Request for Proposal

Comprehensive Banking Services

Issued: February 13, 2023

Due: April 13, 2023

CITY OF ALAMEDA
REQUEST FOR PROPOSAL
FOR
COMPREHENSIVE BANKING SERVICES

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I. Introduction

The City of Alameda ("City") is seeking proposals from qualified public depositories (a state or national bank located in California, as defined by Section 53635.2 of the California Government Code) in providing comprehensive banking services. The bank must be a member of the Federal Reserve System. The bank must be a Federal or State of California chartered bank and in good standing among other comparable banks.

The City intends to select a bank ("bank") to provide the banking services listed below.

1. General Banking Services
2. Merchant Services Processing
3. Safekeeping Services
4. Purchasing Cards Services
5. Vaulting Services

A. BACKGROUND

The City was incorporated in 1854 and is located in Alameda County, a growing region in the eastern portion of the San Francisco Bay Area. The City has a permanent staff of 574 Full-time Equivalent (FTE) (including Alameda Municipal Power) and serves approximately 81,000 residents in a land area of 10.61 square miles, plus 12.3 square miles of water.

The City operates utilizing the Council-Manager form of government. The Mayor and four Council members are elected at large for staggered four-year terms to govern the City. The City Treasurer and City Auditor are also elected for four-year terms. The City Council is responsible for establishing policies, adopting a biennial budget, appointing commissions and committees, and hiring the City Manager, City Attorney and City Clerk. The City Manager is responsible for implementing the Council's policies, and overseeing the day-to-day operations and management of the City.

The City's current primary banking relationship is with Wells Fargo. The City has determined that a review of the services offered by qualifying institutions is appropriate at this time. The City encourages proposers to be innovative and educational in their proposals. The City's intent is to maintain all/most of banking services with one bank to maximize cash flow and minimize administrative costs. Therefore, banking services proposals must include services for the scope outlined above. However, the City reserves the right to procure/purchase services from multiple providers when deemed appropriate.

This RFP does not cover corporate trust services related to debt issued by the City.

Additional information regarding the City can be found on our website - https://www.alamedaca.gov/

B. OBJECTIVE

The objective of the City is to secure the most efficient and effective banking services while maintaining sufficient liquidity and protection of all the funds entrusted to the City.

II.   RFP Requirements and Schedule

This Request for Proposal (RFP) is issued to solicit proposals from qualified, experienced, financially sound and responsible firms to provide comprehensive banking services for the City.

The services needed are outlined below. The scope of services is further defined in Section III.

- Automatic account reconciliation
- ACH debit and credit services
- ACH debit block
- Branch deposits
- Automatic Remittance Processing
- Cash management and investment services
- Demand deposit accounts
- Depository services such as Online stop payment
- Positive pay services
- Electronic Funds Transfer—ACH wires
- Lockbox Services
- Electronic banking including balance reporting, check inquiry, ACH transmissions, wires and stop payments
- Purchasing card program
- Banking supplies
- Online image retrieval
- Secure online banking payments collected in a batch deposit

In selecting a bank, the City's primary goals are to partner with a financial institution that demonstrates quality and responsiveness in its customer service and also can demonstrate the local decision-making authority available to handle the City's emergency needs as they arise.

The bank selected to perform banking services shall maintain a capital structure equal to or greater than the average of all funds the City has with the bank during the term of the agreement under California Government Code section 53638.

The bank will collateralize all collected balances in the name of the City, above balances insured by the FDIC, at 110%, pursuant to California Government Code section 53652(a). The bank will also immediately notify the City should the bank fail to meet the collateral requirements or fail to meet any other qualifying requirements during the term of the contract.

A.   SCHEDULE OF PROPOSAL

Release of RFP	February 13, 2023
Submission of Questions Due	March 9, 2023
Responses to Questions Posted on Web	March 30, 2023
Proposals Due by **2 PM**	April 13, 2023
Interview (tentative)	Week of May 1, 2023
Award contract by City Council (tentative)	June 2023
Implementation/Conversion	TBD

B.   QUESTIONS CONCERNING THE RFP

Inquiries about this RFP must be directed in writing via e-mail to the RFP Facilitator, **Margaret L. O'Brien** (**mobrien@alamedaca.gov**).

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All addendum(s), responses to questions received, and additional information will be posted to the Procurement Registry, https://www.alamedaca.gov/BUSINESS/Bid-on-City-Contracts. Proposers should check this web page daily for new information. The City will endeavor to answer all written questions timely received no later than Thursday, March 30th, 2023. The City reserves the right not to answer all questions. From the date that this RFP is issued until a firm or entity is selected and the selection is announced, firms or public entities are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any Proposal for violation of this provision. No questions other than written will be accepted, and no response other than written will be binding upon the City.

C.   CONDITIONS FOR PROPOSAL ACCEPTANCE

This RFP does not commit the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any proposal. All proposals will become the property of the City of Alameda. If any proprietary information is contained in the Proposal, it should be clearly identified.

