

# Village of Hoffman Estates

Request for Proposal for Banking Services

June 2022

Village of Hoffman Estates  
1900 Hassell Road  
Hoffman Estates, IL 60169

## I. INTRODUCTION

### A. General Information

The Village of Hoffman Estates (the “Village”), Illinois invites commercial banking institutions (the “Bank”) who possess the capability and expertise to provide depository and various other banking services for the Village, to submit proposals for the provision of those services according to the requirement set forth in this document. The Bank selected will provide these services with the highest level of quality at a competitive price.

### B. Instructions

To be considered, one (1) electronic copy of the proposal must be emailed to Rachel Musiala, Director of Finance (Rachel.musiala@hoffmanestates.org).

All proposals must be received no later than 10:00am on Friday, July 29, 2022. The Bank accepts all risks of late delivery of mailed proposals, regardless of fault.

### C. Contract Term

The Village will be entering into a five (5) year agreement with the Bank for the services outlined in this proposal, with the option for the Village to renew for an additional three (3) year period upon mutual agreement of terms with the Bank. Agreed upon fees will remain fixed for the first five years of the contract.

### D. Terms and Conditions

The Village reserves the right to reject any or all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, and to accept or reject any item or combination of items. The award will be to the proposer whose proposal complies with all the requirements set forth in this RFP, and whose proposal in the opinion of the Village, is the best proposal taking into consideration all aspects of the proposer’s response, including the total net cost to the Village.

The Village reserves the right to amend, cancel, or reissue the RFP at any time. In the event of a material modification, notice will be published to all known proposers. If deemed necessary by the Village, proposers will be given an opportunity to modify their proposal in the specific areas that are affected by the modification based on a timeline identified by the Village.

The transaction amounts and volumes identified in this document are estimates based on prior information. The Village in no way guarantees these as minimum or maximum volumes. There is

no expressed or implied obligation for the Village to reimburse responding banks for any expenses incurred in preparing proposals in response to this request.

Proposers shall thoroughly examine and be familiar with these specifications. The failure or omission of any proposer to receive or examine this document shall in no way relieve any proposer of obligations with respect to this proposal or the subsequent contract.

The contract may be terminated by either party by giving written notice to the other party no later than ninety (90) calendar days before the proposed termination date. This provision may be exercised only after the contract has been in effect for six (6) calendar months. The bank shall be entitled to just and equitable compensation for any satisfactory work completed to the termination date. Under no circumstances will any damages be paid as a result of the termination of this contract. If the bank exercises the right to terminate the contract early, they cannot bid on future proposals for a period of seven (7) years.

In the event that the proposer to whom the services are awarded does not execute a contract (Exhibit B) within thirty (30) calendar days after the award of the bid, the Village may give notice to such proposer of intent to award the contract to the next most qualified proposer or to call for new proposals and may proceed to act accordingly.

#### E. Proposal Format

All Banks wishing to submit a proposal must submit the following documents:

- Title Page including proposal subject, bank name, the name, address, e-mail address and phone number of two (2) contact persons for the bank, and the date of the proposal
- Background information of the Bank, including full name and principal address, Hoffman Estates location(s) and services offered at those locations (i.e. full service or other), basic information of the Bank as an institution, and summary of experience with municipal clients
- A description of the organization and location of the relationship team that will be assigned to the Village
- Complete cost proposal listing all fees, see Proposal Form attached (Exhibit A)
- A listing of any exceptions within proposal
- A description of all online banking services included in the cost proposal
- A listing of any additional recommended services, including price, the Village may choose to implement in addition to the outlined required services
- Proposed implementation schedule
- Contact information for a minimum of three (3) relevant references for each of the required services, preferably municipal, in the Chicago Metropolitan area of similar size and services requested.

#### F. Oral Presentation

The Selection Committee may, at its discretion, request any or all Banks to make oral presentations. Such presentations will provide the Banks with an opportunity to answer any questions the Selection Committee may have on a Bank's proposal. Not all Banks may be asked to make such oral presentations.

