

EOAC BANKING RFP

REQUEST FOR PROPOSAL FOR BANKING SERVICES

**ECONOMIC OPPORTUNITIES ADVANCEMENT CORPORATION, PLANNING REGION XI
(EOAC)
500 FRANKLIN AVENUE
WACO, TEXAS 76701-2111**

INTRODUCTION

A. PURPOSE AND SCOPE

EOAC is seeking proposals from qualified banking institutions (the bank) to provide various banking services for period of three years with option for two additional years, not to exceed five years. Through this contract EOAC intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities.

The proposal has been divided into the following sections:

1. Financial services overview
2. General banking information
3. Depository and collection services
4. Cash management services
5. Financing services
6. Merchant services
7. Purchasing card
8. Pricing proposal

It is EOAC's intent to maintain banking services with one bank.

B. ELIGIBLE BANKS

A proposing bank must be a federally or State of Texas chartered banking institution with banking facilities located in McLennan County, Texas. To assure a close working relationship, to facilitate available services, and to support local business, EOAC may give priority to those banks with full service capabilities within the Waco city limits. Any required statement regarding equal opportunity and affirmative action should be included. The proposal submitted will become part of the final contract.

C. ACCOUNT COMPLIANCE

Accounts proposed by the banking institutions must comply with security and collateralization requirements for public funds promulgated by the federal government and the State of Texas.

D. PROPOSAL FORMAT

In order to fully and equitably evaluate each bank's ability to meet the banking services needs of EOAC, a standard reply format is required. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

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E. TIMELINE (Subject to change)

RFP distributed to banks	July 24 – August 24, 2017
Pre-proposal meeting, 500 Franklin, Waco (optional)	August 11, 2017 at 10:00am
Proposals due from banks	August 21, 2017
Interview with selected bank	August 28, 2017
Best and Final Offer Negotiations	September 5, 2017
Recommendation to the Board of Directors	September 18, 2017

F. RESPONSE DATE

Three (3) copies of the bank's proposal must be received by EOAC no later than 4:30pm, August 21, 2017. Proposals must be clearly marked "BANKING SERVICES PROPOSAL." Mail or deliver responses to:

Chief Financial Officer
Economic Opportunities Advancement Corporation
500 Franklin Avenue
Waco, Texas 76701-2111

Late proposals will not be considered. Amendments to proposals will be considered only if they are received by the above deadline. A corporate official, legally authorized to bind the bank, must sign the proposal.

G. QUESTIONS

Questions regarding the bid process or specific aspects of the RFP should be mailed, e-mailed or sent by facsimile transmission to:

Michael Thompson or Dorothy Marstaller, CPA
Economic Opportunities Advancement Corporation
500 Franklin Avenue
Waco, Texas 76701-2111
michael.thompson@eoacwaco.org or dorothy.marstaller@eoacwaco.org
254-754-1031, facsimile

Deadline for receipt of question is 4:00 p.m., August 17, 2017. Responses to all material questions submitted will be communicated to all banks on record as having received the RFP by August 18, 2017.

H. SELECTION CRITERION

EOAC aims to select the bank that will provide the best overall value on a long-term relationship rather than simply selecting the low bidder. The following rating system will be used in order to select the most qualified bank to service EOAC's banking needs:

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WEIGHT

- 20% Net overall cost comprised of the four following components:
 - 1. Cash management service fees
 - 2. Earnings credit rate
 - 3. Availability schedule applied to deposit items
 - 4. Financing services, costs and terms
- 15% Ability of bank representatives to serve the needs of EOAC
- 10% Quality of written proposal
- 10% Quality of references
- 10% Proximity of branch locations, ability to accept up to \$100 in coin
- 10% Availability and commitment of implementing new technologies
- 10% Financial strength
- 10% Availability, quality of commercial teller service
- 5% Demonstrated commitment to the community

I. TERM OF BANKING AGREEMENT

EOAC will enter a contractual agreement for three (3) years, with an option to renew the contract for two (2) additional years based on satisfaction of the Board of Directors and EOAC management with the performance of the bank under the contract.

J. RIGHT TO REJECT PROPOSALS

EOAC reserves the right to waive any information or irregularities in any proposal and to reject all proposals.

SECTION 1 – FINANCIAL SERVICES OVERVIEW

A. CURRENT & PROPOSED ACCOUNT STRUCTURE

The current account structure of EOAC is reflected below:

7 operating, checking accounts

1 payroll account

1 savings

Desired services:

On-line reporting

Account reconciliation

Check imaging

On-line ACH transfers, On-line account transfers

Direct deposit, employee payroll

Payment card services (employees without bank accounts)

Positive pay

On-line stop payment

Incoming ACH and Wire receipts

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B. VOLUME AND BALANCES

Below are the current average account volumes for EOAC:

	Operating	Payroll
Deposit tickets	260	0
Deposited items	530 (1,2)	52 (2)
Checks	8,400	80
ACH credits	530 (1,2)	
ACH debits		2,450

