

VILLAGE OF BENSENVILLE BANKING SERVICES

REQUEST FOR PROPOSAL

I. INTRODUCTION

A. General Information

The Village of Bensenville (the “Village”), Illinois invites commercial banking institutions (the “bank” or “proposer”) who possess the capability and expertise to provide depository and various other banking services for the Village, to submit proposals for the provision of those services according to the requirements set forth in this document. The purpose is to identify the banking institution that can offer the highest quality service at the lowest cost.

B. Instructions

1. Sealed Proposal: Responses to this request is to be submitted in a sealed envelope, clearly identified as:

PROPOSAL BANKING SERVICES

And mailed to: Amit R. Thakkar
Director of Finance
Village of Bensenville
12 South Center St.
Bensenville, IL 60106

Or delivered to: Amit R. Thakkar
Director of Finance
Village of Bensenville
12 South Center St.
Bensenville, IL 60106

Or emailed to: athakkar@bensenville.il.us

2. Response: Each proposer shall submit only one proposal. Exhibit A shall be completed in Microsoft Excel and the Exhibits A-1 thru F in Microsoft Word. Supporting material(s) may be submitted; however, the decision in selecting the most responsive proposer will be based on the standard forms provided.

3. Questions and Additional Information: Requests for clarification or additional information should be emailed to athakkar@bensenville.il.us. Responses to requests will be furnished to all potential proposers. Cutoff date to receive request in writing will be June 30, 2016.

4. Schedule: The following schedule will be adhered to:

- June 01, 2016 - Distribution of Request for Proposals
- June 30, 2016 - Deadline for Submittal of Proposals (Proposals must be in the possession of the Village by 10:00 a.m. this date. No exceptions!)
- July 15, 2016 - Staff Recommendation to Administration, Finance and Legislation Committee of the Village Board
- July 15, 2016 - Committee Recommendation of Award to the Village Board
- August 1, 2016 - Implementation date for this banking contract

The Village intends to adhere to the proposed schedule, however, it is expressly understood that your proposal will be valid for a period of ninety (90) days from the date of the deadline for submittal of proposals.

5. Bank Qualifications: For a proposal to this RFP to be considered and evaluated, a bank must:

- Be insured by the Federal Deposit Insurance Corporation (FDIC).
- Be eligible to be a depository of Village funds with a full service branch in or near the Village of Bensenville. .
- Be an on-line cash and securities member of the Federal Reserve.
- Be able to provide 110% of collateralization of all Village deposits with collateral in compliance with the Village's Investment Policy.
- Provide a copy of a recent investment rating report provided by a nationally recognized rating agency.
- Have the capacity of providing all "Required Services" internally. The Village prefers that the responding bank provide services without the use of joint ventures, consortiums or contract service providers because of control issues. The Village will determine the acceptability of any arrangements with the objective of the RFP being the "total solution".
- Maintain a financial institution bond, Form 24 or equivalent, with a limit of not less than \$3,000,000, banker's professional liability in the amount of \$2,000,000 per occurrence/annual aggregate and valuable paper coverage.

6. Selection Criteria: The following criteria will be used to evaluate the responses and to select the winning proposer:

- a. Complete response to all required response items on the standard forms provided;

- b. Ability to meet current and projected service requirements over the term of the banking agreement (any past experiences with the bank will be taken into consideration);
- c. Ability to provide numerous electronic banking services;
- d. Best earnings credit rate (ECR) on required compensating balance;
- e. Best rate of interest paid on accounts;
- f. Best availability schedule for deposit items; and;
- g. Aggregate banking service cost, per identified activity and corresponding compensating balance.

When the Village has tentatively selected the successful proposer, a conference may be requested to formulate plans in greater detail, to clarify any unclear items, and to otherwise complete negotiations prior to the formal award. At any time during the conference(s), the Village may choose to modify the choice of a selected proposer, if there is just cause and the Village determines that such a change would be in the best interest of the Village.

7. Terms and Conditions:

- a. The Village reserves the right to reject any or all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, and to accept or reject any item or combination of items. The award will be to the proposer whose proposal complies with all the requirements set forth in this RFP, and whose proposal in the opinion of the Village, is the best proposal taking into consideration all aspects of the proposer's response, including the total net cost to the Village. Exceptions to any specification must be reflected on Exhibit B and will be costed in the final analysis of the proposal. Exception costs will be added or subtracted from the submitted proposal to arrive at a net cost to the Village. **Failure to include an exception on Exhibit B will render the exception as invalid and the proposer will be treated as being in compliance with the specification, regardless of intent.**
- b. In the event that the proposer to whom the services are awarded does not execute a contract (Exhibit F) within thirty (30) calendar days after the award of the bid, the Village may give notice to such proposer of intent to award the contract to the next most qualified proposer or to call for new proposals and may proceed to act accordingly. The Village assumes no cost by the proposers in preparation of this proposal.
- c. The standard proposal form indicates an estimate of the number of transactions for the year. This number is the Village's best estimate of the average volume and the Village in no way guarantees these as minimum or maximum volumes.
- d. Proposers shall thoroughly examine and be familiar with these specifications. The failure or omission of any proposer to receive or examine this document shall in no way relieve any proposer of obligations with respect to this proposal or the subsequent contract.

- e. The contract may be terminated by either party by giving written notice to the other party no later than ninety (90) calendar days before the proposed termination date. This provision may be exercised only after the contract has been in effect for six (6) calendar months. The bank shall be entitled to just and equitable compensation for any satisfactory work completed to the termination date. Under no circumstances will any damages be paid as a result of the termination of this contract. If the bank exercises the right to terminate the contract early, they cannot bid on future proposals for a period of seven (7) years.
- f. Qualified proposing banks must submit financial statements for the past two fiscal years. These statements must also include an auditor's unqualified opinion and appropriate notes to the financial statements.
- g. Equal Employment Opportunity/Anti-Sexual Harassment Policy.

During the term of this contract, the Financial Institution shall comply in all respects with the Equal Employment Opportunity Act/Illinois Human Rights Act. The Financial Institution shall have a written equal employment opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, sex, national origin, disability, or age. Findings of non-compliance with applicable state or federal equal employment opportunity laws and regulations may be sufficient reason for revocation or cancellation of this contract.

