Request for Proposal: Banking Services

Executive Summary

The Borough of Dormont (Borough) is seeking proposals for its banking and financial services. The objective of this Request for Proposals (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 Borough. 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.

I. Introduction

A. The Borough of Dormont (Borough) 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 Borough. 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.

B. The Borough intends to utilize this RFP to:
   1. Maximize deposit availability and deposit security
   2. Minimize costs and management time
   3. Consolidate and strengthen financial relationships
   4. Increase efficiency of cash management process
   5. Evaluate the latest products and services
   6. Improve returns on excess cash
   7. Assess implementation capabilities and support offered.

C. Dormont is a Borough located in Allegheny County; Pennsylvania comprising approximately 7,930 residents. The Borough functions under a seven (7) member Council-Manager form of government and has a mayor. The Borough's finances are headed by the Assistant Borough Manager who reports directly to the Borough Manager. The Assistant Manager is responsible for, among other duties, providing the necessary organization and resources to maintain the Borough's financial standing. The Borough contracts with Mt. Lebanon's Finance Department as a cooperative arrangement for financial services including but not limited to Accounts Payable, After -Payroll Processes, and Finance Consulting. For the calendar year 2025, the Borough's general fund budget is $13,500,000, the state aid budget is $273,000, a sewer fund of $3,350,000, and the capital reserve budget is $2,600,000. The Borough has long been committed to excellence in financial administration, striving for the highest standards of performance and accountability.

II. Instructions and Schedule

A. All proposals in response to this RFP must be received by the Borough either in writing or via email.

B. Proposals must be submitted by **April 3, 2025, 4:00 PM** to:

John P. Stinner
Borough Manager
1444 Hillsdale Ave.
Pittsburgh, PA 15228
P: 412-561-8900 x228
jstinner@boro.dormont.pa.us

C. Proposals received prior to the submittal deadline will be treated as confidential up to the proposal submittal date.

D. Proposals received after the deadline will not be considered in the evaluation process.

E. The contract award is anticipated to be made at the **May 5, 2025**, Dormont Borough Council meeting.

F. General and/or technical questions related to this RFP or about the Borough may be directed to the contact person listed above.

G. If the bidder takes exception to any statements or requests herein, it must be clearly stated in the proposal.

H. The Borough reserves the right to request additional information about any bidder as reasonably required, or the right to request and conduct interviews.

I. The Borough 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.

J. The Borough shall not be liable for any costs not included in the proposal nor contracted for subsequently.

K. 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 Borough welcomes proposals showcasing additional or different banking and/or financial solutions, provided the minimums are met.

L. 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 Borough of all conflicts, errors, ambiguities, or discrepancies which a bidder has discovered in or between this RFP and other related documents.

M. The Borough 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 subjects are likely to change, the Borough intends to maintain an equivalent number of depository accounts. Investment accounts may vary depending on the need and availability of funds. Other information on the current structure is available upon request.

1. The current account structures are listed below.
    a. Depository accounts currently with PNC Bank
        i. General Fund Checking Account
        ii. Payroll Checking Account
        iii. Sanitary Sewer Checking Account
        iv. State Highway Aid/Liquid Fuels Fund
        v. Capital Improvement Fund
        vi. Fire Escrow Fund

    b. Investment accounts with various financial institutions
        i. PNC High Interest Checking Accounts (sweep accounts)
        ii. General Fund
        iii. Payroll
        iv. Sanitary Sewer
        v. State Highway Aid/Liquid Fuels
        vi. Capital Improvement

    c. Brentwood Bank - 36 Month CD

    d. PLGIT - General Fund Account (Pennsylvania Local Government Investment Trust)

B. Wire and ACH
The Borough utilizes both wire and ACH platforms. Appendix A details the average number of wires and ACHs generated by the Borough for the time period specified. The Borough plans to expand ACH payments to vendors soon.

C. Monthly Reporting
The Borough requires its financial institution(s) to provide a detailed statement of activity, listing each transaction monthly. 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 Borough 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 Borough requires that the statements and listings be delivered electronically.

D. Online platform
Municipal personnel daily use our current financial institution's online platform for account balances, transactions, and transfers between accounts. The Borough requires that electronic business be conducted through a secured platform.

E. Credit Card Services
The Borough accepts credit cards for many services. The Borough is interested in reducing merchant services fees and rates.

1. The areas in which credit cards are currently accepted include:
    a. Borough Administration
    b. Administration Issued Permits
    c. Invoicing
    d. Real Estate Tax Collection – Have the ability, do no use
    e. Parking tickets – Online and in-person
    f. Special Event Permits
    g. Tenant Registration
    h. Parking Operations
    i. Police Issued permits
    j. Parking tickets
    k. Parking Kiosks (11) Potomac Ave

2. Recreation/Pool – Separate system (Community Pass) to take online/in-person payments and complete registration simultaneously

F. Investment Activities
The Borough has limited availability for investment opportunities. Currently the main investment vehicles used by the Borough include certificates of deposits and money market accounts.

