

Request for Proposals: Banking Services



11930 Cyrus Way Mukilteo, WA 98275

City of Mukilteo
REQUEST FOR PROPOSALS
Banking Services
Due Date: **December 15, 2009, 2:00 PM**

INTRODUCTION AND BACKGROUND

Proposal Deadline

Proposals will be received by the **City of Mukilteo, Finance Department, 11930 Cyrus Way, Mukilteo, Washington 98275 until 2:00 p.m., December 15, 2009**, for the provision of Banking Services.

General Information

The City of Mukilteo is a municipal corporation. The City operates under an elected mayor and an elected seven-member City Council. The City's Finance Department is responsible for banking services, payroll, accounts payable and accounts receivable, debt service, cash and investments, budget, records and financial reporting.

Proposers must comply with all applicable rules and regulations in the Revised Code of the State of Washington, the Washington Public Deposit Protection Commission, and PCI Security Standards. The City intends to contract for a period of three years with the financial institution whose proposal is deemed most advantageous to the City and begin receiving services as soon as practical. The services required and the estimated service volumes are identified in proposal forms provided.

Mandatory Qualifications

Branch Location

Preference will be given to financial institutions with branch banking facilities located within 1.5 miles of the City of Mukilteo City Hall. Financial institutions beyond this vicinity should show clear cost benefits to be derived to offset the additional travel distance required.

Qualified Public Depository

The financial institution must be approved by the Washington Public Deposit Protection Commission as a qualified public depository. The successful Proposer must continue to be approved as a qualified public depository for the duration of the Banking Services Contract.

FDIC Insured

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

Public Fund Protection Act Compliance

The Proposer 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 financial institution must meet or exceed the requirements of Public Fund Protection Act (RCW Chap. 39.58).

Proposer Questions

The responsibility for determining and obtaining the full extent of all information needed to respond to the Request for Proposals (RFP) rests with the Proposer.

All questions concerning this RFP must be directed to the RFP Coordinator listed below:

Gini Schacker
City of Mukilteo, Accounting Services Manager
11930 Cyrus Way
Mukilteo, WA 98275
425-263-8031
Fax: 425-212-2069
gschacker@ci.mukilteo.wa.us

Any oral communications will be considered unofficial and non-binding on the City of Mukilteo. Proposers should rely only on written statements issued by the RFP Coordinator.

Preliminary Timeline

Request for Proposals Issued – November 25, 2009
Proposals Due – 2:00 p.m., December 15, 2009
City interviews with top two candidates – January 7, 2010
Recommendation of Award by City Council – January 19, 2010

The City reserves the right to change any or all of the dates above.

GENERAL CONDITIONS

Proposal Response Date and Location

The Finance Department must receive the firm's proposal, in its entirety, not later than 2:00 p.m., Pacific Time in Mukilteo, Washington, on **December 15, 2009**. Firms submitting proposals assume all risk related to the method of dispatch chosen. The City of Mukilteo assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for actual proposal receipt. Proposals may not be delivered by facsimile transmission or other telecommunication or solely by electronic means.

Single Response

A single response to the RFP may be deemed a failure of competition, and in the best interest of the City of Mukilteo, this RFP may be terminated and re-advertised.

Proposal Rejection

The City of Mukilteo reserves the right to reject any or all proposals at any time without penalty, or waive any irregularities and informalities in the proposals submitted and accepted by the City. The issuance of this RFP does not compel the City to enter into a contract with any Proposer.

Errors in Proposal

The City will not be liable for any errors in proposals. Firms will not be allowed to alter proposal documents after the deadline for proposal submission.

City-Requested Clarifications

The City reserves the right to request clarification of information submitted and to request additional information from any proposer.

Withdrawal of Proposals

Firms may withdraw a proposal that has been submitted at any time up to the proposal closing date and time.

Non-Endorsement

As a result of the selection of a financial institution, the City is neither endorsing nor suggesting that financial institution's services are the best or only solution. The institution agrees to make no reference to the City of Mukilteo in any literature, promotional material, brochures, sales presentation or the like without prior express written consent from the City.

Response Property of the City of Mukilteo

All proposals and accompanying documentation will become the property of the City of Mukilteo. Selection or rejection of a proposal does not affect this right.

Proprietary Proposal Material

Any information contained in the proposal that is proprietary must be clearly designated. Marking the entire proposal as proprietary will be neither accepted nor honored. If a request is made to view a firm's proposal, the City will comply according to the Open Public Records Act, Chapter 42.17 RCW. If any information is marked as proprietary in the proposal, such information will not be made available until the affected firm has been given an opportunity to seek a court injunction against the requested disclosure.

Cost of Preparing Proposals

The City of Mukilteo is not liable for any costs incurred by firms in the preparation and presentation of proposals in response to this RFP.