- h. Successful bidder shall comply with the provisions of the Illinois Drug Free Workplace Act and the Americans with Disabilities Act.
- i. Failure to comply with any of these terms and conditions of this RFP by the awarded bank will be cause for termination of the "Banking Services Agreement" to be entered into.
- j. Indemnity

1. Definitions

For purposes of indemnification requirements, the following terms shall have the meanings set forth below:

- a. The "BANK" means and includes BANK, all of its employees, agents and assignees, and all of its affiliates and subsidiaries, its subcontractors and/or assignees and their respective servants, agents and employees; and
- b. "Loss" means any and all loss, damage liability or expense of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including attorney's fees and the cost of defense).

2. Indemnity

For purposes of this Agreement, BANK hereby agrees to indemnify, defend and hold harmless the Village, its employees and agents from any and all “Loss” where “Loss” is caused or incurred or alleged to be caused or incurred in whole or in part as a result of the negligence or other actionable fault of the BANK. It is agreed as a specific element of consideration of this Agreement that this indemnity shall apply notwithstanding the joint, concurring or contributory or comparative fault or negligence of the Village or any third party and, further notwithstanding any theory of law including, but not limited to, a characterization of the Village’s or any third party’s joint, concurring or contributory or comparative fault or negligence as either passive or active in nature; provided, however, that the BANK’s obligation hereunder shall not include amounts attributable to the fault or negligence of the Village. Nothing in this section shall be deemed to impose liability on the BANK to indemnify the Village for loss when the Village’s negligence or other actionable fault is the sole cause of loss.

II. **SCOPE OF BANKING SERVICES**

A. **Term of Agreement**

The banking services detailed in this section will be performed for the Village, on a contractual basis for three (3) years, with an option to renew for an additional three (3) year period. Fees specified in this proposal will remain fixed for the duration of the initial 3-year contract period. Banking service charges for the first optional renewal period will be based on charges proposed, plus an increase (or decrease) not to exceed an amount equal to the average “Tax Cap” adjustment as determined by the DuPage County Clerk’s office for the first three years of this contract.

B. **Collateralization of Account Balances**

All Village funds on deposit **must** be collateralized at all times according to the terms in Exhibit D, Collateral Agreement. Monthly reports detailing the adequacy of collateral must be supplied by the bank within five (5) business days of the close of each month to the Village via fax or mail. Any exception to this requirement **must** be detailed in Exhibit B.

C. **Accounts Included:**

The Village anticipates a need for the following separate accounts:

1. Village of Bensenville – Deposit Accounts
2. Village of Bensenville – Credit Card Accounts
3. Village of Bensenville – Accounts Payable Accounts

D. **Account Structure**

With the exception of the compensating balance account, all accounts will be set up as interest bearing checking accounts. Interest will be paid on the weighted average daily balance of these accounts at a rate not less than the Fed Fund’s rate as of the last day of the previous month. **Any exceptions to the interest rate requirement must be identified in Appendix B, however, for comparability purposes, exceptions must be expressed in terms of the average monthly Illinois Funds rate.**

E. **Compensating Balances and Monthly Account Analysis**

The Village may desire to pay for banking services it receives through a compensating balance arrangement. A non-interest bearing account entitled “Compensating Balance Account” may be established for the purpose of offsetting monthly banking services costs. Deposits held in this account shall accrue a monthly earnings credit at the previous month’s Fed Funds rate plus, at minimum, 15 basis points. The compensating balance formula is:

$$\frac{\text{Total Monthly Service Charge}}{\text{Earnings Credit Rate}}$$

Any exceptions to the earnings credit rate requirement must be identified in Appendix B, however, for comparability purposes, exceptions must be expressed in terms of the Fed Funds rate on the last day of the previous month.

All charges for banking services shall be reported on a monthly account analysis statement rather than being debited directly against Village deposits. The monthly account analysis report shall be delivered to the Village within 10 business days of the last day of each month and shall contain a detailed itemization of charges of types and volume, similar to those provided in Exhibit A. Total charges will then be compared to total accumulated earnings credits to determine the total net debit (due the bank) or credit (due the Village). The net debit or credit in the account will continue to accumulate in the analysis account from month to month and a “true-up will occur at December 31 of each year. If a debit balance, the Village will pay the bank. If a credit balance, the bank will pay the Village.

The Village will monitor this balance on a periodic basis and adjust its compensating balance up or down with the objective at arriving at a net balance due to or from the Village of zero. Upon termination of this agreement, any remaining balance in the analysis account shall be paid to the bank (if a debit balance) or to the Village (if a credit balance).

F. **Online Banking Services**

The Village requires the successful proposer to provide online banking services and software. Please provide a description of the bank’s online based software products and services available in Exhibit A-1. The software should be internet-based. Security measures that are

in place to ensure protection of the Village's assets shall be identified. At a minimum, the Village wishes to use online-based banking for the following:

- Daily Balance Reporting (ledger, available and collected).
- Detailed debit and credit postings (cleared checks, deposits, chargebacks, wire transfers in and out, interest payments, etc.) with ability to download data into Microsoft Excel spreadsheet format.
- Initiation of internal account-to-account transfers.
- Initiation of regular recurring wire transfers.
- Initiation of ACH debit and credit transactions. Ability to create saved "instructions" for recurring ACH debit (collection) or credit (direct deposit) type transactions.
- Placement of stop payment orders.
- Multi-level security for various Village staff (e.g. inquiry only vs. full system administrator rights).
- RCK for insufficient checks with automated re-presentment tracking.
- Electronic storage of canceled checks and deposit terms for a minimum of 90 days with access granted to the Village.
- Positive pay exception item images.

Transfers Between Accounts

On a regular basis, the Village will make transfers between the various accounts listed in Section II C. Any transfers between these accounts will be charged to the Village only as transfers and not also as items deposited and checks paid. The Village will do all transfers electronically via the internet. Credit for any transfers must be given on the same day that the transfer is made, no matter what time of day the transfer occurs.