D.   PREPARATION OF PROPOSAL

A proposing bank must follow the instructions for preparing the proposal in the prescribed format in Sections IV (Information Requested) and Pricing Form (see Attachment A). Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete, accurate, and reliable presentation. For ease of review, the proposals must follow the outline in Section IV of this RFP. Each response should be clearly numbered as such.

All banks are encouraged to be creative and innovative in responding to this RFP. Discuss any creative pricing or payment options the bank can provide. Describe alternate approaches to the requested services where possible or additional services offered or recommended, which may not be specifically requested but of benefit to the City.

E.   SUBMISSION OF PROPOSALS

Complete written proposals must be submitted in sealed envelopes marked and received at the hour of **2:00 p.m. (P.S.T)** on **April 13th, 2023** to the address below. Proposals will not be accepted after this deadline. Faxed or e-mailed Proposals will not be accepted. **NO EXCEPTIONS.**

<div align="center">

City of Alameda
City Hall, Finance Department
2263 Santa Clara Ave., Suite 220
Alameda, CA 94501-4477
RE: Banking RFP

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F.   NUMBER OF COPIES

The Bank shall submit a total of five (one (1) signed original, four (4) hard copies) sets, and one (1) electronic copy on a USB device of the proposal. The proposal must be signed by a representative having the authority to bind the firm in the contract.

G.   EFFECTIVE PERIOD OF PROPOSALS

Proposals must state the period for which the proposal shall remain in effect.   Such period shall not be less than 180 days from the proposal date.

H.   NO PROPOSAL

If a proposer cannot meet a service requirement, then the term "No Proposal" should be entered on the Pricing Form for that specific requirement.   In the case of a "No Proposal" remark, the proposer may offer an equivalent alternative service.

I.   CONTRACTED SERVICES

If a service is provided by a third party, please indicate this clearly on the Pricing Form. For work performed by the subcontractor, the proposer assumes full responsibility, including insurance and bonding requirements, for the quality and quantity of all work performed.

J.   RESERVED RIGHTS

Notwithstanding any other provisions of this RFP, the City reserves the right to award this contract to the bank that will provide the best value to the City, based on the criteria stated in Section V – Evaluation and Award Criteria – and not necessarily to the lowest cost proposer after the interview and the conclusion of the City RFP process. Further, the City reserves the right to reject any or all proposals, to award in whole or in part, and to waive minor, immaterial defects in proposals. The City may consider, at its sole discretion, any alternative proposal.

K.   CONTRACT NEGOTIATIONS

After reviewing the proposals, as well as any oral presentations, the City intends to enter into contract negotiations with the selected bank. These negotiations could include all aspects of services and fees. If a contract is not finalized in a reasonable time, the City reserves the right to open negotiations with the next best-ranked bank.

L.   AWARD OF CONTRACT

The selected bank shall be required to enter into a written contract with the City in a form approved by legal counsel for the City. This RFP and the proposal, or any part thereof, may be incorporated into and made a part of the final contract. The City reserves the right to negotiate the terms and conditions of the contract with the selected proposer.

M.	CONTRACT TERM

It is the intent to award the contract for an initial 5-year period with the option to renew it for five additional 1-year periods for a possible total contract term of 10 years. The decision to renew the contract will be at the sole discretion of the City.

The City desires fixed pricing for the five-year contract period. If the proposer intends to revise its fee schedule after the initial period, it must give written notice to the City 90 days in advance of any fee change. Fees may be changed only on the contract anniversary date. These fees are subject to negotiation and approval by the City and may not exceed the annual consumer price index-urban (CPI-U) for the most recently available 12-month trailing period.

N.	DISPOSITION OF PROPOSALS

All proposals submitted become the property of the City and public records and, as such, may be subject to public review. At its sole discretion, the City may disclose the proposals, or portions thereof, consistent with the California Public Records Act.

O.	COST INCURRED IN RESPONDING

This solicitation does not commit the City to pay any expenses incurred in the preparation and presentation of your proposals.

P.	ASSIGNMENT

The successful proposer shall not assign, transfer, convey or otherwise dispose of the contract, or right, title of interest, or power to execute such a contract to any person, firm, or corporation without the previous consent in writing by the City.

Q.	INSURANCE

If selected to provide the banking services described in this RFP, the Bank shall be required to comply with the insurance requirements set forth in "Attachment A" or as described in the Service Provider Agreement. Please reference the attached sample City Service Provider Agreement (Section 10) for information regarding the City's insurance requirements.

R.	ACKNOWLEDGMENT OF CONTRACT AGREEMENT

Attachment B is the City's standard professional services agreement. All interested parties submitting proposals for this RFP should be prepared to enter into the agreement under the standard terms and must be able to provide the required insurance outlined in "Attachment B". The City will not execute the agreement without it first being signed by the bank.

