



CITY OF CHICAGO



DEPARTMENT OF FINANCE



Dear Applicants,

Welcome to the 2023 annual Request for Proposal (“RFP”) – your opportunity to qualify for designation as a Municipal Depository for the City of Chicago in fiscal year 2024.

Similar to last year’s RFP, this year’s RFP shall again require an Applicant’s existing Home Mortgage Disclosure Act and Regulation C (“HMDA”)¹ Publicly Available Fields data, as well as ethnicity and race data as optional, (per Form A-1 Residential Loans).

In terms of the City’s increasing focus on each Applicant’s reported impact, specifically with respect to the City of Chicago’s financially weaker communities, each Applicant’s overall financial strength shall be compared. Similarly, to the extent an Applicant’s loan-risk-protocol and the City’s banking operations can collaboratively provide a bridge designed to sustain and strengthen the financially weaker communities among us, shall again be a solution this RFP seeks to reinforce during the evaluation phase.

In keeping with the City’s progressively forward direction towards improving, the City of Chicago hopes to realize an increase in not only the number of qualified Municipal Depository responses, but also responses from local financial institutions with data demonstrating a significant increase in social equity².

Thank you!

Chasse Rehwinkel
City Comptroller

¹ Home Mortgage Disclosure Act, 12 U.S.C. §§ 2801-2810, as implemented by the Consumer Financial Protection Bureau’s Regulation C, 12 CFR part 1003, as may be amended.

² [AIBC-Report.pdf \(chicagocitytreasurer.com\)](#); [2021 REIA QAP.pdf \(chicago.gov\)](#)

CITY OF CHICAGO DEPARTMENT OF FINANCE

REQUEST FOR PROPOSAL (“RFP”)

for:

2023 RFP for Designation as a 2024 Municipal Depository for City of Chicago and Chicago Board of Education Funds

Specification Number: 1279244

INVITATION

In accordance with Article V. Municipal Depositories of Chapter 2-32 of the Municipal Code of Chicago (“Article V”), the Comptroller of the City of Chicago (“Comptroller”) hereby invites all federally insured banks and savings and loan associations (as an “**Applicant**”), to submit a bid (hereinafter a “**Proposal**”) for consideration to be designated as a municipal depository in fiscal year 2024.

Obtaining RFP Documents

The announcement of this RFP shall be advertised in the *Chicago Sun-Times* and *Chicago Tribune* newspapers. (Also see Table 1 – RFP Timeline.)

This RFP, any Addenda, and all RFP-related files, as applicable, shall be posted for downloading from the Department of Finance website at the following URL:

<http://www.cityofchicago.org/city/en/depts/fin.html>

Scroll down, past the dashboard tiles to: “**Supporting Info**” and click on it to unfold a list of various titles. Click on: “>> **View all Supporting Information**”.

Scroll through the titles, then click on “**Municipal Depositories RFP**”. Scroll past the years, to this year’s RFP, and click on, “**2023 RFP documents**”.

Or:

[**City of Chicago :: Municipal Depositories RFP**](#)

Scroll down and click on:

[**2023 RFP documents**](#)

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Table 1 – RFP Timeline (all Estimated Target Dates below are subject to change)

Key Activity [Read from left across to right column]	Estimated Target Date
City Posts the RFP on DOF website	Thursday, September 21, 2023
Applicants Submit Written Questions by	Tuesday, October 3, 2023
Columbus Day Holiday	Monday, October 9, 2023
City Posts Answers to Questions by	Thursday, October 12, 2023
Veteran's Day Holiday	Friday, November 10, 2023
Proposals Due on	Tuesday, November 14, 2023
Thanksgiving Holiday	Thursday, November 23, 2023
Proposal Review Completed by	Thursday, November 30, 2023
MD List to City Council, by	Thursday, December 7, 2023
Committee on Finance Subject Matter Hearing, by	Tuesday, December 12, 2023
Christmas Day Holiday	Monday, December 25, 2023
City Council Awards Municipal Depositories	Friday, December 29, 2023
2024 Fiscal Year Begins for Awarded Depositories	Monday, January 1, 2024
New Year's Holiday	Monday, January 1, 2024

Questions and/or Requests for Clarification

Any question or request for clarification relating to the RFP content, must be made in writing and sent to steven.sakai@cityofchicago.org with copy to teri.davis@cityofchicago.org in the format as exemplated below, using an Excel spreadsheet.