G. Payee Positive Pay

The Village requires that the proposing bank provide payee positive pay services along with full account reconciliation services, ARP. The payee positive pay must be integrated with the bank teller lines.

The Village is very fraud conscious and is very willing to entertain any suggestions/products that address this issue.

H. ACH

The bank must be both a "sending" and "receiving" bank on the Automated Clearing House (ACH) system to accommodate a payroll direct deposit program, a utility billing electronic payment collection program as well as future revenue collection systems. This service must also include full account blocks and filters. The Village will also be exploring the possibility of implementing a system in which vendors would be paid via ACH (EDI).

Presently, the Village's payroll and corresponding ACH direct deposit file and utility bill collection and corresponding ACH direct deposit files are transmitted to the bank's processing center electronically.

I. **Availability of Funds**

Deposits may be made periodically during the business day (9:00 a.m. to 3:00 p.m.) to a designated cashier or location mutually agreed upon by the Village and the awarded bank. If the Village chooses to utilize the Remote Deposit option, deposits may be made up until 7:00 p.m. and funds deposited via Remote Deposit will have same day availability.

The Village will be given credit as collected funds, all items which are cleared by your bank on the same day on which the deposit is made. Items deposited which clear at institutions located within the Chicago Federal Reserve Region will be considered collected funds within one business day, as a minimum. All other items deposited will be given credit as collected funds within two business days, as a minimum. The bank will also credit the Village's accounts for incoming wire transfers on the day received regardless of the time of receipt during the day. **All proposing banks are required to attach a copy of their current "availability schedule" to the proposal.**

J. **Daylight Overdrafts**

How would the bank handle an occasional daylight overdraft? The Village historically has not had one.

K. **Wire Transfers**

Incoming

The Village intends to consider all wire transfers received by the bank prior to the end of the business day, as "available for investment" by the Village, regardless of the time of actual receipt by the bank. Should a wire transfer not be received by the bank, as specified above, then the wire transfer will be traced from origin to destination to ascertain the party responsible for delaying the transfer. If necessary, adjustments will be made as soon as possible for any lost interest.

It is the express intention of the Village to perform daylight overdrafts to the extent that incoming wire transfers are expected during the business day. Should these wire transfers not arrive as planned, compensation for lost interest will be made by the responsible party causing the delay in the incoming wire transfer. Although the Village acknowledges that daylight overdraft cap limits are confidential information, you are requested to describe in detail in Exhibit A-1 your bank's policy for handling daylight overdrafts, and in particular how daylight overdrafts caused by the Village will be handled. If your bank has adopted a policy of not allowing any daylight overdrafts, then please state your policy in Exhibit B.

In the event that the incoming wire transfer does not arrive by the end of the business day, interest on any overdrawn balances will be calculated using the same rate of interest that the Village receives on the checking accounts. The Village will not accept any exceptions to this specification.

Outgoing

The awarded bank agrees to execute any wire transfer order within one (1) hour after notification by the Finance Department through the computer terminal, or by telephone, or by fax, if necessary. Wire transfers ordered and not received by the destination party by 5:00 p.m. will be traced by the bank from origin to destination to ascertain the party responsible for delaying the transfer. If necessary, adjustments will be made for any lost interest, or charges resulting from a “fail” to consummate an investment transaction.

Other

Bank agrees to provide copies of the wire transfer confirmation evidencing the amount, date and time, as well as the wire transfer number for all outgoing wires on a daily basis to the Village Finance Department via fax transmission to 1/630/350-3497.

The Village desires to enter into a “Wire Transfer Agreement” with the awarded bank for all wire transfers, incoming and outgoing. (Exhibit G).

Additionally, provisions within the Wire Transfer Agreement may be subject to further negotiations. Negotiations regarding provisions contained within the Wire Transfer Agreement will be conducted before a winning bank is chosen. If the Wire Transfer Agreement is not subject to negotiation, then it must be considered an exception to this proposal and included in Exhibit B.

L. **Statement and Advice Frequency**

Monthly bank statements will be for the full calendar month and will be delivered to the Village within five (5) business days after the end of the month. The Village requests that the statements, processed checks, deposit items and miscellaneous bank advices be stored, on-line, by the bank and on-line access be given to the Village. The Village also requests check truncation and a monthly CD Rom.

A monthly account analysis statement will be completed and delivered to the Village within ten (10) business days after the end of the month.

M. **Designated Account Executive**

The Village requests that the proposing banks provide the names of a designated account executive, as well as an alternate. The designated account executives **must** have the authority to make timely decisions in the normal course of business on their own.

Resumes must be provided for all key account executives designated to service this account.

N. Other Banking Services and Conditions

1. All returned checks due to insufficient funds will be automatically re-deposited as an RCK.
2. All debit and credit memos required to adjust errors caused by the bank will not be charged to the Village. All deposit errors must be accompanied by a copy of the particular deposit slip. All bank errors must be corrected within five (5) business days of notification by the Village.
3. An armored car service or carrier service may be utilized by the Village to transport deposits and/or lockbox items to the awarded bank. All costs related to the armored car/carrier service shall be separately reflected in the bank's proposal. At the present time, the Village anticipates having only one pick up location and one pick up per day. The scheduled time of pick up will be negotiated to accommodate dates and times that are important to the Village. All deposits picked up by the armored car/carrier service will be given same day ledger credit regardless of the actual time the deposits are taken to the bank by the armored car/carrier service. The bank will assume responsibility for the deposit once it is in possession of their designated armored car/carrier service.

All invoices for the armored car/carrier service will be submitted directly to and paid for by the bank. All operation problems regarding the deposit pick up locations and time will be handled by the Village.

O. Community Reinvestment Act

It is important to the Village that the awarded bank demonstrates its commitment to provide banking services to the community and that the bank's rating under the Community Reinvestment Act (CRA) is a measure of this commitment. All proposers are required to submit their latest CRA rating as it relates to the Bensenville community with their proposal. All proposers are required to furnish their bank's community involvement and investment program. The Village will use this rating and any supporting documentation in the evaluation process (Exhibit C).

