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REQUEST FOR PROPOSALS

BANKING SERVICES SPECIFICATIONS

PRAIRIE SOUTH SCHOOL DIVISION NO. 210

August 2016

TABLE OF CONTENTS

	Page
INTRODUCTION.....	3
I. BANK ACCOUNT SERVICES.....	5
1. Account Administration.....	5
2. Bank Accounts.....	5
3. Account Information.....	6
4. Account Reconciliation.....	7
5. Deposit Activity.....	7
6. Cheques (Payments) Issued.....	7
II. PAYROLL.....	8
III. U.S. TRANSACTIONS.....	9
IV. BORROWING REQUIREMENTS.....	9
1. Short Term.....	9
2. Long Term.....	9
V. INVESTMENTS.....	10
VI. ENHANCED SERVICES.....	10
VII. PRICING.....	10
Proposal Submission Format.....	Schedule A

BANKING SERVICES SPECIFICATIONS

INTRODUCTION

The Board of Education of Prairie South School Division is requesting proposals from financial institutions with a physical location in Moose Jaw to provide the banking services described in this document, commencing January 1, 2017, for a five-year term. The 2016/17 annual budget of Prairie South School Division is estimated at \$85 million.

Proposals must be received before **12:00 noon, Friday September 16, 2016**. Only those proposals received up to this stated time will receive consideration.

Two paper and one digital copy of the proposals should be submitted and the proposals should be marked, "Proposal for Banking Services", and addressed to:

Bernie Girardin, MBA
Superintendent of Business and Operations
Prairie South School Division No. 210
1075 9th Ave. N.W.
Moose Jaw, Saskatchewan
S6H 1V7

Note on the face of your package that it is a Request for Proposals submission.

Every proposal must be dated and signed by an authorized signing officer.

The Board of Education anticipates that proponents may wish to treat certain elements of their submissions as confidential or proprietary, and proponents are invited to do so. Proponents are advised however, that freedom of information requirements in force in the Province of Saskatchewan may afford rights of production or inspection at the application of third parties. Further, any contract entered into by the successful proponent will be available for inspection by members of the public, following the Board's selection of the successful financial institution. Subject to these requirements, the School Division will receive proposals in confidence.

The Board of Education expressly reserves the right to accept any proposal, to reject any or all proposals, to negotiate terms of any proposal after receipt of submissions, and to modify the scope of the banking services described herein, at their discretion. All decisions of the Prairie South School Division Board of Education in these matters shall be final and not subject to further review by any party.

The successful proponent will be required to enter into a written agreement with Prairie South School Division, and no contract will be formed between the parties until execution of the

written agreement. This agreement must include a termination clause in the event of a disagreement between parties which cannot be resolved.

The banking services required should be addressed by item in your submission. Submissions should follow the format provided in Schedule A. The associated costs and/or benefits for each service should be clearly stated. Services that cannot be provided as described should also be clearly noted.

Note that any dollar, transaction amounts etc. are estimates only and subject to change.

Proponents who have not provided banking services to Prairie South School division in the past are required to supply the name of three of their current clients who have requirements similar to Prairie South School Division. It is our intention to contact one or more of these clients and discuss their business relationship with your company.

A decision to accept or reject proposals will be made within 60 days of the closing date.

Should you have any questions with respect to this RFP, please contact:

Ron Purdy, B Comm, SCMP
Business Manager
Prairie South School Division No. 210
(306) 694-1200

I. BANK ACCOUNT SERVICES

1. Account Administration

Requirements

Prairie South School Division requires full service banking and client support. Normal hours of operation are 8:00 a.m. to 4:30 p.m. weekdays. However, after hours and weekend services may be required for deposits and/or central office accounting (payroll etc.). Prairie South School Division requires centralized support and contacts for its services.

Proponents should identify service contacts and hours of availability in addition to quality standards and processes related to service requests. (For example: How are service calls managed and what are the expected time frames for resolution of problems?) If contacts differ and/or service standards vary by service category, each contact and level of service should be identified clearly.

Providing and maintaining quality service will be a required component of any contractual agreement. All verbal and electronic instructions should produce an audit trail.

Proponents shall accept cheque stamp signatures and/or electronic signatures.

Identify/discuss the ability to have multiple users with varying levels of security or permissions and audit trails of actions taken.

