



Request for Proposals Banking Services

City of Carnation
4621 Tolt Ave
Carnation, WA 98014

Prepared by Administrative Services
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Table of Contents

Introduction	1
Minimum Qualifications Required	1
Regulatory Requirements	1
Other Qualifying Conditions	1
Location	2
Scope of Services	2
Overview	2
Mandatory Services Required	2
Potential Future Services	5
Time Schedule	6
Submittal Instructions	6
Selection Process	8
References and Financial Information	8
Required Services	8
Banking Fees and Bid Sheet	8
Terms and Conditions	9
Banking Services Questions/Statements	10
Section I - References and Financial Information	10
Section II - Banking Services	10
Section III - Banking Fees.	15
Statement of Financial Institution Qualifications	17
Non-Collusion Affidavit Certificate	18
Bid Sheet	19
Banking Services Agreement Provisions for the City of Carnation	21

Introduction

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

Minimum Qualifications Required

Banks responding to this RFP must meet the following qualifications:

Regulatory Requirements

The Bank must have the authority to offer banking services and hold a charter from either the United States Government or the State of Washington.

The Bank must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.

The Bank must be a Washington State qualified depository for public funds and must comply with the Washington Public Deposit Protection Act (RCW 39.58). The qualified designation must remain in effect for the duration of the Banking Services Contract.

The Bank must be insured by the Federal Deposit Insurance Corporation (FDIC).

The Bank must comply with all applicable laws, rules, regulations, and ordinances of the City of Carnation, the State of Washington, and the United States.

Other Qualifying Conditions

The Bank must be a full-service banking institution capable of providing at least those services identified in pages 2 – 5.

The investment activities of the City will in no way be affected by the appointment of a bank to handle the City's regular checking account. All investment activities will be handled at the direction of the City's City Manager in accordance with state laws and adopted City policies.

The City reserves the right to schedule a tour of the facilities of any or all banks that submit proposals to this RFP.

The Bank must provide copies of all documents required by State law (Public Fund Protection Act of 1969, chapter 193) as a part of the submittal to the City. The Bank must meet or exceed the requirements outlined therein.

The Bank must have a minimum of 2 years of experience providing municipal banking services.

Location

The Bank must have branch banking facilities located within 20 miles of City of Carnation city limits which must offer the full range of banking services required by this Request for Proposal (RFP).

Scope of Services

Overview

The City will be contracting for the following general services for a five-year period beginning April 1, 2024, and ending April 30, 2028. At the City's option, a two-year extension will be permitted under the same terms and conditions of the original contract and as it is amended.

The City utilizes a check system, as opposed to warrants. The average balance in the City's checking account for the last three years was \$1.8 million. The City anticipates that proposed banking services will be compensated by the credit earned on average collected balances but is also willing to consider other options.

Mandatory Services Required

Checking Account Services

The City currently utilizes one primary checking account, which includes accounts payable, treasury deposits, merchant services deposits, and payroll check processing. Currently deposits are made at the City's current financial institution's physical location daily and the City does not use scan or remote deposit. The City would like to use scan deposit services in the future and may need courier services if the selected provider is located outside city limits. Basic checking account services should at least consist of:

- Physical month-end statements by the 15th day of the following month with statements provided to various auditors upon request.
- Electronic month-end statements by the 2nd day of the following month.
- Monthly account analysis by the 15th day of the following month.
- An online wire transfer system for transferring money to other institutions, along with appropriate security levels for wire transfer initiations and approvals.
- A web-based balance reporting system for both previous and current day transactions including available and collected balances, float, and the ability to identify deposits by location. Balances and previous day information must be available by 7:00 a.m. the following day. The majority of current day ACH transactions must be available by 8:00 a.m. and updated as additional ACH or wire transactions occur throughout the day. A bank representative must be available by phone from 7:30 am to 5:00 pm PST to

provide account information or assist with services in case of on-line system and or network connection problems.

- Online stop-pay, look-up, and notification
- Positive pay
- Online check imaging and storage for at least 90 days
- A web-based remote scan deposit system
- Support in answering questions, troubleshooting problems and resolving issues in a prompt manner
- Means to inquire about canceled checks and stop payment on checks upon proper authorization
- NSF checks processed twice before being returned to the City
- The ability to cash a City check to replenish petty cash and change funds (approximately every other month).

