



REQUEST FOR PROPOSAL BANKING DEPOSITORY SERVICES

SUBMISSION DEADLINE:
September 8, 2010
2:00 p.m. (CDST)

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City of Jonesboro
515 West Washington Street
Jonesboro, AR 72401

REQUEST FOR PROPOSAL BANKING DEPOSITORY SERVICES

I. INTRODUCTION

The City of Jonesboro, Arkansas ("City") is requesting proposals from eligible financial institutions to act as the City's Depository institution for an initial period of twelve (12) months. The depository agreement shall contain an automatic renewal clause, which may be used for the following two (2) twelve-month periods, thereby providing for 36 months of depository and banking services.

The intent of this request for proposal is to provide all qualified local financial institutions an opportunity to submit proposals to handle the City's deposit accounts. A listing of these accounts is provided on page six (6) of this request for proposal. If your institution does not wish to provide services for an individual account, please note this in your proposal. Banking services offered but not requested in this proposal may be negotiated between the City and the bank, if required, at a later date.

All proposals must remain in effect for 90 days after the proposal due date. Additional information concerning this RFP may be obtained by contacting Jim Eagan, Assistant Finance Director, via e-mail at jeagan@jonesboro.org or Becky Sharp, City Collector, at bsharp@jonesboro.org.

II. SUBMISSION PROCEDURES

All proposals shall be received in a sealed envelope by the Purchasing Department, 515 West Washington before **2:00 P.M., September 8, 2010** where they will be publically opened and read, in accordance with the City's purchasing policy. The proposals will then be evaluated. The proposal must be accurate and complete, providing all the information requested in the request for proposal; however, the City reserves the right to waive any minor or technical defects or irregularities. The City reserves the right to reject any and/or all bids received.

III. PROPOSAL QUALIFICATIONS AND EVALUATION

All proposals from qualified public depositories that pass the completeness test and financial strength/capacity tests and provide a satisfactory service level will then be ranked based upon least total cost to the city. The cost to the City is defined as the lowest combination of projected monthly service costs if any, highest earnings factor specified in the banking institution's proposal and the resulting compensating direct fee. However, the City reserves the right to select the proposer which, in its opinion, provides the best combination of service quality and costs to the City.

Selected financial institutions may be requested to provide oral presentations and participate in an interview with City staff.

After a review of the proposals, and possible oral presentation and interviews, the City intends to enter into contract negotiations with the selected financial institution. These negotiations could include any aspect of services and fees. If a contract is not finalized in a reasonable period of time, the City will open negotiations with the next ranked firm. The bank designated by

the City as its official depository shall be expected to execute a contract in substantially the same form as the sample contract submitted with the bank's proposal. The contents of this Request For Proposal and the proposal submitted by the successful respondent may become part of any contract. The contract must be in a form approved by the legal counsel of the City. The contract shall provide that the City reserves the right to cancel any agreement at any time upon ninety (90) days prior written notice of its intent to terminate any agreement. The depository shall provide the City at least one hundred eighty (180) days prior written notice of its intent to terminate any agreement.

IV. SERVICES

The following services will be applicable to **all** accounts unless otherwise specified in individual account descriptions. (See attached for account information)

1. Interest will be credited to each interest bearing account monthly based upon the account's daily balance. The crediting method must be explained in the RFP.
2. The statement date will be the last calendar day of the month, and statements for all accounts will be mailed or delivered to City Hall within five working days after the end of the month. In addition, the City desires access to the bank statements and services in electronic format. Statements will include all items clearing the account.
3. The City transfers funds by wire to other banks. This service will be provided on a written request (either in person or fax) of the City Collector, Finance Director, Mayor or designee. All such requests must be counter signed by another official listed on signature cards for the accounts affected.
4. A web site to access all city accounts is strongly preferred.
5. The funds in all accounts will be 100% collateralized by securities that conform to Arkansas and Federal laws. Collateral for the accounts will be held on a permanent basis by an independent, third party financial institution approved by the City (preferably the Federal Reserve Bank). The banking institution agrees to check this on a daily basis, and provide increased security as needed. A monthly report of collateral pledged as of the end of the calendar month and its market value at the time shall be furnished to the City within five (5) calendar days of the close of each calendar month.
6. The City may request other services not specifically mentioned in this document, with a reasonable, mutually agreeable fee to be charged by the institution.
7. The banking institution shall provide the following supplies as needed:
 - Printed duplicated deposit slips
 - Locked money bags
8. The banking institution will provide a safety deposit box for safekeeping of the City's investments and other documents as needed. The box should be 3" x 10" or equivalent.
9. The bank must be able to accept cash deposits at branch locations. Deposits will be dropped off each day. The bank will be responsible for verifying the deposit upon receipt. In addition, the availability of making afterhours deposits at the main or branch bank is requested.
10. Deposit discrepancies , should any occur, will be brought to the attention of the Finance Director or his designee on the same day the discrepancy is found.
11. Availability of funds will be as follows: 1) items on the depository institution, same day. 2) items on local institutions, next day 3) other items in accordance with Federal Reserve availability schedule.
12. Investments (which includes certificates of deposit) will continue to be bid outside of this depository contract. The depository institution may bid on such investments provided they can properly secure the funds as required by law. The City reserves the right to purchase investments through other financial institutions if such action is to the benefit of the City.