Number of Proposal Copies Required

Firms responding to this RFP are to **submit one (1) original and two (2) identical copies** of the complete proposal package. An electronic copy of the proposal in either Adobe Acrobat or Microsoft Office 2003 compatible formats must also be submitted.

Legal Disputes

In submitting a proposal, the Proposer agrees that in the event of litigation concerning or arising out of the above-referenced agreement or this RFP, proposals in response to this RFP or related process, the sole venue of any legal action shall be Snohomish County Superior Court, and the laws governing the interpretation of the agreement, this RFP or related process shall be Washington Law.

Indemnification

In submitting a proposal, the Proposer agrees to indemnify and hold the City harmless of all liability, risks, costs, claims, actions, suits, demands, losses expenses, injuries and damages of any kind arising directly or indirectly out of, or in connection with, the City's handling of the RFP process, including, but not limited to, the rejection of any or all proposals.

Proposal Opening

All proposals must be submitted to the Finance Department, 11930 Cyrus Way, Mukilteo, Washington 98275 no later than **2:00 p.m., December 15, 2009** and must be clearly marked:

PROPOSAL FOR BANKING SERVICES

Attn: Gini Schacker, Finance Department

Interviews with top two candidates

All qualified proposals will be reviewed and representatives from the two highest-ranking financial institutions may be invited to present their proposals to the City on January 7, 2010.

PROPOSAL REQUIREMENTS

Content and Format

Proposals should be prepared simply and economically, providing a straightforward, concise description of provider capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.

Proposals in response to this RFP must include the following:

Executive Summary

An overview of your proposal and summary statements associated with the key elements of the RFP. The purpose of the executive summary is to help the evaluation committee determine the proposal's distinguishing characteristics compared to other proposals.

Proposal Certification Form

The proposal certification form must be complete and signed by the proposer representative authorized to make contractual obligations.

Cost Proposal Forms

Proposers must complete the attached forms as presented. Do not leave any cost elements blank. If your financial institution does not charge for a service that appears on the proposal form, enter a zero dollar amount. If a proposer cannot meet a service requirement, the term "No Proposal" should be entered on the Proposal Form for that specific requirement. In the case of a "No Proposal" remark, the proposer may offer an equivalent alternative service.

Banking Services Proposal Form: The Banking Services Proposal Form presents a list of services the City of Mukilteo now uses as well as the average monthly unit counts experienced in 2009. All banking services or cost elements associated with your banking service delivery should be identified in your proposal. If your bank requires certain cost elements or services not already listed, please add them in the space provided.

Credit Card Proposal Form: At this time, the City of Mukilteo accepts only Visa and MasterCard. The Credit Card Fee Proposal Form presents a list of credit card transaction types, as defined by Visa and MasterCard. Corresponding to the transaction types are the City's actual transaction amounts, counts, and average tickets for the year 2009. It is the City's desire to understand the composition of

proposed credit card fees. The total fees charged should include all fees your bank would charge for this level and type of activity and number of merchant accounts.

Other Required Information

The proposal must include:

- Audited Annual Financial report for the past fiscal year.
- Information regarding on-line banking and reporting
- Copy of latest Public Depository Liability Report as submitted to the Public Deposit Protection Commission.

BANKING SERVICES REQUIREMENTS

Main Operating Account

- The City requires a normal demand deposit type account through which most deposits will be made, Treasurer's checks will be written, and ACH and wire transfer transactions will take place.
- The City requires two separate zero-balance checking accounts (ZBA) for processing accounts payable (claims) and payroll checks. These "zero balance" accounts should be cleared against the main operating account. The City of Mukilteo currently issues approximately 100 accounts payable checks and 150 payroll checks/ACH deposits every two weeks.
- Deposits consist primarily of checks, with some currency, coin, credit card, ACH, and wire transactions.
- Disbursements from the main account will be mainly through transfers to ZBA accounts, wire transfers, and ACH transfers.
- The daily net usable balance of funds after allowing for uncollected funds shall receive interest overnight.
- Deposited checks returned for insufficient funds will automatically be re-deposited once before being returned to the City.
- Deposits accepted and/or received by 4:00 p.m. will be credited to the account on the same day.
- The City will receive credit for incoming wire transfers as of the date received by the financial institution.
- The Financial institution will provide deposit slips (MICR encoded) and endorsement stamps printed to the City's specifications.
- The Financial institution will accept pre-numbered plastic deposit bags.
- The Financial institution will provide a night deposit drop box.
- The Financial institution will provide the City with electronic imaging of cancelled/processed checks.

Additional Checking Accounts

The financial institution will furnish the City with additional checking accounts as needed. Currently, these additional accounts consist of Advance Travel Expense and Traffic Violator's Bureau Accounts. Fees for these accounts will be included in the total account analysis, with earnings credit given for collected balances and itemized charges compensated for through collected balance or fee payment through the primary demand deposit checking account. No service fee charges will be made directly to any of these special accounts.

