

**THE SCHOOL DISTRICT OF PITTSBURGH  
(Pittsburgh, PA)**

**REQUEST FOR PROPOSALS  
PAYROLL DEPOSITORY**

**Issuance Date: April 22, 2016  
Submission Date: May 6, 2016**

## Introduction

The purpose of this Request for Proposals (“RFP”) is to request banking services for the School District of Pittsburgh’s (the “School District”) payroll account. The School District is seeking proposals from depositories who have substantial experience and capacity in processing payroll accounts. The School District of Pittsburgh employs two (2) payroll systems:

- A. Bi-weekly payroll for hourly employees (approximately 630).
- B. Semi-monthly payroll for salaried employees (approximately 3,700). 85% of our salaried employees are paid on a ten-month basis (September through June).
- C. Approximately \$14.7 million paymaster deposit per month in which two bi-weekly and two semi-monthly pays occur.

The School District’s May 27, 1992 revised depository policy states that:

It shall be the policy of the Pittsburgh School District to deal with banking institutions that have Satisfactory or better Community Reinvestment Act (CRA) ratings and a demonstrated commitment to the School District and its citizens. Preference in terms of demand deposits shall be given to a qualifying institution that has received an Outstanding CRA rating.

The School District intends to select a single depository for this service. The engagement will begin July 1, 2016. By submitting a response to the RFP the bidder indicates that it has full knowledge of the scope, nature, quantity and quality of work to be performed, as well as the detailed requirements and specifications. *The District envisions a three-year engagement, with an option to renew for an additional three years.* The District reserves the right to discontinue service at any time in the event that for any reason the services rendered by the successful bidder are no longer satisfactory.

The School District will not be liable for any costs incurred by a bidder in preparing proposals or other associated expenses. The bidder shall furnish such additional information as the School District may reasonably require. The District reserves the right to conduct pre-contract negotiations with any or all potential bidders.

## Timetable/Response Submittal

The School District is requesting proposals from experienced and qualified banks to serve as payroll depository to the School District. Selection of the depository will be made based on the proposals submitted. A tentative timetable for the selection process is provided below:

- April 21, 2016                      Release of RFP
- May 6, 2016                         Receipt of Proposals
- May 25, 2016                      Legislative Approval by Board of School Directors

**Upon the release of this RFP and during the conclusion of the selection process, there shall be no communication between any prospective respondents and/or their lobbyist(s), agent(s) with any staff of the School District, or any elected representatives**

**or other appointed official of the School District and/or their staff, except as provided for in the RFP. Any violation of this provision by any prospective firm and/or its agent shall be grounds for immediate disqualification.**

All proposals for Payroll depository shall be submitted to the School District as follows:

Pamela Capretta Executive Director of Finance/Facilities <b>School District of Pittsburgh</b> 341 South Bellefield Avenue Pittsburgh, PA 15213 Tel: (412) 529-3845 Fax: (412) 622-3857
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One (1) original and four (4) copies of the proposal shall be prepared and submitted to the School District in such form as is set forth in this RFP by 12:00 p.m. on Friday, May 6, 2016.

Proposals, including any/all attachments, cover letter and tabs should not exceed twenty five (25) pages in length on 8 ½" X 11" paper, single spaced using a minimum font size of 10 pt.

Proposals should be submitted in accordance with the instructions detailed below. The School District reserves the right to select a proposal in its entirety or some portion(s) thereof. Furthermore, the School District reserves the right to reject any and all proposals and to waive irregularities.

Proposals which are submitted in electronic format or faxed will not be accepted.

Any questions regarding this RFP should be addressed to Ms. Capretta

### **Specific Response Requirements**

Responses should address the following questions or requests for information and be organized so that the specific questions or requests for information each begin on a new page with the question repeated at the top of the page.

#### **I. Letter of Transmittal**

Each proposal should be accompanied by a letter of transmittal which summarizes key points of the proposal and which is signed by an authorized officer.

#### **II. Firm Experience and Qualifications**

- A. Please provide an overview of the bank and its qualifications. State whether your bank is national, regional or local.
- B. Detail the bank's relevant Direct Deposit experience, including five (5) references for similar accounts. References should include the name of the customer, as well as name, address and phone number of the responsible official of the customer who may be contacted.

- C. Provide your most recent Community Reinvestment rating and explain your commitment to community banking in the City of Pittsburgh and Borough of Mt. Oliver.
- D. Provide your experience with paystubs on-line and declining balance Payroll Debit Cards.

### **III. Depository Team**

Provide brief resumes for the following individuals who will be assigned to the School District's payroll account, including any relevant experience for each individual. Please include only those individuals who will work on the School District's account.

