

Request for Proposal (RFP) for:

Banking Services



**City of Mount Vernon
Finance Department
910 Cleveland Avenue
Mount Vernon, WA 98273**

REQUEST FOR PROPOSAL

I. PURPOSE OF REQUEST

The City of Mount Vernon (City) invites commercial banking institutions (financial institution) who possess the capability and expertise to provide depository and other banking services to submit proposals for the provision of those services according to the requirements set forth in the document. The purpose of this process is to identify the financial institution that can provide maximum services and competitive pricing to the City.

II. BID PROCESS

The City will attempt to follow this timetable, which should result in the implementation of a banking services agreement by December 31, 2018

- Issue RFP May 1, 2018
- Vendor Questions Due May 15, 2018
- Optional Pre-submittal Conference May 21, 2018
- Proposal Responses Due July 3, 2018
- Interviews with Selected Financial Institution July 31, 2018
- Preliminary Selection of Financial Institution August 7, 2018
- Recommendation to Council/Council Approval August 22, 2018
- Implementation of Banking Services Agreement January 1, 2019

These dates are subject to change by the City.

III. MINIMUM QUALIFICATIONS

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

- a. Authority to offer banking services. Institution must hold a charter from either the United States Government or the State of Washington
- b. Access to the Federal Reserve System. Institution must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.
- c. Legal Compliance. Institution must be in compliance with all applicable laws, rules, regulations and ordinances of the City of Mount Vernon, the State of Washington and the United States.
- d. Public Deposit Protection Act. Institution 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).
- e. Local banking office. Institution must have an established office or local branch within the city limits.

IV. SUBMITTAL INSTRUCTIONS

a. Proposal Form

Submittals shall use the attached Forms included herein and shall also attach any required financial reports and documents that are requested.

b. No Proposal

If a financial institution cannot meet a service requirement, the term "No Proposal" should be entered on the Proposal For that specific requirement. In the case of a "No Proposal" statement, the financial institution may offer an equivalent alternative service. Failure to substantially propose on all basic services may result in rejection.

c. **Alternative Proposals**

A financial institution may submit equivalent alternative proposals for any and all of the optional banking services.

d. **Optional Pre-Submittal Conference**

Questions will be addressed at a pre-submittal conference held at 10:00 a.m. in the City Hall second floor conference room based on the schedule above. Questions must be submitted in writing at least one (1) week prior to the pre-submittal conference. No questions will be answered via telephone or in person other than during the pre-submittal conference. It is recommended that financial institutions have a representative in attendance, as this will be the only opportunity to have questions answered.

e. **Addendum**

Any additional information or addendum to this solicitation document will be issued by the City prior to the submittal deadline. Interested financial institutions are solely responsible for obtaining any additional information or addendums issued by the City. The City shall post such information on the City web site, www.mountvernonwa.gov and may additionally mail such information directly to known interested financial institutions. The City reserves the right to cancel or to reissue the RFP in whole or in part prior to the final award of the contract.

f. **Proposal Deadline and Submittal Instructions**

- All Proposals and/or questions should be directed to:
City of Mount Vernon
Finance Department
Attn: Doug Volesky
910 Cleveland Avenue
Mount Vernon, WA 98273-4212
- All proposals must be in a sealed envelope and clearly marked in the lower left-hand corner: "RFP-Banking Services".
- All proposals must be received by 4:00 p.m. on July 3, 2018. Five (5) copies of the proposal must be submitted as follows: Original paper proposal, Three (3) copies and One (1) reproducible digital copy.
- Late Proposals will not be accepted and will be returned unopened.
- Proposals should be prepared simply and economically, providing straight forward, concise description of provider capabilities to satisfy the requirement of the request. Special bindings, colored displays, promotional materials, etc. are not required. Emphasis should be on completeness and clarity of content.
- All proposals must include the following:
 1. Responses to Banking Services Questions/Statements in Section IX.
 2. Statement of financial institution Qualifications found in Section X, signed and notarized.
 3. Non-Collusion Affidavit Certificate found in Section XI, signed and notarized.
 4. A detailed schedule of costs by specified task using the Bid Sheet form in Exhibit A. Volumes indicated on the Bid Sheet are estimates and actual quantities may vary.

Costs not included on the Bid Sheet, but which the financial institution proposes to charge must be individually itemized and thoroughly explained. Bid Sheets must be executed by an official of the firm in a position to commit the institution to provide the services in accordance with these terms and conditions.

5. References: Proposal must include at least five (5) references of recent successful banking relationships (municipal preferred).

g. **Public Information**

All proposals and information included or attached submitted in response to the RFP shall become public record upon proposal opening and will be available for review upon request in accordance with state law.

h. **Contact Office**

The Finance Department shall be the only contact office for any or all aspects of this RFP. No communication, additional materials or questions will be allowed following submittal deadline. After the deadline those respondents that contact the City may be rejected from further consideration unless such contact is in direct response to a specific inquiry initiated by the City.

