I. Introduction

The Municipality of Hazleton City (Municipality) is seeking proposals for its banking and financial business. The objective of this Request for Proposal (RFP) is to identify qualified banking and financial institutions that can provide the highest quality service at the best value to meet the specific banking and financial needs of the Municipality. This RFP intends to cover all the necessary information that a bidder may need to complete a comprehensive proposal; however, if there are products or services that the bidder’s organization can offer that may add value to the relationship and/or improve current processes, please ensure that they are outlined in the submission.

The Municipality intends to utilize this RFP to:

- Maximize deposit availability and deposit security;
- Minimize costs and management time;
- Consolidate and strengthen financial relationships;
- Increase efficiency of cash management process;
- Evaluate latest products and services;
- Improve returns on excess cash;
- Assess implementation capabilities and support offered.

Hazleton City is a Pennsylvania Third Class City located in Luzerne County, Pennsylvania comprising approximately 25,340 residents. The Municipality functions under the Third-Class City Code, Optional Plan B, form of government, with a five (5) member City Council and the Mayor as its Chief Executive. The Municipality’s Finance Department is headed by the Director of Administration who reports directly to the Mayor. The Director of Administration is responsible for, among other duties, providing the necessary organization and resources to maintain the Municipality’s financial standing. For calendar year 2019, the Municipality’s General Fund Budget is $13,701,749. The Municipality has long been committed to excellence in financial administration, striving for the highest standards of performance and accountability. The financial statements of the Municipality are available upon request or at www.hazletoncity.org.

II. Instructions and Schedule

- All proposals in response to this RFP must be received by the Municipality in writing; three (3) copies of the proposal must be submitted.
Proposals must be submitted by December 18, 2019, 4:00 PM to:

Daniel Lynch  
Director of Administration  
City of Hazleton  
40 N. Church Street  
Hazleton, PA 18201  
cityadmin@hazletoncity.org  
570-459-4961

- Proposals received prior to the submittal deadline will be treated as confidential up to the proposal submittal date.  
- Proposals received after the deadline will not be considered in the evaluation process.  
- The contract award is anticipated to be made in January, 2020.  
- General and/or technical questions related to this RFP or about the Municipality may be directed to the Municipality contact person listed above.  
- If the bidder takes exception to any statements or requests herein, it must be clearly stated in the proposal.  
- The Municipality reserves the right to request additional information about any bidder as reasonably required, or the right to request and conduct interviews.  
- The Municipality will not be liable for any costs incurred by any bidder in connection with this RFP or any proposal by any bidder. The expenses incurred by bidders in preparation, submission, or presentation are the sole responsibility of bidder.  
- The Municipality shall not be liable for any costs not included in the proposal nor contracted for subsequently.  
- The specifications stated in this RFP are the minimum level of services required and bids submitted must include services that meet or exceed the minimum level of all features listed. The Municipality welcomes proposals showcasing additional or different banking and/or financial solutions, provided the minimums are met.  
- It is the responsibility of all bidders to examine the entire RFP and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a bid confers no right of withdrawal after the submission deadline. Bidders are strongly encouraged to: (i) consider applicable laws and/or economic conditions that may affect cost, progress, and performance; (ii) correlate bidder’s knowledge and observations with the RFP document and other related data; (iii) promptly notify the Municipality of all conflicts, errors, ambiguities, or discrepancies which a bidder has discovered in or between this RFP and such other related documents.  
- The Municipality reserves the right to (i) waive any immaterial defect or informality; (ii) reject any or all bids or portions thereof; (iii) split the award among the individual groups of items to different institutions; and/or (iv) reissue the solicitation.
III. Current Banking Services

A. Account Structure
Although subject to change, the Municipality intends to maintain an equivalent number of depository accounts. Investment accounts may vary depending on need and availability of funds. Other information on the current structure is available upon request. Current account structure is listed below.

Currently with BB&T Bank

- General Fund (currently two accounts but would be combined into one account). High volume on transactions and checks per month. Average balance $300,000 to 600,000 throughout the year
- Bid Bond – A holding account for bid bonds. Average amount of approximately $190,000.
- Community Development Block Grant – normally a 0 balance as its funds pass through.
- Highway Aid – Average of $300,000 to $600,000 and roughly 20-40 transactions per month.
- Airport – Average of $30,000 and 30 transactions per month.
- Payroll – Average of $10,000 to $200,000, but fluctuates, and a few transactions per month (to payroll deposit account).
- Evidence Seizure – Average of less than $5,000 and low transaction amount.
- Federal Seizure – Average of $90,000 and low transaction amount.
- K-9- $10,000 or less, and a low transaction amount.
- Police Grant – solely a pass through account for grants.
- County Narcotic – Low volume and low transaction account.
- COPS Grant – solely a pass through account for COPS grant.
- Special Recreation – Average $20,000 to $30,000 and low a number of transactions.

D. Wire and ACH
The Municipality utilizes both wire and ACH platforms.

C. Monthly Reporting
The Municipality requires its financial institution(s) to provide a detailed statement of activity, listing each transaction on a monthly basis. This includes all deposits, checks, wires, ACH debits, ACH credits and miscellaneous adjustments. All check listings include the check number; check clearing amount, and the date the check was cleared. In addition, a method for obtaining a physical image of both sides of the check for audit purposes is required.

The Municipality requires receipt of these reports no later than the fifth (5th) business day of the following month with an end of the month cutoff. The Municipality requires that the statements and listings be delivered electronically.
D. Online platform
The Municipality requires that electronic business be conducted through a secured platform.