P. Options: The Village is also looking for proposals on the following options:

- Retail Lockbox
- Credit Card Processing
- Remote Deposit (electronic deposit of checks)
- Purchase Cards

1. The Village intends to evaluate the possible use of a lockbox facility. The Village estimates that it would process on average 1,000 to 1,500 items per month through this facility. The lockbox service is being looked at as a stand-alone product so

therefore it will not necessarily be tied to the contract that is awarded for the core services. The Village maintains its own P.O. Box at the Bensenville Regional Postal Facility and would require its continued use. At a minimum, pick up should be twice per day.

If the Village pursues this option, it is the Village's expectation that this would be a fully electronic lockbox.

The proposal should include the following at a minimum:

- Per item processing cost
- Checking account maintenance cost
- Cost for processing the deposit
- Cost for converting checks to an electronic format and their processing
- Deposit imaging

2. Credit Card Processing

The Village currently accepts MasterCard, VISA and Discover. The Village would also like to accept American Express. Payment will be accepted via the Internet and over-the-counter. The annual volume is approximately:

- Annual Dollar Value: \$2,400,000
- Number of Transactions: 2,500
- % of transactions where the card is present: 85%
- Average transaction amount: \$100.00

The proposal should include the associated credit card fees (identified by each of the specific cards to be accepted) along with checking account maintenance cost.

3. Remote Deposit

The Village is interested in utilizing remote deposit. It is estimated that the Village would be processing between 2,000 – 2,500 checks per month. During the months of June and July, the number of checks processed could increase by a total of approximately 5,000.

The proposal should include the cost of leasing the equipment to accommodate this volume and the cost of each deposit and the per item charge.

Q. Reference

Please include the following references (if applicable):

Provide three (3) client references of similar sized and/or municipal accounts which the bank has served over the past two years and is currently serving. Provide a contact person and telephone number for each customer.

Provide two (2) references of similar sized and/or municipal accounts, which have recently left (within the past two years) the bank. Provide a contact person and a telephone number of each organization.

How does the Village compare in terms of the bank's average customer size and complexity of services?

R. **New Services**

Are there any additional services that you offer that may be of interested to the Village?

What is the bank's track record for implementing new services? Is the bank aggressive about staying/being on the cutting edge of the banking services industry?

Would the bank welcome and pursue new ideas presented by the Village?

III. **PROPOSALS**

A. **Explanation of Proposal Form**

Use of the Proposal Form (Exhibits A, A-1, A-2, and B) or a copy thereof is **required** of all proposers. No proposal will be considered without amounts being placed on these forms. If the bank is unable to meet or exceed the requirements specified, then the phrase "No Proposal" should be entered for that particular item.

The proposal will be on a variable cost basis. Under the variable cost method, actual monthly services will be counted and the volume of transactions will be computed to determine the compensating balance required to support the activity. Accordingly, the monthly compensating balance may change each month based on previous volume and charges, as described below.

The Village Manager or his designee reserves the right to eliminate any individual service contained in the bid, if based on analysis, the fees for providing the service are excessive, or if the service proposed can be performed in an alternative manner.

B. **Completion of Proposal Form**

Each bank should review the proposal form and price each service specified on Exhibit A. Per item charges should be extended to the "Annual Charges" column. The total of this column will be entered on the line "Total Proposed Service". If the bank does not wish to

charge for a particular item, please indicate so by including “no charge” under the appropriate service in “Charge Per Item” column of Exhibit A. If the bank cannot provide the specific service requested, please indicate so by including “no proposal” under the appropriate service in the “Charge Per Item” column of Exhibit A.

The “Total Proposed” is then divided by twelve (12) to arrive at an average monthly amount. This amount is then multiplied by the amount of “Balance Required to Support \$1.00 of Services” as calculated in Exhibit A-2. The following formula is specified to calculate the “Balance Required to Support \$1.00 of Services.”

$$\frac{365 \div \# \text{ of days in current month}}{\text{Earnings Credit Rate}}$$

Earnings Allowance Calculation:

The earnings credit rate for purposes of the calculation of “Balance Required to Support \$1 of Services” in Exhibit A-2 of this RFP shall be the Fed Funds rate for March 31, 2016 (0.16%) plus 15 basis points (0.31%) as specified in Section II. If the bank chooses to propose an alternate earnings credit rate in Exhibit B, then the proposed alternate rate should be used in calculating the “Balance Required to Support \$1 of Services: Using the requested rate, the calculation in Exhibit A-2 would be determined as follows:

$$\frac{365 \div 31 \text{ days in March}}{(0.31\%)} = \$3,800.00$$

\$3,800.00 balance required to support \$1 in services.

The \$3,800.00 is then multiplied by the average monthly amount in Exhibit A (Total Proposed divided by 12) to determine the “Required Monthly Compensating Balance”.

If the average monthly amount was \$1,000, then the “Required Monthly Compensating Balance” would be \$3,800,000 (\$3,800.00 x \$1,000). This amount would be placed in the appropriate space in the proposal form.

Summary:

In summary, the banks are to provide an annualized total for all service charges. This total is to be divided by twelve (12) to arrive at an average monthly amount for service charges. A calculation is required by the bank to determine “Balance Required to Support \$1.00 of Services”. A second calculation multiplying the average monthly amount by “Balanced Required to Support \$1.00 of Services” is necessary to determine an average “Required Monthly Compensating Balance”. Banks are required to show all computations on Exhibit A and A-2.

C. Monthly Service Charge Calculations

The awarded bank will prepare a monthly account analysis for services rendered. The analysis should be able to be reconciled (using similar terms, formats, etc.) to the proposal form (Exhibit A) in this Request for Proposal.

Total service charges will be calculated based on the actual number of transactions for a month multiplied by the fixed charge per item. The total service charge for a month will be converted to a “Required Monthly Compensating Balance” by multiplying the total service charge by the amount of the “Balance Required to Support \$1.00 of Services”.