V. TERMS AND CONDITIONS

- a. The City reserves the right to reject any and all proposals without cause and to waive minor irregularities in any proposal
- b. The City reserves the right to request clarification of information submitted and to request additional information on any proposal.
- c. The City reserves the right to award any contract to the next most qualified financial institution if the successful financial institution does not execute a contract within 30 days.
- d. Any proposal may be withdrawn up until the date and time set above for opening of the proposals. Any proposal not so timely withdrawn shall constitute an irrevocable offer for a period on one hundred and twenty (120) days to sell to the City the services described in the attached specifications or until one or more of the proposals have been approved by the City administration, whichever occurs first.
- e. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City and shall reflect specifications in the RFP. A copy of the proposed contract is attached at the end of this RFP. The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney.
- f. The City shall not be responsible for any costs incurred by the financial institution in preparing, submitting or presenting its proposal.

VI. SELECTION PROCESS

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. Criteria shall be as follows:

a. **Responsiveness to the RFP**

The City will consider all the material submitted to determine whether the financial institution's offering is in compliance with the RFP documents.

b. **Ability to Perform Required Services**

The City will consider all relevant material submitted by each financial institution and other relevant material it may otherwise obtain to determine whether the financial institution is capable of providing services of the type and scope specific to the RFP. The following elements may be given consideration by the City in determining whether a bank is capable:

1. Proper submission of proposal: Receipt of proposal by the due date.
2. Demonstrated ability, knowledge and experience in successfully providing banking services. Experience in municipal banking services is required.
3. Strength and stability: The financial institution's financial standing among its peers and the associated credit quality ratings.
4. Comprehensiveness of services provided
5. References: The City will consider the submitted references of recent successful banking relationships.
6. Charges for services: The cost of proposed services and pricing increases in subsequent years
7. Cost of transition: The total cost of changing financial institutions
8. Service Enhancements: The financial institution's efforts to understand the City's banking needs and goals and the creativity the financial institution shows in introducing new technologies and efficiencies to improve the City's current practices and procedures
9. Assigned Relationship Manager/Team: The credentials and experience of the person(s) assigned to our relationship
10. The City may conduct interviews and site visits as part of the final selection process
11. Other factors: Any other factors that the City believes would be in their best interest to consider which were not previously described.

VII. CONTRACT TERMS

a. Awarding of Contract

The City of Mount Vernon Banking Services contract is expected to be approved by City Council on or about August 22, 2018 at 7:00 p.m. in the Council Chambers/Court Room located at 1805 Continental Place, Mount Vernon, WA 98273. Award of contract will be to the financial institution whose proposal is the most favorable to the City, taking into consideration the evaluation factors. Unsuccessful proposers will not be automatically notified of the proposal results

b. Term of Contract

The selected financial institution shall enter into a three (3) year contract with the City. The Banking Services contract shall contain an automatic renewal clause which may be used twice for the for the following one (1) year extension periods under the same terms and conditions, thereby providing for up to five (5) years of depository and banking services

c. Cancellation of Contract

The Banking Services contract shall provide that either the City or the selected financial institution reserves the right to cancel any agreement at any time upon ninety (90) days written notice of its intent to terminate any agreement without cause. A decision to terminate the depository contract during the initial three years of the contract may NOT be as a result of profitability or non-profitability by either party.

VIII. SCOPE OF SERVICES

a. **General Information**

The City is soliciting proposals for a primary banking relationship with a financial institution which operates an office within the city limits. The City will be contracting for the following general services for a three year period beginning January 1, 2019 and ending December 31, 2021. At the City's option, two one-year extensions will be permitted upon the same terms and conditions of the original contract and as it is amended.

The City anticipates that the proposed banking services will be compensated by the credit earned on average collected balances.

The City is interested in internet services including, but not limited to: account reconciliation, check image retrieval, account analysis, on-line transactions and e-commerce. Detail of internet services are identified in this RFP.

b. **Services Required**

1. **Checking Accounts:** The City currently utilizes five (5) checking accounts: 1) Payroll checking account, 2) Accounts Payable checking account, 3) Treasurer's checking account, 4) Healthcare checking account and 5) Parks Facilities Deposit checking account. The financial institution will furnish the City with additional checking accounts as needed. In addition to the checking accounts the City currently has two money market accounts. The basic checking account services must consist, at minimum, the following:
 - i. Provide month-end statements by the 5th business day of the following month;
 - ii. Provide electronic check image storage and retrieval;
 - iii. Provide individual and consolidated monthly account analysis for all accounts by the 5th business day of the following month;
 - iv. Provide an automated wire transfer system for transferring funds to other institutions, along with appropriate levels for wire transfer initiations and approvals;
 - v. Provide online account transfers between City accounts;
 - vi. Provide a current day online reporting system, with information on collected available and closing balances as well as details of all debits and credits posted to the account;
 - vii. NSF checks must be processed twice before being returned to the City;
 - viii. Provide a relationship manager to assist in answering questions, troubleshooting problems and resolving issues in a prompt manner;
2. **Zero Balance Accounts:** The City is considering zero balance accounts; please provide information outlining your zero balance account program.
3. **Overdraft Protection:** Although the City will attempt to minimize daylight and overnight overdraft situations, it recognizes that there are time these situations will occur. It is anticipated these overdraft situations will not exceed \$1,000,000, if they do occur.
4. **Banking Supplies:** The financial institution will be required to provide a supply of coin rollers, security bags, deposit slips, treasurer's checks and endorsement stamps for each City receipting location. The deposit slips and security need to include