S.   CAUSES FOR TERMINATION

Causes for termination of the agreement may include the provider's failure or refusal to perform any of the provisions of the agreement and failure to cure such default within two (2) business days of written notice. The City also retains the right, at its sole discretion, to terminate the agreement without cause with seven (7) calendar days' written notice. Termination or cancellation of the agreement will not relieve the Bank of any obligations for any deliveries entered into before termination of the agreement (i.e. reports, statements of accounts, etc., required and not received).

Termination or cancellation of the agreement will not relieve the Bank, of any obligations or liabilities resulting from any acts committed by the Bank, prior to the ending of the agreement.

III.   Scope of Services

A.   GENERAL INFORMATION

The City has the following bank accounts:

- General account (main checking account)

- Payroll – Zero Balance Account (ZBA)

- Sweep account

- Safekeeping account

B.   REQUIRED SERVICES – no specific order of importance

- Provide an overnight investment service (sweep) and/or interest-bearing account for excess cash balances in the demand deposit accounts.
- Disburse funds via repetitive or non-repetitive wire transfers and/or ACH upon request of an authorized person.
- Accept and send ACH transactions and provide online notification of ACH deposits within 24 hours.
- Process direct deposit of employee payroll bi-weekly.
- Provide credit card merchant services.
- Provide positive pay services.
- Process business license, TOT, UUT, and rent program payments.
- Provide deposit slips, deposit bags, coin bags, and wrappers free of charge to the City.
- Process LAIF transfers and receive electronic funds payments for the deposit of other State and County apportionments.
- Provide automated account reconcilement reporting services for City accounts. Available information should include, but not be limited to: closing ledgers, closing collected, opening ledgers, opening collected, float, previous day debit, and credit details (including bankcard deposits, sweep transfers, and ACH credit and debit detail).
- Provide online access to account information, including daily activity reports, monthly statements, cleared checks, and automated stop payment.
- Provide monthly activity and account analysis statements, and reports for all accounts. The statement cutoff should be the last day of the month. Statements must be sent no later than the 10th of the following month.
- Provide a quarterly review of the City's cash management.
- Custodian Services for the investment accounts.

IV.   Information Requested

Proposals must respond to each item in this section by listing the item number and providing a complete response to each question.

A.   QUALIFICATIONS AND EXPERIENCE

1.   Provide a general overview including governmental client service philosophy and a brief history of your organization, including parent and/or subsidiary companies and the number of employees.

2.   Provide the address of the branch location(s) within the boundaries of Alameda that will service the account.

3.   Disclose if it has a government service division and the number of years this division has been in operation.

4.   Complete the following table with current credit ratings by Standard & Poor's Rating Services and Moody's Investor Services. If the proposer is not rated by these rating organizations, provide other evidence of the institution's financial strength.

Bank

	Standard & Poor's Rating	Moody's Investor Services
Short-term Unsecured Senior Debt		
Long-term Unsecured Senior Debt		

Bank Holding Company

	Standard & Poor's Rating	Moody's Investor Services
Short-term Unsecured Senior Debt		
Long-term Unsecured Senior Debt		

5.   Discuss the firm's current capital structure, adequacy, and coverage. Provide the following statistics for the last reporting period:

a.   Total Risk Based Capital Ratio: _____

b.   Tier 1 Risk Based Capital Ratio: _____

      c.   Tier 1 Leverage Capital Ratio: ____

6.   Include a *website link* or an *electronic copy* of the last two audited annual financial statements.

7.   Include a *website link* or an *electronic copy* of the last four quarters of FDIC call reports.

8.   Provide a *website link* or the bank's Community Reinvestment Act (CRA) rating, including information on bank's CRA activity within the City's jurisdiction.

B.   KEY PERSONNEL

1.   Provide the name, title, address, phone number, and email address of the primary contact person(s) assigned to this account.

2.   Describe your firm's policy on changing the primary contact person on an account.

3.   Name the individuals who will work with the City on a day-to-day basis. Information should include:
    a.   Biographical information
    b.   Experience working with other governmental entities
    c.   Proposed role concerning the City's account
    d.   Number of years of experience in this field
    e.   Number of years with your bank
    f.   Describe the level of local decision-making authority these individuals have to handle emergency needs of the City as they arise.

4.   Will a specific customer service representative/Government Services Division be assigned to handle day-to-day transactions for the City?
    a.   Describe the responsibilities of the customer service personnel, including the chain of command for problem resolutions.
    b.   Is local customer service support available at the bank's local branches?
    c.   What are the hours of operation of each customer service unit involved in supporting the proposed services?
    d.   If the City discovers any error, how would you propose to resolve it (i.e. who should the City contact)?

5.   After the initial transition, how often will the primary relationship manager attend on-site meetings with City staff? Describe a typical meeting agenda for this on-site meeting.

6.   IT Resources: Will the bank provide dedicated IT liaison(s) to work on set-up, file transfer, testing, and troubleshooting solution? During what hours, including time zones, is technical support available?

