

CITY OF ENUMCLAW FINANCE DEPARTMENT



REQUEST FOR PROPOSAL BANKING SERVICES

Issue Date: March 1, 2006

Due Date: Noon, 12 p.m. Pacific Daylight Savings time, March 17, 2006

City of Enumclaw

Request for Proposal for Banking Services

Purpose of Request

The City of Enumclaw (City) is soliciting proposals for a primary banking relationship with a major bank that operates a branch within the city limits. The bank must be able to offer the full range of banking services required by this Request for Proposal (RFP).

The City reserves the right to reject any and all submittals and to waive irregularities and informalities in the submittal and evaluation process. This RFP does not obligate the City to pay any costs incurred by respondents in the preparation and submission of a proposal. Furthermore, the RFP does not obligate the City to accept or contract for any expressed or implied services.

The successful vendor must comply with the City of Enumclaw equal opportunity requirements. The City is committed to a program of equal employment opportunity regardless of race, color, creed, sex, age, nationality or disability.

Time Schedule

The City will follow the following timetable, which should result in final selection of banking services by April 7, 2006:

Issue RFP	3/01/2006
Deadline for Submittal of Proposal	3/17/2006
Preliminary Selection of Bank	3/31/2006
Notify Chosen Bank	4/07/2006

Candidates are invited to direct questions in advance of submitting a proposal to:
Gary Smalling, Finance Director, at (360) 825-3591 garysmalling@ci.enumclaw.wa.us, or
Stephanie McKenzie, Accountant, at (360) 825-3591 stephaniemckenzie@ci.enumclaw.wa.us.

Delivery of Proposal

All proposals should be delivered to:
Gary Smalling, Finance Director
City of Enumclaw
1339 Griffin Avenue
Enumclaw, WA 98022

All proposals must be in a sealed envelope and clearly marked in the lower left-hand corner: **"RFP-Banking Services."** No faxed or telephone proposals will be accepted. All proposals must be received by Noon Friday, March 17, 2006.

Proposals should be prepared in a simple straight-forward manner with concise description of capabilities to satisfy the requirements of the request. Special bindings, colored displays, promotional materials, etc. are not desired. Emphasis should be on completeness and clarity of content. Three (3) complete copies of each proposal must be received by the Finance Director no later than the date and time specified in the above paragraph.

Public Records

Under Washington state law, the documents (including but not limited to written, printed, graphic, electronic, photographic or voice mail materials and/or transcriptions, recordings or reproductions thereof) submitted in response to this request for proposals (the "documents") become a public record upon submission to the City, subject to mandatory disclosure upon request by any person, unless the documents are exempted from public disclosure by a specific provision of law. If the City receives a request for inspection or copying of any such documents it will promptly notify the person submitting the documents to the City (by U.S. mail and by fax if the person has provided a fax number) and upon the written request of such person, received by the City within five days of the mailing of such notice, will postpone disclosure of the documents for a reasonable period of time as permitted by law to enable such person to seek a court order prohibiting or conditioning the release of the documents. The City assumes no contractual obligation to enforce any exemption.

Introduction and Mandatory Requirements

KeyBank currently provides banking services to the City. The City is requesting proposals to periodically test the market to assure that the City is receiving the optimum level of service at a competitive price.

The City presently maintains three types of accounts:

- General City Treasury
- Municipal Court Trust and Travel Advance
- Contractor Retainage Deposits

The City deposited over \$33 million in its general account during the year 2005. Payroll is prepared twice each month for approximately 120 employees. Checks issued for accounts payable are currently processed twice each month, an average of 150 per check run.

Proposals should demonstrate the vendor's cost effective and innovative approach to today's banking needs as well as the rapidly changing demands of the future.

