



REQUEST FOR PROPOSALS BANKING SERVICES

INTRODUCTION

A. General Information

The Village of La Grange Park (the “Village”), Illinois invites commercial banking institutions (the “Bank”) 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 Village may engage more than one bank or financial institution to meet the Village’s overall banking and investment needs and any contract as a result of this process is for non-exclusive services.

B. Instructions

1. Responses to this request should be submitted by email to:

lnoller@lagrangepark.org

In addition, each proposer shall submit four paper copies of their proposal in a sealed envelope, clearly identified as:

BANKING SERVICES PROPOSAL

and mailed or delivered to:

Larry Noller
Finance Director
Village of La Grange Park
447 North Catherine Ave
La Grange Park, IL 60526

2. Inquiries for clarification or additional information should be emailed to lnoller@lagrangepark.org. Responses to questions will be provided to all potential proposers that notify the Village of their intent to respond. All questions must be received by October 13, 2016 at 5:00 pm.

3. Schedule:

September 28, 2016	Distribution of RFP document.
October 13, 2016	Deadline for question submission.
October 25, 2016	Proposals due to Village by 5:00 PM.
November 1, 2016	Finance Committee review.
November 8, 2016	Village Board review.
December 13, 2016	Village Board approval.

The Village may modify the proposed schedule if needed. It is expressly understood that all proposals will be valid for a period of ninety (90) days after submission.

4. 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.
- Be able to provide 110% collateralization of all Village deposits.
- Have the ability to provide all services listed in the Scope of Banking Services.
- Provide a copy of the bank's most recent investment rating report provided by a nationally recognized rating agency.
- Fully complete and submit all requested documents and exhibits.

5. Selection Criteria: The Village's evaluation process will include, but not be limited to, the following criteria:

- a. Complete response to all required items on the standard forms provided.
- b. Financial strength and stability of Bank proposing services.
- c. Local branch presence.
- d. Ability to meet current and projected service requirements over the term of the banking agreement.
- e. Lowest aggregate banking cost and/or earnings credit rate offered on balances.
- f. Rate of interest paid on accounts.

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 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 placed on Exhibit B and will be included 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 prior to scheduled Village Board approval of the successful proposer, the Village may give notice to such proposer of its 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 liability for costs incurred by the proposers in preparation and submission of their proposal.
- c. The standard proposal form indicates an estimate of the number of transactions for the year. This number is the Village's estimate of the average volume and the Village in no way guarantees these as minimum or maximum volumes. Further, the Village in no way makes any guarantees with respect to maintenance of minimum or maximum account balances.
- 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 ninety (90) calendar days before the proposed 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 in advance of its expiration, it may be excluded from consideration in future proposals at the Village's discretion.
- 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 proposer 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".

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. 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.

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.

B. Collateralization of Account Balances

All Village funds on deposit in excess of FDIC limits must be collateralized by the bank through the pledge of securities approved by the Village and held in its name at a third party institution. Banks shall agree to the collateralization agreement included as Exhibit C or include proposed collateral and safekeeping agreements with their response. If the Bank is including proposed collateral and safekeeping agreements, the inclusion must be noted as an exception in Exhibit B. A monthly statement demonstrating the adequacy of pledged collateral shall be provided directly to the Village by the third party custodian within 10 business days of the last day of each month. Any exception to this requirement must be detailed in the Bank's response.

C. Accounts Included:

The Village will require the following separate accounts:

- Corporate Account
- Payroll Account (ZBA)
- Accounts Payable Account (ZBA)
- Motor Fuel Tax Account

The Village does not guarantee that the accounts listed above will remain active for the entire term of the new banking services relationship. In addition, new accounts may be requested as needed.

D. Account Structure

All accounts will be set up as interest bearing checking accounts, with the exception of the Payroll and Accounts Payable accounts which will be a zero balance account (ZBA).

