

***REQUEST FOR PROPOSAL***

***FOR***

***BANKING SERVICES***

**ISSUED BY**

**THAMES VALLEY DISTRICT SCHOOL BOARD**

**Issue Date: May 26, 1998**

**Return Date: June 15, 1998  
12:00 noon (EDT)**

**RFP #346-98N**

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## THAMES VALLEY DISTRICT SCHOOL BOARD

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#### 1.0 INSTRUCTIONS TO BIDDERS

##### 1.1 General Instructions

The Thames Valley District School Board (TVDSB) is the third largest public school board in the province of Ontario. It came into existence on January 1, 1998, as a result of the Ontario Government's passing of Bill 104 "Fewer School Boards Act" and the amalgamation of the former Boards of Education for the City of London and the counties of Elgin, Middlesex and Oxford. The board is the employer to approximately 7100 academic and support staff and operates 189 schools with an estimated enrolment of 87000 students. The operating budget for 1998/99 is projected to be in excess of \$500 million.

The head offices of the Board are located at the Education Centre, 1250 Dundas Street East in the City of London. Copies of the most recent audited financial statements for each of the four amalgamation partners and a copy of the 1998 stub-year budget (January - August) have been included with this package. Annual audited financial statements and budget documentation will be provided to the successful bidder on an annual basis.

This document constitutes a Request for Proposal (RFP), which specifies TVDSB's requirements for banking services. The information contained herein provides a format to facilitate bidder's responses to this RFP. It is important that the format be followed closely to help maintain the decision making timetable. Responses must be presented in the same order as the requirements appear, section by section, and numbered accordingly, with acknowledgement of all clauses. All pricing information should be fully disclosed with all charges clearly defined, i.e. a per unit fee based on activity, a flat monthly or annual fee for specific services detailed. Please feel free to address any other potential services not specifically mentioned in this RFP that may be of benefit to the Board.

Please note that TVDSB already has a contract for a procurement card program previously awarded under a separate RFP process. Bidders responding to this RFP do not need to include references to a procurement card program as a potential service in their response.

##### 1.2 Objectives

The Board's objective in the call for proposals is to select a financial institution to provide banking services for the Thames Valley District School Board.

##### 1.3 Terms of Contract

The term of the contract will be for five (5) years and will take effect on September 1, 1998. The contract may be extended by mutual agreement. Ninety (90) days written notice must be given if either party wishes to terminate the agreement at the contract's expiry date.

##### 1.4 Questions during Proposal Process

Enquires regarding this RFP should be directed to Mr. R. T. (Ron) Neatby, Purchasing Officer, located at the Education Centre - 452-2037. Questions will only be taken up to June 8, 1998.

Bidders finding apparent discrepancies or omissions in the RFP should notify Mr. Neatby at

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once. Bidders may during the bidding period, be advised by Addenda, of any additions, clarifications, deletions or alterations to these specifications. All such changes should be covered by the bidder's proposal. Information used in the preparation of a proposal from other than this RFP and any written addenda (considered as the proposal documents) will not be considered as valid or official.

No further addenda will be issued by TVDSB after 12:00 noon, four business days prior to RFP closing without providing an extension of time.

#### 1.5 Submission of Proposal

Submit five copies of the proposal, in sealed opaque envelopes and clearly marked RFP RESPONSE - BANKING SERVICES addressed to:

Thames Valley District School Board  
1250 Dundas Street  
London, ON N5W 5P2

Attention: Mr. R. T. Neatby  
Purchasing Officer

Proposals will be received at the Purchasing Department reception desk on the second floor, during regular business hours only, up to 12:00 noon on June 15, 1998. Late submissions will not be accepted.

Bidders remain solely responsible for the method of conveyance of their proposal to the receiving point. Fax transmissions or any other electronic communications are not acceptable.

TVDSB will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

Proposals received past the time stated above will not be considered, and will be returned to the bidder unopened.

Proposals will not be opened in public.

All proposals will remain in force and will be irrevocable for ninety days after the proposal closing.

Proposals shall be stipulated sums without escalator clauses or other qualifications.

#### 1.6 Evaluation Criteria and Process

Proposals will be evaluated against discrete criteria in the following categories: Electronic Banking Services, Interest Rate Structure on Loans and Operating Account Balances, Payroll Direct Deposit Services, Bank Service Charges (if any) and the Provision of Ancillary Services. Consideration will be given to the bidder's ability to provide information on innovative services and products providing cost efficient alternatives to TVDSB's current operations.

