Request for Proposals for
Banking Services

Proposals will be accepted until **4:00 PM, Thursday, August 22, 2013**, at the following address:

City of Jackson
Attn: Carla Soracco
Accounting Manager
33 Broadway
Jackson, California 95642
Phone: 209-223-1646
REQUEST FOR PROPOSAL FOR BANKING SERVICES

<table>
<thead>
<tr>
<th>Time Table</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of RFP</td>
<td>July 24, 2013</td>
</tr>
<tr>
<td>Closing Date</td>
<td>August 22, 2013</td>
</tr>
<tr>
<td>Proposals Reviewed</td>
<td>Beginning August 26, 2013</td>
</tr>
<tr>
<td>Oral Interviews</td>
<td>Beginning September 3, 2013</td>
</tr>
<tr>
<td>Award Contract by City Council</td>
<td>September 23, 2013</td>
</tr>
<tr>
<td>Implementation &amp; Conversion</td>
<td>January and February, 2014</td>
</tr>
</tbody>
</table>

CONTACT PERSON: Carla Soracco  
Accounting Manager  
csoracco@ci.jackson.ca.us  
City of Jackson  
33 Broadway  
Jackson, CA 95642  
Office Hours: Monday – Friday, 8:30 a.m. – 5:00 p.m.  
(closed 7/26 and 8/16 for furlough days)
CITY OF JACKSON
CALIFORNIA

REQUEST FOR PROPOSAL

The City of Jackson is accepting proposals for banking services for its bank accounts and related depository and cash management services.

Interested parties should submit three (3) copies of their proposal and bids by 4:00 p.m., August 22, 2013 to:

City of Jackson
Attn: Carla Soracco
Accounting Manager
33 Broadway
Jackson, California 95642

Questions about this Request for Proposal should be directed to Carla Soracco, Accounting Manager, at csoracco@ci.jackson.ca.us. Answers to all questions submitted will be posted on the City’s website at http://ci.jackson.ca.us.

It is the bidder’s responsibility to ensure that bids are received prior to the 4:00 p.m. bid closing time as late bids will not be accepted. The City of Jackson reserves the right to award or reject bids in part or in whole and on any basis it deems in the best interest of the City.

Hard copies of the proposal should be prepared on standard 8 ½” x 11” letter size, printed double-sided and bound on the long side. The use of expensive papers and bindings is discouraged.
I. INTRODUCTION

The City of Jackson 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) to provide a variety of commercial banking services. The bank must be a member of the Federal Reserve System. The bank must be a federally or State of California chartered financial institution and in good standing among other comparable banks.

The City intends to select a financial institution (“bank”) with a branch office in the Jackson area to provide the banking services listed below. The RFP does not cover institutional custody services or corporate trust services.

1. General Banking Services
2. Merchant Card Processing

BACKGROUND

Jackson is a general law city located in the Mother Lode, approximately 45 miles southeast/northeast of Sacramento and Stockton. Highways 49 and 88 cross paths in the central business district of Jackson. The City encompasses approximately 3.5 square miles and has a population of 4,600.

Jackson was incorporated in 1905 and is the county seat for Amador County. The City operates under the council-manager form of government. The City Council consists of five members, each elected at large for four year overlapping terms. The position of Mayor is selected by the councilmembers on an annual basis. The City has a variety of commissions and committees. The City Manager, who is appointed by the City Council, is responsible for the day-to-day operation of the City. The City Attorney is also appointed by the City Council.

Jackson provides basic governmental services including police, fire, public works, parks and recreation, planning, building inspection, economic development, wastewater collection and treatment, water distribution, finance and internal management support functions. The City has a current General Fund budget of $3.2 million and 30 full-time employees.

The City of Jackson currently maintains a primary commercial banking relationship with one depository institution. The City has determined that a review of the services offered by qualifying institutions is appropriate at this time. It is the City’s preference to maintain all commercial banking services with one financial institution to maximize cash flow and minimize administrative costs. The City encourages financial institutions to
submit the most comprehensive proposal possible offering the highest quality of service while providing opportunities for improving the current management of cash flow. The City is also interested in various technological advances that could improve banking, cash management, and customer service capabilities.