The “Balance Required to Support \$1.00 of Services” will be calculated according to the formula used in Section III B, Completion of Proposal Form. The variables in the formula will change monthly during the contract term. The monthly variables are identified as follows:

- actual number of days in a month (28-31)
- Fed Funds rate for the last day of the previous month

It is the intention of the Village that all per item charges remain fixed over the life of the initial three-year contract. However, the Village recognizes that an adjustment in a per item charge may be necessary based on price changes by the Federal Reserve System. Adjustments in per item charges will only be allowed by complying with the following conditions:

- The per-item charge (or portion thereof) will change only for corresponding adjustments in the Federal Reserve System’s Fee Schedules, on or after the effective date of the adjustments.
- Changes in the Federal Reserve Fee Schedules must be final, and not proposed.
- Awarded bank will provide the Finance Director a copy of the Federal Reserve System’s notification supporting the adjustment, with the monthly account analysis statement.

IV. SUMMARY

All banks are requested to complete the form “Proposal for Banking Services,” attach the requested forms, reports and Exhibits and return the package (3 copies) to the Village in accordance with the instructions in Section I B.

The Village intends to enter into a formal Banking Services Contract with the awarded bank which will incorporate all provisions of the Request for Proposal. Additional terms and conditions will not be included in the contract unless mutually agreed to by both parties.

PROPOSAL FOR BANKING SERVICES

VILLAGE OF BENSENVILLE

Proposal Submitted By:

Bank: _____

Address: _____

Telephone: _____

Email Address: _____

This proposal contains all the information requested in the Request for Proposal, including the following exhibits:

- Exhibit A Consolidated Proposal Form
- Exhibit A-1 Additional Information Requested
- Exhibit A-2 Calculation Supporting “Balance Required to Support \$1.00 of Services”
- Exhibit B Exceptions to the Proposal Certification
- Banks Audited Financial Statements for the previous two years (submit only one set)

Signature

Typed Name

Title

Date

**VILLAGE OF BENSENVILLE BANKING SERVICES
PROPOSAL FORM**

EXHIBIT A

Bank: _____

Bank Depository Services	Estimated Annual Volume	Charge Per Item	Annual Service Charges
Account Maintenance (3 accounts)	36		
Checks Paid	5,000		
Deposits Slips Processed	1,200		
Items Deposited – non-lockbox			
FDIC Assessment Fee			
Wire Transfers:			
Incoming	75		
Outgoing	65		
Notification (e-mail) of Wire Transfer Transaction			
Transfers Between Accounts	72		
ACH Transactions:			
ACH In	300		
ACH Out	600		
ACH Origination			
ACH Returned (RCK)	50		
Notification (e-mail) of incoming ACH Transaction	130		
Return checks converted to RCK	50		
Currency Processing			
Stop Payments	12		
Payee Positive Pay/ARP			
EDI			
Payee Positive Pay per check			
Payee Positive Pay – exceptions			
On-line check/deposit archiving			
Courier Service			
PC Banking Software			
Monthly Account Maintenance			
Check Truncation and monthly CD Rom			
Total Proposed Service		\$	_____
Average Monthly Amount (Total ÷ 12)		\$	_____
Balance Required to Support \$1.00 of Services (Exhibit A-2)		\$	_____
Required Monthly Compensating Balance (Avg. Monthly Amount X Balance Required for \$1)		\$	_____

Credit Card Processing	Estimated Annual Volume	Charge Per Item	Annual Service Charges
- Debit Card:			
Interchange Rate	15		
Interchange Per Item Fee	15		
Discount Rate	-		
Assessment Fee	-		
Annual Volume	\$ 51		
Average	\$ 17		

Internet/Phone

- MasterCard/Visa:			
Interchange Rate			
Interchange Per Item Fee			
Discount Rate	-		
Assessment Fee	-		
Annual Volume	\$300,000		
Average	\$100		

- VISA:			
Interchange Rate			
Interchange Per Item Fee			
Discount Rate	-		
Assessment Fee	-		
Annual Volume	\$100,000		
Average	\$ 100		

Cost per deposit	-
Account Maintenance	12
Chargeback Fee	5
Other Fees (Please identify)	
Equipment Fees	3
Equipment Reprogramming Fees	3

**VILLAGE OF BENSENVILLE BANKING SERVICES
PROPOSAL EXCEPTION FORM**

EXHIBIT B

The bank wishes to take exceptions to the following items:

Page #	Item	Estimated Costs
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**VILLAGE OF BENSENVILLE BANKING SERVICES
PROPOSAL FORM**

EXHIBIT D

COLLATERAL AGREEMENT

SECURITY AGREEMENT

This SECURITY AGREEMENT, dated _____, is between **[name of bank]** (the “*Bank*”), a **[bank and trust company, national banking association, state banking corporation, savings bank or savings and loan association]** having an address at _____, and **[public depositor]**, having an address at _____ (the “*Public Depositor*”).

WITNESSETH:

WHEREAS, the Bank is a qualified public depository as defined in 30 ILCS 235 (the “*Act*”); and

WHEREAS, Public Depositor from time to time makes deposits, as said term is defined in the Act, in the Bank (its “*Public Deposits*”), which Public Deposits shall from time to time aggregate in excess of One Hundred Thousand Dollars (\$100,000.00); and

WHEREAS, the Public Depositor desires to have its Public Deposits secured by collateral; and

WHEREAS, the Bank has agreed to secure the Public Depositor’s Public Deposits by granting to the Public Depositor a security interest in certain collateral (“*Eligible Collateral*”) owned by the Bank, as permitted by 12 U.S.C. § 90;

NOW THEREFORE, in consideration of the Public Depositor depositing its Public Deposits as herein described, and for other good and valuable consideration, hereby acknowledged as received, it is hereby agreed between the Public Depositor and the Bank as follows:

1. In order to secure the Public Depositor’s Public Deposits the Bank hereby pledges, assigns, transfers and grants to the Public Depositor a perfected first priority security interest in (a) such amounts of the Eligible Collateral to meet the collateral ratios and other requirements described in this Agreement, and (b) the Custody Account (as defined in Section 9 below) and any and all investment property and security entitlements from time to time held in, by, or for the benefit of the Custody Account (including without limitation the Eligible Collateral) and all proceeds thereof

(collectively, the “*Collateral*”). If at any time the ratio of the market value of the Eligible Collateral to the Public Depositor’s Public Deposits, plus accrued interest, is less than required by this Agreement, the Bank shall immediately, within no more than 24 hours, make such additions to the Eligible Collateral in such amounts such that the ratio of the market value of the Eligible Collateral to the Public Depositor’s Public Deposits, plus accrued interest, shall be at least equal to that required by this Agreement. Such additions to the Eligible Collateral shall constitute an assignment, transfer, pledge, and grant to the Public Depositor of a security interest in such additional Eligible Collateral pursuant to this Agreement and the Act.

