



REQUEST FOR PROPOSALS

BANKING SERVICES

PROPOSALS MUST BE RECEIVED BY
WEDNESDAY, JANUARY 17, 2018 BEFORE 4PM

**CITY OF LINDSAY
251 E. HONOLULU
P.O. BOX 369
LINDSAY, CA. 93247**

REQUEST FOR PROPOSAL – BANKING SERVICES

CONTACT PERSON

Bret Harmon
Director of Finance & City Clerk
bharmon@lindsay.ca.us

OFFICE HOURS

Monday – Friday, 8:30 AM – 4:00 PM

SCHEDULE

RFP Released to Public	December 18, 2017
RFP Responses Due	January 17, 2018
City Review	Beginning January 18, 2018
Oral Interviews	Beginning, January 23, 2018
Presented to Council for Approval	January 30, 2018
Implementation & Conversion	February & March 2018

GENERAL

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

Interested parties should submit **three (3) copies** of their proposal and bids by 4:00 PM, January 17, 2018 to:

City of Lindsay Attn: Bret Harmon, City Clerk
251 E. Honolulu Street
P.O. Box 369
Lindsay, CA 93247

Questions about this Request for Proposal should be directed to Bret Harmon, City Clerk, at bharmon@lindsay.ca.us. Answers to all questions submitted will be posted on the City's website at www.lindsay.ca.us.

It is the bidder's responsibility to ensure bids are received prior to the 4:00 PM bid closing time. Late bids will not be accepted. The City of Lindsay reserves the right to award or reject bids, in part or in whole and on any basis, it deems in the best interest of the City.

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

I. INTRODUCTION

The City of Lindsay is seeking proposals from qualified public depositories (a state or national bank located in California, as defined by Section 53635.2 of the California Government Code) to provide a variety of commercial banking services. The bank must be a member of the Federal Reserve System. The bank must be a federally or State of California chartered financial institution and in good standing among other comparable banks.

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

1. General Banking Services
2. Merchant Card Processing

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

The City will endeavor to administer the proposal process in accordance with the terms and dates outlined in this RFP, however, the City reserves the right to modify the activities, timeline, or any other aspect of the process at any time, as deemed necessary.

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

II. PROPOSAL PROCESS

A. Contract Term

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

B. Proposal Submission & Questions

Proposals must be submitted to:	City of Lindsay Attention: Bret Harmon, City Clerk 251 E. Honolulu Street P.O. Box 369 Lindsay, CA 93247
Questions shall be submitted via email only to:	Bret Harmon, City Clerk bharmon@lindsay.ca.us
Email subject line should begin with:	City of Lindsay – Banking RFP – 2018-01
City will post all answers to its website	www.lindsay.ca.us

C. Copies of RFP

Three copies of the proposal should be submitted. Proposals shall consist of narrative materials, cost proposals, vendor qualifications/experience, and references. All financial institutions are encouraged to be creative and innovative in responding to this RFP. Discuss any creative pricing or payment options the bank can provide. Describe alternate approaches to the requested services where feasible or additional services offered or recommended, which may not be specifically requested but of benefit to the City.

D. Proposal Format

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

E. No Proposal

If a service requirement or section of the proposal cannot be met by a proposer, then “No

Proposal” should be indicated on the Bid Form (Tab U) and in the relevant tabbed section of the proposal. An alternative equivalent service may be offered.

F. Contracted Services

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

G. Cover Letter

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

III. PROPOSAL TABS

TAB	MAXIMUM NUMBER OF PAGES	CONTENTS
A	1	Table of Contents Should follow RFP format.
B	3	<p>Bank Services to Public Sector</p> <p><i>Bank Overview</i> - General overview of bank, governmental client service philosophy, corporate organization including identification of the government services unit, location of corporate, processing center, and branch localities. Also, please provide any relevant information regarding a correspondent bank relationship.</p> <p><i>Experience</i> – Describe the bank’s direct experience in servicing public sector clients. Please include: the number of public agency clients, the dollar amount of public funds on deposit, and bank’s knowledge of and adherence to the California Government Code and other applicable laws. Will the bank be able to comply with transaction confirmations and respond to other requests for data as needed from the City's auditors?</p> <p><i>Relationship Management</i> – Identify the size and scope of your public banking unit, bank officers responsible for the City’s accounts, what each person’s role and responsibilities will be, and the relevant credentials and experience of each person on the relationship management team. Please specify the name and title of who will be designated as the bank’s relationship manager for the City. Please describe what sets the bank’s government banking unit apart from others. Does the bank provide a toll-free and local number for Customer Service?</p> <p><i>CRA Rating and Other Community Involvement</i> – Provide the bank’s Community</p>

