

Windham School District

School Administrative Unit #95

Winfried Feneberg
Superintendent

Adam Steel
Director of Business, Finance, and Operations

Kori Alice Becht
Director of Curriculum, Instruction, and Assessment

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Director of Human Resources

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To: Winfried Feneberg, Superintendent of Schools

From: Adam Steel, Business Administrator

RE: Windham School District Bank RFP Results and Recommendation

Thursday, May 07, 2015

Dear Mr. Feneberg,

Executive Summary

The District, in conjunction with the current treasurer, developed, submitted, and reviewed a request for proposals for banking services. The objective of the RFP was to earn money in interest and to increase the District's fraud prevention capabilities and to increase worker productivity through the use of technology.

The team who reviewed the proposals recommends TD Bank, N.A. With their proposal, the District will earn \$6,000 - \$12,000 more in interest each year than what is currently earned (\$0) and will drastically increase security and worker productivity.

If approved, the District will work in conjunction with the current treasurer and the treasurer-elect to implement the new bank accounts for the new fiscal year.

Current Conditions

The District has had a banking relationship with RBS Citizens, N.A. for several years. Our current banking agreement is that the District is charged no fees for banking services, but also earns no interest on our balances.

The District makes minimal use of security and procedural technologies including positive pay, remote deposit, ACH debit block, procurement cards, and ACH payments to vendors.

Each building makes multiple trips to the bank each week for deposits. The School Nutrition Services department makes a daily trip to the bank for deposits.

Problem Statement

The District is foregoing significant interest earning potential, is susceptible to fraud, and is not operating in the most efficient manner possible given available technologies.

Request for Proposals Process

An RFP was drafted in conjunction with the current school district treasurer and the business office. The RFP was finalized on December 1, 2014 with a due date of January 15, 2015. All banks within a 5 mile radius were included.

Four responses were received:

1. Citizens Bank;
2. Enterprise Bank;
3. Santander Bank; and,
4. TD Bank, N.A.

Subsequent to receiving the proposals, the evaluation group met to discuss and to determine next steps. Interviews were held on March 6, 2015 with each bank who submitted a proposal. Each bank was asked to provide clarifications and further information to support their proposal during the interviews.

The following criteria were used to evaluate responses:

1. Proximity to branch/Offsetting technology to increase productivity;
2. Fraud prevention features available;
3. Pro forma estimate of net income (after fees) to the District for sample month;
4. Technologies available to increase productivity; and,
5. Technologies available to reduce use of paper.

Financial Results

Each bank was provided with an actual bank statement from the District for a sample month. Each bank was required to use the sample month to estimate fees charged to the District and interest earned by the District to determine net income to the District for that month. Those results were used to evaluate the financial impact to the District for each respondent. Results are included in the table below.

	Santander	Citizens	TD Bank	Enterprise
ECR	0.75	No ECR- No Fees	0.75	
Excess Balance Rate	0.40	0.25	.20 up to \$1m, then .30	.30 over \$250k
Average Ledger Balance	\$4,876,027.63			
Average Float	\$1,416.00			
Average Collected Balance	\$4,874,611.63	\$4,874,611.63	\$4,874,612.00	\$4,874,612.00
Reserve Requirement	\$487,461.16	N/A	\$487,461.00	\$487,461.00
Average Investable Balance	\$4,387,150.47		\$3,411,215.07	
Current Earning Period Credit	\$2,794.55	\$1,015.54	\$3,105.06	
Analyzed Charges	\$1,031.50	\$0.00	\$627.87	\$0.00
Monthly Gain to District	\$1,106.38	\$1,015.54	\$905.94	\$1,156.15

Fraud Prevention/Productivity Results

The review team scored each bank on their ability to provide services that will protect the District from potential fraud as well as increase worker productivity throughout the District. Customer service was also considered as a subjective metric. Banks were ranked from best to worst as follows:

1. TD Bank
2. Citizens Bank
3. Enterprise Bank
4. Santander

Recommendation

The selection committee recommends TD Bank for the following reasons:

1. All fraud prevention programs are best-in-class and represent the lowest amount of user input to work properly;
2. Worker productivity options are excellent and based on solid technology;
3. TD Bank offers the opportunity to have an on-site deposit option for both checks and cash that would potentially alleviate the need for our employees to make daily/weekly trips to the branch;
4. Customer service appears to be a higher priority on the government banking side; and,
5. While the potential earning potential is not as high as other banks, productivity gains are expected to offset potential differences.

Requested Board Actions

1. Motion: To authorize the administration, in conjunction with the school district treasurer, to move/transfer the School District's banking services to TD Bank, N.A. and to take any further action necessary to carry out this vote effective July 1, 2015.