H. Credit Card Services
The Municipality accepts credit cards for many services. The Municipality is interested in reducing merchant services fees and rates. The areas in which credit cards are currently accepted include:

- Real estate tax collections
- Parking tickets
- Special events
- Permits
- Parking permits
- Parking tickets
- Parking garages
- Pay stations

I. Investment Activities
The Municipality has limited availability for investment opportunities.

IV. Organizational Qualifications
- In the proposals, non-banking financial institutions must provide a detailed description of their organization and provide the references required in section V of this RFP.
- In the proposals, banking institutions are required to address the following:
  - If the bidder is a Federal or Commonwealth of Pennsylvania chartered banking institution or a government trust with branch banking facilities located in the Municipality or in a surrounding community.
  - The insurance limits of the bank, separate of the collateral requirements explained below.
  - A summary of the organization and the most current annual report of the banking institution.
  - If the bidder is currently, or has been, since January 1, 2014:
    - Under management supervision of the Resolution Trust Corporation, Federal Deposit Insurance Corporation, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, or other similar current or former federal state regulatory agencies;
    - Acquired by another banking institution (if so, please specify institution acquired by, date of acquisition, amount of assets acquired, state in which you are incorporated to operate and the date of incorporation).
  - The ability to maintain a capital structure equal to or greater than the amount the Municipality deposits with it during the term of the Agreement.
• Compliance with collateralization requirements of the Commonwealth of Pennsylvania as explained below:
  - When collateral is required for deposits in excess of insurance limits, the provision of the Act of August 6, 1971, P.L. 181 No. 72 (“Act 72”) and P.L. 281 as amended, will be followed with regard to pooling, custody, and type of collateral required to secure deposits. Among other things, Act 72 requires a third party to act as custodian for the pledged collateral. The Municipality would desire that the collateral maintained be at current market value (not face value as Act 72 requires). Such information as to current market value, face value and third party custodian shall be available to the Municipality at all times. Annual reports are required by the Municipality listing total deposits covered by the bank’s collateral; the total amount and types (for example, U.S. Treasury Bills, GNMA’s, loan notes, etc.) of collateral held for such deposits; and the location the collateral is being held (for example, the Federal Reserve Bank of Philadelphia).

V. Proposal Submission

A. Organization
The bidder should include responses to all applicable qualifications in Section IV. In addition, the bidder should include the following:

- Branch Locations
- Biography and direct contact information for the governmental relationship manager and any other applicable personnel
- At a minimum, 3 municipal references

B. Services and Fees
It is the responsibility of the responding institution to clearly identify which service requests will be fulfilled by the proposal and any fees or costs associated with the service. The Municipality intends to award a three (3) year contract commencing on January 1, 2020, with an option for the Municipality to renew for an additional two (2) year period. All fees should remain firm for the entire contract period, including the renewal term. Any monthly charges or fees will be directly applied to the Municipality’s banking accounts. A summary of the requested services for the Municipality is as follows:

- **Account Facilitation** – Ability to handle and maintain the current account structure and all associated fees.
- **Remote Deposit Capture** - Ability to handle remote deposit capture and all associated fees and equipment costs.
- **Wire and ACH** - Capacity to handle wire and ACH platforms and any associated fees.
- **Monthly Reporting** - Ability to meet minimum requirements.
- **Online Platform** - Describe the availability of the following services via a secure
site:

- Previous day and historical balance and transaction reporting
- Current day reporting of all electronic transactions (wire and ACH) and check presentment reports on a Controlled Disbursement Account
- Reporting on returned deposits, returned ACHs, returned wires and notification of charges
- Review of previous day or historical check images
- Microsoft excel or other file type downloads of transactions
- View all account activity
- Account transfers
- Back-up Processes
- System failure protection
- Disaster recovery process
- Security protection (describe all breaches of system over the past 24 months)

- **Credit Card Services** - Ability to handle credit card and merchant services and all associated fees and equipment costs.

- **Investment Activities** – Demonstrate the ability to maximize the Municipality’s investment opportunities in accordance with the laws of the Commonwealth of Pennsylvania.

- **Other Activities** - The bidder may propose additional or different services for the Municipality that are not mentioned above that may meet the specific needs of the Municipality. The Municipality will not be obligated to accept any such additional or different services submitted.

**C. Implementation Requirements**
Upon announcement of the selected institution(s), implementation should begin immediately. The Municipality expects the services to commence January 1, 2020. Please provide an outline of an implementation plan to deliver the requirements mentioned above.

**D. Customer Service**
For smooth and efficient operations, the Municipality needs to have dedicated support staff that is familiar with the Municipality account structure within normal business hours. In your proposal, please describe the level of service that will be provided.

**VI. Evaluation of Proposals**
- The Municipality will consider the following criteria in evaluating proposals:
  - Creditworthiness
• Cost and Flexibility of Services
• Automation of Services
• Funds Deposited and Collateralized in Accordance with all Federal, State and Local Laws, and in accordance with the further limitations in this request as they relate to collateralization requirements
• Industry experience with governmental organizations
• Availability of investment of funds and Interest rate and/or earnings credit rate paid on all time deposit accounts.
• Responsiveness to the RFP
• Any other criteria deemed appropriate by the Municipality in its sole discretion
  ▪ If necessary, oral interviews will only be required after the evaluation is completed.
  ▪ The Municipality is not required to accept the lowest cost proposal.
  ▪ The Municipality contact for the submission of proposals is:

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  Director of Administration
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  Hazleton, PA 18201
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