Interest Bearing Savings

The City has a money market savings account tied to its checking account that makes a nominal amount of interest, so the balance is kept low. The City would like to find a banking services provider that can offer a competitive interest rate that allows funds to be transferred to and from the checking account and without a transaction charge.

Interim Financing and Overdraft Protection:

The City may require short-term financing up to \$2 million for a period not to exceed one (1) year in the form of short-term notes. This short-term financing could be secured by the anticipated revenue of City funds or sale of General Obligation, Revenue, or Local Improvement District bonds. The successful bidder agrees to provide interim financing to the City on a prompt and competitive basis.

Although the City will attempt to minimize daylight and overnight overdraft situations, it recognizes that there are times these situations will occur. It is anticipated these overdraft situations will not exceed \$2 million, if and when they do occur. The successful bidder agrees to provide overdraft protection up to \$2 million.

Account/System Security:

The City requires that the Bank have a user friendly identifiable secure website, two form factor authentication (an account/system security in the form of secure tokens, digital certificates) or some other method that restricts the likelihood of fraudulent access to the system or transactions. All banking transactions need to be encrypted to ensure that information transfer between the City and the potential Bank is secure.

Nightly Sweep/Zero Balance

To supplement the City's daily major cash transfers to primary checking, sweep account structures to bank intra-day or overnight investment options should be utilized to ensure all bank-held operating funds are invested at the highest possible rate. Bank sweep alternatives shall include only SEC registered US government and agency or prime money market funds. Sweeps are designed to also minimize collateral risk for the System by eliminating overnight deposits which otherwise must be collateralized.

Night Depository Services

The Financial institution will provide the City with the ability to make 'night drop' deposits after hours. City staff will prepare a deposit slip and 'night drop' the deposit after hours, for deposit the next day. We currently use the tamper-resistant plastic bags for this function.

Corporate Credit Cards

The City also utilizes credit cards for travel, internet purchases, emergencies and other purposes and would require the financial institution to itemize the cost for issuing credit cards to the City and associated annual fees and rates. Currently the City has less than twenty individual Visa accounts, although a modest increase in the number of cardholders is possible in the near future. The cards are used to make purchases in lieu of issuing purchase orders, and are used for travel needs by City staff while traveling for City business.

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 Bank 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 retainage accounts be maintained for contractors choosing to place retainage funds in an interest-bearing account.

Banking Supplies

The Bank will provide a supply of locking bank bags, tamper proof plastic deposit bags, deposit slips, treasury and other miscellaneous checks, and endorsement stamps. The cost of such supplies shall be charged against the City's earnings credits.

ACH Debit/Credit Services

As noted below, the City processes direct deposits of payroll once a month. In addition, other miscellaneous ACH transactions such as retirement fund transfers, merchant services payments, merchant services deposits, and federal tax payments flow through the account each month.

Additional features are required to allow the City to restrict the user ability to issue and/or approve any wire or ACH transfer capabilities including access to the data included within any ACH batches processed or stored in the institution's on-line system.

Direct Deposit for Payroll

The City offers and encourages direct payroll deposit for its employees. The City pays its employees once-monthly on the 7th. On an average, 15 employees receive direct deposit into 20 bank accounts once a month.

The City transmits payroll data to its current financial institution online before 4:00 p.m. the second working day prior to payday. Deposits must be made into the employees' account by 8:00 a.m. on payday. Any deviation from these time limits must be stated in the bid. Banks with less restrictive time requirements will be given favorable consideration.

Armored Depository Delivery Services

If the Bank is not located within City limits, the City may need an armored courier service for deposits.

Miscellaneous Services

In addition to the requirements listed above, the proposal shall identify proposed fees for the following services:

- Safe deposit box facilities
- Statements to auditors as requested
- Check 21 or similar expedited payment options
- Lock-box services
- Installing an ATM in City Limits
- Courier services
- Account reconciliation processing (ARP)

Potential Future Services

Merchant Services

The City currently accepts credit cards in person at one location at City Hall and online for utility billing. Merchant services may be needed for the on-site terminal at City Hall, which averages \$140 per receipt and approximately \$10,000 per month.