Question Submittal format

ITEM	QUESTION or REQUEST for CLARIFICATION	RFP page and section being referenced
1		
2		

The City will provide its response to all questions and requests for clarifications and post the response at the URL above, as an Addendum to the RFP.

Any subsequent round of questions or requests for clarification, if any, shall be subject to a cut-off date-and-time set by the City, which shall be posted at the URL.

RFP Changes and Addenda

Any change(s) which the City considers should be made to the original version of the RFP *after* the original version had already been advertised and posted at the URL, including answers the City provides in response to Applicant questions, shall be made in the form of an "Addendum". All Addenda shall be posted at the URL.

If required, the Proposal due date will be adjusted forward if an Addendum is posted and less than 10 days (not counting City Holidays or Sundays) remain before the Proposal due date.

All posted Addenda shall be dated, sequentially numbered, and be publicly available for download from the above URL.

See Item # 15, below: **“Cover Letter and Executive Summary”** concerning the acknowledgment all Addenda.

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PROPOSAL SUBMISSION REQUIREMENTS

Signature Authority of Applicant Submittals

In order to assure authority of the Applicant’s Proposal, the Chairman of the Board or the Chief Executive Officer of the Applicant’s financial institution must execute the various forms and documents, as applicable.

If an officer other than the Chairman or Chief Executive Officer executes the various documents, a certified copy of either the corporate By-Laws or some other authorization given by the financial institution allowing the officer to execute the proposal on behalf of the financial institution, must be provided.

Machine Readable Format

It is important that each Applicant maintains the integrity of the original City-provided Excel files in terms of the file’s format and settings as applicable. For example, all original Excel file formats, embedded formula, column and row configurations, and other such settings applicable in the file upon download, must ***not*** be altered by the Applicant upon submission of the Applicant’s Proposal response, except to the extent that the Applicant must populate certain cells as part of the Proposal response.

Word-Searchable Format of Original File Submissions

Proposals and all executed related forms and response materials must be provided in word-searchable formats and be submitted as separate individual files as applicable, albeit all on one thumb-drive.

Further, the naming convention of each file must comply with the protocol described below.

The thumb-drive must be labeled with the Applicant’s name and the word, “ORIGINAL”.

Redacted Version of File Submissions

If no redactions are deemed necessary, then please state in your cover letter that no information in the ORIGINAL version was deemed to be required for redaction, such that no REDACTED VERSION shall be submitted. See Item # 15, below: **“Cover Letter and Executive Summary”**.

If redactions are deemed necessary, then, in accordance with Article V, a “REDACTED VERSION” of the ORIGINAL Proposal version shall be submitted on a separate thumb-drive containing the same redacted ORIGINAL content, with a “REDACTED VERSION” label on the thumb-drive.

Naming Conventions of Applicant's File Submissions

Folders and Files as submitted by Applicants on their thumb-drives shall follow a standard naming convention as follows:

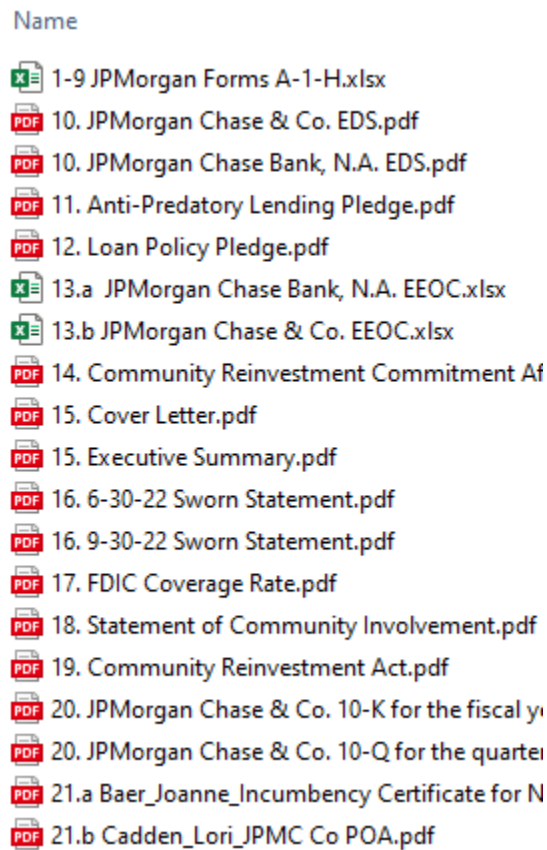
➤ [for **FOLDER NAMES**]
"Applicant Name 2023 MD RFP Submittal for 2024 MD"

➤ [for **CITY-PROVIDED FORM'S ON EXCEL FILE**]
"Item number(s) Applicant Name and form name"

➤ [for **CITY-PROVIDED FILLABLE FORMS**]
"Item number and form name"

➤ [for **APPLICANT-PROVIDED DOCUMENTS**]
"Item number and form name"

The following image is a sample of how the files should sort when correctly named in accordance with the naming convention.



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Proposal Delivery Information

Applicant must submit two complete ORIGINAL sets of its of its unredacted version of its Proposal: one set to the City Comptroller and, simultaneously a second set to the City Treasurer.

If the Applicant elects to submit a redacted version of its Proposal as well, then submit two complete sets of the redacted version as well: one set to the City Comptroller and, simultaneously a second set to the City Treasurer.

Thumb-drives of Proposal sets must be labeled with the Applicant’s name and be delivered to the front reception desks located at:

City Comptroller
City Hall
Department of Finance – 7th Floor
Attention Steve Sakai
121 N. LaSalle Street
Chicago IL 60602-1246

City Treasurer
City Hall
Treasurer’s Office – Room 106
Attention Mauricio Banuelos
121 N. LaSalle Street
Chicago IL 60602-1242

In the event there is no receptionist at the time of delivery, email steven.sakai@cityofchicago.org with copy to teri.davis@cityofchicago.org to arrange for delivery.

Proposals are currently due by **4:00 p.m., Tuesday, November 14, 2023**; unless changed pursuant to an Addendum posted on the above URL.

Proposals that are not received by the date and time as posted may not be accepted. If any Proposal is deemed to be “not accepted” the Applicant shall be notified and the thumb-drives shall be returned unopened to the submitting entity, or be destroyed.

In the event Proposal paper hardcopies or missing data are requested by the Comptroller or authorized City representative, such hardcopies or data shall be provided by the Applicant in accordance with the written instructions.

DOCUMENT SUBMITTAL REQUIREMENTS

The Applicant’s 22 submittal requirements are listed below with like-items grouped as follows:

City-Provided Forms (1-14)

City-Provided Forms required to be completed by the Applicant are posted on the URL link to this RFP. City-Provided Forms are for the Applicant to complete (and sign and notarize as applicable) and submit back to the City as part of the Proposal submittal.

Endnotes, as a superscript following a Form Name below, are provided at the end of this document as additional information accordingly.