		Reinvestment Act (CRA) rating and describe in detail, specific projects and community involvement activity in Tulare County. Are donations or <i>in-kind</i> contributions made to public agencies? If so, please give examples of recent contributions. What types of incentives will your bank offer City employees to open accounts and have their paychecks direct deposited? What provisions will your bank make for employees to cash their checks if they do not have an account with your bank?
C	1	<p>References</p> <p>Please provide three (3) local references of similar size and scope of service utilization as the City. Local government references are preferred. Include the following information for each reference:</p> <ul style="list-style-type: none"> • Contact Name & Title • Name and Address of Business or Government • Telephone Number • Number of Years as Customer • Services Provided
D	2	<p>Demand Deposit Accounts</p> <p>The City currently uses seven (7) accounts. Two of the accounts have checks issued. The City plans to reduce the number of accounts from seven to three (3) accounts.</p> <p>Please describe in detail the ability of the bank to provide the above deposit services for the three accounts named below:</p> <ol style="list-style-type: none"> 1. City of Lindsay – General Account 2. City of Lindsay – Section 125 Account 3. City of Lindsay – Impound Account
E	2	<p>Deposit Compensation</p> <p>The City compensates for bank services primarily with compensating balances.</p> <ol style="list-style-type: none"> 1. List the bank’s Earnings Credit Rate (ECR), and how it is calculated and applied. 2. List the bank’s actual ECR for the past 12 months. 3. Please explain, in detail, how and when the FDIC assessment is computed and charged. 4. Please detail exactly which types of items and services can be applied against the City's account analysis in addition to standard bank services, i.e., merchant bankcard processing, bank courier service, etc. 5. Does the City have the option of compensating on fees or balances basis or, a combination of both? Please describe any differences in related costs to the City with either option. 6. Is there an option to charge analysis fees based on an average balance over three- or six-month period? 7. What procedure is used to make any adjustments to Account Analysis statements and how long does it take for adjustments to take effect? 8. Please state the negative collected balance charge that the City will pay and,

		<p>in detail, explain how this charge is computed. Is the rate quoted in this proposal good for the term of the contract? Please provide escalation clauses.</p> <p>9. Please provide a sample Account Analysis statement.</p>
F	1	<p>ACH, Wire and Other Transfers</p> <p>Please describe the bank’s on-line transfer service capability and what specifically is recommended for the City’s use and consideration.</p> <ol style="list-style-type: none"> 1. What is the funding requirement for ACH payments? Are same-day payments possible? Please include deadlines for same and next day payments. 2. What is the process for initiating wire transfers? Please include deadlines. 3. Describe the financial institution’s incoming and outgoing electronic money transfer services. Include safeguards and security measures offered by your service. 4. Please provide a description or sample of the bank’s funds transfer agreement. How are authorization levels established for transfers?
G	2	<p>Deposit Transmittal Process</p> <p>The City currently makes cash deposits at a local bank branch.</p> <ol style="list-style-type: none"> 1. Does the bank offer desktop deposit? If not offered, what is the required deposit preparation for checks? 2. Do you provide courier services for cash, coin and/or check deposits? How often is the courier available? Please describe the courier services you provide. 3. What are the cut-off times for deposits at the bank’s Processing Center to ensure same day credit? 4. What are the cut-off times for deposits at the bank’s local branch to ensure same day credit? Is there additional charge for after banking hours processing fee? 5. Please describe the bank’s deposit requirements. How should the coin and currency deposits be prepared? Can checks, currency and coin be included in the same deposit or are split deposits required? 6. Please describe the documentation available for checks deposited. Is a copy of the check available via the website? 7. Please describe in detail the bank's procedures for handling deposit adjustments. What documentation on discrepancies does the bank provide? 8. Please describe the bank’s returned item handling and notification procedures. Is an automatic re-clearing option available? How long does it take for returned items to be sent to the City?
H	2	<p>Account Reconciliation</p> <p>The City is currently restructuring operations. It estimates it will issue approximately 2,500 Accounts Payable or Payroll checks and approximately 1,100 ACH Payroll and other transactions per year. Currently, the accounts</p>