If the Bank provides merchant services for the City, the City must be credited daily for the gross amount of the bank card transactions. The sales discount fee or percentage proposed must be billed at the end of each month as part of the activity charges.

Time Schedule

December 29th, 2023	Request for Proposal released
January 10th, 2024	Deadline to submit questions
January 15th, 2024	Answers to all submitted questions provided to those with intent to submit
January 17th, 2024	Deadline to submit proposals
January 24th, 2024	Finalist chosen
April 1, 2024	New services begin- Specific date depends on proposed conversion schedule

Submittal Instructions

Revised Date - Proposals are due at **2:00 pm (local time) on January 17, 2024.**

Please submit proposals to the City Clerk, Lora Wilmes by email at Lora.Wilmes@carnationwa.gov.

Electronic submittal is the preferred way of proposal delivery.

If you are unable to submit your proposal electronically, three copies of the proposal must be submitted to Carnation City Hall no later than the deadline listed above. All proposals must be sealed in an envelope and clearly marked “Proposal for Banking Services”. All proposals and accompanying documentation will become the property of the City and will not be returned. Proposers accept all risks of late delivery of mailed proposal regardless of fault. Costs for developing the proposal in response to the RFP are entirely the obligation of the Proposer.

RFP address for **in person** deliveries:
Carnation City Hall
Re: Proposal for Banking Services

4621 Tolt Avenue
Carnation, WA 98014

RFP address for **mailed** deliveries:
Carnation City Hall
Re: Proposal for Banking
Services
PO Box 1238
Carnation, WA 98014

City Hall hours:
Monday-Friday 8:30 a.m. - 4:00 p.m.

Proposals should be prepared simply and economically, providing a straightforward, concise description of provider capabilities to satisfy the requirements 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 Attachment A.
2. Statement of Financial Institution Qualifications found in Attachment B, signed and notarized.
3. Non-Collusion Affidavit Certificate found in Attachment C, signed and notarized.
4. A detailed schedule of costs by specified task using the Bid Sheet in Attachment D.

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.

Selection Process

Proposals will be evaluated by a committee of City staff. Evaluations will be based on criteria outlined below. All proposals will be evaluated using the same criteria. The criteria used will be:

References and Financial Information

See questions in Section I of Banking Services Questions/Statements.

Required Services

In addition to the questions in Section III of the Banking Services Questions/Statements, the City will consider all the relevant material submitted by each financial institution, as well as 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.

Banking Fees and Bid Sheet

See questions in Section IV of Banking Services Questions/Statements and Attachment D.

Evaluation Criteria		Weight
<i>1</i>	References and Financial Information	<i>30 pts</i>
<i>2</i>	Required Services	<i>35 pts</i>
<i>3</i>	Banking Fees and Bid Sheet	<i>35 pts</i>
Total points available		<i>100 pts</i>

Terms and Conditions

The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.

The City reserves the right to request clarification of information submitted, and to request additional information on any proposal.

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 of being notified of selection.

Any proposal may be withdrawn up until the proposal due date and time. Any proposal not so timely withdrawn shall constitute an irrevocable offer, for a period of 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.

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 the specifications in this RFP. A copy of the proposed contract is available for review (see Attachment B). 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's office.

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

All materials provided by the Bank are subject to State of Washington public disclosure laws. Marking the entire proposal as proprietary or confidential, and therefore, exempt from disclosure will not be accepted or honored, and may result in disclosure of the entire proposal or disqualification of the proposal solely at the discretion of the City. Documents identified as confidential or proprietary will not be treated as such if public disclosure laws take precedence, the information is publicly available, the information is already in the City's possession, the information is obtained from third parties without restrictions on disclosure, or the information was independently developed without reference to the confidential information.

Banking Services Questions/Statements

Please provide your responses to the items below in the order presented.

Section I - References and Financial Information

1. List the names, titles, and contact information, including email addresses, of the primary personnel that will have ongoing responsibility for servicing the City's account. Provide each individual's role and area of responsibility as well as their specific experience relative to the request for proposal's requirements.
2. List at least five (5) references from city and/or governmental entities of a comparable size and nature using similar services, including at least two with four or more years' experience with the institution. Please provide contact name, entity name, phone number, and a brief explanation of services provided.
3. Provide the following reports and information about your institution:
 - a. Analysis & bank statement.
 - b. Safekeeping statement and receipts.
 - c. Most recent financial statement.
 - d. SEC and/or Moody's credit rating or comparable rating.
 - e. Provide a funds availability schedule. Describe one day, two-day availability and wire requirements.