(1) ACH (2) Account transfer

Average collected balances for all accounts

Operating	\$1,200,000
Payroll	\$40,000

C. EOAC PROFILE

Economic Opportunities Advancement Corporation of Planning Region XI (EOAC or Agency) is a Texas nonprofit corporation chartered April 25, 1966, charter number 223598, a tax exempt charitable organization under IRC section 501c (3), with primary offices at 500 Franklin Avenue, Waco, Texas. The Agency was organized to implement and carry out the provisions of the Economic Opportunity Act of 1964, which recognizes that the United States can achieve its economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his/her capabilities and participate in the workings of our society; and, to strive for elimination of poverty. EOAC operates and/or manages social services programs in a nine-county area of Texas: Bosque, Falls, Freestone, Hill, Limestone, Johnson, Ellis, Navarro, and McLennan counties. Currently EOAC administers five major programs (Waco Charter School, Community Services, Head Start/Early Head Start, Child Care Services and Weatherization Assistance) with a staff of approximately two hundred fifty. A fifteen-member volunteer Board of Directors oversees the agency.

D. SERVICES REQUESTED

In addition to standard bank services, EOAC is interested in the following services:

On-line banking including balance reporting, wires, ACH transmissions, stop payment, Account reconciliation, positive pay, Check imaging, Direct deposit, pay cards, Agency credit card, ACH receipts.

E. BUDGET/AUDITED FINANCIAL STATEMENTS

Attached is a copy of the executive summary of financial performance of the various programs as of May 31, 2017. Notice that the respective programs have various year ends. Also attached is a copy of the most recent audited financial statements for the fiscal year ended April 30, 2016.

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II. SECTION 2 – GENERAL BANKING INFORMATION

1. FINANCIAL STRENGTH

A. SAFETY AND SOUNDNESS

Identify key measures of the bank's financial strength, (e.g. capital ratios, market capitalization, total assets)

B. CREDIT RATINGS

Provide ratings for the bank from the following agencies: Standard & Poor's/Moody's. Include ratings for Bank Financial Strength, Bank Deposits and Issuer Rating.

C. FINANCIAL STATEMENTS

Each proposer must submit with their proposals:

- audited financial statements for the past two fiscal years,
- a copy of the current call report, and
- a statement regarding any recent or foreseen merger or acquisition.

2. ACCOUNT SERVICING

A. BANK CONTACTS

List names, titles, telephone and fax numbers and e-mail addresses for key bank contact personnel. Also provide a brief resume for each contact.

B. ACCOUNT EXECUTIVE

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the EOAC'S account.

C. REFERENCES

Each proposer must include five (5) references of current customers who use services similar to those in this request. Provide organization name, address, telephone number, e-mail address and the contact person for each reference.

D. PROXIMITY

Provide the distance of your nearest bank branch to the following location:

500 Franklin Avenue
Waco, Texas 76701-2111

E. COMPETITIVE POSITION AND FUTURE COMMITMENT

1. What differentiates your products/services from other providers?
2. What new services or features does the bank plan to offer, and within what time frame?
3. Describe your commitment to the local community and the support provided by the bank to local (located in the six counties served by EOAC) organizations over the last 5 years.

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4. 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, and articles in trade journals.

F. DISASTER RECOVERY

Provide a detailed description of the bank's disaster recovery plan.

SECTION 3 - DEPOSITORY AND COLLECTION SERVICES

A. BASIC INFORMATION

EOAC currently has seven (7) depository accounts. The average total daily balances are approximately \$1,200,000. Deposits are primarily received by wire or ACH credits. Hard copy deposit tickets are taken to the bank for deposit with a teller verified copy of the deposit ticket returned to the EOAC employee.

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and all other checks based on the bank's published availability schedule. The Bank should specify in their proposal their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

B. COLLATERALIZATION OF DEPOSITS

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit of \$250,000.00. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with EOAC and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 102% and marked to market at least once a month. Control will be shared jointly between the bank and the entity. Substitution will be approved by EOAC and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral.

C. PROCESSING

What is the cut-off time to ensure same day credit?

D. BANK COMPENSATION

1. How do you calculate and determine availability of deposited items?
 - Do you give immediate credit for on-us items?
 - Do you use a standard schedule?
 - Do you use an accelerated schedule?
 - How often are they updated?
2. Provide your bank's availability schedule.
3. Can we compensate your bank for services by explicit fees, compensating balances or a combination of the two?
4. How are your bank's monthly earnings credit calculated?

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5. Provide historical rates for the last year.

E. DAYLIGHT OVERDRAFT PROVISIONS Every effort will be made to eliminate daylight overdraft situations on the account. However, in case this situation does arise, the proposal should include all bank policies regarding daylight overdrafts charges or handling procedures.

F. RETURNED ITEMS

1. Describe your procedure for handling non-sufficient fund checks deposited into an EOAC account.
2. Can returned items be automatically re-deposited/ if so, how many times?

G. STOP PAYMENTS

1. Include a statement on the proposed stop payment process on an automated or manual basis
2. Can stop payments be placed manually? On-line?
3. Can the period be extended?
4. Can you request stop payments for a range of checks? If so, is there a limit to the range?