The City will endeavor to administer the proposal process in accordance with the terms and dates outlined in this RFP, however, the City reserves the right to modify the activities, time line, or any other aspect of the process at any time, as deemed necessary. By requesting proposals, the City is in no way obligated to award a contract or pay the expenses of proposing banks in connection with the preparation or submission of a proposal. The award of any contract shall be contingent on the requisite staff and Council approvals. Determination of best value to the City shall be based upon, but not limited to, the following considerations: cost; the ability, capacity, and skill of the proposer to provide the services; the ability of the provider to deliver timely services; the character, integrity, reputation, judgment, experience, and efficiency of the provider; and the quality of the provider's performance on previous contracts with the City. No single factor will determine the final award decision. Please describe all other services that may be used in the determination for award of bid. All costs directly or indirectly related to the presentation of a response to the Request for Proposal (RFP), any oral presentations required to supplement and/or clarify a proposal, and/or reasonable demonstrations which may, at the discretion of the City, be required of the proposer shall be the Proposer's sole responsibility.

II. PROPOSAL PROCESS

Contract Term

It is the intent of the City to award the contract for an initial three-year period with the option to renew it for additional three-year periods at the sole discretion of the City. The City desires fixed pricing for the three-year contract period. Prices in subsequent years shall be negotiated based on satisfactory customer service.

Proposal Submission:

Proposals must be submitted to:

City of Jackson
City Hall
33 Broadway, Jackson CA  95642
Attention: Carla Soracco, Accounting Manager

Questions shall be submitted to:

City of Jackson
Carla Soracco, Accounting Manager
via email to csoracco@ci.jackson.ca.us
Answers to all questions submitted will be posted on the City’s web site at http://ci.jackson.ca.us/Admin_Finance/html.

All proposals must be delivered no later than **4:00 p.m. on August 22, 2013**. Late submissions or proposals delivered via fax will not be accepted.

Three copies of the proposal should be submitted. Proposals shall consist of narrative materials (Tabs A - X), cost proposals (Tabs U and V), vendor qualifications/experience, and references (Tab W - X). All financial institutions 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 feasible or additional services offered or recommended, which may not be specifically requested but of benefit to the City.

**Proposal Format:** A proposing financial institution must follow the instructions for preparing the proposal in the prescribed format. Please answer the questions in section tabs (A through X) using the number sequence shown. Do not include any extraneous or marketing information.

**No Proposal:** If a service requirement or section of the proposal cannot be met by a proposer, then “No Proposal” should be indicated on the Bid Form (Tab U) and in the relevant tabbed section of the proposal. An alternative equivalent service may be offered.

**Contracted Services:** If a service is provided by a third party, please indicate this clearly on the Bid Form (Tab U).

**Cover Letter:** (One page preferred.) The letter should designate the proposing bank, the address of the bank office where the relationship will be domiciled, the address of the local branch, if different, and be signed by an authorized bank officer. No pricing information should be included in the cover letter.

**Proposals to include the following Tabs:**

**Tab A - Table of Contents:** (One page preferred.) Table of Contents should follow the RFP format.

**Tab B - Bank Services to Public Sector:** (Three page maximum preferred.) Please respond to the following sections:

- **Bank Overview** - General overview of bank, governmental client service philosophy, corporate organization including identification of the government services unit, location of corporate, processing center, and branch localities. Also
please provide any relevant information regarding a correspondent bank relationship.

**Experience** – Describe the bank’s direct experience in servicing public sector clients. Please include: the number of public agency clients, the dollar amount of public funds on deposit, and bank’s knowledge of and adherence to the California Government Code and other applicable laws. Will the bank be able to comply with transaction confirmations and respond to other requests for data as needed from the City's auditors?