location identification numbers. The cost of such supplies shall be charge to the City's account.

5. **ACH Debit Services:** The City processes approximately 720 direct debit payments for City utility customers' bills.
6. **Direct Deposit for Payroll:** The City offers and encourages direct payroll deposit for its employees. The City pays its employees semi-monthly on the 5th and 20th of each month. Deposit must be made into employees' accounts by 8:00 a.m. on payday. The financial institution will guarantee next day delivery of the direct deposit file transmission.
7. **Safekeeping Services:** The City may occasionally require safekeeping facilities and services for the City's investment securities. Required safekeeping services include, but are not limited to:
 - Receive/deliver securities on a delivery versus payment method;
 - Price securities to market;
 - Collect coupon bond interest;
 - Provide delivery confirmation on new security purchases;
 - Provide a monthly statement of holdings;
 - Register or transfer securities
 - Verify holdings as of specific dates for audit purposes;
 - Credit the City's account for interest and principal payments on the day received;
 - Provide maturity and interest payment notices at least 5 days prior to payment date.

The City currently invests in U.S. Treasury and Agency securities that require safekeeping services. The City may invest in other securities allowed by Washington State Statute in the future. The successful bidder will be required to comply with all State and Federal regulations regarding safekeeping of municipal securities.

8. **Night Depository Services:** The financial institution will provide the City with the ability to make "night drop" deposits after hours.
9. **Trust and Escrow Agent Services:** The City may require trust and escrow agent services to hold letters of credit and other third party commercial documents. The institution will, in most cases, be required to take physical custody of these securities, notify the Parties of their expiration thirty days prior to termination of the agreement and accept renewal or replacement of instruments. The City may also require accounts be maintained for contractors choosing to place retainage funds in an interest bearing account.
10. **Interim Financing:** The financial institution agrees to bid competitively on all legally acceptable interim financing debt issues such as tax anticipation notes, bond anticipation notes, or other notes issued in anticipation of future City revenues.
11. **Data Equipment Compatibility:** The City heavy relies on the on-line transactions and wishes to ensure equipment and data compatibility and therefore requests the specifications needed for an automated wire transfer, ACH debit and credit, credit card balancing, reporting, cancelled check import files and any other automated systems be include in this proposal.
12. **Credit/Debit Card Services:** The financial institution will provide the City with the ability to accept payment through the use of credit/debit cards. The City will be

credited daily for the gross amount of the bank card transactions. Any sales discount fee or percentage proposed will be billed at the end of each month as part of the activity charges.

13. **Positive Pay:** The financial institution will provide positive pay services for all checking accounts. This service will include electronic file import and exception reporting with approval or return.
14. **Armored Car Services:** The financial institution will provide armored car pick up service for deposits each workday.
15. **Lockbox Services:** The financial institution will provide information on lockbox services.
16. **Credit Card:** The financial institution will provide credit card services (VISA or MasterCard) to be issued to individual employees
17. **Purchasing Cards:** The financial institution will provide information on their purchasing card program, including your rebate percentage or calculation.
18. **Paymode Concentrator or Equivalent:** The financial institution will provide a program that will consolidate payments generated from utility customers' online bill pay services and provide an electronic file that will import into the City's financial system on a daily basis. The program will also provide a daily report of all payments.
19. **Miscellaneous Services:** In addition to the requirement listed above, the proposal shall identify proposed fees for other services provided that would be beneficial to the City that have not been specifically addressed.
20. **Services Not Provided:** In the event that the primary proposing financial institution does not provide all requested services included in the RFP, the financial institution will submit as part of its proposal additional partners/providers who do provide these services. It is the sole responsibility of the primary financial institution to secure and maintain the relationship with any additional providers. The primary financial institution will identify all secondary providers at the time of the bid.

IX. BANKING SERVICES QUESTIONS/STATEMENTS

- a. Provide the names, telephone numbers and email addresses of those individuals that will be working on the proposed services and their areas of responsibility including their specific experience relative to the request for proposal.
- b. Submit at least five (5) references (preferably from current local government customers) who can attest to the financial institution's experience as it relates to providing banking services. The references must include contact name, title, address, email address, telephone number and services used.
- c. Describe your institution's community participation/reinvestment program including your Community Reinvestment Act (CRA) rating.
- d. Describe your institution's customer service philosophy and organizations structure and provide meaningful examples to illustrate.
- e. Provide the following reports and information about your institution:
 1. Sample Monthly account analysis;
 2. Sample Monthly account statement;
 3. Sample Monthly merchant services report;
 4. Most recent financial statement;
 5. SEC and/or Moody's credit rating or comparable rating.