Section II - Banking Services

Reporting

1. Describe your web-based balance reporting system and methods used to access account information.
 - a. Indicate whether the web-based balance reporting system provides prior day, current day, or both prior day and current day reports.
 - b. If the system provides prior day information, discuss:
 1. The time the information is available each day;
 2. How frequently the information is updated during the day;
 3. If information is delayed, describe how customers are notified;
 4. The transaction types included in current day reporting;
 5. Reports available;
 6. If the system allows for history inquiry by date ranges; and
 7. How far back information is available.

- c. If the system provides current day information discuss:
 1. The time the information is available each day;
 2. How frequently the information is updated during the day;
 3. If information is delayed, describe how customers are notified;
 4. The transaction types included in current day reporting;
 5. Reports available;
 6. If the system allows for history inquiry by date ranges; and
 7. How far back information is available.
 - d. Are customized reports available? If so:
 1. Can customized reports be exported to Excel?
 2. How far back is information available for custom reports?
2. Does the on-line reporting system provide images of:
 - a. Deposits
 - b. Checks
 - c. Adjusting Items
 - d. Returns
 3. Provide sample reports for the following:
 - a. Monthly Account Analysis;
 - b. Monthly Bank Statement;
 - c. Monthly Merchant Services Statements;
 - d. Monthly Reconciliation Reports (if applicable); and
 - e. Online daily previous and current day reports.

Deposit Services

4. Provide a funds availability schedule, including information on whether you provide immediate availability for on-us items.
5. Provide the deadline to receive same day ledger credit for:
 - a. Cash and check deposits via the vault;
 - b. Cash and check deposits via the local branch; and
 - c. ACH and wire transactions.
6. Provide a pricing list of common deposit supplies.
7. Will the City have credit and debit exposure limits?
 - a. What factors do you use to determine those limits?
 - b. Will the City be told what its exposure limits are and how they were set?
 - c. How and when will the City be notified if we are at or near our exposure limit?
 - d. What will happen to a file if we exceed the limit?
 - e. How does the City remedy the situation if the limit is exceeded?

8. Describe the Bank's remote deposit services:
 - a. Is the remote deposit web-based?
 - b. Does the Bank supply the equipment (check scanner)?
 - c. Is there a monthly or annual fee for the check scanner?
 - d. When will the remote deposit appear in the City's account?
 - e. Is there training and support for remote deposit activities?
9. Does the Bank provide armored courier services for deposits? If so, please describe the service provided and include a fee schedule with the Bid Sheet on Attachment D.

ACH Services

10. Does the Bank have a file limitation for maximum dollar amounts or number of entries?
11. What are the Bank's cut-off times for customer initiation of ACH transactions?
12. Provide any cut-off times relative to settlement date including any differences between credits and debits, if applicable.
13. Provide the maximum retention period for future dated transactions.
14. Describe the process for ACH returns and Notifications of Change on originated entries.
15. Can the Bank automatically redeposit originated ACH entries returned for insufficient or uncollected funds?
16. Does the Bank provide automatic file receipt acknowledgements? If so, how?
17. How does the Bank handle file, batch, and item reversals and deletions?
18. Provide the contact information and hours of operation for your ACH processing unit.
19. Is there a contact to help with issues that occur outside of normal business hours?
20. What is the recommended service delivery method (i.e. direct transmission, on-line, or other)?
21. What controls are in place to protect against lost files and duplications of transmissions?
22. Describe the role of any third-party processor used by the Bank to provide this service.

23. Describe the procedures used to verify accurate and secure receipt of transmissions.

Merchant Services

24. Provide a funds availability schedule.

25. Provide the deadline to receive next day ledger credit for merchant transactions:

26. Provide a pricing list of common merchant supplies.

27. Will the City have credit, debit or American Express exposure limits?

- a. What factors do you use to determine those limits?
- b. Will the City be told what its exposure limits are and how they were set?
- c. How and when will the City be notified if we are at or near our exposure limit?
- d. What will happen to a file if we exceed the limit?
- e. How does the City remedy the situation if the limit is exceeded?