		<p>are reconciled manually.</p> <ol style="list-style-type: none"> 1. Does the bank offer full Account Reconciliation and Positive Pay with data transmission capabilities? If so, please describe the services and what is recommended for the City’s consideration. 2. Describe the bank’s web-based services as they pertain to stop payments, copies of paid checks, ACH exceptions, and voided checks. How many days is data available to verify if a check has been cashed? 3. Does the bank offer a CD-ROM imaging service? If so, please describe the service and the costs associated with this service. 4. Describe the account reconciliation services offered by the financial institution. How quickly are monthly statements available to allow for account reconciliation? Is a “data dump” into Excel available for the monthly statement activity? 5. Will the bank guarantee that all items drawn on City accounts be paid regardless of the balance in the funding account? What is the charge for covering these items? Please be comprehensive in your response. What notification is given if there are insufficient funds (email, phone call etc.)? Is there a service available for notification of balance below an agreed upon float amount? 6. Please provide a sample Account Statement and Positive Pay statement.
I	1	<p>Direct Deposit Relationship</p> <p>The City transacts State of California Local Agency Investment Fund (LAIF) and receives tax apportionments on a regular basis.</p> <ol style="list-style-type: none"> 1. Is the bank an approved State of California depository? 2. What is the charge per transfer to LAIF? From LAIF? 3. Please describe method the financial institution processes payments from State of California and LAIF transfers. 4. Does the bank have an office in Sacramento that maintains a direct DDA banking relationship with the State Treasurer’s Office and the State Controller’s Office?
J	2	<p>Direct Deposit of Payroll</p> <p>Direct Deposit of Payroll is currently in place with 95% of the City’s employees participating. There are approximately 360 ACH Payroll transactions per year.</p> <ol style="list-style-type: none"> 1. Please describe the bank’s procedure in detail for receiving electronic payroll data. 2. What are the transmission deadlines for Direct Deposit ACH files? When (day and time) does the bank need the file from the City, and specifically when are funds debited from the City’s account? 3. Please detail the bank’s back-up plans for data transmissions. The City requires immediate notification of any changes or problems and the ability to re-send a file or to delete a file.

		4. What screening measures does the bank use to minimize errors on files sent to you i.e., pre-notes, ABA screening, etc.?
K	1	<p>Payroll Tax Processing</p> <p>Please describe services available from the financial institution to accommodate the City’s payment and reporting of payroll taxes.</p>
L	1 + Sample Pages	<p>Balance & Detail Reporting</p> <p>The City utilizes web-based daily balance and detail reporting information (prior day detail).</p> <ol style="list-style-type: none"> 1. Please describe the bank’s on-line information reporting system including cost of web-based reports. The City may request a demonstration of your on-line system. 2. Can reports be custom-tailored for the end-user? 3. Can the City obtain current day (intra-day) information? If so, please describe the service. 4. What are the computer hardware and software specifications for the bank’s on- line system? 5. Please provide a sample of prior day and intra-day reports that would be the best example of the system’s capabilities. Include the reports in this section. 6. Can the bank provide credit or deposit information by location or identifier number as part of these reports? 7. What is the bank's contingency plan for providing this information in the event of unexpected bank systems problems or natural disasters? 8. What other on-line or Internet based systems are currently available to customers?
M	2	<p>Bankcard Processing</p> <p>The City currently accepts credit or debit cards, including online for payment of utility bills through the City’s software vendor. The City expects to continue accepting Visa, MasterCard, and Discover credit card payments for various fees and permits at City Hall.</p> <ol style="list-style-type: none"> 1. Please describe the bank's Bankcard and Point-of-Sale processing capabilities. Does the bank outsource this service or have a department within the bank? 2. Please quote a discount rate and all other applicable charges for the credit card processing described above. 3. When and how will the City receive funds for each day's transactions? Is settlement by ACH or Fed Wire? Are settlement amounts listed separately on the bank statement or will they appear as one lump sum? Will the bank break out settlement amounts by merchant location? 4. Is the bankcard relationship managed by a separate unit of the bank, or by