To be considered for selection, vendors must meet at least the following minimum qualifications:

- Authority to offer Banking Services - must hold a charter from either the United States Government or the State of Washington.
- Access to Federal Reserve System - must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.
- Legal Compliance - must be in compliance with all applicable laws, rules, regulations, and ordinances of the City of Enumclaw, the State of Washington, and the United States.
- Public Deposit Protection Act - must be a Washington State qualified depository for public funds and must be in compliance with the Washington Public Deposit Protection Act (RCW 39.58) with a capital structure sufficient to accommodate the City's cash/investment management daily needs of up to \$20 million.
- Ability to supply web-based information reporting systems.
- Location of Banking Office - Must have established offices or local branches within the City.

Selection Criteria

Proposals will be evaluated by a committee of City staff. Evaluations will be based on criteria outlined herein which may be weighted by the City in a manner it deems appropriate. All proposals will be evaluated using the same criteria and weighting. The criteria used will be:

- Responsiveness to RFP – The City will consider all the material submitted to determine whether the Bank's offering is in compliance with the RFP documents.
- Ability to Perform Required Services – The City will consider all the relevant material submitted by each Vendor, and other relevant material it may otherwise obtain, to determine whether the Vendor is capable of and has a history of successfully completing contracts of this type.

The Vendor shall furnish acceptable evidence of their ability to perform, regarding such categories as expertise/experience, equipment, facilities and personnel qualified to perform requested duties. Vendor shall furnish a link to a web-based demonstration of their on-line reporting systems.

- References – List all Washington cities over 10,000 population for which the bank has provided services as their primary financial institution within the past two years.
- Fees – See attached
- Interviews and Site Visits – The City may conduct interviews and site visits as part of the selection process.

Terms and Conditions

The City reserves the right to reject any and all proposals with or without cause.

The City reserves the right to request clarification of information submitted and to request additional information regarding any or all proposals. Refusal to provide such information upon request may cause the proposal to be rejected.

The City reserves the right to award any contract to the next most qualified bank if the successful bank does not execute a contract or any terms of the contract within thirty (30) days after the award of the proposal.

Any proposal may be withdrawn, up until the date and time set for opening of the RFPs. Any RFP not so timely withdrawn, shall constitute an irrevocable offer for a period of thirty (30) days, to sell to the City the services described in the attached specification, or until one or more of the proposals have been approved by the City administration, whichever occurs first.

The contract resulting from acceptance of a RFP by the City, shall be in a form supplied or approved by the City and shall reflect the specifications in this RFP.

The City shall not be responsible for any costs incurred by the bank in preparing, submitting or presenting its response to the RFP.

General Requirements:

The term of this Contract shall be two years, with the option of extending the contract for two additional years. The City intends to begin receiving services as soon as practical.

If compensating balances are used to pay for costs, all costs associated with the banking services agreement will be paid for by this method. The City will consider other payment methods such as direct fees, 0% CD's or a combination of methods.

The bank must agree that if deposits by the City cause the bank to collateralize with the WPDC amounts above normal requirements, no additional cost shall be assessed or assigned to the City, including lowering of earnings rates on compensating balances.

Investment activities of the City are not related to the appointment of a bank to provide banking services. The bank must provide the City with the means to conduct its investment activity, including but not limited to providing wire and safekeeping services if requested.

Any agreement for banking services as a result of this request for services is in no way intended to grant or guarantee an exclusive banking services relation between the City and the selected bank.

The selected bank must, upon authorization from the Finance Director or Chief Administrative Officer, allow reasonable access to bank records by the above or auditors which may be auditing the records of the City. The bank shall also cooperate in any prosecution of misuse or misappropriation of City funds.

All submitted proposals and information included therein or attached thereto shall become public records upon opening and accordingly subject to public disclosure as it may apply to the City. Upon opening all proposals shall become the property of the City.

The Banking Services Agreement shall provide that the City reserves the right to cancel any agreement at any time upon ninety (90) days prior notice of its intent to terminate the agreement. The City does not agree to use all services which may be included in a banking services agreement. The City may cancel the agreement with less than 90 days notice if the City finds that the terms of the agreement have been violated and the bank does not take immediate steps to meet the violated terms. The bank shall provide the City at least ninety (90) days prior written notice of its intent to terminate the agreement.