IV. New Banking Needs

A. Remote Deposit Capture
The Borough processes checks in the Borough Building via a remote deposit machine that transmits the information online to our current bank.

B. Positive Pay
The Borough employs positive pay on our two main check writing accounts to add a layer of fraud protection. On a monthly basis, all checks are reconciled and compared to the positive pay listing provided by the financial institution.

C. Armored Car Service
The Borough maintains approximately 302 parking meters throughout the community. The Borough also has daily receipts when the Dormont pool is open, as well as an ability to accept cash transactions inside Borough Administration. Currently, staff make independent deposits to the Borough's current bank. The Borough is interested in augmenting transport services performed to decrease the need for municipal personnel to travel to the financial institution.

V. Organizational Qualifications

A. 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.

B. In the proposals, banking institutions are required to address the following:
   1. If the bidder is a Federal or Commonwealth of Pennsylvania chartered banking institution or a government trust with branch banking facilities located in the Borough or in a surrounding community.

   2. The insurance limits of the bank, separate of the collateral requirements explained below.

   3. A summary of the organization and the most current annual report of the banking institution.

   4. If the bidder is currently, or has been, since January 1, 2014:
      a. Under management supervision of the Resolution Trust Corporation, Federal Deposit Insurance Corporation (FDIC), Federal Home Loan Bank (FHLBank) Board, or other similar current or former federal/state regulatory agencies;

      b. 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).

   5. The ability to maintain a capital structure equal to or greater than the amount the Borough deposits with it during the term of the Agreement.

   6. Compliance with collateralization requirements of the Commonwealth of Pennsylvania as explained below:

      a. When collateral is required for deposits more than 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 about pooling, custody, and a type of collateral required to secure deposits.

      b. Among other things, Act 72 requires a third party to act as custodian for the pledged collateral. The Borough 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 always be available to the Borough.

c. Annual reports are required by the Borough listing total deposits covered by the bank's collateral; the total amount and types (for example, U.S. Treasury Bills, Government National Mortgage Association (GNMA), 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
   1. The bidder should include responses to all applicable qualifications in Section IV. In addition, the bidder should include the following:
      a. Branch Locations
      b. Biography and direct contact information for the governmental relationship manager and any other applicable personnel
      c. At a minimum, three (3) municipal references

B. Services and Fees
   1. 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.

   2. The Borough intends to award a three (3) year contract commencing on **May 6, 2025** with an option for the Borough 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 Borough's banking accounts.

   3. A summary of the services requested for the Borough is as follows:
      a. Account Facilitation – Ability to handle and maintain the current account structure and all associated fees.
      b. Remote Deposit Capture - Ability to handle remote deposit capture and all associated fees and equipment costs.
      c. Positive Pay - Ability to handle positive pay and all associated fees.
      d. Wire and ACH - Capacity to handle wire and ACH platforms and any associated fees.
      e. Monthly Reporting - Ability to meet minimum requirements.
      f. Armored Car Services – Capacity to handle armored car services
      g. Online Platform - Describe the availability of the following services via a secure site:
         i. Previous day and historical balance and transaction reporting
         ii. Current reporting of all electronic transactions (wire and ACH) and check present reports on a controlled disbursement account
         iii. Reporting on returned deposits, returned ACHs, returned wires, and notification of charges
         iv. Review of previous day or historical check images

v. Microsoft excel or other file type downloads of transactions
vi. View all account activity
vii. Account transfers
viii. Back-up processes
ix. System failure protection
x. Disaster recovery process
xi. Security protection (describe all breaches of system over the past 24 months)

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

5. Investment Activities – Demonstrate the ability to maximize the Borough's investment opportunities in accordance with the laws of the Commonwealth of Pennsylvania.

6. Other Activities - The bidder may propose additional or different services for the Borough that is not mentioned above may meet the specific needs of the Borough. The Borough 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 Borough expects the services to commence **May 6, 2025**. Please provide an outline of an implementation plan to deliver the requirements mentioned above.

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

VI. Evaluation of Proposals

1. The Borough will consider the following criteria in evaluating proposals:
    a. Creditworthiness
    b. Cost and flexibility of services
    c. Automation of services
    d. Funds deposited and collateralized in accordance with all Federal, Commonwealth, and local laws, and in accordance with the further limitations in this request as they relate to collateralization requirements
    e. Industry experience with governmental organizations
    f. Availability of investment of funds and Interest rate and/or earnings credit rate paid on all time deposit accounts.
    g. Responsiveness to the RFP
    h. Any other criteria deemed appropriate by the Borough in its sole discretion

2. If necessary, oral interviews will only be required after the evaluation is completed.

3. The Borough is not required to accept the lowest cost proposal.

4. The Borough contact for the submission of proposals is:

John P. Stinner
Borough Manager
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