- f. Provide funds availability schedule. Describe one day, two day availability and wire requirements.
- g. Describe your Balance Reporting systems and availability.
 - 1. What hardware/software does the financial institution use to deliver balance and transaction detail information?
 - 2. What time is previous day information available for access by the customer?
 - 3. What are the hours of access of the balance reporting system?
 - 4. Does the financial institution provide current day information?
 - a. How frequently is this information updated throughout the day?
 - b. What transaction types are available on current day reports?
 - 5. Describe the level of detail provided in previous and current day reports.
 - 6. How many days of history can be accessed through the system?
 - 7. In what format is information available?
 - 8. Provide a sample printout of the daily on-line balance information.
 - 9. Are email alerts and delivery provided for same day information and monthly reporting?
- h. ACH Services:
 - 1. What is the recommended service delivery method (i.e., direct transmission, online, or other)?
 - a. What are the hardware/software requirements?
 - b. What training does the financial institution provide?
 - c. Does the software offer the ability to manage security and access levels by user?
 - d. What report options are available?
 - e. What controls are in place to protect against lost files and duplication of transmissions?
 - f. Does the financial institution provide automatic file receipt acknowledgements? If so, how?
 - g. Describe the role of any third-party processor used by the financial institution to provide this service.
 - 2. What are the hours of operation of the ACH unit?
 - 3. What are the financial institution's cut-off times for customer initiation of ACH transactions?
 - 4. Describe the procedures used to verify accurate and secure receipt of transmissions.
 - 5. Can the financial institution automatically redeposit items returned for insufficient or uncollected funds?
 - 6. How does the financial institution handle file, batch and item reversals and deletions?
- i. Positive Pay:
 - 1. What is the recommended service delivery method (i.e., direct transmission, online, or other)?
 - a. What are the hardware/software requirements?
 - 2. What controls are in place to protect against lost files and duplications of transmission?
 - 3. Does the Financial Institution provide automatic file receipt acknowledgements? If so, how?
 - 4. Describe the role of any third-party processor used by the Financial Institution to provide this service.
 - 5. What is the Financial Institution's deadline for transmitting files/data?

6. What is the process for notifying the financial institution of a single check or small check run outside of the regular batch file?
 7. How does the City notify the financial institution of voided and stop payment checks?
 8. Does your Financial Institution have payee verification?
 9. Is the positive pay service fully implemented at all financial institution branches?
 10. How does the financial institution handle exception ("paid not issued") items?
 - a. Does the financial institution offer a daily listing of exception items?
 - b. Are there defaults available for each account to either automatically return or pay on exception items?
 - c. What is the timeline for reporting exceptions to the City?
 - d. How are exceptions reported to the City? Are email notifications available? Will an image be available?
 - e. What is the timeline for the City to act on any exceptions?
 - f. What are the hours of operation of this service unit?
- j. Merchant Card Services:
1. Provide a funds availability schedule by card type. Is it negotiable?
 2. What is the settlement schedule? Are manual and auto settle options available?
 3. What daily and monthly reconciliation reports are available?
 4. Do you offer recurring billing processing?
 5. How are fees billed?
 6. What hardware is required and what is the cost of the hardware?
- k. Payment of Fees:
1. What is the effective rate and formula used to calculate the service charge credit for collected funds balances?
 2. What is the method for setting rates on a compensating certificate of deposit?
 3. What is the proposed timeframe to pay any additional fees not offset by service charge credit?
 4. Will credit/debit be carried forward to the next period?
 5. What is the formula for any fees in the event of an overdraft?
 6. Describe what constitutes a daylight and overnight overdraft situation.
- l. Deposit Errors and Adjustments:
1. Describe your adjustment process for resolving deposit discrepancies.
 2. At what dollar amount do you write off discrepancies?
 3. Do you adjust the deposit amount or process an adjusting debit or credit?
 4. Describe how inquiries requiring research and adjustments are handled. Are there established timeframes for research and adjustment items?
- m. NSF/Returned Items:
1. The City will require re-depositing 'NSF' or 'uncollected funds' returned items so that they may be presented a second time prior to being charged back.
 2. Describe processing procedures.
 3. What are the fees?
 4. Are there any other related services available?