13. Any cost of FDIC insurance (mandatory during the term of the contract) should be included in the overall cost of the contract. The proposal should include an itemization of any amounts charged for FDIC insurance premiums and an explanation of the method of calculating such charges.
14. The City will require stop payment issuance and confirmation upon receipt of written request. Unless renewed, each stop payment will remain in place for a minimum of six months.
15. Unless otherwise directed, the Bank will automatically redeposit return items a second time. Items returned a second time would be charged to the appropriate account and returned promptly to the City.
16. The bank must be a "sending" bank on the Automated Clearing House System.
17. The bank must be current on all City taxes, fees, and licenses, if applicable.
18. Certain accounts are subject to electronic withdrawals and deposits on a recurring basis. Please advise if there are any charges associated with this activity.

VIII. REQUIRED PROPOSAL DOCUMENTATION

The following item(s) should be included in the bank's proposal:

1. Assurance that the financial institution is insured by the FDIC.
2. Itemize and describe the financial institution's ability to provide the banking services described above, and to what extent, if any, those services are automated.
3. Assurance that the financial institution is audited by an independent CPA firm. Provide a copy of the most recent audit report.
4. A copy of the bank's most recent Call Report.
5. The bank's "Capital Ratio" and "Risk Based Capital Ratio" for the three most recent annual fiscal periods.
6. A summary of any significant changes in management and/or ownership during the past five years.
7. Resumes or brief summaries of qualifications of key personnel to be assigned to the account.
8. A list of previous and current customers who had or have accounts which are similar in nature to those proposed herein, with particular attention given to public agency accounts. Please include phone numbers.
9. What security policies and procedures does the bank have in place to protect the City's assets? Provide details regarding the bank's services or products that will protect the City from fraud (e.g. forged checks, phone transfers, etc.)
10. Provide details regarding any electronic service options, including the charges for these services. Also provide a description of the bank's balance reporting system and its features and a statement whether the system can be accessed through the internet.
11. List the location of your institution's main office and the locations of any branch offices in Jonesboro. Provide the address of the office location that will service the City's account.
12. Does your bank provide a courier to pick up deposits from the City on a daily (M-F) basis? If so, please provide the costs associated with the courier service if any.
13. What is the ledger cutoff time for deposits?
14. Provide a list of the bank's holidays.
15. A list of all bank charges and amounts that will be charged to the City if any.

16. Complete description of how interest will be calculated and credited on all accounts. Be specific. Interest rates to be credited should be listed for each account.
17. Describe how the bank will collateralize the City's deposits.
18. Describe the frequency and format of reports that you would provide to the City. What reports would be available in electronic format? Describe what format electronic reports would be in and how the City would receive these reports. Detail any costs associated with electronic reporting if any.
19. What, if any, of your services can be accessed through the Internet?
20. Describe your financial institution's expertise in relation to Electronic Commerce.
21. Explain the financial institution's overdraft protection and list any charges.
22. The percentage rate for all accounts for the initial 12 months of this contract.
23. RFP shall be signed by authorized bank employee.
24. Two (2) copies of the banks proposal shall be included in a sealed envelope.

IV. COMPLIANCE WITH GOVERNMENT LAWS

The Bank shall remain informed of, and shall comply with, all applicable laws, ordinances, rules, regulations, and orders of the City, County, State, Federal, or any other public bodies, which apply to work performed under this proposal.



Deposit Account Information 2010

Account Title	Description	Average Daily Balance YTD 2010
General Fund	Account used for receipting of revenues and payment of expenses for General Fund departments.	\$ 8,969,056.49
Street Fund	Account used for receipting of revenues and payment of expenses for Street and Engineering departments.	3,102,041.66
E-911	Account used for receipting of revenues and payment of expenses for Emergency Communications operations.	543,317.08
Capital Improvements	Account for receipting of revenues and payment of expenses for capital projects.	5,511,280.64
Advertising & Promotion	Account for receipting of hotel occupancy taxes and payment of expenses for Advertising and Promotion Commission.	442,404.22
Cemetery Fund	Account is used for receipt of revenues derived from operation of City cemeteries, and holds funds for acquisition of cemetery space and improvements to cemeteries.	1,252,919.29
Federal Funds	Account for receipting of revenues and payment of expenses for grant-related projects. Receives funds from federal and State agencies.	1,050,457.52
CDBG	Account used for receipting of revenues and payment of expenses for Department of Community Development. Receives funds from federal sources, primarily Community Development Block Grant programs. This is a non-interest bearing account.	292,395.24
JETS Fund	Account used for receipting of revenues and payment of expenses for City transit system. Receives funds from State and federal agencies.	92,925.41
M.P.O.	Account used for operations of Metropolitan Planning Organization.	25,809.57
Operating	Clearing account used to consolidate funds from City departments for payments to vendors.	579,515.18
Cafeteria Plan 2009	Clearing account for receipt of withholding from employees under Section 125 elections, and payment of claims.	180,192.29
Old Payroll	Clearing account for receipt of State and federal taxes withheld from employee payroll and electronic transfer to taxing agencies.	67,441.32
New Payroll	Clearing account for consolidation of payroll funds from all City departments for electronic deposit to employee accounts.	179,406.04
Insurance	Clearing account to receive insurance premiums via draft from retirees covered under Firemen's Pension, for payment to insurance carrier.	3,585.30
Federal Forfeiture	Account for receipt of payments from federal agencies under asset forfeiture programs and payment of expenses.	12,068.81
Credit Card Account	Clearing account for holding of monies from receipts paid by credit card. Distributions are made weekly to City departments.	18,291.19
Economic Development	Account for receipt of grant monies for special economic development programs. This is a non-interest bearing account.	100.00
State Asset Forfeiture	Account for receipt of payments from State agencies under asset forfeiture programs and payment of expenses.	28,814.48
TOTAL BALANCES		22,352,021.74