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A selection committee will review and evaluate the proposals. A maximum of three (3) bidders may be invited to present their proposal for the purpose of providing clarification and answers to questions by the committee. If presentations are necessary they will be made on June 18, 1998 at a time and location to be confirmed. A recommendation for the awarding of the contract will be made at the meeting of the Board of trustees on June 23, 1998.

#### 1.7 Contract Award

TVDSB reserves the right to accept any proposal submitted, or reject all proposals.

Any proposal submitted, that is not in complete compliance with the requirements of the proposal documents may be accepted or disqualified, at the option of TVDSB.

It is anticipated that the successful bidder will be notified by June 30, 1998.

Please outline in your proposal the assistance your bank is prepared to provide in order to meet the scheduled September 1, 1998 date for the full implementation of services.

#### 1.8 Termination of Contract

TVDSB reserves the right to terminate the agreement with 30 days written notice to the bank subject to the following:

- 1.8.1 the bank fails to perform in accordance with the specified service requirements as set out in the RFP;
- 1.8.2 the bank fails to provide any product or service as defined under Section 3.0 without written explanation;
- 1.8.3 the bank otherwise violates the provisions of the RFP to a substantial degree.

#### 1.9 Liability

TVDSB will not be held liable for any actions of the bank and/or its employees.

#### 1.10 Important Dates

- 1.10.1 Monday, June 8, 1998 - Last day for questions
- 1.10.2 Monday June 15, 1998 - Proposal submissions due 12:00 noon (EDT)
- 1.10.3 Thursday, June 18, 1998 - Presentations if necessary
- 1.10.4 Tuesday, June 23, 1998 - Recommendations to the Board for awarding contract

### 2.0 BIDDER QUALIFICATIONS

To be considered a candidate for the provision of banking services for TVDSB, bidders must:

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- 2.1 be listed as a “Schedule A” Canadian chartered bank;
- 2.2 maintain corporate commercial banking offices in the City of London;
- 2.3 maintain branch office network in close proximity to TVDSB locations throughout Elgin, Middlesex and Oxford counties;
- 2.4 have the ability to provide electronic direct deposit payroll services to TVDSB employee accounts at the financial institution of their choice.

**3.0 SERVICE REQUIREMENTS**

**3.1 Background Information**

TVDSB revenues are derived from two major sources and are received according to the following schedule:

Ministry of Education grants - three business days following the 15<sup>th</sup> of every month

Municipal Education Taxes - four quarterly installments; September 30, December 31, March 31 and June 30 received from each of 36 municipalities located within the Board's jurisdiction

Salaries and benefits for TVDSB employees represent 82% of the total expenditure budget. All other expenditures flow through the purchasing and accounts payable process and are paid on the basis of terms of contract and/or invoice.

**3.2 Location of Bank Branches**

TVDSB's bank accounts are to be maintained at a branch in the City of London offering a full range of services and within a reasonable distance from the Education Centre Administration Building. Please provide the location of the branch you are proposing as the TVDSB's main branch.

In addition, TVDSB's secondary schools require access to a bank branch in order to deposit TVDSB revenues received directly at the school level. These deposits are to be consolidated daily in TVDSB's current account maintained at the main branch. Please complete Appendix “A” indicating the location of the branch you are proposing to service each of the secondary schools listed.

**3.3 Canadian Dollar Current Account**

The majority of TVDSB's financial business will be conducted through this account. This is the account where the secondary school deposits are to be consolidated as outlined in Section 3.2. TVDSB currently receives daily reports and a monthly summary of all deposit activity by school to the bank's branch accounts. A summary of Canadian Dollar Current Account activity and average annual volumes is as follows:

Cheques Issued: 25000  
Cheques Charged Back (NSF): 100

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Stop Payment Orders: 50  
Debit/Credit Memos: 100

Bank Statements - Weekly with cancelled cheques and all other documentation

Account Services - cheque certification, money orders and annual audit verification

**3.4 U.S. Dollar Current Account**

Payments to U.S. vendors will be made using this account. Funds will be transferred from the Canadian Dollar Current Account to the U.S. Dollar Current Account as needed. The total cost of the transaction including the foreign exchange will be reflected in the Canadian Dollar Current Account. A summary of U.S. Dollar Current Account activity and average annual volumes is as follows:

Cheques Issued: 700

Bank Statements: Weekly with cancelled cheques and all other documentation

Account Services: cheque certification and annual audit verification

**3.5 School Bank Accounts**

All schools maintain bank accounts for school fundraising activities, petty cash, etc. Please provide details on available services including the interest rate structure on account balances, service charges (if any) and a complete listing of branch locations in TVDSB's jurisdiction of Elgin, Middlesex (including the City of London) and Oxford counties.