2. The security interest granted herein (as described in Section 1 above) shall secure not only such Public Deposits and accrued interest of the Public Depositor as are held by the Bank at the time of this Agreement, but also any and all subsequent Public Deposits made by the Public Depositor in the Bank regardless of the accounts in which such funds may be held or identified by the Bank.
3. The pledge of Collateral by the Bank shall be in addition to, and shall in no way eliminate or diminish, any insurance coverage to which the Public Depositor may be entitled under the rules and regulations of the Federal Deposit Insurance Corporation (FDIC) or any private insurance carried by the Bank for the purpose of protecting the claims and rights of its depositors.
4. The Public Depositor is under no obligation to maintain its deposits with the Bank and may withdraw them at any time without notice. It is agreed that when the Bank shall have paid out and accounted for all or any portion of the Public Depositor’s Public Deposits, any Collateral pledged under this Agreement to secure such paid out Public Deposits shall be released from the security interest created hereunder.
4. The Bank hereby represents that (i) it is a **[state banking corporation]** duly organized and validly existing under the laws of the **[State of Illinois]**; (ii) it is a qualified public depository as defined by the Act; (iii) it has, or will have as of the time of delivery of any securities as Collateral under this Agreement, the right, power and authority to grant a security interest therein with priority over any other rights or interests therein; (iv) the execution and delivery of this Agreement and the pledge of securities as Collateral hereunder have been approved by resolution of the Bank’s Board of Directors at its meeting of **[date]**, and the approval of the Board of Directors is reflected in the minutes of that meeting, copies of which resolution and relevant portion of the minutes of s
5. aid meeting are attached hereto as Exhibit A and made a part hereof; (v) the execution and delivery of this Agreement and the pledge of securities as Collateral hereunder will not violate or be in conflict with the Articles of Incorporation or By-laws of the Bank, any agreement or instrument to which the Bank may be a party, any rule, regulation or order of any banking regulator applicable to the Bank, or any internal policy of the Bank adopted by its Board of Directors; and (vi) this Agreement shall be continuously maintained, from the time of its execution, as an official record of the Bank.

6. The Bank warrants that it is the true and legal owner of all Collateral pledged under this Agreement, that the Collateral is free and clear of all liens and claims, that no other person or entity has any right, title or interest therein, and that the Collateral has not been pledged or assigned for any other purpose. Should an adverse claim be placed on any pledged Collateral, the Bank shall immediately substitute unencumbered Collateral of equivalent value that is free and clear of all adverse claims.
7. At any time that the Bank is not in default under this Agreement, the Bank may substitute Eligible Collateral, *provided* that (a) the total market value of Eligible Collateral held in the Custody Account shall meet the requirements of this Agreement, and (b) the Public Depositor shall have approved such actual substitution or substitution process and all documentation relating to such substitution before it becomes effective.
8. Any additional pledge of Collateral hereunder, substitution of Collateral, or release of Collateral shall be approved by an officer of the Bank duly authorized by resolution of the Board of Directors to approve such additional pledges, substitutions, or releases of Collateral under this Agreement.
9. The Bank agrees to place the Collateral with a Federal Reserve Bank, a trust department of a commercial bank, or with a trust company (the “*Custodian*”) to hold in a custody account (the “*Custody Account*”) for the benefit of the Public Depositor. Any such commercial bank or trust company shall be a securities intermediary that in the ordinary course of its business regularly maintains securities accounts for its customers. The Bank shall execute a custodial trust agreement with the Custodian (“*Custodial Trust Agreement*”) for the custody of the Eligible Collateral consistent with the terms of this Agreement. The Custodial Trust Agreement shall contain the Custodian’s agreement to hold all Collateral in the Custody Account for the benefit of the Public Depositor and subject to the Public Depositor’s direction and control and to comply with entitlement orders originated by the Public Depositor without the Bank’s further consent. The executed Custodial Trust Agreement is attached hereto as Exhibit B. The execution by the Bank of the Custodial Trust Agreement shall in no way relieve it of any of its duties or obligations hereunder.
10. Upon the initial transfer of Eligible Collateral under this Agreement and monthly thereafter, the Bank shall cause the Custodian to report to the Public Depositor specifying the type and market value of Eligible Collateral being held in the Custody Account for the benefit of the Public Depositor.
11. The Bank shall pledge and transfer to the Custody Account Eligible Collateral having a total market value of at least the total value of the Public Deposits, including accrued interest, of the Public Depositor, less amounts covered by insurance of the FDIC.

12. Eligible Collateral shall include only the following securities and shall have a minimum market value of not less than 110% of the fair market value of the net amount of public funds secured.