Attachment(s) - 5

1. RFP
2. Responses

Banking Request for Proposals

December 1, 2014

I. INTRODUCTION

1. Summary of Request

The Windham School District (District) located in Windham, New Hampshire is seeking proposals from qualified firms interested in providing banking services for the District.

The contract term is July 1, 2015 through June 30, 2020.

2. Submission of Responses

- a. Proposals must be submitted in a sealed envelope marked “Windham School District Banking Request for Proposals” via mail or in person to:

Mr. Adam Steel, Business Administrator
Windham School District
19 Haverhill Rd.
Windham, NH 03087
ATTN: Banking RFP

- b. Proposals must be received no later than **2:00 PM, Thursday, January 15, 2015**. It is the responsibility of the vendor to ensure the proposal is received by the District before the deadline. Proposals will be publicly opened and read at this time by the Business Administrator or designees and will be publicly awarded after a future Windham School Board Meeting. The Windham School District will not be responsible for late mail deliveries, and no proposal will be accepted if received after the time stipulated above. Any unopened proposals will be returned to the vendor.
- c. No fax or e-mail submittals are acceptable. Any proposal received after the specified date and time will not be considered, nor will late proposals be opened.
- d. All proposals shall be valid for at least 30 days from the due date. No proposal may be withdrawn prior to 30 days from the due date. The Windham School District may request additional information after the proposal opening.
- e. All proposals shall include a detailed listing of the vendor’s prior experiences and at least three public sector references.
- f. Any questions concerning this proposal shall be made in writing.
- g. Proposals must be submitted using the attached form.

3. Background

The Windham School District is comprised of four schools serving approximately 2,800 students, and a separate administrative office building.

The District has an annual budget of approximately \$46,000,000 and has the following bank accounts:

1. General fund cash account
2. Four (4) school level activities accounts
3. Four (4) principal's accounts
4. One (1) Petty Cash Account

II. EVALUATION PROCESS

Vendors' proposals will be evaluated against specifications as presented in this request for proposals. No award will be made to any vendor who cannot demonstrate to the District that it has sufficient availability and experience in this class of work and sufficient capital and plan to enable them to provide the services successfully within the time frame defined herein. The District's decision or judgment on these matters shall be final, conclusive, and binding.

VII. CONDITIONS OF PROPOSAL

1. Indemnification and Insurance

The successful Vendor shall agree to indemnify and hold harmless the District from and against any and all claims including but not limited to any and all claims for personal injury, death and/or property damage which may in any way arise out of or occur during the performance of services under this Request for Proposals and resulting contract, whether such services be performed by the Vendor or anyone directly or indirectly employed by the Vendor or any other person or company retained in any way by it to carry on all or a portion of the services necessary to abide by the terms of the Request for Proposals and resulting contract.

2. No Conflict

The Vendor, in submitting a proposal shall agree and so state in its proposal that no person acting for or employed by the District has a direct or indirect financial interest in the proposal or in any portion of the profits that may be derived therefrom.

3. Compliance With Law

The Vendor shall be required to comply with all applicable provisions of federal, state, and local law, both in its response hereto and in provision of any services by the selected Vendor.

4. District Reservation of Rights

- a. The District reserves the right to accept or reject any or all proposals, in whole or in part, to negotiate with any or all Vendors, and to waive any informality in the Request for Proposals, and to enter into an agreement with the Vendor that the District in its sole discretion, determines is in the best interest of the District even though the Vendor may not submit the lowest bid or proposal. Vendor shall be responsible for any and all expenses that it may incur in preparing the proposals.
- b. Negotiation, if undertaken by the District, is intended to result in a contract, which is deemed by the District, in its sole discretion, to be in the District's best interests. Any such negotiations will use the selected proposal as a basis to reach a final agreement. Any and all such negotiations shall be binding upon the Vendor.
- c. The District reserves the right to include in the contract for services other terms and conditions not specifically set forth here, including but not limited to, terms and conditions required by funding sources, and additional work which may be identified subsequent to the starting date of the contract.
- d. The District reserves the right to waive or disregard any informality, irregularity, or deficiency in any proposal received.
- e. Any and all expenses incurred by the selected Vendor shall be the Vendor's responsibility. The proposed fee shall be all-inclusive. The District will not honor requests for payment of so-called reimbursable expenses.

5. Termination of the Contract

- a. The District reserves the right to terminate its contract at any time if deficiencies of any kind are reported in writing to the Vendor, and if said deficiencies are not corrected within ten (10) days.

6. Amend Terms of Contract

The District reserves the right in its sole discretion to amend the terms of the contract and services to be performed in the second and third years of the contract. Amendments to the contract would reflect the needs of the District for those years.

VIII. REFERENCES/WORK EXPERIENCE

All proposals shall include a detailed listing of the firm’s prior experience and at least three references.