**3.6 Electronic Banking Services**

TVDSB Currently has on-line access to a variety of electronic cash management services allowing for the monitoring of Board's daily activities in each of its operating accounts. Current services utilized include daily balance and transaction reporting, cheque reconciliation, electronic funds transfer for payments to some suppliers, foreign exchange reporting, disbursement auditor and deposit auditor.

**3.7 Payroll Direct Deposit Services**

TVDSB provides full payroll services to it's employees including the preparation and processing of monthly payrolls (teaching and administrative staff), biweekly payrolls (clerical and casual staff) and all related payroll remittances. Payroll data is transmitted electronically from TVDSB's payroll system through the bank for credit to the employee's bank account at the financial institution of their choice. The total amount of each payroll is charged to TVDSB's Canadian Dollar Current Accounts. With over 7100 employees, the monthly volume of electronic items processed by the data centre can range from 15000 to 21000 transactions depending on the number of biweekly pays and any other special payrolls.

**3.8 Pre-Authorized Payments**

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Employees are permitted to continue participating in the Board's Extended Health, Dental and Group Life Insurance plans after retirement until age 65. Employees on leave from active employment are eligible to participate in these plans as well with the addition of Long-Term Disability coverage.

The bidder's response should indicate what services are available and the costs (if any) to transfer the monthly premium payments from the participant's bank account to the Board on a pre-authorized payment basis.

#### **3.9 Line of Credit/Short-Term Borrowing Requirements**

TVDSB has experienced growth over the past five years necessitating the construction of new schools and major additions to existing facilities. This growth is anticipated to continue through to the year 2000. TVDSB will have completed capital projects over this time frame valued in excess of \$200 million.

A very specific cycle exists for the financing of these capital projects. Short-term financing must be used to fund the project during the construction phase. Once the capital project has been completed, some form of long-term financing (i.e. debenture issue, fixed term loan) needs to be negotiated.

As short-term funds are required, TVDSB may obtain quotes and borrow from the bank with the best rate on the market at that point in time. The term of borrowing typically ranges from 30 to 90 days and the use of short-term money market instrument requiring the minimum amount of documentation and effort is preferred. Borrowing requirements for this purpose are not guaranteed to the successful bidder of this RFP.

TVDSB will require an Operating Line of Credit of \$50 - \$75 million to cover daily cash requirements and short-term capital needs. All loan advances and payments are to be made automatically by the bank on a daily basis through the Canadian Dollar Current Account. The bidder's response should provide details as to the method of security, repayment terms, interest payment arrangements, compensating balance requirements and any other terms and conditions. Interest rates provided should include the rate of interest to be paid by the bank for the investment of surplus funds in all current accounts. Bidders should also provide a copy of all by-laws and resolutions that will require Board approval, i.e. borrowing by-law, signing authority by-law, facsimile signature by-law, etc., with their response. TVDSB will require monthly statements of the daily current account and load balances detailing interest earned on the current accounts and interest paid on the operating line of credit.

#### **3.10 Self Funded Leave Plans**

TVDSB staff are eligible to participate in a variety of deferred salary leave plans. For example, a one-year leave of absence may be taken after a portion of the individual's salary has been deferred for four years. To administer this plan, TVDSB requires individual accounts in trust for the participants into which salary deferrals and interest earned can be deposited monthly. Participants are not allowed to make personal deposits or withdrawals with respect to these accounts.

TVDSB will provide deposit information by participant's account to the bank on each pay date.

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Interest will be calculated and credited to the participant's account on a monthly basis. When a participant takes a leave of absence or withdraws from the plan, the accumulated funds will be transferred to TVDSB's Canadian Dollar Current Account. Written notification will be provided to the bank for all such withdrawals. There are approximately 75 employees participating in these plans at any one time with deposits totalling approximately \$2.0 million.

The bidder's response should indicate what services are available to aggregate these funds for investment purposes and to provide individual fund interest credit and reporting. The bidder should also provide details of the interest rate structure to be applied to these funds.

#### **3.11 Scholarship and Bursary Funds**

TVDSB acts as Trustee and administrator for approximately 400 scholarship and bursary funds. On December 31, 1997, the total value of these funds was \$2.85 million with \$1.56 million in short-term investments and the balance in long-term investments (primarily GIC's). The aggregate value of these funds tends to remain relatively stable over the course of a year. There is an average of two payments annually from each of the funds.

The bidder's response should indicate what services are available to aggregate these funds for investment purposes, provide individual fund interest credit and reporting and to handle award payments from each fund. The bidder should also provide details of the interest rate structure to be applied to these funds.

#### **3.12 Other Services**

##### **3.12.1 Additional Services**

TVDSB will be interested in information and details of additional services available with potential benefits to TVDSB.