The City also reserves the right to cancel its Banking Service Agreement without a 90-day notice if the bank ceases to be a qualified public depository per the Washington Public Deposit Protection Commission, has a net worth as defined by the WSPDPC of less than \$20,000,000, or if the bank is sold, or merged with another bank.

The City reserves the right to reject any or all proposals, to waive any non-material irregularities or informalities in any proposal and to accept or reject any item or combination of items in any proposal.

The selected bank will designate a customer service relationship manager and client services contact for all services. The bank will specify whether routine inquiries will be answered by the local branch, or directed to an out-of-town call center.

Specific Requirements:

Main Checking Account: The City requires a demand deposit type account through which all deposits will be made, checks written, ACH, wire transfer and credit card transactions will take place. The City prefers two separate zero-balance checking accounts for processing accounts payable and payroll checks. These “zero balance” accounts clear against the main operating account.

Deposits accepted or received by 4:00 p.m. will be credited to the account on the same day. The daily net usable balance of funds, after allowing for uncollected funds, shall receive interest overnight.

Other Checking Accounts: The bank will furnish the City with additional checking accounts as needed (currently limited to the Municipal Court and Travel Advance.) Such accounts will be provided with personalized and pre-numbered checks and deposit slips at no additional charge, and included in the total account analysis, with earnings credit given for collected balances and itemized charges compensated for through collected balance or fee payment through the primary demand deposit checking account. No charges will be made directly to any of these special accounts.

Lock Box Services: The City requires a lockbox service for processing utility payments.

Escrow Agent Services: The City requires escrow agent services to administer and maintain retainage deposits from contractors for public works projects in accordance with RCW 60.28.010.

Safekeeping: The bank shall provide the City with safekeeping services of its investments. The bank shall control the securities through its own safekeeping department, through any corresponding bank with which it deals regularly upon approval by the City. The safekeeping account must be in the name of the City (the City shall own all securities held in trust by the bank). All proposals must identify where safekeeping facilities will be located and what banks, if any, are used as correspondent banks. Proposals shall clearly specify services to be performed and related costs. Safekeeping service shall include but not be limited to:

- Safekeeping of securities purchased.
- Delivery of securities sold by the City.
- Provide City a receipt of all transactions.
- Pay for or sell securities purchased or sold by the City on a payment versus delivery basis.
- Collect interest on securities held in safekeeping.
- At least quarterly provide a statement summarizing all securities owned and transaction on behalf of the City.
- Securities will be kept in an account of the City.

Wire Transfer Service: The bank will be required to provide wire transfer services. Wire service credits and debit notices shall be delivered to the City the day following the transaction, preferably on-line. The bank will honor all outgoing wire requests by the City and not wait until incoming or deposited funds are available.

State Investment Pool: The City invests with the State of Washington Local Government Investment Pool. These investments may involve a transaction with the pool on a daily basis. The bank will be required to send and receive funds from the pool. The bank will provide funds to the pool as directed by the City regardless of funds in the City account at the time of request.

Deposit Services: The bank shall provide locking deposit bags as requested by the City. The bank should be able to provide night deposit services.

The bank shall accept uncounted coins from various sources (example, library fees or park/cemetery donations.) The bank will count, deposit and provide the City on the next business day a receipt for the deposit of uncounted coins. The bank shall employ generally accepted banking controls in dealing with uncounted deposits.

The bank may receive direct payments or deposits to City accounts other than from the City. In these instances the bank shall provide the City on the next banking day a receipt of the transaction. The bank shall automatically present (reprocess) returned deposited items a second time.

Delivery Services: The bank shall specify delivery services available such as messenger or armored car services and the associated costs per location.

Credit/Debit Card Processing: Describe your ability to provide an electronic system to accommodate credit/debit card authorizations and processing for customers. The bank will specify in their proposal what credit cards the bank will process and the related cost to the City. The bank shall indicate if these fees are charged against compensating balance earnings.

Credit Card Services: The bank shall provide selected City employees with credit cards for the purpose of making purchases. These credit cards are not to be debit or transaction cards such that the City account would be charged, but rather the City will make a payment from statements. The bank is to include in their proposal whether the City can obtain general corporation cards in addition to cards issued to specific individuals. Statements for each individual card should be available on line.