		the Account Relationship Manager? Please briefly describe the structure of this area.
N	2	<p>Electronic Direct Payment Services</p> <ol style="list-style-type: none"> 1. Please thoroughly describe the bank's electronic bill payment, EFT and ACH services. Does the bank offer both ACH debit and credit programs as part of this service? 2. What hardware, software, and special programming are required for the implementation of an ACH credit program for payments to City vendors? 3. Please detail all costs associated with ACH for a vendor payment program. 4. Please detail all costs associated with your automatic bill payment program. 5. Please detail all costs and processes for auto draft (automatic payment deductions).
O	2	<p>Conversion Plan</p> <ol style="list-style-type: none"> 1. Describe the plan your financial institution would coordinate to ensure a smooth transition from current provider. 2. Describe the on-site training to the City's staff for the operation and use of the financial institution's services and automated systems for areas of service. 3. Provide a time line schedule and applicable charges for the conversion plan.
P	2	<p>Investment Services</p> <p>Describe investment services offered by the financial institution.</p>
Q	1	<p>Service Enhancements</p> <p>Based on the information provided in the RFP and your bank's knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that may be considered for further improving the effectiveness of the City's treasury management operations.</p>
R	1	<p>Business Continuity Plan</p> <p>The City requires assurance of ability to provide financial services in the event of a major emergency and during the disaster recovery period.</p> <ol style="list-style-type: none"> 1. Please describe in detail, the bank's compliance with state and federal regulations pertaining to this area. 2. Please describe testing of core service applications and system that assure information backup, anti-intrusion and other privacy requirements. 3. Describe operational diversification and geographic dispersal of service centers.
S		<p>Proposer's Insurance Certificates</p> <p>Provide a list of insurance carried and amounts covered. Indicate insurance</p>

		<p>underwriter or if self-insured.</p> <p>The selected financial institution must within (20) working days of award of contract, provide and maintain in force at all times during the term of the services contemplated, Certificates of Insurance providing coverage as follows:</p> <ul style="list-style-type: none"> • Errors and Omissions for not less than \$2 million • Fidelity coverage (Crime bond) for not less than \$1 million, with the City named as a loss payee • General Liability coverage of not less than \$2 million with the City named as additional insured • Evidence of worker’s compensation coverage
T	2	<p>Banking Services Cost Proposal</p> <p>Provide cost proposal in an easily understood format, without use of acronyms, and in units easily compared to other banking institutions.</p>
U		<p>Standard Bank Fee Schedule for Government/Corporate Clients and Standard Form Services Agreement</p> <p>Please submit with Proposal responses.</p>
V		<p>Bank Credit and CRA Ratings</p> <p>Please submit with Proposal responses.</p>
W	1	<p>Most Current Annual Report</p> <p>Please provide an electronic link to your most current annual report with Proposal.</p>
X	5	<p>Additional Services</p> <p>Please provide information and pricing on additional services that may enhance banking services not included in Tabs A – W.</p>

IV. EVALUATION OF PROPOSALS

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

- Understanding of the needs and operation requirements of the City.
- The experience, resources, and qualifications of the financial institution and individuals assigned to this account.

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

V. Conflict Resolution

Prior to presenting its recommendation to the City Council staff shall notify each consultant, who has submitted a response, of the City of Lindsay intended recommendation. A consultant who is not being recommended may file a written protest with the City of Lindsay stating the reason(s) for the protest. If the protestor and the City cannot resolve the conflict, the protestor may request to be heard by the City Council at the time the recommended award is being considered.

VI. Award of Contract

The City Council will make the final decision and award the contract. The City of Lindsay reserves the right to reject any or all proposals submitted, to request clarification or additional information from competitors, and to waive any irregularity in the proposal. Formal interviews may be conducted.

The City also reserves the right to award a contract to the firm that presents the proposal which, in the sole judgment of the City, best demonstrates the expertise desired by the City. This Request for Proposal does not represent a commitment on the part of the City to award a contract.

The City of Lindsay shall not be liable for any pre-contractual expenses incurred by the proposer of selected contractor or contractors. The City of Lindsay shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFP.

**Small, minority and female-owned businesses are encouraged to apply.
The City of Lindsay is an Equal Opportunity provider.**