FORM OF ELIGIBLE
COLLATERAL PLEDGE

- A. United States treasury Bills, notes and bonds
 - B. Actively traded United States government agency securities
 - C. United States government agency variable rate securities
 - D. Illinois general obligation bonds
13. The Bank shall recalculate the market value of individual securities comprising Eligible Collateral at least monthly.
 14. The Bank has heretofore or will immediately hereafter deliver to the Custodian for immediate deposit into the Custody Account Eligible Collateral of sufficient value to meet the terms of this Agreement. Said Eligible Collateral, or substitute collateral, as herein provided for, shall be retained by the Custodian in the Custody Account so long as the Bank holds deposits of the Public Depositor.
 15. In the event the Bank shall (a) fail to pay the Public Depositor any funds which the Public Depositor has on deposit, (b) fail to pay and satisfy when due any check, draft, or voucher lawfully drawn against any deposit of the Public Depositor, (c) fail or suspend active operations, (d) become insolvent, or (e) fail to maintain adequate Collateral as required by this Agreement, the Bank shall be in default, the Public Depositor's deposits in such Bank shall become due and payable immediately, the Public Depositor shall have the right to unilaterally direct the Custodian to liquidate the Collateral held in the Custody Account and pay the proceeds thereof to the Public Depositor and to exercise any and all other security entitlements with respect to the Custody Account and the other Collateral, to withdraw the Collateral, or any part thereof, from the Custody Account and deliver such Collateral to the Public Depositor or to transfer the Collateral or any part thereof into the name of the Public Depositor or into the name of the Public Depositor's nominee, and ownership of the Collateral shall transfer to the Public Depositor. The Bank authorizes the release, withdrawal and delivery of the Collateral to the Public Depositor upon default by the Bank, and authorizes the Custodian to rely without verification on the written statement of the Public Depositor as to the existence of a default and to comply with entitlement orders originated by the Public Depositor without further consent of that Bank.
 16. In the event of default as described in Section 15, the Public Depositor shall also have the right to sell Collateral at any public or private sale at its option without advertising

such sale, upon not less than three (3) days' notice to the Bank and the Custodian. In the event of such sale, the Public Depositor, after deducting all legal expenses and other costs, including reasonable attorney's fees, from the proceeds of such sale, shall apply the remainder on any one or more of the liabilities of the Bank to the Public Depositor, including accrued interest, and shall return the surplus, if any, to the Bank, or its receiver or conservator.

17. During the term of this Agreement, the Public Depositor will, through appropriate action of its governing board, designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of the Public Depositor in any and all matters arising under this Agreement.
18. All parties to this Agreement agree to execute any additional documents that may be reasonably required to effectuate the terms, conditions and intent of this Agreement.
19. All of the terms and provisions of this Agreement shall be binding upon and shall insure to the benefit of the parties hereto and their respective successors and assigns.
20. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.
21. This Agreement shall be governed by and construed in accordance with the laws of Illinois and the laws of the United States, and it supersedes any and all prior agreements, arrangements or understandings with respect to the subject matter hereof. In the event that any conflict of law issue(s) should arise in the interpretation of this Agreement, the parties agree that when Illinois law is not preempted by laws of the United States, Illinois law shall govern.
22. No provision of this Agreement may be waived except by a writing signed by the party to be bound thereby and any waiver of any nature shall not be construed to act as a waiver of subsequent acts.
23. In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Security Agreement, which shall be given effect without the conflicting provision. To this end the provisions of this Agreement are declared to be severable.
24. Unless applicable law requires a different method, any notice that must be given under this Agreement shall be given in writing and sent by certified mail, return receipt requested or third party overnight priority mail carrier to the address set forth herein or such other place as may be designated by written notice in the same manner from one party to the other.

[public depository bank]

By:

Its:

Date: _____

[public depositor]

By:

Its:

Date: _____

CERTIFICATION

EXHIBIT E

I, the undersigned, being an authorized representative of the Contractor, hereby certifies that the Contractor is not barred from submitting a proposal for this contract as a result of a violation of either Section 5/33E-3 or Section 5/33E-4 of Chapter 38 of the Illinois Compiled Statutes concerning bid rigging, rotating, kickbacks, bribery, and interference with public contracts.

The undersigned hereby also certifies that the Contractor has adopted an anti-sexual harassment policy in accordance with the Illinois Human Rights Act, as amended. The undersigned hereby also certifies that the Contractor shall comply with all local, state, and federal safety standards.

The undersigned hereby also certifies that the Contractor is not delinquent in the payment of any tax administered by the State of Illinois Department of Revenue, unless the amount and/or liability is being properly contested in accordance with the procedures established by the appropriate revenue act.

The undersigned hereby also certifies that this proposal is genuine and not collusive or sham; that said Contractor has not colluded, conspired, connived, or agreed, directly or indirectly, with any other Contractor or person, to put in a sham proposal or to refrain from submitting a proposal; and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference with any person, to fix the proposed price elements of said proposal, or that of any other Contractor, or to secure any advantage against any other contractor or any person interested in the proposed contract.

Dated at _____

This _____ day of _____, 20 _____.

By: _____
(signature)

Its: _____
(title)

_____, being duly sworn, deposes and says that he/she is the
_____ of _____ and that the statement above is true

and correct.

Subscribed and sworn before me this _____ day of _____, 20 _____

Notary public: _____

My commission expires: _____

AGREEMENT
EXHIBIT F

This Agreement, made and entered into this _____ day of _____, 20 _____, by and between _____, having its place of business at _____, Illinois, and the Village of Bensenville, (hereinafter referred to as “the Village”) an Illinois municipal corporation:

WITNESSETH

_____, having submitted a Bid Proposal for providing certain banking services for the Village pursuant to the specifications set forth within the proposal for banking services required by the Village, and having been awarded a contract to provide this service, hereby accepts and agrees to comply with the specifications set forth within the Banking Services Bid Proposal dated _____, 20 _____. The parties therefore agree that the attached Cost Proposal(s) constitute the “Agreement” between the parties.

IN WITNESS WHEREOF, _____ has caused this Agreement to be executed in its name by a corporate officer and the Village has caused same to be executed in its name by its Village President, and its corporate seal to be hereunto affixed and attested, all being thereunto duly authorized.

ATTEST:

By: _____

Date: _____

ATTEST:

Village Clerk

President, Village of Bensenville, IL

Date: _____

EXHIBIT G

WIRE TRANSFER AGREEMENT

This Agreement applies to all wire and internal funds transfers (referred to collectively as “Transfers”) which are originated by you or on your behalf out of your deposit accounts with (Bank). It also applies to all types of electronic and internal funds transfers into your deposit accounts with (Bank).

