



CITY OF CHICAGO



DEPARTMENT OF FINANCE



Dear Applicants,

Welcome to the 2024 annual Request for Proposal (“RFP”) – your opportunity to qualify for designation as a Municipal Depository for the City of Chicago and Chicago Board of Education Funds, in fiscal year 2025.

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.

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

CITY OF CHICAGO DEPARTMENT OF FINANCE

REQUEST FOR PROPOSAL (“RFP”)

for:

2024 RFP for Designation as a 2025 Municipal Depository for City of Chicago and Chicago Board of Education Funds

Specification Number: 1306604

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 2025.

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 at 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, “**2024 RFP documents**”.

Or:

City of Chicago :: Municipal Depositories RFP

Scroll down and click on:

2024 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	Friday, September 20, 2024
Applicants Submit Written Questions by	Wednesday, October 2, 2024
City Posts Answers to Questions by	Thursday, October 10, 2024
Columbus Day Holiday	Monday, October 14, 2024
Proposals Due on	Wednesday, October 30, 2024
Veteran's Day Holiday	Monday, November 11, 2024
Proposal Review Completed by	Monday, November 18, 2024
Thanksgiving Holiday	Thursday, November 28, 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 exemplified 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 as received, and shall 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 | Addenda to the RFP

Any change(s) 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 dated, sequentially numbered, and be publicly posted and available for download from the above URL.

DOF does not have an automated mechanism for notifying Applicants whenever an Addendum for this RFP is posted. Therefore, if an Applicant wishes to be notified when an Addendum is posted at the URL, send an email to steven.sakai@cityofchicago.org with copy to teri.davis@cityofchicago.org requesting that an Addendum Notification Email be sent to the designated email address. In the event an Addendum for this RFP is posted, DOF shall send an Addendum Notification Email to the Applicant advising the recipient to go to the URL to find the posted Addendum. However, Applicants are required to check the URL for the latest Addendum posting prior to the Proposal Due date and must acknowledge receipt of all Addenda. See Form # 15, “**Cover Letter and Executive Summary**” concerning the acknowledgment all Addenda.

If an Addendum is posted and less than 10 days (not counting City Holidays or Sundays) remain before the Proposal due date required, the Proposal due date given at the time may be adjusted forward if, in the City's opinion, the nature of the Addendum is considered significant enough to require Applicants to make a substantive or material change to their Proposal.

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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 provide requested materials, as applicable.

If an officer other than the Chairman or Chief Executive Officer executes the various materials, 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.

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

Naming Conventions of Applicant's File Submissions

Folders (if applicable) and Files as submitted by Applicants shall follow a standard naming convention as follows:

- [for **FOLDER NAMES**]
"Applicant Name 2024 MD RFP Submittal for 2025 MD"
- [for **CITY-PROVIDED FORM'S ON EXCEL FILE**]
"Form number(s) Applicant Name and form name"
- [for **CITY-PROVIDED FILLABLE FORMS**]
"Form number and form name"
- [for **APPLICANT-PROVIDED FORMS**]
"Form 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.



Proposal Delivery Information

The City will accept submissions via an encrypted email provided that the individual files must be able to be readily downloadable, opened, renamed, and savable as individual files that can be forwarded among internal City staff for review without a password restriction.

Since the submissions must be made to both the Comptroller's and Treasurer's Offices simultaneously, Proposal submissions must be emailed to the following 3 email addresses:

Mauricio.banuelos@cityofchicago.org

Steven.Sakai@cityofchicago.org

Teri.Davis@cityofchicago.org

Applicant must submit one set of its Proposal files to the City Comptroller and, simultaneously submit one duplicate copy of its Proposal files, including any subsequent amendments thereto, to the City Treasurer.

Proposals that are not received by the Proposal Due date and time as posted may not be accepted.

EDS Forms

In the event Proposal data or corrections to the City's EDS form are requested by the Comptroller or his authorized City representative including City attorneys, such data or required changes shall be provided by the Applicant as requested.

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, a “REDACTED VERSION” of the ORIGINAL Proposal material shall be submitted separately.

If the Applicant elects to separately submit a redacted version of its Proposal, then Applicant shall submit one set of its REDACTED Proposal files to the City Comptroller and, simultaneously a duplicate copy of REDACTED Proposal files to the City Treasurer.

RFP FORM SUBMITTAL REQUIREMENTS

The Applicant must submit 20 submittal requirements (“Forms”):

- 14 City-Provided Forms are posted on the URL link to this RFP.
- Also posted is a **“Census Tract Reference for 2024 RFP for Designation as a 2025 Municipal Depository”** Excel file provided for reference purposes. (See endnote 1.)
- The 14 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.
- 6 “Applicant-Provided Forms” are various RFP-related materials requested by the City to be provided to the City as part of your Proposal submittal.
- Each Form should be numbered to correlate to the following Form # listed below:

Form # City-Provided Form Names

Forms 1-through-9 are individual tabs found on the Excel file named: “2023 Template Forms A1-H”. The reporting period applies to Loans Closed within the 12-Month Period Ending December 31, 2023, as applicable. Each tab must be completed by Applicant to the extent applicable to the Applicant.

NOTE: As a guide to completing the Fillable Excel workbook Forms A1 through H for this 2024 RFP, refer to:

<https://ffiec.cfbp.gov/documentation/fig/2023/overview>

and follow the instructions for the mapping of data to HMDA to enter in Forms A1 through H for your 2023 data. Endnotes are noted as a superscript on some of the City Form Names below. The endnotes are described at the end of this document.

1. Form A-1 Residential loansⁱ
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 Lendingⁱⁱ
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)

Forms 10-12 are separate PDF files to be completed by Applicant:

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

Form 13 is a separate fillable Excel file requesting the Applicant’s enterprise-wide diversity data, plus the number of Applicant employees based in Chicago.

13. **EEOC Enterprise-wide and Chicago Diversity Data**

Form 14 is an executable Word.docx

14. **Community Reinvestment Commitment Affidavit**

Form # Applicant-Provided 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, if applicable, 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** – Indicate the FDIC coverage rate for deposited balances.

18. **Statement of Community Involvement (this is a voluntary submission and not mandatory)** – Describe various programs and initiatives designed to help in City of Chicago communities and describe 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.

20. **FORM 10-K** – Provide the 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, 2023, and FORM 10-Q for Quarter Ended June 30, 2024.

21. **Additional Information.** The Applicant may submit additional material that is deemed relevant for consideration of the Proposal, in accordance with Article V.

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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:

- 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, to the end that an award(s) 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.

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.

Only state or national banks or federal or state savings and loan associations that are regularly organized, and are federally insured under the Federal Deposit Insurance Act, and maintain an office within the corporate limits of the City of Chicago shall be designated as municipal depositories.

Awards made to the highest and best responsible Applicant or Applicants shall be posted on the Office of the City Clerk's website and a copy of it shall also be posted on the URL given for this RFP.

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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 2025, 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, 2025.
- 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 Collateral Pledge, below:

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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>	<p align="center">100%</p>
<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>	<p align="center">100%</p>
<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>	<p align="center">100%</p>
<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>	<p align="center">100%</p>

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 **Census Tract Reference for 2024 RFP for Designation as a 2025 Municipal Depository** (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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