## II. EVALUATION OF PROPOSALS

#### A. Selection Committee

Proposals submitted will be reviewed by a Selection Committee, consisting of the Director of Finance, the Assistant Director of Finance, the Fiscal Operations Manager, and the Village Treasurer. Other parties within the Village may be consulted for input as it relates to their areas of responsibility or expertise.

#### B. Bank Qualifications:

For a proposal to this RFP to be considered and evaluated, a bank must:

- Be insured by the Federal Deposit Insurance Corporation (FDIC).
- Be eligible to be a depository of Village funds with a full service branch in the Village.
- Be an on-line cash and securities member of the Federal Reserve.
- Provide a copy of a recent investment rating report provided by a nationally recognized rating agency.
- Agree to the collateralization of all Village deposits held in excess of FDIC limits or propose an alternative which guarantees the safety of all public deposits held by the bank.

#### C. Selection Criteria

The following criteria will be analyzed to determine which bank the Village will contract with. These criteria are not listed in order of importance:

- Capabilities of local Hoffman Estates branch
- Fees for service(s)
- Online capabilities
- Customer service
- Safety and creditworthiness of Bank
- Best earnings credit rate (ECR) offered on balances and/or lowest aggregate banking cost
- Best rate of interest paid on accounts
- Financial strength and stability of bank proposing services

#### D. Timeline of Review and Final Selection

The Selection Committee will make a recommendation to the Finance Committee and Village Board. The Finance Committee will review the recommendation and the final selection will remain the decision of the Village Board.

June 17, 2022	-	Distribution of Request for Proposals
July 6, 2022	-	<b>Last day to submit questions</b>
July 29, 2022	-	Proposals must be in possession of the Village by 10:00am
August 1 - August 13, 2022	-	Review of Proposals & Interview top candidates
August 15, 2022	-	Finance Committee Reviews
September 6, 2022	-	Village Board Approves Contract
September 7, 2022	-	Selected Bank Notified

The Village intends to adhere to the proposed schedule, however, it is expressly understood that your proposal will be valid for a period of ninety (90) days after July 29, 2022.

#### E. Questions and Additional Information

Requests for clarification, questions or additional information should be emailed to Rachel Musiala, Director of Finance. Her e-mail address is [rachel.musiala@hoffmanestates.org](mailto:rachel.musiala@hoffmanestates.org). Responses to requests and questions will be furnished to all known potential proposers.

### III. SCOPE OF SERVICES

#### A. General

The Village is seeking proposals for banking services of both core services and non-core ancillary services. The preferred arrangement would award a contract for all services to one Bank with a full service branch in Hoffman Estates that offers after-hour drop box capabilities.

#### B. Collateralization of Account Balances

All Village funds on deposit in excess of FDIC insurance limits must be secured by some form of collateral, witnessed by a written agreement and held in the name of the Village at an independent third party institution. The amount of collateral provided will not be less than 110% of the fair value of the net amount of public funds being secured. The Village will accept the following assets as collateral:

- U.S. Government Securities
- Obligations of Agencies or Instrumentalities of the U.S. Government

- Obligations of any State of the United States, or any municipal or other political subdivision thereof that are rated “AA” or better by a nationally recognized rating service
- General Obligation Municipal Bonds rated “A” or better by a nationally recognized rating service

#### C. Accounts Included

The Village presently utilizes the following separate accounts:

- General Account (daily activity)
- Payroll Account (Zero balance account; daily activity)
- Clearing Account (Zero balance account; daily activity)
- State Asset Seizure Account (minimal activity)
- Federal Asset Seizure Account (minimal activity)
- Police Pension Account (occasional monthly activity)
- Fire Pension Account (occasional monthly activity)

The Village does not guarantee that the same number of accounts will be established under the new banking services relationship.

#### D. Account Structure

All accounts will be set up as interest bearing checking accounts, with the exception of the Payroll account and Clearing account, which will be zero balance accounts (ZBA).