1. *(Bank’s) Authority to Honor Your Payment Orders.* You authorize (Bank) to charge your accounts at (Bank) and transfer funds on your behalf upon instructions for Transfers communicated to (Bank) in writing presented personally or by facsimile transmission at one of (Bank’s) offices (all of such Transfer instructions, including amendments and cancellations, are called “Payment Orders”), provided that in each case such Payment Orders are given and received in accordance with the applicable security procedures referred to in this Agreement. Payment Orders on any of your accounts may be given or confirmed by the Village Manager, Finance Director or Assistant Finance Director. It is the responsibility of the Village of Bensenville to provide (Bank) with an up-to-date listing of the above named positions. You agree to pay to (Bank), and authorize (Bank) to charge your accounts at (Bank) for the amount of each such Payment Order on or before the date the Payment Order is executed by (Bank). You agree to pay (Bank’s) standard funds transfer fees in accordance with the “Banking Services Agreement”.
2. *Security Procedures.*
 - a) (Bank) recommends that you communicate Payment Orders to (Bank’s) Wire Room using the WEBS on-line banking system, which include the use of call-back confirmations as well as the use of personal identification numbers (“PINs”) by all of your officers and employees who give or confirm Payment Orders by telephone. These are the security procedures which (Bank) recommends as commercially reasonable for giving Payment Orders. In order to obtain PINs and/or designate persons who are authorized to give or confirm Payment Orders, you must complete and sign the accompanying Wire Transfer Set-up Form.
 - b) The security procedures are used to verify the authenticity and not detect errors in the Payment Orders which are delivered to (Bank). Any Payment Order given by you or on your behalf will be effective as your Payment Order, and you will be required to pay (Bank) the amount of any such Payment Order, whether or not it has been authorized by you, and regardless of the actual identity of the sender thereof, if (Bank) accepts such Payment Order in good faith and in accordance with the applicable security procedures. (Bank) at its discretion may delay the execution of that Payment Order until (Bank) is able to verify the authenticity of the Payment Order by any means reasonably acceptable to (Bank) including, without limitation, placing a telephone call to any person who you have authorized to initiate or confirm Payment Orders. (Bank) shall not be liable to you or any other person for such delay, provided that (Bank) has acted in good faith.

- c) (Bank) has no obligation to accept any Payment Order that is not given in compliance with the applicable security procedures. However, if (Bank) accepts in good faith any Payment Order which is communicated to (Bank) in writing in accordance with some alternative security procedure which you have proposed or adopted, then you will be deemed to have agreed to be bound by that Payment Order, whether or not actually authorized by you.
3. *Cut-Off Times.* Payment Orders must be delivered to (Bank) in compliance with the cut-off hours established by (Bank) from time to time. Payment Orders received by (Bank) after the cut-off hours established by (Bank) may be treated by (Bank) as received on the following bank business day.
 4. *Rejection of Payment Orders.* (Bank) has the right to reject any Payment Order for any reason, including without limitation, your failure to maintain a sufficient account balance. If (Bank) rejects any payment Order which you communicate to (Bank) in accordance with the applicable security procedures, (Bank) will endeavor to notify you by phone or other reasonable means no later than the business day that the rejected Payment Order would otherwise have been executed by (Bank). (Bank) will have no liability to you based on its rejection of any Payment Order, or the fact that any notice of rejection was not given to you at an earlier time.
 5. *Cancellation or Amendment of Payment Orders.* You have no right to cancel or amend a Payment Order after it has been received by (Bank). However, (Bank) will make a reasonable effort to act on a request for cancellation or amendment of a Payment Order, provided that (Bank) receives such a request before it executes such Payment Order and has a reasonable time to respond to the request, but (Bank) will have no liability if the requested cancellation or amendment is not accomplished.
 6. *Notice of Receipt of Transfers; Account Reconciliation.* Transfers to and from your accounts will be reflected on the periodic statements issued by (Bank) for your accounts. You acknowledge and agree that (Bank) will not be required to provide you with any other notice of its receipt of electronic or internal funds transfers for credit to your accounts. You agree to promptly notify (Bank) of any discrepancy between your records and the information shown on any periodic statement you receive from (Bank). If you fail to notify (Bank) of any discrepancy within 30 days of receipt of a periodic statement containing such information, you agree that (Bank) will not be liable for any losses resulting from your failure to give (Bank) such notice or for any loss of interest with respect to such funds transfers. If you fail to notify (Bank) of any such discrepancy within one year of receipt of such periodic statement, you will be precluded from asserting such discrepancy against (Bank).
 7. *Limits on Liability.* Except as otherwise required by applicable law, (Bank)' liability to you for any loss or damage arising from or relating to this Agreement or any funds transfer services, regardless of the form of action, shall be limited to direct losses attributable to (Bank)' negligence and in no event shall (Bank) be liable for any indirect, consequential or special damages except in the case of its willful misconduct. The standard by which the negligence of (Bank) shall be judged shall be that level of care and conduct which would be expected from

the employees and officers of an experienced commercial (Bank). (Bank) shall not be held responsible or liable for any failure or delay resulting from acts of God, strike or stoppage of labor, power failure, equipment failure except associated with gross negligence, adverse weather conditions or any other cause beyond (Bank's) control or any act or failure to act by any other financial institution or any other third party.

8. *Miscellaneous.* (Bank) may amend any of the terms, conditions, and provisions of the Agreement or any Appendix by written notice to you. Such amendments will be effective upon your receipt of such notice or such later date as may be stated in (Banks') notice. Any written notice shall be delivered by United States mail, postage prepaid, or by overnight courier, and if to (Bank), addressed to: (Bank), Wire Transfer Department (Address) and if to you, addressed to your primary mailing address as shown on (Bank's) records, unless another address is substituted by notice delivered or sent as provided in this Section. Any notice to (Bank) will be effective when (Bank) has actually received, and has had a reasonable time to act on, any such notice. Any notice or communication to you will be effective either on the date it is actually received or three days after it was sent to you in accordance with the provisions of this Section, whichever is earlier. (Bank) may rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by you or your authorized representative. This Agreement will be governed by the laws of the State of Illinois and applicable Federal laws.

Dated as of _____, 2016

(Customer Name) Bank

By _____ by _____
(Signature) (Signature)

Its Village Manager

Its _____