X. NON-COLLUSION CLAUSE

“The undersigned certifies under penalties of perjury that this proposal is in all respects bona fide, fair, and made without collusion or fraud with any other person. As used in this, section, the word ‘person’ means any natural person, joint venture, partnership, corporation, or other business or legal entity. Further, I certify that the items to be supplied by my firm will meet or exceed the specifications as listed in this request for proposal.”

FIRM: _____ SIGNATURE: _____

_____ NAME (PRINT): _____

_____ TITLE: _____

TELEPHONE: _____ DATE: _____

END OF REQUEST FOR PROPOSAL DESCRIPTION

General Vendor Certifications and Disclosures

Firm Name: _____

Business Address: _____

Telephone No.: _____ Date of Proposal: _____

I. Criminal and Civil History. By submission of this proposal, the Vendor hereby certifies under oath that the Vendor, its directors, partners, principal officers and key employees have no criminal convictions or adverse civil judgments.

Yes _____

No _____

If the answer is “no”, the Vendor shall disclose under oath the following:

A. The court, date, docket number and description of any and all misdemeanor convictions involving moral turpitude, conviction of a bidding crime and other felony convictions of the Vendor, or the Vendor’s directors, partners, principal officers or key employees. The term “key employee” for each statement shall include, but is not limited to, any employee who has an ownership interest in the Vendor and any employee who shall have contact with the schools, including all delivery personnel. A “bidding crime” is defined as any act in violation of state or federal law including, but not limited to, fraud, conspiracy, collusion, perjury or material misrepresentation. The Vendor shall not be required to disclose any conviction which has been annulled by a court.

B. A list of all civil cases, identifying the Court, date and docket number in which a final verdict was rendered against the bidding Vendor or the Vendor’s directors, partners, principal officers or key employees on the ground of fraud, misrepresentation, dishonesty, deceit, breach of contract or any other matter involving allegations of failure to perform on a contract.

C. The court, date, docket number and description of any felony convictions whatsoever of the Vendor, as well as the contractor’s/vendor’s directors, partners, principal officers or key employees. The term “key employee” includes, but is not limited to, any employee who has an ownership interest in the Vendor and any employee that shall have contact with the schools, including all transportation personnel. The Vendor shall not be required to disclose any conviction which has been annulled by a court.

II. Creditor Relationships and Business History. Vendor hereby certifies that it:

A. Has been in business for _____ years.

B. Is current on all undisputed business debts.

C. Has not filed for bankruptcy protection. In the alternative, Vendor filed for bankruptcy protection on _____.

III. Equal Opportunity Employer. Vendor hereby certifies that it is an Equal Opportunity Employer and that it does not engage in any discriminatory hiring or employment practices.

Yes _____ No _____

IV. Safety and Licensure. Vendor certifies that it holds all permits, licenses and certifications, whether federal or state, necessary to provide transportation services to the District and meets all applicable safety standards.

Yes _____ No _____

V. Insurances. Vendor holds all the insurances which shall be required by the District.

Yes _____ No _____

VI. Criminal Records and Training. Vendor complies with all criminal records check requirements for its employees and meets all state and federal employee training and licensure requirements.

Yes _____ No _____

VII Contract Performance. Vendor certifies that it has never had a contract terminated for nonperformance.

Yes _____ No _____

If the answer is no, please provide a separate detailed written description of the circumstances giving rise to termination, providing the name, address and contact information of the terminating party.

The District reserves the right, at its sole discretion, to reject any Proposal which fails to contain the above-referenced certifications or disclosures. The District reserves the right, at its sole discretion, to reject any Vendor on the basis of any criminal history, civil litigation credit history or business record which it deems to be adverse to the interests of the District.

RESPONDANT INFORMATION

We believe that the selected bank should be progressive in its business approach, fiscally responsible, interested in a long-term business relationship, and committed to quality and customer service.

1. Indicate the corporate name and address of the bank submitting a proposal to provide services. Also, indicate the name and title of the bank's designated contact person for purposes of this proposal.
2. Briefly describe the bank's corporate structure.
3. Please provide copies of your most recent Quarterly Statement and Annual Report.
4. Enclose resumes of those individuals who will be responsible for maintaining the bank's relationship with the District.
5. Describe the bank's familiarity and experience dealing with institutional and public sector clients.
6. Please indicate the locations of bank branch(es) closest to 19 Haverhill Road, Windham, NH 03087, as well as its business hours, availability of "drive thru", night depository services, and Sunday hours.
7. Please provide a copy of your most recent Community Reinvestment Act Compliance Report.
8. Briefly describe the process used by the bank to measure the quality of its services, both internally and externally.
 - A. Indicate the frequency with which service quality is measured.
 - B. Describe to what the quality measures are compared in evaluating the quality of the bank's services, i.e., customer expectations, bank defined goals, etc.
 - C. Indicate who within the bank reviews the measurements of quality.
 - D. Describe what steps are taken by the bank when quality measures indicate poor or less than expected performance.
9. Please indicate the location of the bank's processing/operations center and list the services performed there.