**Relationship Management** – Identify the size and scope of your public banking unit, bank officers responsible for the City’s accounts, what each person’s role and responsibilities will be, and the relevant credentials and experience of each person on the relationship management team. Please specify the name and title of who will be designated as the bank’s relationship manager for the City. Please describe what sets the bank’s government banking unit apart from others. Does the bank provide a toll-free and local number for Customer Service?

**CRA Rating and Other Community Involvement** – Provide the bank’s Community Reinvestment Act (CRA) rating and describe in detail, specific projects and community involvement activity in Amador County. Are donations or *in-kind* contributions made to public agencies? If so, please give examples of recent contributions. What types of incentives will your bank offer City employees to open accounts and have their paychecks direct deposited? What provisions will your bank make for employees to cash their checks if they do not have an account with your bank?

**Tab C - References:** (One page preferred.) Please provide three (3) local references that are of similar size and scope of service utilization as the City. Local government references are preferred. Include the following information for each reference:

- Contact Name & Title
- Name and Address of Business or Government
- Telephone Number
- Number of Years as Customer
- Services Provided

**Tab D - Demand Deposit Accounts:** (Two page maximum preferred) The City currently uses two (2) accounts. One of the accounts has checks issued.

Please describe in detail the ability of the bank to provide the above deposit services for the accounts named below:

1. City of Jackson-General Account
2. City of Jackson-Section 125 Account

**Tab E - Deposit Compensation:** (Two page maximum preferred) The City compensates for bank services primarily with compensating balances.
1. List the bank’s Earnings Credit Rate (ECR), and how it is calculated and applied.

2. List the bank’s actual ECR for the past 12 months.

3. Please explain, in detail, how and when the FDIC assessment is computed and charged.

4. Please detail exactly which types of items and services can be applied against the City's account analysis in addition to standard bank services, i.e., merchant bankcard processing, bank courier service, etc.

5. Does the City have the option of compensating on fees or balances basis or, a combination of both? Please describe any differences in related costs to the City with either option.

6. Is there an option to charge analysis fees based on an average balance over three or six month period?

7. What procedure is used to make any adjustments to Account Analysis statements and how long does it take for adjustments to take effect?

8. Please state the negative collected balance charge that the City will pay and, in detail, explain how this charge is computed. Is the rate quoted in this proposal good for the term of the contract? Please provide escalation clauses.

9. Please provide a sample Account Analysis statement.

Tab F – ACH, Wire and Other Transfers: (One page preferred)

Please describe the bank’s on-line transfer service capability and what specifically is recommended for the City’s use and consideration.

1. What is the funding requirement for ACH payments? Are same-day payments possible? Please include deadlines for same and next day payments.

2. What is the process for initiating wire transfers? Please include deadlines.

3. Describe the financial institution’s incoming and outgoing electronic money transfer services. Include safeguards and security measures offered by your service.

4. Please provide a description or sample of the bank’s funds transfer agreement. How are authorization levels established for transfers?
Tab G – Deposit Transmittal Process (Two page maximum preferred) The City currently makes cash deposits at a local bank branch.

1. Does the bank offer desktop deposit? If not offered, what is the required deposit preparation for checks?

2. Do you provide courier services for cash, coin and/or check deposits? How often is the courier available? Please describe the courier services you provide.

3. What are the cut-off times for deposits at the bank’s Processing Center to ensure same day credit?

4. What are the cut-off times for deposits at the bank’s local branch to ensure same day credit? Is there additional charge for after banking hours processing fee?

5. Please describe the bank’s deposit requirements. How should the coin and currency deposits be prepared? Can checks, currency and coin be included in the same deposit or are split deposits required?

6. Please describe the documentation available for checks deposited. Is a copy of the check available via the website?

7. Please describe in detail the bank’s procedures for handling deposit adjustments. What documentation on discrepancies does the bank provide?

8. Please describe the bank’s returned item handling and notification procedures. Is an automatic re-clearing option available? How long does it take for returned items to be sent to the City?

Tab H - Account Reconciliation: (Two page maximum preferred.) The City currently issues approximately 1,750 Accounts Payable and Payroll checks per year. There are also approximately 400 ACH Payroll and other transactions per year. Currently, the accounts are reconciled manually.