Electronic Federal Tax Deposit System

The financial institution will provide the ability for automatic withdrawal of payroll taxes by the Internal Revenue Service (IRS).

Online Banking

The Financial institution will provide the City with access to Internet on-line banking, which, at a minimum, will include the following capabilities:

- Secure, dual administration (separation of duties) for initiating and approving user access, permissions, wire transfers, ACH transfers, template setups, etc.
- Future dated wire transfers and ACH transfers
- Positive Pay services, including image viewing of Positive Pay exception items
- Stop payments
- Image viewing of canceled checks
- Image viewing of deposits
- Prior and current day balance and activity reports available not later than 7:30 am on business days
- The financial institution will provide float information on all deposited items.
- Funds transfers between accounts
- The City shall not be charged or penalized for an overdraft if it is the result of the account balance information not being available at the specified time.

ACH Direct Deposit

- The City pays a large portion of its employees via a direct deposit payroll program. This data will be transmitted to the financial institution via the Internet. The City pays its employees on the 5th and the 20th of each month, or the preceding Friday if the normal pay date falls on a weekend. The funds must be available to the employees at their respective banks at the time of opening on the date of payment.

Account Maintenance

Statements

Monthly Statements showing the overall activity of the City's account(s) will be provided. These reports shall include a monthly detailed analysis of the banking institution's fees for operating the City's account(s). Monthly statements and images of canceled checks (front and back) will be provided in mutually acceptable electronic format. The monthly statement will include the amount of interest paid or fees charged as a result of the daily funds balance.

An Annual Bank Analysis Statement will be provided following year-end (December 31) showing comparative data for the year by major service cost category. This information will be "actual" data and shall include columns for units processed and collected, and ledger balances.

Resource Personnel

The financial institution shall identify personnel in both the City of Mukilteo branch and main office who are available during normal working hours. These personnel shall be familiar with the City's accounts and the Banking Services Contract.

Credit/Debit Card Services

The financial institution will provide the City with the ability to accept payment through the use of credit/debit cards and review transaction detail by location via the internet. MasterCard and Visa cards will be accepted at Mukilteo City Hall, Mukilteo Community Center and the Mukilteo Police Department, but may expand this service in the future. 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.

Overdraft Protection

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

Account Reconciliation Processing

The financial institution will provide detailed monthly account reconciliation processing (ARP) reports for Accounts Payable (claims) and Payroll accounts.

Other Required Services

The financial institution will maintain a supply of \$1 coins sufficient to meet weekly City demands for up to 600 coins between May and October, and monthly City demands for up to 300 coins between November and April.

The financial institution will provide statements to auditors upon request.

City of Mukilteo
REQUEST FOR PROPOSALS: BANKING SERVICES
CERTIFICATION

I have read the Request for Proposal (RFP) for Banking Services and fully understand its intent. I understand that our ability to meet the criteria and provide the required services shall be reviewed by the City, which will develop a recommendation for City Council's consideration regarding the selection of the most advantageous banking services proposal. It is understood that all information included in, attached to, or required by this RFP shall become public record upon delivery to the City.

In addition to the completed cost proposal forms, the following are included:

1. Audited Annual Financial report for the past fiscal year.
2. Information regarding on-line banking and reporting
3. Copy of latest Public Depository Liability Report as submitted to the Public Deposit Protection Commission.

With my signature, I certify the following:

1. I am authorized to commit my firm to this Proposal and that the information herein is valid for 45 days from this date.
2. That all information presented herein is accurate and complete and that the scope of services can be performed as presented in this proposal upon the City's request.
3. That I have had an opportunity to ask questions regarding this RFP and that those questions have been answered.
4. That I understand that any material omission of required forms or information may result in rejection of this proposal as non-responsive.
5. That this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting an offer for this proposal, and is in all respects fair and without collusion or fraud.
6. That the completion of the Proposal is a binding commitment to provide the banking services requested as proposed herein.