ECR Alternate: As an alternate, the Bank may wish to propose an earnings credit rate to be applied to all balances in lieu of payment of interest on balances. The earnings credit

will be applied to the monthly bank analysis and remaining balance due will be settled in cash.

E. Payment for Services and Monthly Account Analysis

All charges for banking services shall be reported on a monthly account analysis statement. The monthly account analysis 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.

F. Internet-Based Banking Services

The Village requires the successful proposer to provide internet-based banking services. At a minimum, the Village requires 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).
- Electronic storage of canceled checks and deposit terms for a minimum of 90 days with access granted to the Village.
- Positive pay.

Proposing banks shall include information about their internet banking services solution and security measures with their submitted proposal.

G. Automated Clearing House (ACH)

The bank must be both a “sending” and “receiving” bank on the Automated Clearing House 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 the ability to implement full account blocks and filters.

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.

The bank must be able to provide ACH debit blocking for all Village accounts with the exception of Village authorized ACH debits.

H. Deposit of Funds

Proposing banks should identify the branch location which will be assigned to service Village deposits.

I. Availability of Funds

The Village will be given credit as collected funds, all items which are cleared by the 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. Wire Transfers

Proposing banks should submit a copy of their standard wire transfer agreement with their proposal. Terms of this agreement must be satisfactory to the Village or otherwise negotiable prior to the final award of contract. If the Bank's wire transfer agreement is non-negotiable, it must note as such in response.

K. Statement and Advice Frequency

The Village requires monthly bank activity statements to be based on each full calendar month delivered within 10 business days after the end of the month. The Village requires 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 requires a monthly CD Rom.

L. Designated Account Executive

The Village requires that the proposing banks identify a designated account executive, as well as an alternate in their proposal. The designated account executive must have the authority to make timely decisions in the normal course of business on their own. The bank shall provide reasonable advance notice of its intention to change the designated account executive.

M. Community Involvement

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 with their proposal. All proposers are required to furnish their bank's community involvement and investment program as well as any other information concerning the bank's involvement in the local community.

N. References

All proposing banks must provide three (3) client references of similar sized 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.

PROPOSALS

A. Explanation of Proposal Forms

Use of the Proposal Forms or a copy thereof is required of all proposers. No proposal will be considered without all requested information included on these forms. Banks may also submit additional information as separate documents.

The Village reserves the right to eliminate any individual service contained in the proposal, 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. If the Bank does not wish to charge for a particular item, please indicate so by including "no charge" under the appropriate service in "Proposed Charge Per Item" column of the exhibits. If the Bank cannot provide the specific service requested, please indicate so by including "no proposal" under the appropriate service in the "Proposed Charge Per Item" column.

PROPOSAL FOR BANKING SERVICES

VILLAGE OF LA GRANGE PARK

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 Banking Services Proposal Form
- Exhibit B Exceptions to the Proposal Certification

Other Items

Banks Audited Financial Statements for the previous two years.
Information on proposed internet banking solution.

Signature

Typed Name

Title

Date

EXHIBIT A
PROPOSAL FORM

Included as an Excel worksheet. Please complete and include as both a printed copy and an excel file.

EXHIBIT B
PROPOSAL EXCEPTIONS

Included as an Excel worksheet. Please complete and include as both a printed copy and an excel file.

EXHIBIT C
COLLATERALIZATION AGREEMENT

This Security Agreement, dated _____, is between _____ (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 the Village of La Grange Park Having an Address at 447 North Catherine Avenue, La Grange Park, Illinois (The “Village”).

WITNESSETH:

WHEREAS, deposits with the Bank qualify as authorized investments under the Illinois Public Funds Investment Act (the “Act”); and

WHEREAS, the Village 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 Federal Deposit Insurance Corporation coverage and

WHEREAS, the Village desires to have its Public Deposits secured by perfected collateral in the amount of 110% of the net amount of Public Deposits secured; and

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

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

1. Eligible Collateral shall include the following:
 - a. United States Treasury bills, notes, or bonds.
 - b. United States government agency and instrumentality securities.
 - c. General obligation bonds of any United States state.