- n. Security/Protection Measures:
1. What security measures are in place to minimize the risk of unauthorized transactions?
 2. How are the City's assets restored in the event of a security breach or hacking incident?
 3. What is the timeline for restoration of City funds in the event of an unauthorized transaction?
- o. Service Enhancements: Describe any enhancements, technological or otherwise, that we should consider to improve operation or cash management efficiencies.
- p. On-Line Banking:
1. Discuss your use of the internet in providing services to your municipal customers.
 2. Describe security measures in place to safeguard the City's Assets.
 3. Do you provide electronic reporting of deposit detail activity?
 - a. Can detail be accessed in real time?
 - b. How often is the daily information updated?
 - c. Can the information be accessed by multiple users from multiple locations? If so, can the user access be restricted to certain data?
 - d. What time each day is the data available for daily reporting?
 - e. Describe the technical support available to aid in electronic data transmission?
- q. Wire Transfer Processing:
1. What levels and type of security safeguards are in place when initiating and releasing wires?
 2. Does the financial institution have repetitive wire transfer set-up functions?
 3. What provisions are in place to allow the City to initiate a priority wire transfer requiring special handling and immediate release? Are there any additional fees?
 4. What are the opening hours and the cut-off times for initiating a wire transfer to ensure same day execution?
 5. What is the cut-off time for incoming domestic wire transfers to receive same day credit?
 6. When is an internal financial institution confirmation available after a wire execution? Explain any delays.
 7. When is a Federal Reference number confirmation available after a wire execution? Explain any delays.
 8. Have there been interruptions in the process of wire transfers due to financial institution managing its net debt cap? What safeguards are in place to ensure uninterrupted service?
 9. When and how can a wire transfer be cancelled after it is released to the system by the City? Is there a fee for the cancellation?
 10. At what point does the financial institution assume legal liability for executing a wire transfer?
 11. What is the financial institution's policy in the event of a wire transfer failure for which receipt of instruction has been confirmed to the customer?

12. How and when is the customer notified of a failed wire transfer?

- r. New Services: Provide information on how your financial institution plans to keep your product line competitive. Describe what approach the financial institution is taking in the development of new services and what new services and/or features the financial institution plans to offer and within what time frame.
- s. Disaster Recovery:
 - 1. Describe your financial institution's formal disaster recovery plan
 - 2. How quickly will back-up facilities be activated?
 - 3. Describe your institution's operating capabilities to assist the City in the event of a disaster or declared emergency
- t. Implementation Plan: Provide a detailed description of the implementation process, including testing and a sample implementation schedule.
- u. List the address and hours of operation at your nearest branch office as well as the hours of operation for non-branch services.
- v. Discuss any special conditions, other fees, other services or deviations that aren't covered in Section IX or Exhibit A but are included in the scope.

X. STATEMENT OF FINANCIAL INSTITUTION QUALIFICATIONS

Each financial institution submitting a proposal for items included in this document shall prepare and submit the following data along with the proposal:

1. Name of Financial Institution: _____
2. Business Address: _____
3. Business Phone: _____
4. E-mail Address _____
5. How many years have you been in business under the present name? _____
6. General Character of services provided by your institution: _____
7. City of Mount Vernon Business License Number: _____
8. State of Washington Department of Revenue UBI Number: _____
9. Federal IRS Employer Identification Number: _____
10. I certify that the institution:
 - Is capable of providing the services as outline in the proposal
 - Will comply with the rules and regulations outline by the Revised Code of Washington, Mount Vernon Municipal Code, the Washington Public Deposit Protection Commission and other applicable laws and regulations.

City of Mount Vernon
Banking Services

Institution Name	Authorized Signature
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Sworn before me, this _____ day of _____, 2018

Notary Public
In and for the State of Washington

XII. OTHER INFORMATION

For additional information or explanation of the contents or intent of these specifications, please email your questions to Doug Volesky, Finance Director at dvolesky@mountvernowa.gov. An optional bidder's conference will be held at 10:00 a.m. on May 21, 2018 at City of Mount Vernon City Hall, 910 Cleveland Avenue, Mount Vernon, WA 98273.

The City can provide copies of this document for your modification in MS Word format to assist with your responses.

**EXHIBIT A
BID SHEET**

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Required Compensating Balance
<i>Ongoing Current Services:</i>				
Account Maintenance		5		
Banking Center Deposit		26		
Deposit Correction		1		
Returns-Chargeback		2		
Returns, Re-clear		2		
Returns, Re-clear services		1		
Un-encoded Checks		3,588		
Electronic Debits Posted		14		
Electronic Credits Posted		111		
Deposit Account Statements		6		
Paper Statement Fee		1		
Check Paid Image		578		
CPO Transfer		2		
<i>ACH Services</i>				
ACH Return Item		2		
ACH Monthly Maintenance		2		
ACH Process Run		2		
ACH Input, E-Channel		1		
ACH Standard Report		1		
ACH On US Debit/Credit		110		
ACH Originated Transit Item		484		
ACH Off US Debit		618		
ACH Credit Received Item		112		
ACH Debit Received Item		8		
<i>Wire Transfer</i>				
GPS Confirms		1		
GP Maintenance		2		
PH or STND Order Temp Store		2		
Electronic Wire Out, Domestic		4		
Incoming Domestic Wire		4		
GP Customer Temp Storage		3		
Wire Advice Mail		2		
<i>Account Reconciliation</i>				
Positive Pay Exceptions		1		
Positive Pay Maintenance		2		
Positive Pay Issue Maintenance		1		
Positive Pay Return		1		
ARP Input Item		538		
Transmission Input		2		
<i>Information Services</i>				
Online Subscription		3		
IR Maintenance		1		
PDR Account		4		