2. Bank Accounts

Prairie South School Division requires the following accounts:

- General Chequing Account
- US\$ Chequing Account
- Trust Account
- Deferred Salary accounts as required

The General Chequing Account and the US\$ Chequing Account are to be handled on a consolidated basis for cash management purposes.

The General Chequing Account may be in an overdraft from time to time. Interest shall either be paid or charged on the applicable account balances.

Payroll and Accounts Payable EFT's will flow through the General Chequing account. Please note in detail how these transactions flow through the account. If the EFT transmissions must be done sequentially or if one must be completed before the next can be sent please note this in your submission.

Ability to remit statutory deductions, eg CRA. Can rights be given to multiple employees to make remittances?

The US\$ Chequing Account will not require a line of credit as a positive balance is to be maintained in this account. We would average 100 cheques per year but that number could be 50+ higher or lower in a given year. The number is fairly variable.

The Trust Account will not require a line of credit as a balance is to be maintained in this account.

Copies of all bank-initiated transactions processed to these accounts must be provided. An annual year-end confirmation of account balances is required for Prairie South School Division's external auditors.

School bank accounts are currently handled locally in the communities in which the schools exist and are not included in the initial scope of this RFP. Schools should have the option to opt in to the banking tender agreement if they choose. There should be no charges for this switch.

Requirements

Proponents are required to confirm their ability to deliver this level of service. Proponents should detail any general charges related to account administration. As well, the interest rate applicable on credit and overdraft balances should be stated. These rates should be stated in relation to bank prime. In the future, should the proponent's prime vary by more than 5% from the prime rate charged by the majority of chartered banks, the proposal should state what corrective action the proponent is prepared to take.

3. Account Information

Prairie South School Division requires access to account information and services using internet banking software. The information required for each account includes a daily report that provides debit and credit information in detail for each transaction. On-line access to information is normally required by 8:00 a.m. Bank statements are required monthly. One objective is to be as paperless

as possible. Note in your submission if we will still need any paper processes or records.

Requirements

Proposals must include a description of options available to access account information regarding all Prairie South School Division accounts. Proposals must also indicate options and related prices for activity and balance reporting.

4. Account Reconciliation

Prairie South School Division staff reconciles all accounts manually comparing cashed cheques against the Prairie South School Division's computerized general ledger. All cheque images are to be returned to Prairie South School Division for reconciliation and storage. Requirements shall include a download into Bank Reconciliation software.

Requirements

Regarding the return of cheque images proponents are asked to confirm their ability to provide this service (cheque images must be searchable). Confirmation of service for downloading data to a software program should also be provided. Please include the file formats available.

5. Deposit Activity

Deposits will be made to the Prairie South School Division General Chequing Account and the Trust Account. Deposits to accounts will be delivered by Prairie South School Division staff to the designated branch location in Moose Jaw. After hours deposits are occasionally made as well.

Returned cheques are required to be forwarded to Prairie South School Division for collection.

Requirements

Please provide the location of the branch(s) that is/are designated to serve the division. Proponents must also address their current handling procedures for returned cheques and/or any related costs. Proponents should confirm the availability of after hours deposit services

Prices are required for all depository services relating to Board accounts. We anticipate expanding the use of EFT deposits.

6. Cheques (Payments) Issued

Prairie South School Division will require the ability to produce and issue cheques on all its accounts. The annual volume of cheques is approximately 3000 for the General Chequing Account, based on current payment practice. The US\$ Chequing Account will have an annual volume of cheques of approximately 100. The Trust Account(s) is (are) expected to have less than 100 cheques per year.

The Prairie South School Division will use EFT for direct deposit to most payroll payments (see Payroll) and for some vendor accounts. We are promoting EFT as our preferred method of payment and are making gradual inroads with our vendors.

Requirements

Where applicable, proponents are required to provide their processing charge per cheque per account and any other requirements of Prairie South School Division in producing its cheques. Charges for other current account activities such as: stop payments, certified cheques, Canadian or US drafts, etc., should be listed in the proposal.

A price for EFT services is required including detailed pricing for tracing, recalling, correcting and processing adjustments (rejected items). Approximately 20,000 payroll EFT payments are made annually and 6500 vendor payments. Vendor EFT payments are expected to expand going forward.