Proposer Signature _____ Date _____

Name (printed) _____ Title _____

Financial Institution _____

Address _____

Phone _____ Fax _____

Email Address _____

SUBMITTALS

BASIC SERVICE COST ALLOCATIONS

	AVERAGE MONTHLY ACTIVITY (IN UNITS)	UNIT PRICE	AVERAGE MONTHLY CHARGES
BALANCE RELATED SERVICES:			
FDIC Insurance (per \$1000)	111	\$ -	\$ -
FDIC -TLGP Assessment	36	\$ -	\$ -
DEPOSITORY SERVICES:			
Cash Deposited	15,979	\$ -	\$ -
Account Maintenance	5	\$ -	\$ -
Coin/Curr Dep Vlt	66	\$ -	\$ -
Zero Balance Maintenance	43	\$ -	\$ -
Gen Disb Cks Pd-Not Truncated	2,146	\$ -	\$ -
On-Us Deposited Items	1,359	\$ -	\$ -
Canadian Deposited Items	97	\$ -	\$ -
Local Deposited Items	541	\$ -	\$ -
Direct Send Deposited Items	471	\$ -	\$ -
Other Fed Deposited Items	1	\$ -	\$ -
12th Fed Deposited Items	210	\$ -	\$ -
Stop Payments	13	\$ -	\$ -
Redeposited Returned Item	7	\$ -	\$ -
Deposits Posted	263	\$ -	\$ -
Deposited Items Returned	25	\$ -	\$ -
Vault Deposits Posted	3,067	\$ -	\$ -
GENERAL ACH SERVICES:			
PC/ACH Microcash Support	24	\$ -	\$ -
ACH Block Auth Maintenance	48	\$ -	\$ -
ACH Notification of Change	1,085	\$ -	\$ -
ACH Consumer On Us Credits	313	\$ -	\$ -
ACH Consumer Off Us Credits	27	\$ -	\$ -
ACH Standard Rpts-Electronic	66	\$ -	\$ -
ACH Credit Received Item	12	\$ -	\$ -
ACH Debit Received Item	12	\$ -	\$ -
ACH Blocks/Auth Instructions	5	\$ -	\$ -
ACH Input-PC/Direct	5	\$ -	\$ -
ACH Monthly Maintenance	6	\$ -	\$ -

	AVERAGE MONTHLY ACTIVITY (IN UNITS)	UNIT PRICE	AVERAGE MONTHLY CHARGES
WIRE TRANSFER:			
Elec Wire Out - Domestic	1	\$ -	\$ -
Book Credit	1	\$ -	\$ -
Wire Advice-Mail	1	\$ -	\$ -
Elec Wire Out-Book DB	1	\$ -	\$ -
Direct Wire Monthly Maint	1	\$ -	\$ -
ACCOUNT RECONCILIATION:			
Account Reconcilement Processing	3	\$ -	\$ -
INFORMATION SERVICES:			
Image Retrieval-Paid Item	4	\$ -	\$ -
Image Retrieval-Deposit Item	6	\$ -	\$ -
Direct Previous Day Maint	6	\$ -	\$ -
Direct Current Day Maint	1	\$ -	\$ -
Direct Per Account Fee	1	\$ -	\$ -
Direct Current Day Std Item	2,147	\$ -	\$ -
Direct Previous Day Ext Item	6	\$ -	\$ -
MISCELLANEOUS:			
Statement Postage	6	\$ -	\$ -
Deposit Slip Orders	2	\$ -	\$ -
Cust Maintain Temp Storage	2	\$ -	\$ -

CREDIT CARD ACTIVITY AND FEES

Average Monthly Activity 2009

NUMBER	DESCRIPTION		TOTAL
-	SUPPORT PACKAGE FEE		\$ -
8	VISA BUS CNP	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	VISA PURCH CNP	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	VISA VSP CNP	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
3	VISA RETAIL 2 DB	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
7	VISA CPS RETAIL 2	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
	VISA DUES AND ASSESSMENT	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	MC WORLD PUB SECT	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	MC ENH PUB SECT	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	MC COMM DR 2-MCB	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	MC COMM DR 2-MCP	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	MC COMM DR 2-MCF	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
2	MC NABU FEE	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	MC PUBLIC SECTOR	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	MC EMERGING MKDB	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
1	MC CORP DATA RT1	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
	MC DUES AND ASSESSMENTS	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
25	VISANET AUTHORIZATIONS	(_____ % X SALES+ \$ _____ X ITEMS)	\$ -
			<u>\$ -</u>

PL	# SALES	\$ SALES	AVG TKT	DISC P/I %	DISCOUNT DUE
V	7	\$ 1,249.49	178.50		\$ -
VD	3	\$ 131.33	43.78		\$ -
VB	9	\$ 2,043.57	227.06		\$ -
M	1	\$ 60.82	60.82		\$ -
MD	2	\$ 51.67	25.83		\$ -
MB	3	\$ 600.81	200.27		\$ -
	<u>25</u>	<u>\$ 4,137.68</u>	<u>\$ 165.51</u>		<u>\$ -</u>

COMPENSATING BALANCE AND INTEREST RATE CALCULATIONS

Describe how collected balances are calculated, including how the effective rate is determined, method used and formula proposed to calculate the service charge credit or the earnings allowance on collected balances.

Required compensating balance \$_____

BASIC SERVICES SCHEDULE

SERVICE	DESIRED STANDARDS	PROPOSED
Daily Account Balance Reporting	7:30 a.m. next banking day	
Monthly Statements	Five banking days after month-end	
Account(s) Analysis	Five banking days after month end	