**EXHIBIT A
BID SHEET**

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Required Compensating Balance
PDR Item Stored		1,637		
Per Image Access		3		
Research Item		860		
CPO Per Image Access		3		
Account Transfer		4		
Account Analysis Report		1		
Stop Payments Maintenance		1		
Token Maintenance		3		
<i>EDI Services</i>				
Paymode Monthly License		1		
Paymode Transaction		1,908		
<i>Image</i>				
Image Archive, 90 days		40		
Image Archive, 7 years		661		
Image Maintenance		2		
Image CD		1		
<i>Merchant Services</i>				
Merchant Accounts		3		
Transaction Total		56,960		
Number of Transactions		335		

Notes or Item Description:

Formulas:

1. Daylight Overdraft Formula

2. Overnight Overdraft

3. Short-term Financing

4. FDIC Insurance

5. Service Charge Credit

The undersigned, an institution or firm maintaining a branch/office within the city limits of Mount Vernon, Washington, submits the following proposal for the City's banking services for the period beginning January 1, 2019 and ending December 31, 2021.

Authorization:

Authorized Signature

Title

Printed Name

Date

Institution Name

Phone Number

Mailing Address

City, State, Zip

Contact Name (if different from above)

Contact Phone Number

EXHIBIT B
BANKING SERVICES AGREEMENT

PROFESSIONAL SERVICES AGREEMENT BETWEEN CITY OF MOUNT VERNON AND
_____ FOR BANKING SERVICES

THIS AGREEMENT, made and entered into in Skagit County, Washington, by and between the CITY OF MOUNT VERNON, a code city municipal corporation organized under Title 35A RCW hereinafter called the "City", and _____, hereinafter called the "Financial Institution"

WHEREAS, the Financial Institution has represented, and by entering into this Agreement now represents, that the firm and all employees assigned to work on any City project are in full compliance with the statutes of the State of Washington governing activities to be performed and that all personnel to be assigned to the work required under this agreement are fully qualified and properly licensed to perform the work to which they will be assigned.

NOW THEREFORE, in consideration of the terms, conditions, covenants, and performances contained herein below, the parties hereto agree as follows:

I. PURPOSE

The purpose of this agreement is to provide the City with banking and financial services as described in Section II. The general terms and conditions of relationships between the City and the Financial Institution are specified in this agreement.

II. SCOPE OF WORK

The Financial Institution shall furnish all labor, materials and supplies necessary to perform the required Banking Services as stated in the Banking Services Proposal (the "RFP") attached as Exhibit A and incorporated by this reference. All performance of Banking Services under this Agreement shall meet all applicable requirements of the state and federal law. All Banking Services, and all duties incidental or necessary thereto, shall be conducted and performed diligently and completely and in accordance with professional standards of conduct and performance.

III. OBLIGATIONS OF THE FINANCIAL INSTITUTION

3.1 MINOR CHANGES IN SCOPE. The Financial Institution shall accept minor changes, amendments, or revisions in the detail of the work as may be required by the City when such changes will not have any impact on the service costs or proposed delivery schedule. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

Extra Work: The City may desire to have the Financial Institution perform work or render services in connection with each project in addition to or other than work provided for by the expressed intent of the scope of work in the scope of services. Such work will be considered as extra work and will be specified in a written supplement to the scope of services, to be signed by both parties, which will set forth the nature and the scope thereof. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

3.2 WORK PRODUCT AND DOCUMENTS. The work product and all documents listed in the scope of services shall be furnished by the Financial Institution to the City, and upon completion of the work shall become the property of the City, except that the Financial Institution may retain one copy of the work product and documents for its records. The Financial Institution will be responsible for the accuracy of the work, even though the work has been accepted by the City.

In the event that the Financial Institution shall default on this agreement or in the event that this contract shall be terminated prior to its completion as herein provided, all work product of the Financial Institution, along with a summary of work done to date of default or termination, shall become the property of the City. Upon request, the Financial Institution shall tender the work product and summary to the City. Tender of said work product shall be a prerequisite to final payment under this contract. The summary of work done shall be prepared at no additional cost to the City.

Financial Institution will not be held liable for reuse of these documents or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Financial Institution.