C.   GENERAL BANKING SERVICES

1.   Deposit Services
   a.   Please provide a listing of bank branches within the City limits.
   b.   If you do not have branches located in Alameda, please describe your institution's procedures for handling cash deposits.
   c.   What is the ledger cutoff time for deposits?
   d.   How are deposits credited? Are all items immediately verified? If provisional credit is given, when does verification take place? If the bank corrects a deposit, how with the City be informed of this change?

2.   Remote Deposit Capture (RDC)
   a.   Describe the bank's ability to process checks by RDC.
   b.   Is there a limit on the number of checks that can be contained in a single deposit?
   c.   Does your service allow for multiple deposits in a single day?
   d.   How will the City be notified of deposit corrections and adjustments?
   e.   Describe the process used for balancing and correcting deposits transmitted to your institution.
   f.   Does your service offer the ability to adjust data using recognition technology that was not captured correctly by the scanner? If yes, please describe. If not, does the service allow the addition, deletion, and rescanning of checks during both the correction and balancing functions?
   g.   What equipment does the bank recommend for RDC, and what is the price for this equipment (including lease option)?
   h.   Can checks be automatically endorsed with the bank's RDC service? Is the automatic endorsement of an electronic image or printed on the check?
   i.   Are checks cleared as ACHs or image replacement documents? How does the bank's software determine the clearing mechanism?
   j.   Is there a difference in legal standing for items clearing by ACH or image replacement documents (IRDs)? If so, please describe.
   k.   Describe your retention policy for checks converted to ACH or processed via remote deposit capture.
   l.   What are the deadlines for same-day credit of deposits?
   m.   What is the liability for fraudulent deposit items?

3.   Coin/Currency Ordering Services
   a.   Does the bank have an automated coin/currency ordering service? Describe the deposit and change order procedures, cutoff times, security, and other features of this system.
   b.   Describe change order procedures and restrictions for branch pick up.
   c.   For cash vault and branch change orders, discuss whether or not there are minimum purchase requirements (e.g., standard straps of currency and full boxes of coins)? Is a discount offered for purchasing standard amounts or using standard change orders? What settlement options are available for change orders (e.g., cash, check, debit to account, wire, etc.)?

4. Cash Transportation
   The City currently utilizes an armored car service at City Hall for daily cash pickup. Please describe your service (if available), including:
   a. Pick-up schedule options
   b. Options for missed pick-ups or special pick-ups
   c. Insurance in delivery
   d. Time expectation of deposit transaction

5. Returned Item Processing
   a. Can returned items for insufficient or uncollectible funds be automatically re-deposited? If so, how many times?
   b. Does the bank offer any options that may increase the collection of NSF checks?
   c. Can the bank provide online access to electronic images (back and front) of returned items? How soon can these images be accessed after an item is returned?
   d. Can the bank provide a summary report of returned items identifying the payer(s) name, depositing location, deposit date, and the type of item being returned?

6. Availability of Deposits
   a. Provide a copy of the bank's availability schedule, including branch deposits.
   b. Is the schedule offered to the City the best one provided to any customer? If not, quantify the difference and explain how the City may obtain the bank's best availability schedule.
   c. How does the bank determine and calculate availability of deposited items?
   d. Do the availability policies differ from Federal Reserve Bank availability schedule?
   e. Does the bank give immediate availability for on-us items?
   f. Does the bank calculate the availability by item or formula?
   g. Is the availability assignment made as soon as checks are released for collection, or is the assignment made at specific times during the day?
   h. List your cutoff times for giving same-day value on EFTs (e.g., wire, ACH/bulk) received. How soon after the bank gets incoming funds (e.g., wire, ACH/bulk), or notification of incoming funds, does the City receive credits in its account?

7. Collateralization of Deposits
   The City requires the financial institution to collateralize the City's deposits in the name of the City. Collateral should be in the form of a preferred security interest in pledged securities meeting the City's investment policy requirements and consistent with the State and Federal laws and regulations.
   a. Does the bank fully collateralize all City deposits exceeding the FDIC insurance limit? Provide information on any pooled services being utilized.

b. Provide the name of the collateral custodian (i.e., Federal Reserve) to be used? The proposer shall produce evidence of collateralization annually as of June 30 and at the request of the City.

8. Safekeeping Services
The City purchases all securities on a delivery versus payment method. The selected banking institution will be the City's custodial agent in charge of providing safekeeping facilities and services for all securities that the City purchases. The agent banking institution shall control the securities through its own safekeeping department, through any corresponding bank with which it deals regularly, or through the Federal Reserve Bank of San Francisco.

Upon request, as well as at the 5th of each month, the banking institution will provide a complete inventory listing of the securities being held in safekeeping as of the last day of the previous month for the City, with no additional fee beyond the transaction fees stipulated in the attached pricing form. The inventory list will show each security, as well as its CUSIP number, issuer name, coupon/interest rate, settlement and maturity dates, type of security, S&P rating, par value, book value, and full market value. In addition, the custodial agent must provide confirmation of each trade of a safekeeping item by the following business day.

