Pmt Service - Monthly	12		
Online Stop Pmt Orders - Per Item	20		
Online Previous Day Summary- Monthly Per Account	176		
Online Previous Day Detail – Monthly Per Account	176		
Online Cash Position Summary – Monthly Per Account.	12		
Online Cash Position Detail – Monthly Per Account	12		
Online Previous Day Detail - Per Item	11,445		
Online Cash Position Detail - Per Item	2,143		
Subtotal	14,066		
RETURN DEPOSITED ITEMS SPECIAL HANDLING SERVICES			
Deposited Items Returned - Per Item	361		
Subtotal	361		
FUNDS TRANSFER SERVICES			
Wire-Outgoing Manual DOM - Per Item	49		
Wire - Incoming Domestic - Per Item	11		
Subtotal	60		



Attachment C

DEPOSITORY PLEDGE AND SECURITY AGREEMENT

The AGREEMENT dated this ____ day of _____, 20__ by and between **Sussex County, Delaware** ("Depositor"), a political subdivision of the State of Delaware

– AND –

_____ (the "Bank"), a _____ bank with its principal place of business in _____.

WITNESSETH THAT;

WHEREAS, Depositor has designated the Bank as a depository for its funds;

WHEREAS, Depositor and the Bank desire to secure funds deposited with Bank to the credit of Depositor which exceed the amount which is insured by the Federal Deposit Insurance Corporation (such excess funds hereinafter referred to as the "Funds"); and

WHEREAS, Depositor and the Bank desire to secure the Funds by a pledge of securities;

NOW, THEREFORE, for and in consideration of the premises set forth herein, the Bank hereby agrees with Depositor as follows:

1. As security for the Funds, the Bank does herein assign, transfer, set over and pledge in the name of Depositor, its successors and assigns, collateral, with a market value at least equal to 102% of the Funds, as collateral security for the due and punctual performance by the Bank for the repayment of Depositor's deposits as they shall from time to time exist. Said collateral and all substitutions therefor and additions thereto made under this Agreement and all proceeds of sale thereof pursuant to Section 2 are herein collectively referred to as the "Collateral".
2. Bank agrees to faithfully keep, pay out and account for all of Depositor's funds that may be deposited with it; and the Collateral is hereby pledged as security for the faithful performance of such obligations to Depositor with respect to the Funds. All Funds in the Depositor's name will be collateralized including checking, savings, money market and certificate of deposit accounts. Upon Bank's failure to pay the whole or any part of the Funds, after legal demand therefor, (hereafter referred to as an "Occurrence of Default"), then and in such event, after 10 days prior written notice to Bank of its intention to do so, Depositor may direct that the whole or any part of the Collateral and any substitutions for, additions to, or sales proceeds of, the Collateral at such time or times as it may deem proper, may be sold at public or private sale, or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery, and at such price or process and otherwise in such manner and upon such terms and conditions as Depositor may deem proper.



In the event of said sale, after deducting direct out-of-pocket costs, reasonable attorney's fees and other expenses of collection, the residue of the proceeds of said sale shall be applied to repay and indemnify Depositor to the extent of its deposits with the Bank subject to this agreement, under which said sale is held.