1. Does the bank offer full Account Reconciliation and Positive Pay with data transmission capabilities? If so, please describe the services and what is recommended for the City’s consideration.

2. Describe the bank’s web-based services as they pertain to stop payments, copies of paid checks, ACH exceptions, and voided checks. How many days is data available to verify if a check has been cashed?

3. Does the bank offer a CD-ROM imaging service? If so, please describe the service and the costs associated with this service.

4. Describe the account reconciliation services offered by the financial institution.
How quickly are monthly statements available to allow for account reconciliation? Is a "data dump" into Excel available for the monthly statement activity?

5. Will the bank guarantee that all items drawn on City accounts be paid regardless of the balance in the funding account? What is the charge for covering these items? Please be comprehensive in your response. What notification is given if there are insufficient funds (email, phone call etc.)? Is there a service available for notification of balance below an agreed upon float amount?

6. Please provide a sample Account Statement and Positive Pay statement.

**Tab I – Direct Deposit Relationship:** (One page preferred.) The City transacts State of California Local Agency Investment Fund (LAIF) and receives tax apportionments on a regular basis.

1. Is the bank an approved State of California depository?
2. What is the charge per transfer to LAIF? From LAIF?
3. Please describe method the financial institution processes payments from State of California and LAIF transfers.
4. Does the bank have an office in Sacramento that maintains a direct DDA banking relationship with the State Treasurer’s Office and the State Controller’s Office?

**Tab J - Direct Deposit of Payroll:** (Two page maximum preferred.) Direct Deposit of Payroll is currently in place with 95% of the City’s employees participating. There are approximately 360 ACH Payroll transactions per year.

1. Please describe the bank's procedure in detail for receiving electronic payroll data.
2. What are the transmission deadlines for Direct Deposit ACH files? When (day and time) does the bank need the file from the City, and when specifically are funds debited from the City’s account?
3. Please detail the bank’s back-up plans for data transmissions. The City requires immediate notification of any changes or problems and the ability to re-send a file or to delete a file.
4. What screening measures does the bank use to minimize errors on files sent to you i.e., pre-notes, ABA screening, etc.?
**Tab K - Payroll Tax Processing:** (One page preferred.) Please describe services available from the financial institution to accommodate the City’s payment and reporting of payroll taxes.

**Tab L – Intentionally Left Blank**

**Tab M - Balance & Detail Reporting:** (One page plus sample reports.) The City utilizes web-based daily balance and detail reporting information (prior day detail).

1. Please describe the bank’s on-line information reporting system including cost of web-based reports. The City may request a demonstration of your on-line system.

2. Can reports be custom-tailored for the end-user?

3. Can the City obtain current day (intra day) information? If so, please describe the service.

4. What are the computer hardware and software specifications for the bank’s on-line system?

5. Please provide a sample of prior day and intra day reports that would be the best example of the system’s capabilities. Include the reports in this section.

6. Can the bank provide credit or deposit information by location or identifier number as part of these reports?

7. What is the bank's contingency plan for providing this information in the event of unexpected bank systems problems or natural disasters?

8. What other on-line or Internet based systems are currently available to customers?

**Tab N – Bankcard Processing:** (Two page maximum preferred.) The City does not currently accept credit or debit cards, except online for payment of utility bills through the City’s software vendor. The City is interested in accepting Visa, MasterCard, and Discover credit card payments for various fees and permits at City Hall.

1. Please describe the bank’s Bankcard and Point-of-Sale processing capabilities. Does the bank outsource this service or have a department within the bank?

2. Please quote a discount rate and all other applicable charges for the credit card processing described above.

3. When and how will the City receive funds for each day's transactions? Is settlement by ACH or Fed Wire? Are settlement amounts listed separately on the
bank statement or will they appear as one lump sum? Will the bank break out settlement amounts by merchant location?

4. Is the bankcard relationship managed by a separate unit of the bank, or by the Account Relationship Manager? Please briefly describe the structure of this area.