**ECR Alternate:** As an alternate, the bank may wish to propose an earnings credit rate to be applied to all balances in lieu of payment of interest on balances. The earnings credit allowance will be applied to the monthly bank analysis to offset charges for services and the remaining balance due will be settled in cash. In the event the earnings credit allowance exceeds the charges for services, the net service credit will be rolled forward and applied to subsequent month’s bank analysis. A “true-up” will occur at December 31 of each year so each party is “whole” to start the new year.

#### E. Bank Statements

The Village will accept monthly bank statements in electronic form or paper form to be received within ten (10) business days after the last day of the month and will include copies of all cleared items.

#### F. Monthly Fees and Charges

All charges for banking services shall be reported on a monthly account analysis statement along with an invoice and received in electronic form or paper form within ten (10) business days after the last day of the month. The Village will review the charges and process payment with an option to select automatic payment, if desired.

The Village is amendable to settling on charges on a monthly basis via direct debit to its General account provided that disputes, corrections, or adjustments identified by the Village are promptly processed by the bank on the following month's analysis statement.

#### G. Automated Clearinghouse

The Bank must be both a "sending" and "receiving" bank on the Automated Clearing House (ACH) network to accommodate a payroll direct deposit program and vendor payments, as well as other services. This service shall also include full account blocks and filters to safeguard the Village assets and information. The Village pays some vendors via ACH.

#### H. Online Banking Services

The Village requires the Bank to provide comprehensive online banking services. These services shall have sufficient security features to ensure the protection of Village assets and information. Please provide a description of online services as well as security features in your proposal. At a minimum, the following online services will be required:

- Daily balance reporting
- Detailed credit and debit postings
- Initiation of internal account to account transfers
- Initiation of recurring wire transfers and ACH payments
- Ability to save recurring wire transfer instructions in reusable templates
- Initiation of ACH debit and credit type transactions
- Placement of stop payment orders
- Ability to view minimum of last six (6) months of statements
- Ability to configure user accounts with multi-level security
- Positive pay exception item images

#### I. Payee Positive Pay

The Village currently utilizes payee positive pay (General and Payroll bank accounts) and the Bank must be able to provide this service. The payee positive pay must be integrated with the bank teller lines.

#### J. Debit Block

The Village utilizes debit block on our accounts, so no money can be debited out (via ACH/wire) of the bank account unless each specific vendor has been set up as “allowable.

#### K. Transfers Between Accounts

On a regular basis, the Village will make transfers between the various accounts. All transfers will be done electronically via online banking services. In emergency situations, transfers may be initiated via the phone by authorized signers. Credit for any transfers between accounts will be given on the same day as the transfer is made.

#### L. Remote Deposit

The Village currently processes payments in-house. It is estimated that the Village processes between 4,000-5,000 checks per month. It is our preference that the Bank will be able to accept electronic files for deposit and the proposal should include the cost of each deposit and the per item charge, if applicable.

#### M. Lockbox/In-office payment processing

The Village currently processes its utility bill remittance payments in-house. It is estimated that the Village processes between 4,000-5,000 checks per month. The Village would like information/options and pricing on the following:

- Lockbox services: if the Bank is to process payments on the Village’s behalf via a lockbox payment processor. Please provide all pricing associated with lockbox processing: monthly account maintenance, price per transaction, file processing, online imaging, etc.
- In-Office payment processing: if the Bank has equipment, technology and/or software that would allow the Village to process payments in-house ourselves, maybe utilizing the same remote deposit device. Please provide all pricing associated: monthly account maintenance, price per transaction, file processing, online imaging, etc.

#### N. Payments received via online banking

Currently, the Village allows utility bills to be paid via online banking (via checks). Payments are intercepted by the Village’s current bank via e-lockbox and automatically deposited into our General Account. If the Bank offers such services, please include per item charge and annual maintenance charge(s).