28. Describe the Bank's merchant deposit services:

- a. Are you currently a Payment Card Industry (PCI) Data Security Standard (DSS) Compliant Service Provider?
- b. Are you currently a PCI certified tokenized application interface?
- c. Does the Bank supply the equipment (Credit card machine/paper etc.)?
- d. When will the merchant deposit appear in the City's account?
- e. Is there training and support for merchant services?
- f. Please provide a copy of your merchant agreement, showing terms and conditions.
- g. Please provide written confirmation that you are currently engaged and have been for the past twenty-four consecutive months as an online gateway processor.
- h. Please provide a quote/rate for all fees to set up, maintain and process credit card transactions.

Federal Wires and Account Transfers

29. Describe on-line system features for initiating federal wires and account transfers.

30. Can templates be set up for routine federal wires?

31. Can users initiate and approve their own wires with limits set by the City?

32. Can users initiate and approve their own transfers between City accounts at the Bank with limits set by the City?

33. Is there a method to initiate federal wires or transfers via telephone?

Errors and Adjustments

34. Describe your adjustment process for resolving deposit discrepancies.
35. At what dollar amount does the Bank write off discrepancies?
36. Does the Bank adjust the deposit amount or process an adjusting debit or credit?
37. Describe how inquiries requiring research and adjustments are handled by the institution. Are there established turn-around times for research and adjustment items? If yes, please specify.
38. Describe NSF or Returned Items processing procedures, fees or other related services available. 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.

Security/Protection Measures

39. What security features are in place to minimize the risk of unauthorized transactions?
40. Describe the hardware/software and technical requirements to access the Bank's web-based reporting and services including:
 - a. List of supported operating systems and their versions.
 - b. List of supported web browsers and their versions.
 - c. Any upcoming changes/upgrades that would affect the City's services.
41. Provide a description of the security measures in place for access to information accessed via the on-line banking systems.
 - a. Do you provide/support two form factor authentication?
 - b. Are digital certificates or secure tokens used?
 - c. Can changes be made to user access directly in the system by a City Administrator?
 - d. Can users request to reset their own passwords within the system?
 - e. Can users be added by a City Administrator? If not, how quickly can users be set-up?
42. Can you provide the City with the Security plan you have in place to ensure data security and integrity? How often do you test your Security plan?
43. Provide either a web address or demo disk to demonstrate the Bank's electronic banking system.

Service Enhancements

44. Describe any enhancements, technological or otherwise, the City should consider to improve operational or cash management efficiencies.
45. Discuss your use of the internet in providing services to your municipal/business customers.
46. Provide information on how your institution plans to keep your services competitive. Describe what approach the Bank is taking in the development of new services and what new services and/or features the Bank plans to offer and within what time frame.

Disaster Recovery

47. Describe the Bank's formal disaster recovery plan. How often do you test the disaster recovery plan and when was the last time the test was performed?
48. How quickly will back-up facilities be activated?
49. Describe the Bank's operating capabilities to assist the City in the event of a disaster or declared emergency.

Implementation Plan and On-going Training

50. Describe the implementation plan you would coordinate to ensure a smooth transition from the current provider.
51. Describe the training that will be provided during the conversion process.
52. Provide information on on-going training and support to accommodate new users, adding services or making changes to existing set-ups.
53. List the address and hours of operation of your nearest branch office and also the hours of operation for non-branch services.
54. Describe other banking services available and/or innovative approaches which the Institution believes would be of benefit to the City.

Section III - Banking Fees.

Please provide information on the following:

1. The effective rate and formula used to calculate the service charge credit.
2. The proposed method for setting rates on a compensating certificate of deposit.

3. A time frame proposed to pay any additional fees not offset by a service charge credit.
4. Whether a service charge credit/debit can be carried forward to the next period.
5. The formula for any fees in the event of an overdraft.
6. Describe what constitutes a daylight and overnight overdraft situation.