3.3 TIME OF PERFORMANCE. The term of this agreement shall be three (3) years beginning January 1, 2019 through December 31, 2021. Upon mutual written consent, subject to the provisions for termination as set forth in Section V, paragraph 5.2, this agreement may be extended twice, each time for one (1) additional year. During the any extension period, all terms and conditions of the existing Agreement shall remain in effect except for those terms and conditions mutually agreed to in writing and amended for the extension period. The Financial Institution shall be authorized to begin work under the terms of this agreement upon signing of both the scope of services and this agreement and shall complete the work no later than [Date], unless a mutual written agreement is signed to change the schedule. An extension of the time for completion may be given by the City due to conditions not expected or anticipated at the time of execution of this agreement.

3.4 NON-ASSIGNABLE. The services to be provided by the Financial Institution shall not be assigned or subcontracted without the express written consent of the City.

3.5 EMPLOYMENT. Any and all employees of the Financial Institution, while engaged in the performance of any work or services required by the Financial Institution under this agreement, shall be considered employees of the Financial Institution only and not of the City, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of any said employees while so engaged, and any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Financial Institution or its employees while so engaged in any of the work or services provided herein shall be the sole obligation of the Financial Institution.

3.6 INDEMNITY.

- a. The Financial Institution will at all times indemnify and hold harmless and defend the City, its elected officials, officers, employees, agents, and representatives, from and against any and all lawsuits, damages, costs, charges, expenses, judgments, and liabilities, including attorney's fees (including attorney's fees in establishing indemnification), collectively referred to herein as "losses" resulting from, arising out of, or related to one or more claims arising out of negligent acts, errors or omission of the Financial Institution in performance of Financial Institution's professional services under this agreement. The term "claims" as used herein shall mean all claims, lawsuits, causes of action and other legal actions and proceedings of whatsoever nature, involving bodily or personal injury or death of any person or damage to any property including, but not limited to, persons employed by the City, the Financial Institution or other person, and all property owned or claimed by the City, the Financial Institution, or affiliate of the Financial Institution or any other person.
- b. Should a court of competent jurisdiction determine that this agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Financial Institution and the City, its members, officers, employees, and agents, the Financial Institution's liability to the City, by way of indemnification, shall be only to the extent of the Financial Institution's negligence.
- c. The provisions of this section shall survive the expiration or termination of this agreement.
- d. It is further specifically and expressly understood that the indemnification provided herein constitutes the Financial Institution's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the parties and entered into knowingly, intentionally and voluntarily by the Financial Institution. The provisions of the section shall survive the expiration or termination of the Agreement, _____(initials) _____(initials)

3.7 INSURANCE. The Financial Institution shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may

arise from or in connection with the performance of the work hereunder by the Financial Institution, its agents, representatives or employees.

No Limitation. Financial Institution's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Financial Institution to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

a. **Minimum Scope of Insurance.** Financial Institution shall obtain insurance of the types described below:

1. **Automobile Liability insurance** covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. **Commercial General Liability insurance** shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, and personal injury and advertising injury. The City shall be named as an insured under the Financial Institution's Commercial General Liability insurance policy with respect to the work performed for the City.

3. **Workers' Compensation coverage** as required by the Industrial Insurance laws of the State of Washington.

4. **Professional Liability insurance** appropriate to the Financial Institution's profession.

b. **Minimum Amounts of Insurance.** Financial Institution shall maintain the following insurance limits:

1. **Automobile Liability insurance** with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

2. **Commercial General Liability insurance** shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

3. **Professional Liability insurance** shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

c. **Other Insurance Provisions.** The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability, and Commercial General Liability insurance:

1. The Financial Institution's insurance coverage shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Financial Institution's insurance and shall not contribute with it.

d. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

e. Verification of Coverage. Financial Institution shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Financial Institution before commencement of the work. Throughout the term of this Agreement, the Financial Institution shall provide the City with proof of insurance upon request by the City.

3.8 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Financial Institution agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, age, or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or any other forms of compensation; selection for training, rendition of services. The Financial Institution further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Financial Institution understands and agrees that if it violates this nondiscrimination provision, this agreement may be terminated by the City, and further that the Financial Institution will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

3.9 UNFAIR EMPLOYMENT PRACTICES. During the performance of this agreement, the Financial Institution agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

3.10 AFFIRMATIVE ACTION. Affirmative action shall be implemented by the Financial Institution to ensure that applicants for employment and all employees are treated without regard to race, creed, color, sex, age, marital status, national origin, or the presence of any sensory, mental, or physical handicap, unless based on a bona fide occupational qualification. The Financial Institution agrees to take affirmative action to ensure that all of its employees and agent adhere to this provision.

3.11 LEGAL RELATIONS. The Financial Institution shall comply with all federal, state and local laws and ordinances applicable to work to be done under this agreement. This contract

shall be interpreted and construed in accordance with the laws of Washington. Venue for any action commenced relating to the interpretation, breach or enforcement of this agreement shall be in Snohomish County Superior Court.