- | <u>Item #</u> | <u>Form Name</u> |
|----------------------|---|
| 1. | Form A-1 Residential loans ⁱ |
| 2. | Form A-2 Constructions Loans |
| 3. | Form B Residential Lending Loan Foreclosures, 1-4 Units, Condominium or Cooperative Units, (include loans for properties located in Chicago only) |
| 4. | Form C Commercial Lending ⁱⁱ |
| 5. | Form D Consumer Lending |

6. Form E Savings Account Data
7. Form F Checking Account Data
8. Form G Depository Information – by census tract and address
9. Form H Summary Residential Lending (1-4 Units)

PDF forms are separate files

10. **EDS** – Economic Disclosure Statement, and Affidavits A, B, and C (the EDS version with 2018-1 footer.) (The EDS form is not a fillable form.)
11. **Anti-Predatory Pledge** (fillable PDF)
12. **Loan Policy Pledge** (fillable PDF)

Fillable Excel Sheet

13. **EEOC Enterprise-wide and Chicago Diversity Data** is a separate Excel file requesting enterprise-wide diversity, plus the number of employees based in Chicago.

Print and Execute Word.docx

14. **Community Reinvestment Commitment Affidavit.**

Applicant-Provided Documents List

The “Applicant-Provided Documents List” are the various RFP-related documents requested by the City to be provided to the City as part of your Proposal submittals, as follows:

Item # **Form Name**

15. **Cover Letter and Executive Summary** – Include contact information of your representative for the City to contact concerning this RFP.

Indicate if a REDACTED version of your proposal was provided, or if one was intentionally NOT provided.

Indicate that all Addenda posted on the URL have been received.

16. **Sworn Statements** – Provide copies of the last two sworn statements of resources and liabilities which the Applicant is required to furnish to the Commissioner of Savings and Loan Associations or to the Federal Home Loan Bank.

17. **FDIC Coverage Rate** for deposited balances.

18. **Statement of Community Involvement (this is a voluntary submission and not mandatory)** –Describe various programs and initiatives to help in City of Chicago communities describing the Applicant’s economic development programs, if any; and identify any cultural, educational, health, social service, civic, community or similarly beneficial contributions made by the financial institution to the community that it serves (e.g., teaching underserved communities and first-time buyers, strategies for acquiring loans, etc.).

19. **Community Reinvestment Act (“CRA”) Information** – provide a copy of the most recent evaluation performed by the United States Comptroller of the Currency of each Applicant's performance under the Community Reinvestment Act, as amended, and a copy of the public section of the most recent written evaluation under the Illinois Community Reinvestment Act, 205 ILCS 735/35-1, et seq., as applicable. The City

Comptroller shall transmit copies of all evaluations received to the City Council with the report of bids required by [Article V](#).

- 20. **FORM 10-K Annual** (report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934) including financial statements, financial statement schedules, exhibits, and all other papers and documents filed as a part thereof, or, if the financial institution is not required to file Form 10K with the Securities and Exchange Commission, a copy of the financial institution’s most recent quarterly call report and a copy of the Comprehensive Annual Financial Statement for the Year Ended December 31, 2022, and FORM 10-Q for Quarter Ended June 30, 2023.
- 21. **Additional Information.** The Applicant may submit additional material that is deemed relevant to consideration of the Proposal, in accordance with [Article V](#).
- 22. **Forms A1 through H:**
Fillable Excel workbook Forms A1 through H are separate tabs in one Excel workbook. The reporting period applies to Loans Closed within the 12-Month Period Ending December 31, 2022, as applicable.

NOTE: As a guide to completing the Fillable Excel workbook Forms A1 through H for this 2023 RFP, refer to Attachment A - Filing Instructions Guide for HMDA data collected in 2020 and follow the instructions for the mapping of data to HMDA. Even though the data you are required to enter in Forms A1 through H should be for your 2022 data, the instructions in the Attachment A Filing Instructions Guide for 2020 HMDA Guide can be applied to this 2023 RFP Fillable Excel workbook Forms A1 through H.

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PROPOSAL EVALUATION CRITERIA

Proposals shall be evaluated by an Evaluation Committee (“EC”) made up of various subject matter experts.

