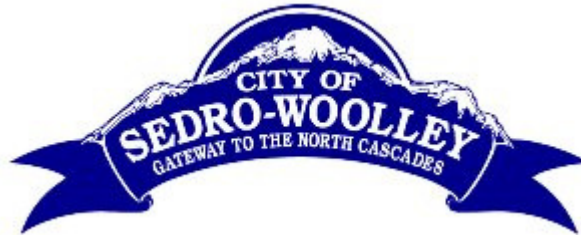


# City of Sedro-Woolley, WA



## Request for Proposal - Banking Services Contract

### City Officials

Mayor..... Mike Anderson

City Supervisor ..... Eron Berg

Finance Director ..... Patsy Nelson

Finance Committee:

Hugh Galbraith, Chair

Tony Splane

Ted Meamber

September, 2009

Prepared by the Finance Department

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## **Time Schedule/Bid Process**

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

Issue RFP	August 28, 2009
Vendor questions due	September 14, 2009
Proposal responses due	September 25, 2009
Interview with selected banks	October 16, 2009
Preliminary selection of bank	October 30, 2009
Recommendation to City Council	November 11, 2009
Notify Bank chosen	November 16, 2009
Council approval	November 25, 2009
Transition and testing period	December 1-31, 2009
Effective date of new contract	January 1, 2010

## **Introduction**

City of Sedro-Woolley  
Banking Services Contract  
Request for Proposal

The City of Sedro-Woolley is soliciting competitive proposals in order to obtain a banking relationship that provides maximum services to the City.

The City of Sedro-Woolley invites qualified local banking institutions to submit proposals for the provision of banking services as described in the attached specifications. Written proposals using the official forms provided herein will be received until **5:00 p.m., Friday, September 25, 2009**, at the Finance Department, Sedro-Woolley City Hall, 325 Metcalf Street, Sedro-Woolley, WA, 98284.

### **1. Conditions Qualifying a Banking Institution to Propose**

#### **a. Location Within the City Limits of Sedro-Woolley, WA**

A proposer must be a federal or state of Washington chartered banking institution with branch banking facilities located within the city limits of the City of Sedro-Woolley. If the headquarters of the proposer is not located within the city limits, a branch bank of the proposer located within the city must be able to offer the full range of banking services required by this Request for Proposal (RFP).

#### **b. Designated Depository**

A proposer must be designated by the Washington Public Deposit Protection Commission as a qualified public depository. The qualified designation must remain in

effect for the duration of the Banking Services Contract. The City reserves the right to cancel its Banking Services Agreement without notice if the bank ceases to be a qualified public depository per the Washington Public Deposit Protection Commission.

**c. Required Financial Information**

The proposer must provide copies of all documents required by state law (Public Fund Protection Act of 1969, Chapter 193) to the City's Finance Director. The banking institution must meet or exceed the requirements outlined therein.

**d. Transferring Ownership**

The City also reserves the right to cancel its Banking Service Agreement without notice if the bank is sold or merged with another bank.

**e. Other Qualifying Conditions**

1. The banking services of the City will be reviewed every five years. Upon mutual consent between the Finance Director and the banking institution, the agreement may be extended for one year at a cost not to exceed an increase based on 90 percent of the Consumer Price Index All Urban Consumers, Seattle, Bremerton, Tacoma (CPI-U), issued for the May/June period. This is the CPI-U published by the U.S. Department of Labor, Bureau of Labor Statistics, P.O. Box 193766, San Francisco, CA 94119-3766.

2. All banks submitting proposals must be full-service banking institutions capable of providing at least those services identified in Exhibit A.

3. The City of Sedro-Woolley may find that at various times it may be in need of additional funds, which may be borrowed from various banks in the form of interest bearing warrants or short-term notes. These loans may be backed by anticipated specific City revenues or sales of General Obligation, Revenue, or Local Improvement District Bonds.

The successful banking institution agrees to bid on all legally acceptable interim-financing loan requests by the City of Sedro-Woolley on a prompt and competitive basis.

4. Although a banking institution will be appointed to handle the regular checking activity, the City will reserve the right to rescind such appointment, should the banking relationship become unsatisfactory, at the sole discretion of the City.

5. The investment activities of the City will in no way be affected by the appointment of a banking institution to handle the City's regular checking account. All investment activities will be handled at the direction of the City's Finance Director and in accordance

with state laws.

6. The City of Sedro-Woolley reserves the right to schedule a tour of the facilities of any or all banking institutions that submit proposals to this RFP.

## **2. Procedural Instructions**

### **a. Intent**

The intent of this Request for Proposal (RFP) is to select one banking institution to provide basic banking services to the City of Sedro-Woolley, Washington. However, the City may also elect to award an agreement to the winning proposer for any or all optional services.

### **b. Proposal Form**

Each proposer shall use the attached Proposal Form, Exhibit A, or copies thereof in submitting a proposal. It is required that the proposal be completed in its entirety with the exception of the optional banking services section of the proposal. The proposal must include a copy of the banking institution's last audited financial report.