3. All Collateral, including additions thereto and substitutions therefor, shall consist of obligations guaranteed by the United States of America including Treasury Bills and Notes and Government National Mortgage Association (GNMA) securities.
4. Bank hereby represents and warrants that, to the best of its good faith knowledge and belief, with respect to all bonds, debentures, notes or other evidences of indebtedness or other documents forming any part of the Collateral that the same are genuine, free from liens, adverse claims, defaults, prepayment, deficiencies and conditions precedent created by the Bank, except as disclosed to and known by Depositor.
5. The Bank shall keep continuously pledged to Depositor the Collateral, with the accompanying basis for valuation, described in Section 3 above at a dollar value (valued at market value) at least equal to 102% of the Funds. The dollar amount of the Collateral required to be maintained with respect to the deposits of Depositor is referred to herein as the "Collateral Requirement".
6. Bank and Depositor agree that the Federal Reserve Bank of Boston shall hold the Collateral together with any substitutions for, additions to, or sales proceeds of such collateral (all of which substitutions, additions or proceeds shall be deemed to be part of the Collateral) as security for the benefit of Depositor, and that Bank shall, at its own expense, in all ways service or cause to be serviced and preserve the Collateral.
7. Bank agrees that it will value the Collateral at least daily and (1) if the value of the Collateral shall fall below the Collateral Requirement, it will, by the next Business Day (which shall be on any day on which the Bank is open for business) designate or deposit for the benefit of Depositor additional Collateral sufficient to bring the value of all the Collateral at least equal to the Collateral Requirement; or (2) may, if the value of the Collateral exceeds the Collateral Requirements, at its option, withdraw such excess Collateral. Upon designating or depositing such additional Collateral or withdrawing excess Collateral, Bank shall deliver an advice to the customer listing the new collateral position after such change has been completed. **All releases of Collateral require the approval in writing of Depositor before being consummated.** The Bank will send a request to release collateral to Depositor for signature by two authorized signers and a call back from the Federal Reserve Bank of Boston will be made verifying said changes.
8. Depositor agrees that Bank may substitute for all or any portion of the Collateral held by it as security or deposited as required by Section 7 above, other Collateral having a current market value at least equal to 102% of the Funds. After making an allowable substitution, Bank shall notify Depositor listing the Collateral withdrawn and that substituted, and within ten (10) Business Days submit the same to Depositor.
9. Except upon the happening and continuance of any Occurrence of Default by the Bank that has not been cured within the applicable cure period, the Bank shall have the right to receive and keep for its own use and benefit (i) all payments on the Collateral representing interest distributions or dividends, and (ii) all payments on the Collateral



representing a return of the principal thereof only if and to the extent that the value of the Collateral remaining shall equal or exceed the Collateral Requirement or Collateral shall be substituted therefor pursuant to Section 8 hereof. Prior to any Occurrence of Default that has not been cured by the expiration of the applicable cure period, Depositor shall not have the right to receive any amount derived from payments on the Collateral representing interest. Such interest shall not be maintained in the account holding the Collateral and shall be the property of the Bank, except as to an Occurrence of Default that has not been cured.

10. Bank agrees to appropriately segregate all of the Collateral held and cause all of the Collateral held by the parties specified in Section 6 hereof to be appropriately segregated, from any and all other documents, instruments and securities owned or held by Bank or such other party, as the case may be, and shall cause the Collateral to remain continually segregated at all times. Bank shall be and remain wholly responsible for the safekeeping of the Collateral. Bank represents and agrees that it will not in any manner perform any act, which will encumber, pledge, or hypothecate the Collateral other than as provided for herein.
11. If the Bank utilizes Federal Home Loan Bank letters of credit, they can be pledged at amount equal to 100% of the Depositors Funds.
12. This Agreement shall inure to the benefit of and be binding and obligatory upon of the parties hereto, their successors and assigns.
13. This Agreement is executed and shall be construed and enforced according to the laws of the State of Delaware.
14. Nothing herein shall be construed to prohibit Depositor from withdrawing the whole or any portion of its deposits with the Bank at any time or times, and when said Funds on deposit are withdrawn in full; this Agreement shall thereupon terminate and all bonds or other Collateral pledged hereunder shall be released and delivered to Bank.
15. The invalidity, illegality, enforceability or other defect in any provision of this Agreement shall not affect or impair the validity or enforceability of any other provision of this Agreement.
16. This Agreement constitutes the entire agreement among the parties and may be modified and amended only by a subsequent writing signed by the parties hereto.
17. Except as otherwise provided herein, this Agreement may be terminated by either party hereto upon 30 days' prior written notice to the other party.

IN WITNESS WHEREOF, the undersigned have put their hands and seals this ____ day of _____, 20____.



For the County:

By: _____

Name: Gina Jennings

Title: Finance Director

For the Bank:

By: _____

Name: _____

Title: _____

Attest:

Robin A. Griffith
Clerk of Sussex County Council



Attachment D

Cover Sheet

Please complete this form and return it with your proposal.

Name of Institution: _____

Address: _____

Primary contact
person for proposal: _____

Title: _____

Phone number: _____

Fax number: _____

E-mail address: _____

Check items enclosed:

- Cover Sheet
- Transmittal Letter
- Completed "Price Sheet"
- Completed "Banking Services Questionnaire" section
- Audited financial statements for the past two fiscal years
- SAS 70 Report