II. PAYROLL

Payroll Processing

The Prairie South School Division will use EFT for the direct deposit of payroll payments to employee accounts. Some manual payroll cheques are produced in-house. It is expected that the annual number of transactions will be approximately 20000 EFT and 100 manual payroll cheques issued.

Requirements

A price for EFT services is required including detailed pricing for tracing, recalling, correcting and processing adjustments (rejected items).

Please outline the actions your financial institution has taken to guarantee the security of electronic funds transfers and other electronic financial transactions.

For EFT services, discuss the need and costs associated for special software, training and technical support. Also discuss the expected electronic transmission time frames/schedules. Proposals must also indicate options and related pricing for transaction and edit reports as well as the timing and availability of such reports within the payroll cycle. The availability of an option for dual signature verification would also be of interest.

A price for the processing of payroll cheques is also required.

III. U.S. TRANSACTIONS

The Prairie South School Division intends to utilize a U.S. dollar bank account to facilitate U.S. payments. The Prairie South School Division will buy U.S. currency from time to time for the account. In addition, the Prairie South School Division will annually purchase a few money orders/drafts for countries other than the U.S.

Requirements

Proposals should include the means by which currency transfers are to be made (by phone, on-line, in-branch, etc.). Proposals should also specify the rate of interest to be paid on credit balances, pricing for chequing services and costs for U.S. money orders/drafts.

Settlement times for debits and credits must be clearly defined.

IV. BORROWING REQUIREMENTS AND CREDIT FACILITIES

Borrowing by Prairie South School Division is governed by the requirements of *The Education Act, 1995*.

1. Short Term

Short term borrowing is authorized by the Superintendent of Business and Operations and the Chair of the Board.

Requirements

To address Prairie South School Division's short term borrowing requirements a **fifteen million (\$15,000,000) revolving line of credit is required**. The interest rate to be charged must be expressed in relation to bank prime. Prairie South School Division must have the ability to pay against any loan when funds become available.

V. INVESTMENTS

Prairie South School Division may wish to invest some of their Operating and Trust account balances with the proponent when it is deemed to be advantageous. It is understood that rates will fluctuate with the market. This shall not be deemed to restrict investments solely to the proponent.

Requirements

Proponents should include a listing of investment services with their institution and any applicable transaction charges or investment limits.

VI. ENHANCED SERVICES

Financial Institutions are invited to offer any other services that they deem may be of benefit to Prairie South School Division. Any costs associated with these services must be provided.

Enhanced Services information is being requested as information only and will not be considered in the award of the Banking Services Contract.

VII. PRICING

Pricing proposals should be submitted on the following basis:

1. Flat Fees

On a fee for service basis, with the fee quoted as a fixed monthly charge for the term of the proposal. (The fee should cover charges for specific services for the term of the proposal), and;

2. Specific Charges

Specific charges for services showing unit costs of every requirement indicated after each section of the specification, and;

3. Interest Rates

Proposals should also include the rate of interest in relation to the prime rate which will be charged on loans or paid on credit balances.

Financial institutions should add any services that are to have a specific unit cost.

If all fees are waived please note

The terms of the awarded submission and any negotiated changes will form the terms of an agreement on banking services between Prairie South School Division and the financial institution. All costs should be included in the submission. No costs or fees not detailed in the submission will be accepted.

Schedule A

Required Proposal Format

Section 1 – General

- A. Description of organization and ability to perform services
- B. Client service plan – including quality standards and procedures
- C. Three (3) current client references

Section 2 - Services

- A. Bank Accounts
 - General account
 - US\$ account
 - Trust account
 - Ability to add accounts if necessary
- B. Account Information
 - activity & balance reporting
- C. Account Reconciliation
 - cheque images returned and download to reconciliation software.
- D. Deposit Activity
 - deposit collection services
 - returned items
- E. Cheques/Payments
 - processing charges/requirements
 - EFT services and on-line payments
- F. Payroll
 - EFT services and support
- G. U.S. Transactions
 - processing charges/requirements
 - rates and settlement time
- H. Borrowing
 - rates/terms
 - alternate credit instruments
- I. Investments
 - investment services /terms/requirements

Section 3 – Fee Summary Schedule

Provide a summary of fees and pricing for each of the above services. Add any services not listed that we may require and would be charged for.

Section 4 - Enhanced Service Proposals