Please describe your safekeeping service, including:
a. Fees schedule
b. Income distribution
c. Compliance with all state and federal regulations regarding the safekeeping of City securities
d. Location of the safekeeping facilities, and what banks are used as corresponding banks
e. Insurance coverage for error and omissions

9. Positive Pay
a. Does the bank offer Positive Pay and Payee Positive Pay?
b. Please provide sample reports or a website link.
c. Please provide date transmission method and time windows.
d. Describe the process and deadline of transmitting AP and payroll check issuance information from the City to the bank?
e. How frequently can transmission files be uploaded to the bank for the issuance of additional checks, and/or recently voided items? Is there a limit to the number of files per day?
f. Does the bank offer the ability to enter one-time check disbursements issued during the day manually? Please describe.
g. What controls are in place to protect against lost files and duplications of transmissions? If duplicates are sent, is there a penalty or potential issue?

h.   How and when will the City be notified of exception items? What time does the City have to inform the bank whether an exception should be accepted or rejected? Does the bank offer a "do not pay" default for exception items?
i.   Will stale-dated checks be reported as exception items?
j.   Is Positive Pay required for all demand deposit accounts, even on accounts with no check writing functionality? Can account(s) be designated as "post no checks" to prevent potential fraud? Is there a cost to make this account designation?
k.   Is Teller Positive Pay available? How frequently is check issuance information updated and available to tellers?
l.   Are there any other fraud protection services that the bank provides and/or recommends?

10.   Stop Payments
a.   Describe the stop payment service and features. Can stop payments be placed online? How long is a stop payment effective?
b.   Will the system automatically verify if a check has been paid before processing the stop payment request?
c.   What term options are available for stop payments?
d.   Is there a report that lists stop payments that are set to expire?
e.   Can stop payments be automatically renewed? If so, for how long?

11.   Automated Clearing House (ACH) Processing
The City utilizes both ACH debits and credits as part of its electronic service. It includes direct deposit for payroll disbursements and collections for utility billing accounts.
a.   Is the bank both a sending and receiving bank of the National Automated Clearing House Association (NACHA)?
b.   Which method can the City submit ACH files or initiate ACH via bank software?
c.   What are the transmission cut-off times for one-day and two-day ACH files?
d.   Describe the procedures used to confirm accurate and secure receipt of the transmission.
e.   What would happen to an ACH file if the City exceeds its daily exposure limit?
f.   How are returned and rejected ACH transactions handled? What information does the bank provide to assist in identifying returned and rejected ACH transmissions? When is this information available?
g.   Is your bank planning to opt-in and participate in processing same-day ACH debits?
h.   Describe the bank's procedures for handling debits to the City's accounts that were not authorized by the City. How soon does the bank notify the City of the receipt of an unauthorized ACH debit?
i.   If the bank provides ACH debit blocking, what level of filtering can be applied?
j.   Does the bank offer ACH Positive Pay (ability to make pay/no pay decisions on unidentified ACH transactions)?

k.   Describe the process of electronic funds payments for deposit of various State and County apportionments, including LAIF.

12.   Wire Transfer
   a.   Describe the process of initiating wire transfers including incoming, outgoing and other wire transfers.
   b.   During what operating hours will the wire transfer system be available?
   c.   If wire transfers can be initiated online, describe the system's security features. Can varying degrees of authorization be set (i.e., multiple authorizers, maximum dollar amounts, etc.)?
   d.   Does the bank offer dual control release options (secondary approval levels) for electronically initiated transfers? If so, describe.
   e.   What is the cutoff time for same-day wire transfers?
   f.   Describe the ability to create and store recurring and future–dated wire instructions/templates, including the maximum retention period for future-dated transactions, timeline, and related charges?
   g.   Describe the bank's procedure for providing payment confirmation information (e.g., reference numbers) upon acceptance and execution of the wire transfer request.
   h.   Describe the bank's policy for handling a failed wire transfer. How and when would the City be notified?

13.   Lockbox (Wholesale and Retail)
   The City currently utilizes two separate lockboxes to receive business license and rent program payments.

   Please describe:
   a.   The deadline and format of data transmissions.
   b.   Lockbox address and location requirement.
   c.   Breakdown of wholesale versus retail processing.
   d.   Locations of processing centers.
   e.   Handling of items not able to be processed or return items.
   f.   Remittance document layout requirements.
   g.   Transmission requirements.
   h.   Treatment of exception items.
   i.   Imaging capabilities.
   j.   Conversion of consumer checks to ACH payments.
   k.   Disposition of documents (including imaging capabilities and truncation).
   l.   Is there a "low volume" surcharge? Please explain.

14.   Intra-bank Account Transfers
   a.   Describe the process of initiating an intra-bank account transfer.
   b.   Does the bank offer dual control release options (secondary approval levels) for electronically-initiated transfers? If so, describe.
   c.   What is the cutoff time for same-day intra-bank account transfers?