- A. The senior advisor who will assume the day-to-day and on-site responsibility for managing and supporting the School District's payroll account.
- B. Other members of your team assigned to the project and the specific role that each can be expected to play.

### **IV. Plan of Work**

Please provide a detailed plan of work for the School District's engagement. The purpose of this account shall be to provide Direct Deposit services to the School District of Pittsburgh. The scope is to process the School District's input files received on schedule and route entries to TRI-SACH in time to be transmitted to other receiving banks (local and outside of the 4<sup>th</sup> Federal Reserve District) so that funds can be made available to employees as of the opening of business on payday.

The plan of work should supply specific information on the following procedures:

- Billing methods
- Customer services—employee deposit problems
- Employee benefits—list of benefits to School District employees who deal with the originating bank
- File corrections—procedures to reverse incorrect/duplicate entries
- File format—transmittal information, input files
- Positive pay information—formats and procedures
- Prenotification file—filing procedures
- Processing cycle—lead time required, etc.
- Reconciliation information—formats
- Security procedures
- Sweep account—the paymaster account is to be a sweep account. The bidder is to provide the procedures it will utilize to determine the balance available on a daily basis for investment, along with the determination methods for interest rates. The bidder is to only invest this sweep account in those instruments dictated by Act 62 of 1981, Act 72 of 1971 and the Public School Code of 1949, as amended.
- Transfer of paymaster funds—ACH or Wire paymaster funds will be wired two days prior to payday
- Paystubs on-line

- Issuance of Payroll Debit Cards for employees
- Any additional services not listed

**V. Firm Information**

- A. Has your bank or any of its employees, or anyone acting on its behalf, ever been convicted of any crime or offense arising directly or indirectly from the conduct of your firm’s business or have any of your firm’s officers, directors or persons exercising substantial policy discretion ever been convicted of any crime or offense involving financial misconduct or fraud? If so, please describe any such convictions and surrounding circumstances in detail.
- B. Has your firm, or any of its employees, or anyone acting on its behalf, been indicted or otherwise charged in connection with any criminal matter rising directly or indirectly from the conduct of your firm’s business which is still pending or have any of your firm’s officers, directors or persons exercising substantial policy discretion been indicted or otherwise charged in connection with any criminal matter involving financial misconduct or fraud which is still pending? If so, please describe any such indictments and surrounding circumstances in detail.
- C. Please describe (i) any material financial relationships that your firm or any firm employee has with any financial advisory firms, investment banks or other persons or entities that may create a conflict of interest in acting as Payroll depository to the School District; (ii) any family relationship that any employee of your firm has with any public servant that may create a conflict of interest, or the appearance of a conflict of interest in acting as a Payroll depository to the School District and (iii) any other matter that your firm believes may create a conflict of interest or the appearance of a conflict of interest in acting as Payroll depository to the School District. Please describe any procedures your firm either has adopted, or would adopt, to assure the School District that a conflict of interest would not exist for your firm in the future.

**VI. Fee Proposal**

Please provide a fee structure that your firm would propose to provide payroll depository services for the School District of Pittsburgh, using all applicable professional standards.

The bidder must state the fees that it would charge based on being the only originating bank.

The fee proposal should detail the price for the following components:

- Account maintenance
- Banking software fee
- Check cashing fee (Checks only)
- Per item fee (Direct Deposit only)
- Positive pay fee
- Reconciliation fees
- Stop payment fee

- Transmission fee
- Wire transfer fee
- Paystub on-line fees & related Administration fees
- Payroll Debit Card fees & related Administration fees
- Additional fees not listed

Please also indicate the historical earnings rate from January 1, 2015 to May 31, 2016 on your investment/sweep vehicle recommended in accordance with the Public School Code of 1949 and Act 72, along with all other applicable professional standards, presuming that the School District pays for services through direct fees, as opposed to compensating balances.

**Evaluation Criteria and Selection Process**

The contract(s) will be awarded to the qualified proposer whose proposal is most advantageous to the School District, based upon the evaluation criteria specified below. Thus, while the points in the evaluation criteria indicate their relative importance, the total scores will not necessarily be determinative of award. Rather, the total scores will guide the School District in making an intelligent award decision based upon the evaluation criteria.

The School District reserves the right to request oral presentations from those banks determined to be in a competitive range and shall use the information derived from these oral presentations, if any, in its evaluation.

The School District anticipates selecting one payroll depository using the following criteria to determine which bank meets the needs of the School District best.

<u>Payroll Depository</u>	<u>Points</u>
Experience and Qualifications	
Direct Deposit Experience	20
Community Reinvestment Act Rating	3
Public Sector/School District Experience	2
Paystubs on-line and Payroll Debit card systems (Alternate)	5
Depository Team	20
Plan of Work	10
Fee	40