10. Please describe the bank's customer service process including organizational design, escalation procedures, etc.
11. Please describe the bank's innovations in the public sector including any technologies or processes implemented designed to reduce cost or complexity.
12. Please describe the bank's fraud prevention systems and procedures.

Cash Management and Banking Services

1. Describe the full range of banking services and investment options offered by the bank and the pricing mechanism for each option. In seeking cash management services, goals are: to receive, at a reasonable cost, accurate, timely depository and account maintenance services; enhanced collections and funds availability; maximization of investment income; and prudent investment and banking advice. Your services should include the following:
 2. With respect to your Cash Management Account, please address the following:
 - A. Indicate the methods available to cover service charges, i.e., fees, compensating balances, combinations thereof, etc. Please indicate if the amount of the bank's service charges would differ depending upon the method selected to cover service charges.
 - B. Indicate if the earnings credit is applied to collected or investible balances.
 - C. Provide the formula for converting service charges to balance requirements.
 - D. Compensating Balance Calculation. Please indicate the bank's proposed fees based upon the following average monthly transaction volumes for the General Operating Account:

Service	Cost	Monthly Volume	Monthly Cost	Footnotes
Depository Accounts				
Master Concentration Account				
Controlled Disbursement Account				
Zero Balance Disburse Account				
Depository Activity				
Deposits				
Items Deposited				
Return Items				
Disbursement Activity (Checks)				
Controlled Disbursement Maintenance				
Controlled Disbursement Items Paid				
Zero Balance Payroll Account Items Paid (Limited)				
EFT Funds Transfers-In				
Incoming Fed Wires (Fed)				
Incoming ACH				
EFT Funds Out				
ACH Maintenance, if any				
ACH Transfers				
Fedwires (Repetitive)				

E. Fully describe the process for your sweep account including the following:

1. Short term instruments used
2. Cut off times for investments
3. Effective date of investments
4. Structure of sweep rates
5. Procedures for the following:
 - a. Credit memos
 - b. Wire transfers
 - c. Return deposit items
 - d. Initiation and confirmation of stop payment requests

Funds Availability

1. Indicate the Funds Availability Schedule the bank would propose for the deposit items shown below. Also, please indicate the latest time of the day at which deposits may be made to take advantage of the proposed Funds Availability Schedule.
 - A. Checks drawn on the selected bank (“on-us” items)
 - B. Checks drawn on banks within the state of New Hampshire
 - C. Checks drawn on an out-of-state bank within the same Federal Reserve District
 - D. State of New Hampshire checks
 - E. U.S. government checks
 - F. Checks drawn on an out-of-state bank outside the New England Federal Reserve District
 - G. Foreign checks

Other Service Options

1. Please indicate the availability of the following service options:

	Yes	No
Full account reconciliations		
Partial account reconciliations		
Deposit reconciliations		
Positive Pay		
Debit Block		
Local Remote Deposit Services		
Data transmission (both ways)		
Month end cut-off dates		
Other (Please list)		

2. Please provide copies of sample account reconciliations and account statements.

Indicate the frequency with which the bank is able to perform account reconciliations; e.g., weekly, monthly, semi-monthly, etc.
3. Describe the capability to access account information electronically.
4. Please describe which of the following the bank would be willing to offer to our employees and what costs, if any, would be associated with each service:
 - A. Waived service fees on employees' ATM cards.
 - B. Free checking accounts for employees who have direct deposit to accounts at your bank.
 - C. No fee credit cards.
5. Describe your ATM network.
6. Please describe any other services you might offer which would benefit our employees.

Investments

1. Describe the investment services offered by the bank and the pricing mechanism for each service including the following:
 - A. Certificates of Deposit
 - B. Money Market Accounts
 - C. Other

Payroll Services

Fully describe your program for direct deposit of payroll.

Credit Cards

1. What credit cards does your bank process?
2. Describe your credit card capabilities including the following:
 - A. Terminal requirements
 - B. Poll/download for data capture
 - C. Report of daily transaction activity
 - D. Credit postings
 - E. Discount rate and other transaction fees

Business Credit Cards

1. Describe your corporate credit card program available to our employees for their business travel and related activity expenses including the following:
 - A. Type of card
 - B. Enhancements
 - C. Credit limits
 - D. Validity dates

Procurement Cards

1. Describe your corporate credit card program available to our employees for their business travel and related activity expenses including the following:
 - A. Type of card
 - B. Enhancements
 - C. Credit limits
 - D. Validity dates

E. Interest rate on past due balances

F. Ability to block out certain vendors

Free Form Responses

Use this section to provide any other information you deem relevant to this proposal including your relationship management philosophy.