15. Statements and Documents
    a. How soon after the cutoff date are the following items ready?

	Online
Bank statements	
Partial reconciliation information	
Full reconciliation information	
Account analysis statements	

    a. Are electronic images stored on the bank's online reporting system? If so, how does the bank charge for these services (per item viewed/per item loaded)? Is there a difference in price for deposited versus disbursement items?
    b. How long are electronic images for deposited and disbursement items stored on the reporting system and available for customer access?
    c. How does your image system capture and report images for damaged checks?
    d. What technology would you recommend the City use for archiving historical data?
    e. If online access only, how long after the termination of a contract will the bank allow the City to access historical images on the reporting site? Can historical data be downloaded?

16. Online Reporting
    a. Describe the different reporting solutions and methods by which the bank makes deposit and balance information available.
    b. How will the City access the reporting system?
    c. What levels of authorization (e.g., accounts viewed, transaction capabilities, etc.) can be permitted or turned off for individual users? Is there a limit on the number of users that can access the online services?
    d. What current day reporting is available through the reporting system (e.g., beginning and ending ledger balances, collected balances, available balances, and float assignment)? Please provide samples of current day balance and transaction reports.
    e. Are there differences in the information available for the current day and previous day reporting? If yes, please describe.
    f. What time is previous day information available?
    g. In what file formats can data be downloaded?
    h. The City would like to track their cash position daily. Can the electronic reports be customized to include data fields such as collected balance, outstanding (un-cleared) checks, float and outstanding wires, transfers and ACHs? Is there any additional charge?
    i. How long is balance history stored on the reporting system for previous day reporting?
    j. Are there any details provided in the current day reporting that are not available in previous day reporting?
    k. List all other transaction types that can be initiated using the online system.

17. Reconciliation Services
    a. Does your bank offer Account Reconciliation Program (ARP) services? Please discuss options (full, partial, deposit and serial sort) for reconciliation services, including:
        • File transmission deadlines
        • File layout requirements
        • Imaging capabilities (e.g., paper, electronic)
        • System requirements for interface
    b. Provide sample reports for all options.
    c. Are the systems integrated for checks, ACH, and wire transfers? If so, describe. If not, explain any plans to do so.
    d. Describe how reconciliation data is transmitted to the City.

18. File Transfer
    a. How are file transfers initiated? In what formats is the information available for retrieval?
    b. Do the means to connect to the bank's systems vary by transaction type?
    c. Does your system provide for electronic confirmation of receipt for file transmissions?
    d. Is there an existing interface with the City's financial system, Tyler Munis, or would a custom interface need to be developed? Will there be a charge for the interface?
    e. How is connectivity initiated? What protocols are used to facilitate the interface?
    f. Describe the process the bank uses to verify that all records have been received and processed.
    g. What controls are in place to protect against lost files and duplicate transmissions? How will the City be notified of a duplicate file?

19. Overnight Investment/Investment Sweep

    The City requires an automated service that allows for the daily accommodation of zero balances in the accounts and a sweep or other vehicle for investment of excess funds.
    a. Describe your policy and processes.
    b. What short-term investment vehicle(s) does the bank propose to use for the overnight investment or sweep of the City's demand deposit accounts?
    c. Does a reserve requirement apply to these proposed options?
    d. Will the bank assess FDIC or FICO or other charges to the City? If so, what is the fee for an entire year on a $1 million balance? How is this charge computed? Is it assessed on a ledger or collected balances?
    e. Provide investment return history for the previous three years for each option proposed. Show the yield for each.
    f. Describe your policy for crediting interest earned to demand accounts.
    g. What time of day is the sweep deadline? Is it end-of-day or next-day sweep?

h.   What kinds of fees are charged to sweep funds into the proposed investment vehicle(s)? How is the fee calculated?

i.   If the bank is proposing a money market mutual fund, provide a copy of the current prospectus and identify the class of shares, including ticker symbol or CUSIP.

j.   What collateral, if any, is provided to protect balances on the investment sweep?

20.   Earnings Credit Rates (ECR)

a.   What are the options of compensating your bank, i.e., direct fees, or compensating balances, or a combination of both? Is the price the same for either option? If not, what is the difference? If on a fee basis, can excess balances be used to offset activity charges partially? Will earnings credit on collected balances in excess of those required to pay expenses incurred in any month be carried forward to offset future bank charges? Provide the bank's ECR for compensating balance method of payment.

b.   How is your bank's earnings credit determined, adjusted, and applied? Please include in the explanation the impact of the bank's reserve requirement, and the formula for converting services charges to balance requirements.

c.   Provide monthly rate history for the last two years.

d.   What is the bank's current earnings credit rate? Are you willing to lock in a "floor" earnings credit rate? If so, for how long?

e.   Are you willing to link the earnings credit rate to a market index? If so, which index would you suggest and what spread?

f.   Using the ECR for the month of February 2023, please calculate the level of compensating balances (after float and reserves) needed to offset one dollar of the bank services. ($1 in services = $ _____ in compensating balances.)

g.   What time frame does your bank use when reviewing balances for deficiency or excess (e.g., rolling 12-month average, calendar quarter, calendar year, etc.)?