#### IV. VILLAGE OF HOFFMAN ESTATES INFORMATION

##### A. Contact Persons

The Bank's principal contact with the Village of Hoffman Estates will be Rachel Musiala, Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the Village. Contact information for key Finance Department staff is as follows:

Rachel Musiala	Anthony Fashoda
Director of Finance	Assistant Director of Finance
847-843-4802	847-843-4807
Rachel.musiala@hoffmanestates.org	Anthony.fashoda@hoffmanestates.org

Laurel Warren  
Fiscal Operations Manager  
847-843-4801  
Laurel.warren@hoffmanestates.org

##### B. Background Information

The Village of Hoffman Estates serves an area of 22.1 square miles with a population of 51,895 according to the 2010 Census. More than 99% of the Village is located in Cook County, with the remainder falling within Kane County. The Village is a home-rule municipality as defined by the Illinois Constitution. The Village operates under the council-manager form of government. The Village's fiscal year begins on January 1 and ends on December 31. The Village's annual budget for the 2022 fiscal year is \$159,934,400. The Village currently has 363.42 full time equivalents (FTEs).

## VILLAGE OF HOFFMAN ESTATES BANKING SERVICES PROPOSAL FORM – EXHIBIT A

BANK: \_\_\_\_\_

Bank Services	Estimated Annual Volume	Charge Per Item	Annual Service Charge
<i>Account Services:</i>			
Account Maintenance (7 accounts)			
Online website service (7 accounts)			
<i>Banking Center Services:</i>			
Branch Credits posted	110		
<i>Depository Services:</i>			
Credits Posted	250		
Items Deposited	700		
Returned Items	50		
Check Image Deposited	55,000		
<i>Disbursement Services:</i>			
Check/Debit Posted	4,500		
Stop Payment Automatic Renewals	10		
Exception Notifications	50		
Image Storage	5,200		
Image Capture	5,200		
Transfers between Accounts	30		
Online ACH Maintenance	60		
ACH, Debit Originated	32,500		
ACH, Credit Originated	12,700		
ACH Debit Received	590		
ACH Credit Received	5,000		
Return Item	55		
Return Item Redeposit	25		
Online Check/Deposit Archiving			
Check Inquiry Maintenance			
Notification of ACH, Incoming (email)			
<i>Reconciliation Services:</i>			
Payee Name Verification	5,000		
Exception item	20		
<i>Funds Transfer Services:</i>			
Electronic Debit	70		
Electronic Credit	25		
<i>Elockbox Services:</i>			
Maintenance			
Transactions submitted	45,000		

Transactions reformatted	45,000		
File processing	250		
<i>Remote Deposit:</i>			
Deposit Transmissions	250		
Number of Transactions	55,000		
Remote Deposit capture fee			
File Storage/Viewing Capabilities			

**Total Cost for Proposed Service**

**Average Monthly Cost (Total ÷ 12)**



**SAMPLE AGREEMENT**

**EXHIBIT B**

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, by and between \_\_\_\_\_, having its place of business at \_\_\_\_\_, Illinois, and the Village of Hoffman Estates, (hereinafter referred to as “the Village”) an Illinois municipal corporation:

**WITNESSETH**

\_\_\_\_\_, having submitted a Bid Proposal for providing certain banking services for the Village pursuant to the specifications set forth within the proposal for banking services required by the Village, and having been awarded a contract to provide this service, hereby accepts and agrees to comply with the specifications set forth within the Banking Services Bid Proposal dated \_\_\_\_\_, 20 \_\_\_\_\_. The parties therefore agree that the attached Cost Proposal(s) constitute the “Agreement” between the parties.

IN WITNESS WHEREOF, \_\_\_\_\_ has caused this Agreement to be executed in its name by a corporate officer and the Village has caused same to be executed in its name by its Village President, and its corporate seal to be hereunto affixed and attested, all being thereunto duly authorized.

ATTEST:

\_\_\_\_\_

By: \_\_\_\_\_

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

ATTEST:

\_\_\_\_\_

Village Clerk

\_\_\_\_\_

Mayor, Village of Hoffman Estates, IL

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