The EC shall evaluate each Applicant’s Proposal based on the following evaluation criteria set out in the RFP:

- 1) Applicant’s Financial strength of its local institution;
- 2) Rates offered on demand accounts, and certificates of deposit or time deposits;
- 3) Dollar volume and percent of total lending within the City;
- 4) Demonstrated commitment to support community and economic development within the City;
- 5) Compliance with the requirements of this RFP.

An Applicant’s submission may be disqualified from further consideration if it is considered to be non-responsive to the requirements set out in the RFP.

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MUNICIPAL DEPOSITORY AWARD PROCESS

Generally, Proposals shall be transmitted concurrently by the City Comptroller to the City Council for its information and consideration no later than the fifteenth day of December of each year, to the end that an award or awards may be made upon such Proposals by the City Council before the beginning of each fiscal year.

Prior to the City Council approving any award to a prospective municipal depository, under Article V there should be a subject matter hearing held annually by the Committee on Finance to discuss such information transmitted by the Comptroller to the City Council at which no vote will be taken.

Such awards shall be made to the highest and best responsible Applicant or Applicants. The City Council shall have the power to reject any or all bids and to designate as many municipal depositories as it deems necessary to protect the City's interests.

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REQUIREMENTS AFTER DESIGNATION AS A MUNICIPAL DEPOSITORY

Notwithstanding all other requirements that may be applicable to the municipal depository after award for fiscal year 2024, the following shall be required as applicable by the Applicant if selected as a municipal depository:

- 1) **INSPECTION OF RECORDS** The municipal depository's records relating to the City's accounts shall be open to review by either City staff or City-appointed independent auditors during normal business hours.
- 2) **TERM** The term of the Depository Agreement shall be the period beginning on the ordinance approval date and ending December 31, 2024.
- 3) **EXTENSION OPTION** The Depository Agreement shall be automatically extended up to 90 days in the following calendar year at the sole option of the City.

The municipal depository agrees to honor and continue at the same rate of interest, any investments made during the term of its respective Depository Agreement that will mature after the expiration date of the Depository Agreement.

- 4) **RELATIONSHIP MANAGER** The municipal depository shall designate an individual as the official contact person for all correspondence. The City shall do the same.
- 5) **TRAINING** The municipal depository shall be responsible for training and communicating the terms of its agreement to its employees.
- 6) **COLLATERAL PLEDGE** In order to fully and completely protect the City, the municipal depository shall deposit and pledge, with a separate financial institution (as described below) Approved Securities (as described in Table 2 below) having a market value equal to the aggregate amount of the City's deposits (less the FDIC portion of insurance) in the collateral ratios listed below.

The municipal depository is to maintain its collateral pledge on City deposits at all times during the term of the Certificates of Deposit (Certificates of Deposits include overnight demand deposits) at the market value ratios listed in Table 2, below:

Table 2 Collateral Pledge

Approved Securities for Collateral Pledge	Collateral Ratio (Market Value/Deposit)
<p align="center"><u>U.S. Treasury Bills and Treasury Notes/Bonds</u></p> <p>U.S. government securities marked to market at least monthly.</p>	100%
<p align="center"><u>U.S. Government Agencies and Instrumentalities</u></p> <p>Bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States.</p>	100%
<p align="center"><u>Municipal Bonds</u></p> <p>Bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or of any other state, or of any political subdivision or agency of the State of Illinois or any other state which are rated in either the AAA or AA rating categories by at least two accredited ratings agencies and maintaining such rating during the term of such investments.</p>	100%
<p align="center"><u>Federal Home Loan Bank Letter of Credit</u></p> <p>An irrevocable letter of credit issued in favor of the City of Chicago by the Federal Home Loan Bank, provided that the Federal Home Loan Bank's short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the certificate of deposit.</p>	100%

7) SUBSTITUTION

A municipal depository may substitute Approved Securities in the pledge account as long as the total amount of Approved Securities pledged is adequate. Substitutions may be made after obtaining permission from the City. A municipal depository may also apply to the City for permission to remove Approved Securities from the pledge account whenever the total amount pledged is in excess of the collateral requirements. The City will permit this when its records indicate the collateral pledge can be reduced.