21.   Account Analysis

a.   Describe your service, including availability online, frequency – daily, weekly, monthly, and conversion to Excel.

b.   Provide a sample analysis statement and include the Association for Financial Professionals (AFP) Service Codes on the analysis statement.

22.   End-of-Day Overdrafts

a.   What are the fees and interest charges associated with overdrafts? How are these charges calculated?

b.   Is there a fee per check or occurrence when there is an overdraft?

c.   Is there a daily cap on fees?

23. Daylight Overdrafts
    a. Describe the bank's policies concerning daylight balance overdrafts. Indicate whether this is applied to each account or across all accounts of a client relationship.
    b. Are outgoing wire transfers held if the intra-day limit is reached?
    c. How does the bank process wire transfer instructions that are rejected for credit or daylight overdraft issues? How and when is the City notified? Who will be the bank contact person?
    d. Does the bank establish an intra-day limit per account or customer? How flexible can the bank be in setting an appropriate limit for the City?
    e. If the bank incurs a daylight overdraft charge from the Fed, will it pass this charge on to its customers? If so, how (e.g. intra-day loan, daylight overdraft facility fees)? How is the cost allocated among customers?

24. Merchant Services / secured E-Payments

The City currently accepts debit card, Visa, Master Card and Discover credit card payments for various fees and permits The City would consider using other forms of payment such as Apple Cash, and other Wallet payment applications, as well as the acceptance of American Express.

The banking institution shall supply the appropriate supplies and equipment to do on-line verifications. Please describe:
    a. The financial institution's process.
    b. The Point-of-Sale processing capabilities.
    c. Software that is provided and the support and training that are available.
    d. What authorization methods do you support and which do you recommend?
    e. Please quote a discount rate and all other applicable charges for the credit card processing described above. Quote rates for both swiped and non-swiped transactions.
    f. Clearing time lag between deposit and posting.
    g. Percentage of downtime and notification of down periods.
    h. Guaranteed against "down time" with services.
    i. The fees associated with debit and credit card transactions?
    j. How is the applicable interchange fee determined for each transaction? What does the financial institution recommend to minimize interchange fees?
    k. The reporting methodology and the availability of reports?
    l. How adjustments and chargebacks are handled. Are chargebacks and other debit adjustments netted from daily proceeds or debited separately? Is the discount fee refunded when a chargeback or refund occurs? What is the rebuttal process?
    m. The security features including account number encryption and purging policy.
    n. Payment Card Industry (PCI) date security standard compliance and liability.
    o. The type of Point-of-Sale terminals required and the cost or lease options per terminal.

25. Purchasing Cards (P-card) – Optional
The City has more than 100 P-cardholders. The service is currently with Wells Fargo Bank. P-cards are used for small amount purchases and travel expenses.
   a. Describe your online card management processes: new card issuance, deletion, replacing, modifying, and so forth.
   b. What is the settlement deadline and billing cycle options?
   c. What daily and monthly reconciliation reports are available?
   d. Describe the payment options.
   e. Describe card control and usage restriction options.
   f. Describe the security features – including account number encryption policy.
   g. Describe the interface options with internal financial systems.
   h. What is your fraud policy?
   i. Do you have rebates for purchases?
   j. Describe your rate and fee structure.

26. Disaster recovery
   a. Describe the bank's formal and tested disaster recovery plan.
   b. How quickly will back-up facilities be activated?
   c. Describe the bank's operating capabilities to assist the City in the event of a disaster or declared emergency.

27. Dispute resolution process
   a. Describe your process for:
      - Positive Pay
      - Paper checks
      - Payments and Deposits
      - Lockbox
      - Others
   b. Are there any established turn-around times for research and adjustment items? If yes, please specify.

28. Vault Services
   a. Describe your vault services (i.e., location, deadlines, preparation).
   b. List the fees structure.