##### **3.12.2 Bond Rating/Credit Rating Information**

TVDSB will require bond rating information on financial institutions for investment/borrowing purposes and credit rating information on individuals and corporations as required.

##### **3.12.3 Statistical Data**

TVDSB will require access to statistical data relating to the operation of the current accounts and loan activity on an annual basis, i.e. average daily deposits, average daily account balances, average daily loan balances, etc.

#### **4.0 APPENDICES**

##### **4.1 Appendix "A" - Secondary School Locations**

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**APPENDIX "A"**

**Secondary School Location**

**Bank Branch Location**

**A. B. Lucas Secondary School**

656 Tennent Avenue  
London, Ontario N5X 1L8

**Adult Learning Centre**

10 Ontario Road  
St Thomas, Ontario N5P 3N4

**Annandale School**

60 Tillson Avenue  
Tillsonburg, Ontario, N4G 3A1

**Arthur Voaden Secondary School**

41 Flora Street  
St. Thomas, Ontario N5P 2X5

**Blossom Park Education Centre**

391 Blossom Park Road  
Woodstock, Ontario N4S 7J3

**Central Secondary School**

509 Waterloo Street  
London, Ontario N6B 2P8

**Central Elgin Collegiate Institute**

201 Chestnut Street  
St. Thomas, Ontario N5R 2B5

**Clarke Road Secondary School**

300 Clarke Road  
London, Ontario N5W 5N4

**College Avenue Secondary School**

700 College Avenue  
Woodstock, Ontario N4S 2C8

**East Elgin Secondary School**

362 Talbot Street W.  
Aylmer, Ontario N5H 1K6

**G. A. Wheable Adult Learning Centre**

70 Jacqueline Street  
London, Ontario N5Z 3P7

**Glencoe Dist. Secondary School**

3581 Concession Drive, Box 370  
Glencoe, Ontario N0L 1M0

**Glendale High School**

37 Glendale Drive  
Tillsonburg, Ontario, N4G 1J6

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**H. B. Beal Secondary School**  
525 Dundas Street  
London, Ontario N6B 1W5

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**APPENDIX "A"**

**Secondary School Location**

**Bank Branch Location**

**Huron Park Secondary School**

900 Cromwell Street  
Woodstock, Ontario N4S 5B5

**Ingersoll District Collegiate Institute**

37 Alma Street  
Ingersoll, Ontario N5C 1N1

**Lord Dorchester Secondary School**

61 Queen Street  
Dorchester, Ontario N0L 1G0

**Medway High School**

14405 Medway Road  
Arva, Ontario N0M 1C0

**Montcalm Secondary School**

1350 Highbury Avenue  
London, Ontario N5Y 1B5

**North Middlesex District Secondary School**

100 Main Street, Box 610  
Parkhill, Ontario N0M 2K0

**Norwich District Secondary School**

Stover St. & Hwy 59, RR #1  
Norwich, Ontario N0J 1P0

**Oakridge Secondary School**

1040 Oxford Street W.  
London, Ontario N6H 1V4

**Parkside Collegiate Institute**

241 Sunset Drive  
St. Thomas, Ontario N5R 3C2

**Saunders Secondary School**

941 Viscount Road  
London, Ontario N6K 1H5

**Sir Frederick Banting Secondary School**

125 Sherwood Forest Square  
London, Ontario N6G 2C3

**Sir George Ross Secondary School**

365 Belfield Street  
London, Ontario N5Y 2K3

**Sir Wilfrid Laurier Secondary School**

450 Millbank Drive  
London, Ontario N6C 4W7

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**South Secondary School**  
371 Tecumseh Avenue E.  
London, Ontario N6C 1T4

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**APPENDIX "A"**

**Secondary School Location**

**Bank Branch Location**

**Strathroy Adult Learning Centre**  
51 Front Street E.  
Strathroy, N7G 1Y5

**Strathroy District Secondary School**  
361 Second Street  
Strathroy, Ontario N7G 4J8

**Tillson Avenue Education Centre**  
(The Livingston Centre)  
90 Tillson Avenue  
Tillsonburg, Ontario,

**Thames Secondary School**  
785 Trafalgar Street  
London, Ontario N5Z 1E6

**W. D. Sutton**  
1250 Dundas Street  
London, Ontario N5W 5P2

**West Elgin Secondary School**  
139 Graham Street  
West Lorne, Ontario N0L 2P0

**Westminster Secondary School**  
230 Base Line Road W.  
London, Ontario N6J 1W1

**Woodstock Collegiate Institute**  
35 Riddell Street  
Woodstock, Ontario N4S 6L9