8) REPORTING

The municipal depository shall provide monthly deposit account statements, and quarterly reports of pledged collateral furnished to the City Treasurer within 30 days of the close of the quarter.

The City reserves the right to require a collateral report at any time. The collateral report shall account for total pledged securities by name, type/description, par value, and market value at quarter-end and maturity date.

9) SAFEKEEPING

The Approved Securities shall be pledged in the City's name and shall be held in safekeeping (under the name of the municipal depository) with an institution other than the municipal depository or any affiliate of the municipal depository (hereinafter, the "Safekeeping Institution").

The municipal depository is to submit a Safekeeping Agreement and the name of the Safekeeping Institution within 10 days of the date that the Applicant is notified it has been designated a municipal depository. No funds will be deposited with the municipal depository until this requirement is met.

The Safekeeping Agreement shall clearly state that the Safekeeping Institution shall release the collateralized securities to the City, if the City has determined that the municipal depository has failed to perform its obligations as a municipal depository.

The original copy of all safekeeping receipts and the third-party safekeeping of pledged collateral and safekeeping receipts for pledged collateral from the third-party, are to be filed with the City Treasurer.

10) FAILURE TO PERFORM

In the event a municipal depository fails to pay on the City's accounts or observe the terms and conditions of the Approved Securities and, as a result, a loss is sustained by the City, or upon the dissolution, liquidation, cessation of operations, reorganization, the institution of any bankruptcy or readjustment of debt action, or the placement of a municipal depository in receivership under the supervision of a federal or state government authority, the City shall have the right to retain the securities pledged as collateral or to sell the securities at either a public or private sale.

11) DEPOSIT LIMITS

Illinois law limits deposit amounts which exceed FDIC coverage to 75% of the capital stock and surplus of any bank, or 75% of the net worth of any savings and loan association.

12) CHANGES IN LAW AFFECTING DEPOSITORY AGREEMENT

The municipal depository shall notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would thereafter affect the Depository Agreement.

13) ACQUISITION, MERGER, OR CONSOLIDATION – Legal Effect on Municipal Depository

Designation. If a municipal depository acquires or is acquired by, or merges or consolidates with, any other bank or savings and loan association or subsidiary thereof, regardless of whether such bank or savings and loan association or subsidiary thereof is a municipal depository, such newly created or successor bank or savings and loan association shall be deemed, by operation of law, to be a municipal depository as of the date of acquisition, merger, or consolidation. Such designation shall remain in effect until ten days after an ordinance designating municipal depositories for the next applicable fiscal year takes legal effect.

14) CUSTODIAL SERVICES

To the extent applicable, the Treasurer may engage the municipal depository to provide custodial services as may be required under separate agreement.

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ENDNOTES

ⁱ **Attachment 1 - Census Tract** (Excel file) are all census tracts for Chicago. Census tracts for outside of Chicago are not necessary, as we only require the aggregate value for residential property outside of Chicago but within the MSA in **Form H**.

Forms A-1 and A-2 should reflect all residential applications including those with 1-4 units and with 5+ units.

ⁱⁱ The City does not possess a mapping of zip codes to census tracts. The City understands that those two regional identifiers do not overlap within a common grid of coordinates and, in that regard, a zip code can include multiple census tracts and vice versa.

Regarding **Form C** and **Form H**, Line 62: Generally, in **Form H**, both of the following pieces of data are being requested: (i) Within Chicago; and (ii) Outside Chicago but Within Chicago MSA. The first value should align with figures in **Form C**. The second value is distinct from information requested in other Forms.

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