D.   CONTROL
1.   Specify whether the online capabilities are accessible 24/7. If not, list the hours of availability for each service.
2.   Regarding Data Security and Anti-Fraud Procedures, describe your institution's overall security system to safeguard the City's funds, preventing fraudulent transactions, and identify and alert the City of irregular/abnormal transactions and transaction patterns. The institution shall serve as a partner in the City's internal control framework on the banking/cash-handling-related functions. Please identify technologies you have in place that will assist the City in improving its internal control effectiveness.
3.   Describe the electronic and/or manual system used to provide the proposed services along with backup and recovery capabilities.
4.   Who would the City contact to initiate day-to-day banking transactions if online capabilities and functionality are temporarily unavailable?
5.   Include a copy of the Service Organization Control (SOC) reports conducted under the Statements on Standards for Attestation Engagements No. 18 (SSAE 18) regarding controls.
6.   Describe the bank's security procedures for its information reporting system, both for access and information protection.
7.   Is system administration performed by the bank or the customer? What functions does the security administrator perform?
8.   Is an audit trail report available, showing all activity, by whom and when, for each system?
9.   Describe the types of insurance and bonding carried.
10.   Include a copy of the bank's most recent reports issued per the Statement on Standards for Attestation Engagements (SSAE 16) for any processes or systems relevant to the services under this RFP.
11.   If not already covered in the SSAE 16 report, describe the disaster recovery plans for each proposed service for short- and long-term disaster and power failure recovery.
12.   Describe any additional security measures available to the City to minimize the risk of unauthorized transactions in its accounts.

E.   IMPLEMENTATION/CONVERSION

1.   Please provide a detailed implementation and conversion plan which identify all tasks, estimated timeframes for the tasks, milestones, roles and responsibilities for the City and Bank's personnel. A list of the minimum anticipated deliverables such as, but not limited to:
• Configure bank account structure
• Implement electronic banking and reporting
• Configure and test file transmissions and electronic communication channels
• Establish security and encryption protocol
• Implement ACH debit blocks, where appropriate

- Implement other banking services as determined
- All necessary processes required of the City's current Bank to ensure a seamless transition

2. If a conversion team is used, how will the City's account be transitioned to the ongoing client service team?
3. Indicate your plan for initial and ongoing education and training for City employees in the use of your systems.

F.   NEW SERVICES AND IDEAS

1. Provide information on how the bank plans to keep its product line competitive. Describe what approach the bank is taking in the development of new services, what new services and/or features the bank plans to offer, and what the estimated time frame is for providing any new services and/or features.
2. Describe any services, technological enhancements or otherwise, that the City should consider for improving operational or cash management processes.
3. Please provide any additional information that your bank believes to be pertinent, but not explicitly requested elsewhere in the RFP.

G.   REFERENCES

Provide at least three (3) local governmental references that are of similar size (i.e. scope of service utilization) as the City. Please include the following information for each reference:

- Contact name and title
- Name and address of the government
- Phone number and email address
- Services provided
- Number of years as customer and services provided

H.   CONTRACT/REPORTS TO BE INCLUDED IN THE PROPOSAL

1. A sample of the proposed contract for your bank's services and all other documents that will need to be signed/entered into related to the provision of the services requested in this RFP, including any documents referenced or incorporated into the contracts/agreements.
2. Proposed custodial agreement for the collateral pledged to secure the City's account under FIRREA requirement.
3. A sample report or a website link of the monthly bank statement, credit card processing statement, standard on-line reports, real time query screens, and any other reports that we could expect to receive.
4. Is your bank willing/able to develop customized reports? If so, please provide specific pricing information.

I.   LEGAL AND FIRM ISSUES

Please disclose and explain any significant negative events in the bank's recent history, including criminal charges, civil litigation, or administrative actions involving allegations of securities or banking law violations by the bank or its employees during the past five years. Please comment on the resolution and/or status of the actions.

J.   PRICING AND INCENTIVES

1.   Please complete the attached pricing form in Section VI for all of the services described in your bank's proposal using the Association of Finance Professionals (AFP) Service Codes, if possible.   A list of services currently used with volume levels is provided in Section VI.   All fields must be completed, and any blank or zero amounts in a field will mean no cost to the City.
Fees related to all services described in the proposal must be listed, even if the service is not shown on the schedule.   Also, include any one-time or set-up charges, research fees, minimum fees, and all other fees that will be charged.   Include any incentives or price breaks offered based on volume, timeliness of payment, rebates, or other measures.

2.   Are you willing to offer any transition or retention incentives?

3.   Are there any additional price breaks or incentives?

V.   Evaluation and Award Criteria

All proposals will be evaluated to identify the financial institutions deemed fully-qualified and best suited, per factors listed below (not in priority order):

- Understanding the needs and operational requirements of the City
- Bank and branch locations
- Scope of services offered, including degree of automation
- Relevant experience managing similar services with governmental agencies
- Professional experience and qualifications of the individuals assigned to the account
- Responsiveness to proposal format and inclusion of all required exhibits/reports
- Local decision-making authority to handle emergency needs
- Financial strength and capitalization of the banking institution
- Adequacy of financial controls and security protection against loss
- Value of any new product or service suggestions or other new ideas and enhancements
- Quality and scope of the conversion plan
- Ability to provide services as outlined in the Scope of Services and quality of the proposal
- Quality of references
- Best rate of interest paid historically on accounts (including evaluation of indexed rates)
- Best earnings credit rate (ECR)
- Proposed cost

The selection process will be led by an in-house evaluation team. From this preliminary evaluation, the City will establish a short-list of prospective proposers. Oral interviews and reference checks will be used to make the selection.