The Village may reject any form of collateral at any time.

2. In order to secure the Village’s Public Deposits the Bank hereby pledges, assigns, transfers and grants to the Village a perfected first priority security interest in (a) such amounts of the Eligible Collateral to meet the collateral ratios and other requirements by the Village, 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 Village's Public Deposits, plus accrued interest, is less than 110%, 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 Village's Public Deposits, plus accrued interest, shall be at least equal to 110%. Such additions to the Eligible Collateral shall constitute an assignment, transfer, pledge, and grant to the Village a security interest in such additional Eligible Collateral pursuant to this Agreement.

3. The security interest granted herein (as described in Section 1 above) shall secure not only such Public Deposits and accrued interest of the Village as are held by the Bank at the time of this Agreement, but also any and all subsequent Public Deposits made by the Village in the Bank regardless of the accounts in which such funds may be held or identified by the Bank.
4. 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 Village may be entitled under the rules and regulations of the Federal Deposit Insurance Corporation or any private insurance carried by the Bank for the purpose of protecting the claims and rights of its depositors.
5. The Village 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 Village'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.
6. The Bank hereby represents that (i) it is an Illinois banking corporation duly organized and validly existing under the laws of Illinois (ii) it is a qualified financial institution 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 _____ 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 said 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.

7. 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.
8. 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 Village shall have approved such actual substitution or substitution process and all documentation relating to such substitution before it becomes effective.
9. 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.
10. The Bank agrees to place the Collateral with a Federal Reserve Bank, a trust department of a commercial bank, or a trust company (the "Custodian"), to hold in a custody account (the "Custody Account") for the benefit of the Village, as required by the Act. 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 Village and subject to the Village's direction and control and to comply with entitlement orders originated by the Village 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.
11. Upon the initial transfer of Eligible Collateral under this Agreement and monthly thereafter, the Bank shall cause the Custodian to report to the Village specifying the type and market value of Eligible Collateral being held in the Custody Account for the benefit of the Village.

12. The Bank has heretofore or will immediately hereafter deliver to the Custodian for immediate deposit in 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 Village.
13. In the event the Bank shall (a) fail to pay the Village any funds which the Village has on deposit, (b) fail to pay and satisfy when due, any check, draft, or voucher lawfully drawn against any deposit of the Village, (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 Village's deposits in such Bank shall become due and payable immediately, the Village 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 Village 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 Village, or to transfer the Collateral or any part thereof into the name of the Village or into the name of the Village's nominee, and ownership of the Collateral shall transfer to the Village. The Bank authorizes the release, withdrawal and delivery of the Collateral to the Village upon default by the Bank, and authorizes the Custodian to rely without verification on the written statement of the Village as to the existence of a default and to comply with entitlement orders originated by the Village without further consent of the Bank.
14. In the event of default as described in Section 13, the Village 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 Village, 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 Village, including accrued interest, and shall return the surplus, if any, to the Bank, or its receiver or conservator.
15. During the term of this Agreement, the Village 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 Village in any and all matters arising under this Agreement.
16. 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.

17. All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
18. 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.
19. 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.
20. 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.
21. 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.
22. 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.

[Bank]

By: _____

Its: _____

Date: _____

[Village]

By: _____

Its: _____

Date: _____

EXHIBIT D
AGREEMENT

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

WITNESSETH

The Bank, having submitted a 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 Proposal dated _____, 20 _____. The parties therefore agree that the attached Banking Services Proposal dated _____ and the Cost Proposal attached hereto constitute the "Agreement" between the parties. Where provisions contained in the Banking Services Proposal should be found to in conflict with provisions contained in other agreements entered into with the Bank, the provisions of the Banking Services Proposal shall take precedence.

IN WITNESS WHEREOF, the Bank 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

Village President, Village of La Grange Park, IL

Date: _____