Direct Deposit: Describe direct deposit services, including automated electronic file transfer of data for both payroll, including associated bill transfers, and accounts payable. The City currently utilizes direct deposit services for our twice per month payroll, with a 24-36 hour turnaround time. The bank shall indicate if they use a corresponding institution to facilitate Direct Deposit services.

Indicate if the bank offers direct deposit services to any institution which receives wire transfers. Direct deposit is to be such that funds will be available by 8:00 am. on distribution day. The bank should specify how many days and what time of day prior to the day of deposit the bank requires the information as to which accounts to make deposits (provide an example such as, if for deposit on Thursday must receive data by noon preceding Tuesday.)

The bank shall explain its security structure and requirements for direct deposit. Describe time lines associated with direct deposits and if possible, alternatives to the standard time line, as well as the associated costs.

Reporting and Money Transfer: Describe the web-based system(s) available to access account transactions and balances, perform electronic money transfer (ACH and Wire), perform operations such as stop payments on checks. Include specifications for hardware and software capability as well as data download/file transfer formats for internet services proposed. Also specify the costs related to internet services.

Web-Based Payment Options: The City desires to offer customers the option to make credit, debit or ACH payments online via a secured transmission. The City uses Incode Utility Billing software that has the capability to offer these transactions to utility customers. Describe how the bank would interface with the City to complete these transactions.

Account Reconciliation: Describe the account reconciliation services offered by the Vendor including CD based and on-line check document image storage, positive pay (accounts payable and payroll), reverse positive pay, end-of-period report availability schedule and other electronic options or web-based options.

Statements: The City requires the bank to provide month-end statements for all accounts showing an analysis of all transactions to each account. Statements shall be available on-line.

The bank is also to provide an account activity analysis of each account and a consolidation of the activity of all accounts for each month. The account analysis is to include, but not be limited to:

- Ledger balance
- Collected balances
- Detail of adjustments
- Reserve requirement - in dollars and percent
- Credits/debits
- Detail of services and related costs
- Total cost of services
- Earnings allowance

Identify the proposed compensation method: (i.e.: compensating balances, straight fees, other method or combination thereof). Describe the interval/time frame proposed for the City to compensate for any additional fees not offset by the earnings allowance on collected balances (i.e.: monthly, quarterly, semi-annually, annually) and to what extent the service charge credit/debit from one year can be carried forward to the next year.

Account Earnings: The City desires to earn maximum value on its funds. Banks should provide information on its proposed method to insure the City earns value on amounts which may be in the City's accounts.

Overdraft Protection: The bank shall provide the City with overdraft protection including daylight overdrafts. The bank will honor all demands upon the City's accounts including outgoing wire instructions by the City. In the proposal the bank shall state the cost of providing the overdraft protection, including, if used, a benchmark from which the bank will determine the interest to be charged on overdrafts and current rates.

In the proposal the bank shall state its policy relating to daylight overdrafts, as well as what constitutes a daylight and overnight overdraft situation. Specify the fees and interest charge formula and when it will be applicable.

Conversion Plan: Describe the conversion plan you would coordinate to ensure a smooth transition from the current provider.

Service Enhancements: Describe any enhancements, technological or otherwise, that we should consider to improve operational or cash management efficiencies.

Emergency Preparedness and Disaster Recovery: Describe your disaster recovery procedures. How quickly will back-up facilities be activated?

Other Optional Services: The bank may specify other services. These services should include a brief description and anticipated cost.

BID SHEET
COST OF SERVICES

Bid Procedures: Each item below must be addressed. If there is no cost enter "none." If the bank is not bidding or offering the service enter "no proposal." Banks may use their own format for bidding of services provided all items are addressed and in the same order as presented on this bid sheet.

Any additional costs associated with the "General Requirements" or "Required Services" that are not specifically listed in the "Cost of Services" section must be added by the bank including unit costs.

Estimated monthly activity is not intended to be a guaranteed minimum or maximum.