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 their proposal:

1. Name of Financial Institution _____
2. Business Address _____
3. Business Phone _____ Fax No. _____
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. Business License Number: _____
8. State of Washington Sales Tax Registration Number: _____
9. Federal I.R.S. Identification Number: _____
10. I certify that the Bank:
 - is capable of providing the services as outlined in this proposal,
 - will comply with the rules and regulations outlined by the Revised Code of Washington, Carnation Municipal Code, and the Washington Public Deposit Protection Commission, and other applicable laws and regulations.

City of
Carnation
Banking
Services

Institution Name Authorized Signature

Sworn before me, this ___ day of, _____ 2023.

Notary Public
in and for the State of Washington

Bid Sheet

Item	Unit Price	Average Monthly Volume	Monthly Cost	Comments
DEPOSITARY SERVICES:				
Account Maintenance		1		
Banking Center Deposit		22		
General Checks Paid Truncated				
Returns – Chargeback		1		
Returns - Reclear				
Returns – Reclear Services				
Check Deposit Un-encoded Items		1207		
Debits Posted- Electronic		27		
Credits Posted-Electronic		75		
Deposit Account Statements		1		
Deposit Correction				
Check Deposit ICL or RDSO		1		
Photocopy self service		1		
Currency/Coin Deposit		10		
Remote/Image Deposited Checks		131		
GENERAL ACH SERVICES:				
ACH Monthly Maintenance		1		
ACH Return		2		
ACH Input-Echannel		3		
ACH Standard Reports-Electronic		2		
ACH Blocks Auth Maintenance				
ACH Consumer On US Credits		39		
ACH Consumer Off US Credits		86		
ACH Notifications		1		
ACH Credit Received Item		71		
ACH On US Debits		159		
ACH Off US Debits		357		
ACH Debit Received Item		29		
ACH Filter Monthly Maintenance				
WIRE TRANSFER SERVICES:				
GP Monthly Maintenance Basic		1		
GP Customer Monthly Temp Storage		4		
PH or Standard Order Temp Storage		2		
Electronic Wire Out – Domestic		2		
Wire Advice - Mail		5		
Incoming Domestic Wire		3		
INFORMATION SERVICES:				

Online Subscription		1		
Reporting Subscription		1		
CPO ARP Positive Pay Notification		34		
CPO PDR Item Stored		782		
CDR Account		2		
Research Item		300		
Per Image Access		6		
ACCOUNT RECONCILIATION:				
ARP Void Cancel Items		1		
Positive Pay Exceptions		1		
ARP Positive Pay Main-No Recon		1		
ARP Positive Pay No Recon Input Item		121		
IMAGE SERVICES:				
Image Archive - 90 Days		153		
Per Image Access & Maintenance		1		
OTHER FEES (NOT NOTED ABOVE)				
Armored Courier Services – per pickup		1		

Banking Services Agreement Provisions for the City of Carnation

The City of Carnation Washington, a municipal corporation (hereinafter the "City") and _____, whose address is _____, (hereinafter the "Financial Institution", agree and contract as follows:

Services by Financial Institution

- A. The Financial Institution agrees to perform the services described in this proposal, which attachment is incorporated herein by reference.
- B. All 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.

Compensation

- A. Total compensation to be paid to the Financial Institution shall be detailed in Attachment D. The above fees include all labor, materials and expenses required for the completion of these services.
- B. Payment to Financial Institution by the City in accordance with the above shall be the total compensation for all work performed under this agreement and supporting documents hereto as well as all subcontractor's fees and expenses, supervision, labor supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Financial Institution shall be paid based on the acceptance of the proposed compensation.
- D. The City shall have the right to withhold payment to the Financial Institution for any service not completed in a satisfactory manner until such time as the Financial Institution modifies such service to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a check is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

Termination of Agreement

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving forty-five (45) days notice to the financial institution in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Financial Institution pursuant to the Agreement shall be provided to the City. In the event the City terminates this agreement prior to completion without cause, the Financial Institution may complete such analyses and records as may be necessary to place its records in order. The Financial Institution shall be entitled to receive just and equitable compensation of any satisfactory services completed prior to the date of suspension or termination, not to exceed the

compensation set forth above. Should the Financial Institution desire to terminate this agreement, written notice of 120 days is required.

Ownership of Work Product

Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this agreement or the project to which it relates, without written concurrence by the Financial Institution will be at the sole risk of the City.