3.12 INDEPENDENT CONTRACTOR. The Financial Institution's relation to the City shall at all times be as an independent contractor. Nothing in this Agreement shall create the relationship of employer and employee between the parties. Neither the Financial Institution nor any employee of the Financial Institution shall be entitled to any benefits accorded City employees by virtue of the performance of Banking Services provided under this Agreement. The City shall not, for any reason, be responsible for withholding or otherwise deducting federal income tax or social security or contributing to the State industrial insurance program, or otherwise assuming the duties of an employer with respect to the Financial Institution, or any employee of the Financial Institution.

3.13 CONFLICTS OF INTEREST. While this is a non-exclusive agreement the Financial Institution agrees to and will notify the City of any potential conflicts of interest in Financial Institution's client base and will seek and obtain written permission from the City prior to providing services to third parties where a conflict of interest is apparent. If a conflict is irreconcilable, the City reserves the right to terminate this agreement.

3.14 RECORDS REQUESTS/CITY CONFIDENCES. The Financial Institution agrees to and will keep in strict confidence, and will not disclose, communicate, or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or services provided to the City. The Financial Institution acknowledges that the City is subject to the Public Records Act, chapter 42.56 RCW (the "PRA"). All records owned, used, or retained by the City are public records subject to disclosure unless exempt under the PRA, whether or not the records are in the possession or control of the City or Financial Institution. All exemptions to the PRA are narrowly construed. If the City, in its sole legal judgment, believes that the Financial Institution possesses records that (1) are responsive to a PRA request and (2) were used by the City, the City will request the records from the Financial Institution. The Financial Institution will, within ten (10) business days:

- i. Provide the records to the City in the manner requested by the City;
- ii. Obtain a court injunction, in a lawsuit involving the requester, covering all, or any confidential portion of, the records and provide any records not subject to the court injunction; or
- iii. Provide an affidavit, in a form acceptable to the City Attorney, specifying that the Financial Institution has made a diligent search and did not locate any requested documents.

IV. OBLIGATIONS OF THE CITY

4.1 PAYMENTS. The Financial Institution shall be paid by the City for completed work for services rendered under this agreement and as detailed in the Exhibit B fees as provided herein after. Fees will be paid through compensating balances or where and if specified in the exhibit through direct credit to the City's account. Such payments shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work. In the event the City elects to expand the scope of services from that set forth in Exhibit A, the City shall pay Financial Institution an additional amount based on a time and expense basis, based upon Financial Institution's current schedule of hourly rates.

4.2 CITY APPROVAL. Notwithstanding the Financial Institution's status as an independent contractor, results of the work performed pursuant to this contract must meet the approval of the City, which shall not be unreasonably withheld if work has been completed in compliance with the scope of work and City requirements.

V. GENERAL

5.1 NOTICES. Notices to the City shall be sent to the following address:

City of Mount Vernon
Attn: Doug Volesky
910 Cleveland Avenue
Mount Vernon, WA 98273-4212

Notices to the Financial Institution shall be sent to the following address:

[FINANCIAL INSTITUTION NAME & MAILING ADDRESS]

Receipt of any notice shall be deemed effective three (3) days after deposit of written notice in the U.S. mail with proper postage and address.

5.2 TERMINATION. The right is reserved by the City to terminate this agreement in whole or in part at any time upon Three (3) months' written notice to the Financial Institution.

If this agreement is terminated in its entirety by the City for its convenience, a final payment shall be made to the Financial Institution which, when added to any payments previously made, shall total the actual costs plus the same percentage of the fixed fee as the work completed at the time of termination applied to the total work required for the project.

5.3 DISPUTES. The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this contract may be resolved by a mutually agreed upon alternative dispute resolution of arbitration or mediation.

5.4 NONWAIVER. Waiver by the City of any provision of this agreement or any time limitation provided for in this agreement shall not constitute a waiver of any other provision.

5.5 INTEGRATED AGREEMENT. The entire and integrated agreement between the City and the Financial Institution related to the Banking Services shall consist of this Agreement, the Financial Institution’s Bid Response and the City’s RFP as modified by the Bid response. In the event of conflict among any of the preceding documents, such documents shall govern in the following order of precedence: (1) this Agreement, (2) the Bid Response and (4) the RFP. The integrated agreement supersedes all prior negotiations, representations, statements and agreements, whether written or oral, regarding the Banking Services.

5.6 CHOICE OF LAW. All questions concerning the validity, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Washington, and venue for any action in court for the interpretation of the terms of this Agreement, shall be in Skagit County, Washington.

DATED this _____ day of _____, 2018.

CITY OF MOUNT VENRON [FINANCIAL INSTITUTION]

By: _____
Jill Boudreau, Mayor

ATTEST:

APPROVED AS TO FORM:

By: _____
Doug Volesky, Finance Director

By: _____
Kevin Rogerson, City Attorney

ATTACHMENTS: EXHIBIT A: Banking Services Fee Schedule