Pricing Adjustments: Prices in proposals are to be for the initial year of the contract. Annually, the price per unit of service may be adjusted. The bank must state its adjustment factor.

Adjustment factor _____

Account Maintenance:

	Estimated Monthly Activity	Monthly Cost	Unit Cost
Checking Accounts:			
Coin/Currency Deposited	\$0 to \$5,000 daily		
Items Deposited:	2 daily		
Account Credits	0		
Checks Written	435 monthly		
Returned Items	5-10 monthly		

Reserve Requirement Calculated on: _____

Ledger Balance: _____

Collected Balance: _____

Adjusted Collected Balance: _____

Other _____ (Please Specify)

Statements: Provide examples of account analysis.

Monthly Statements: _____ (unit cost)

Combined Account Analysis: _____ (unit cost)

Wire Transfer Service:

	Estimated Monthly Activity	Monthly Cost	Unit Cost
Wire Transfer Out:	6		
Wire Transfer In	2		
Internal Bank Transfers:	0		

Cut off time for same day transactions: _____

Safekeeping: All quotes on DVP basis.

Physical – New York Not purchased from service bank: _____ (unit cost)

Physical – New York Purchased from service bank: _____ (unit cost)

Bookentry not purchased from service bank: _____ (unit cost)

Bookentry purchased from service bank: _____ (unit cost)

Coupon Collection: _____ (unit cost)

Account Maintenance: _____ (unit cost)

Account Statement: _____ (unit cost)

Location of safekeeping facilities _____

Correspondent bank, if any _____

Cut off time for same day transactions _____

Other services and costs related to safekeeping, please describe: _____

Direct Deposit:

	Estimated Monthly Activity	Monthly Cost	Unit Cost
Account Maintenance:			
Transmissions	2		
Items	190		

Briefly describe security procedures: _____

Account Earnings:

Describe the banks proposal to insure maximum earnings on idle funds in the City checking accounts at the end of the day. State the basis and a benchmark on which earnings will be calculated (i.e. average daily ledger balance). Earnings may be based on average daily balance for the month. If the bank used "Prime Rate" use the "Prime Rate" as reported in the *Wall Street Journal*.

State current earnings allowance: _____%

Overdraft Protection:

End of the day overdrafts:

Fee per overdraft caused by the City _____

Overdraft protection limit _____

Daylight overdrafts (during the day)

Fee per overdraft caused by the City _____

Overdraft protection limit _____

Describe the banks proposal and policy relating to overdrafts and daylight overdrafts in view of the services required by the City: _____

Locking deposit bags: _____ (unit cost)

Delivery Services:

Describe delivery services offered by the bank and the related cost. (Attach up to one additional page if necessary.)

Credit cards to be used for purchases:

Annual fee per card: _____

Can the bank issue credit cards to the City in general (not to a specific individual)?

Yes _____

No _____

Credit card payment services:

Credit card: _____

Unit Fee: _____

Discount: _____ %

Account Access:

Access by City to bank accounts for previous day activity:

Base/setup fee: _____

Monthly maintenance fee: _____

Access fees: _____

Other charges: _____

Access by City to bank accounts for same day activity:

Base/setup fee: _____

Monthly maintenance fee: _____

Access fees: _____

Other charges: _____

BID INFORMATION

A. Whom may we contact at your financial institution regarding this proposal?

Name: _____
Title: _____
Phone: _____

B. Location (branch) which will service the City's accounts:

C. Bank preferred method of compensation:

D. Specify type and location of services (attach) not to be provided within the Enumclaw City limits.

E. List regular hours of branches within Enumclaw:

Phone Availability: _____
Lobby Hours: _____

The undersigned acknowledges that he/she has read and understands the provisions set forth in the proposal and agrees that he/she can furnish the specified services at the quoted prices. It is further acknowledged that the City's proposal and proposed response of the financial institution shall be incorporated into a contract between the City and the undersigned.

NAME OF FINANCIAL INSTITUTION _____

Signature of Authorized Official _____

Title of Official _____

Date _____

Office Address _____

City _____ State _____ Zip _____ Phone _____