General Administration and Management

City Manager for the City of Carnation shall review and approve the Financial Institution's charges to the City under this Agreement, shall have the primary responsibility for overseeing and approving services to be performed by the Bank, and shall coordinate all communications with the Financial Institution from the City.

Contract Period

The Banking Services Agreement is to extend for a period of five years, beginning on April 1, 2023 with a two-year option to renew the Agreement. The City, in order to exercise its renewal option, will need to do nothing. At the end of this period, the City may choose to negotiate a renewal option or to request additional proposals.

Successors and Assigns

The Financial Institution shall not assign, transfer, convey, pledge, or otherwise dispose of this agreement or any part of this agreement without prior written consent of the City.

Nondiscrimination

No person shall be denied or be subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap. The Financial Institution shall, in all hiring or employment made possible or resulting from this agreement, take affirmative action to ensure that there shall be no unlawful discrimination against any employee or applicant for employment because of sex, race, age, color, creed, national origin, marital status or the presence of any sensory, mental or physical handicap, unless based upon a bonafide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

Hold Harmless/Indemnification

The Financial Institution shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Liability Insurance Coverage

A. *Insurance Term*

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.

B. *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.

C. *Minimum Scope of Insurance*

Financial Institution shall obtain insurance of the types and coverage described below:

1. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Financial Institution's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
2. Network Security (Cyber) and Privacy Insurance shall include, but not be limited to, coverage, including defense, for the following losses or services:

Liability arising from theft, dissemination, and/or use of Public Entity confidential and personally identifiable information, including but not limited to, any information about an individual maintained by the Public Entity, including (i) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (ii) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information regardless of how or where the information is stored or transmitted.

Network security liability arising from (i) the unauthorized access to, use of, or tampering with computer systems, including hacker attacks; or (ii) the inability of an authorized third

party to gain access to supplier systems and/or Public Entity data, including denial of service, unless caused by a mechanical or electrical failure; (iii) introduction of any unauthorized software computer code or virus causing damage to the Public Entity or any other third party data.

Lawfully insurable fines and penalties resulting or alleging from a data breach.

Event management services and first-party loss expenses for a data breach response including crisis management services, credit monitoring for individuals, public relations, legal service advice, notification of affected parties, independent information security forensics firm, and costs to re-secure, re-create and restore data or systems.

D. Minimum Amounts of Insurance

Financial Institution shall maintain the following insurance limits:

1. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
2. Network Security (Cyber) and Privacy Insurance shall be written with limits no less than \$1,000,000 per claim \$1,000,000 policy aggregate for network security and privacy coverage, \$100,000 per claim for regulatory action (fines and penalties), and \$100,000 per claim for event management services.

E. Other Insurance Provision

The Financial Institution's Commercial General Liability insurance policy is to contain, or be endorsed to contain that it shall be primary insurance as respect the City. Any Insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Financial Institution's insurance and shall not contribute with it.

F. Acceptability of Insurers

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

G. 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.

H. Notice of Cancellation

The Financial Institution shall provide the City with written notice of any policy cancellation within two business days of their receipt of such notice.

I. Failure to Maintain Insurance

Failure on the part of the Financial Institution to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Financial Institution to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Financial Institution from the City.

J. City Full Availability of Financial Institution Limits

If the Financial Institution maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Financial Institution, irrespective of whether such limits maintained by the Financial Institution are greater than those required by this contract or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Financial Institution.

Compliance with Laws

The Financial Institution shall comply with all applicable State, Federal and City laws, ordinances, regulations, and codes.

Future Support

The City makes no commitment and assumes no obligations for the support of Financial Institution activities except as set forth in this Agreement.

Independent Contractor

The Financial Institution is and shall be at all times during the term of this agreement an independent contractor.

Extent of Agreement/Modification

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties hereto.

Additional Work

The City may desire to have the Financial Institution perform other services in connection with the banking relationship other than provided for by the express intent of this contract. Any such services shall be considered as additional work, supplemental to this Agreement. Additional work shall not proceed unless so authorized in writing by the City.

Authorized additional work will be compensated for in accordance with a written supplemental Agreement between the City and the Financial Institution.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

FINANCIAL INSTITUTION:

By: _____

Title: _____

Date: _____

CITY OF CARNATION:

By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Carnation City Attorney

Date: _____