H. WIRES

1. What methods of initiation does the bank offer?
2. What are the opening hours and cut-off times in Central Standard/Central Daylight Savings Time for initiating wire transfers to ensure same-day execution?
3. What is the cut-off time for in-coming domestic wire transfers to receive same day credit?

I. VAULT SERVICES

1. What is the cut-off time to ensure same-day ledger credit?
2. What types of bags do you allow/require?
 - Do you provide the bags?
 - Do you charge for the bags?

SECTION 4 – CASH MANAGEMENT SERVICES

A. ACCOUNT RECONCILIATION SERVICES

1. Provide a brief description of each account reconciliation service that the bank offers.
2. Describe the products features including but not limited to:
 - File transmission time windows
 - File layout
 - Imaging capabilities
 - Reporting capabilities: Paper vs. Electronic vs. Internet
 - Technical capabilities
 - System requirements

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B. POSITIVE PAY

1. Provide a brief description of each positive pay service that the bank offers. Please provide sample reports.
2. Describe the products features including but not limited to:
 - Data transmission methods
 - File transmissions time windows
 - Notification report delivery methods
 - Notification transmission time windows/response deadlines
 - Control options-defaults, dollar threshold, etc.
 - Imaging capabilities
 - System requirements

Please indicate all costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 7 of this proposal.

B. INFORMATION REPORTING SYSTEMS

1. Provide a brief description of the information reporting services that the bank offers. Please provide sample reports.
2. Describe the products features including but not limited to:
 - Applications/modules available within the service
 - Hours of access/time windows
 - Level of detail provided for prior day information
 - History retention
 - Export capabilities
 - Internal control options/security features
 - Imaging capabilities
 - Technical capabilities
 - Reporting: Paper vs. electronic vs. internet
 - System requirements

C. ACH PROCESSING (DIRECT DEPOSIT OF PAYROLL)

1. Describe the service delivery method (direct transmission, PC-based system, web based) that you recommend based upon the information outlined for EOAC.
2. Describe the product features including but not limited to:
 - Transmission procedures
 - Transmission time windows/ACH hours of operation
 - Process for reversing/deleting files
 - Electronic reporting capabilities
 - Security features
 - System requirements

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Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 7 of this proposal.

D. DISBURSEMENT SERVICES

1. Describe the bank's disbursement services (controlled disbursement, PC-based system, web-based) that you recommend based on the information outlined for EOAC.
2. Describe the products features including but not limited to:
 - Endpoint locations
 - Notification methods
 - Notification time windows
 - Electronic reporting capabilities
 - Funding options
 - Security features
 - System requirements

Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 7 of this proposal.

SECTION 5 – FINANCING SERVICES

A. LOANS COLLATERALIZED BY REAL ESTATE

EOAC has one outstanding loans collateralized by the Waco Charter School building located at 615 N 25th Street, Waco, Texas. The current outstanding aggregate balance is approximately \$36,815.

B. REVOLVING LINE OF CREDIT

On an interim basis, EOAC may need an injection of working capital due to lag time between program contract and program grant renewals. Currently EOAC has in excess of \$1,000,000 unrestricted, non-federal/non-state funds for interim working capital needs. EOAC desires a revolving line of credit of at least \$150,000 to augment the unrestricted funds on hand for interim working capital needs.

Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 7 of this proposal.

SECTION 6 - CORPORATE CREDIT CARD

To accommodate making air travel and lodging reservations, EOAC currently has a corporate credit card (one account) in the name of the agency. EOAC desires cards issued or sponsored by the successful proposer bank with a credit limit of \$10,000.00, one card (account) for the executive director and one card (account) for the agency. Charge activity is mostly during the late spring and summer months.

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SECTION 7 – PRICING PROPOSAL

<u>SERVICE</u>	<u># of Units</u>	<u>Unit Price</u>	<u>Service Charge</u>	<u>Balance Required (if applicable)</u>
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FDIC Assessment

Depository

- Account maintenance
- Banking center deposit
- Checks paid
- Stop pay
- Debits posted-electronic
- Credits posted-electronic
- Deposit account statements
- Direct account transfer
- Other _____

Vault services

- Currency
- Coin

ACH Services

- Monthly maintenance
- Input
- Originated addenda
- Notify of change
- Standard reports
- Consumer On Us credits
- Consumer Off Us credits
- Corporate On us debits
- Corporate Off Us debits
- NSF charge
- Credit received item
- Debit received item
- Other _____

<u>SERVICE</u>	<u># of Units</u>	<u>Unit Price</u>	<u>Service Charge</u>	<u>Balance Required (if applicable)</u>
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Wire Transfer

- Monthly maintenance
- Incoming domestic wire
- Temporary storage
- Other _____

Account Reconciliation

- Monthly maintenance
- Input items

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Information services
Account maintenance
Current day items
Previous day items
Archive (max yrs. ____)
Archive maintenance
Image retrieval
Other _____

This is a firm and irrevocable offer for ninety (90) days.

Organization: _____

Name: _____

Title: _____

Telephone: _____

Date: _____

Authorized Signature: _____