**Tab O – Electronic Direct Payment Services:** (Two page maximum preferred.)

1. Please thoroughly describe the bank's electronic bill payment, EFT and ACH services. Does the bank offer both ACH debit and credit programs as part of this service?

2. What hardware, software, and special programming are required for the implementation of an ACH credit program for payments to City vendors?

3. Please detail all costs associated with ACH for a vendor payment program.

4. Please detail all costs associated with your automatic bill payment program.

5. Please detail all costs and processes for auto draft (automatic payment deductions).

**Tab P – Conversion Plan:** (Two page maximum preferred.)

1. Describe the overall plan your financial institution would coordinate to ensure a smooth transition from current provider.

2. Describe the on-site training to the City's staff for the operation and use of the financial institution's services and automated systems for areas of service.

3. Provide a time line schedule and applicable charges for the conversion plan.

**Tab Q – Investment Services:** (Two page maximum preferred.) Describe investment services offered by the financial institution.

**Tab R – Service Enhancements.** (One page maximum preferred.) Based on the information provided in the RFP and your bank’s knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that may be considered for further improving the effectiveness of the City’s treasury management operations.

**Tab S – Business Continuity Plan:** (One page maximum preferred.) The City requires assurance of ability to provide financial services in the event of a major emergency and during the disaster recovery period.
1. Please describe in detail, the bank’s compliance with state and federal regulations pertaining to this area.

2. Please describe testing of core service applications and system that assure information backup, anti-intrusion and other privacy requirements.

3. Describe operational diversification and geographic dispersal of service centers.

**Tab T – Proposer’s Insurance Certificates**: Provide a list of insurance carried and amounts covered. Indicate insurance underwriter or if self-insured.

The selected financial institution must within (20) working days of award of contract, provide and maintain in force at all times during the term of the services contemplated, Certificates of Insurance providing coverage as follows:

- Errors and Omissions for not less than $2 million
- Fidelity coverage (Crime bond) for not less than $1 million, with the City named as a loss payee
- General Liability coverage of not less than $2 million with the City named as additional insured
- Evidence of worker’s compensation coverage

**Tab U - Banking Services Bid Form**: Please complete the form shown in the Appendix. In addition to submitting with proposal responses, this form **must also** be submitted in Excel format. The file is available by request from Carla Soracco, Accounting Manager, at csoracco@ci.jackson.ca.us to be returned either via email or via CD with the proposal package.

**Tab V - Standard Bank Fee Schedule for Government/Corporate Clients and Standard Form Services Agreement** - Please submit with Proposal responses.

**Tab W - Bank Credit and CRA Ratings** - Please submit with Proposal responses.

**Tab X - Most Current Annual Report** - Please provide an electronic link to your most current annual report with Proposal.

**Additional Services**
Please provide information and pricing on additional services not included in Tabs A – X that may enhance banking services provided to the City of Jackson.

**Cost Proposals:**
Please note that cost proposals are to be provided per **Tabs U and V** as noted above.
Tentative RFP Schedule

Mail/publish RFP ........................................ July 24, 2013
Proposal Deadline ...................................... August 22, 2013, by 4:00 p.m.
Proposal Review ........................................... August 26, 2013
Interview with Finalists ................................. Beginning September 3, 2013
Award Contract by City Council ....................... September 23, 2013
Implementation & Conversion ......................... January and February, 2014

III. EVALUATION OF PROPOSALS

This RFP seeks financial institutions to provide commercial banking services to the City. Selection will be made from a short list of proposers deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors listed below (not in priority order):

- Understanding of the needs and operation requirements of the City.
- The experience, resources, and qualifications of the financial institution and individuals assigned to this account.
- Relevant experience managing similar account relationships with public institutions and agency clients.
- Bank and branch locations.
- Availability schedule.
- Scope of services offered including degree of automation.
- Financial strength of proposing institution.
- Adequacy of financial controls and protection against loss.
- Quality and scope of conversion plan.
- The value of any new product or service suggestions or other new ideas and enhancements.
- Compliance with the requirements of this RFP and quality of proposals.
- Proposed fees and compensation.