### **c. No Proposal**

If a proposer cannot meet a service requirement, then 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.

### **d. Multiple Proposals**

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

### **e. Proposal Deadline**

A proposal must be submitted in a sealed envelope or package bearing the title "City of Sedro-Woolley - Banking Services" along with the proposer's name and address. The proposer shall return two (2) copies of completed Proposal Forms and other required information to the Finance Department, 325 Metcalf, Sedro-Woolley, Washington, 98284 no later than **5:00 p.m., Friday, September 25, 2009**. It is the responsibility of the proposer to ensure that the proposal arrives on time at the correct location. All proposals received later than this time will be returned to the financial institution unopened. An official of the bank authorized to bind the bank must sign additional proposals. The

proposal must be valid for a period of not less than ninety (90) calendar days from the date of receipt by the Finance Director.

**f. Public Information**

All proposals and information included therein or attached thereto submitted in response to this RFP shall become public record upon proposal opening and will be available for review upon request.

The City will disclose those parts of records the proposal has marked "proprietary information" only to authorized persons unless: (a) the City discloses the records in response to a public disclosure request or (b) the proposer has given the City express advance written permission to disclose the records. "Authorized persons" means those City officers and employees for whom the proprietary information is necessary to evaluate proposal and to perform their duties or obligations to the City.

If the City receives a public disclosure request for records that the proposer has marked "proprietary information", the City may promptly notify the proposer of the request. The City may postpone disclosing these records for thirty (30) business days after it has sent notification to the proposer, in order to allow the proposer to file a lawsuit to enjoin disclosure. If the City has notified the proposer of a public disclosure request, and the proposer has not obtained an injunction and served the City with that injunction by the close of business on the tenth business day after the City sent notice, the City will then disclose the record.

**g. Contact Office**

The Finance Director's office shall be the only contact office for any or all aspects of this RFP. All requests for information from the Finance Director shall be made in writing or by e-mail and the response shall be made in like manner.

**h. Right to Reject Proposals and Waive Informalities**

The City reserves the right to reject any or all proposals, to waive any nonmaterial irregularities or informalities in any RFP, and to accept or reject any item or combination of items.

**i. Execution of Agreement**

If a banking institution does not execute an agreement within five (5) days of Council passage of a resolution awarding contract, the City may give notice to the banking institution of the City's intent to select the next most qualified "proposing banking institution" or call for new proposals, whichever the Finance Director deems most appropriate.

### **3. Selection Process**

#### **a. Criteria for Selection**

Criteria for evaluation of proposals shall be as follows:

1. Legal and other qualifications met by the proposer.
2. Completeness of proposal.
3. Financial strength and capacity of the banking institution.
4. Ability to meet requirements. All service requirements must be able to be installed and operating on the first day of the bank contract.
5. Expected convenience of banking services for the City personnel involved.
6. Total estimated costs to the City.

#### **b. Responsiveness to Criteria**

1. Services will be evaluated on availability, time schedules, reporting, and in the case of interest-bearing demand accounts, services will be evaluated on interest rates. Each proposer is required to submit examples of reports mentioned in Required Services.

2. All proposals from qualified public depositories that pass the completeness test and financial strength/capacity tests and provide a satisfactory customer service level will then be ranked based upon least total cost to the City. Total cost to the City is defined as the lowest combination of projected monthly service costs, highest earnings factor specified in banking institution's proposal, and the resulting compensating direct fee.

3. The basic required service proposal will be evaluated separately from any optional service proposal. Please make each proposal separate so that each can be evaluated on its individual completeness and cost criteria.

### **4. Contract Terms**

#### **a. Contract Period**

The selected banking institution shall be designated as the City's depository for a five-year period commencing January 1, 2010. The Banking Services Contract shall contain an

automatic renewal clause, unless either party gives written notice at least 90 days prior to December 31, 2015, which may be used for the following one (1) year under the same terms and conditions, thereby providing for up to six (6) years of depository and banking services.

**b. Cancellation of Contract**

The Banking Services Contract shall provide that either the City or the selected banking institution reserves the right to cancel any agreement at any time upon ninety (90) days written notice of its intent to terminate any agreement

**c. Awarding of Contract**

The City of Sedro-Woolley Banking Services Contract is expected to be awarded at the last scheduled City Council Meeting Scheduled in November 2009, in the City Council Chambers, Sedro-Woolley City Hall, 325 Metcalf Street, Sedro-Woolley, Washington, 98284.

**5. Description of Operating System**

**a. Background**

The City of Sedro-Woolley currently maintains four (4) demand accounts (one main account for treasurer's checks; one account for Municipal Court; one small-balance account for internet transactions, and one small-balance account for advance travel). In addition to the demand accounts, the City of Sedro-Woolley currently maintains one (1) sweep account for claims and payroll warrants.

The main demand account performs as our general operating account and receives all City revenues and maturing investments. Disbursements from this account are made by City Treasurer's checks, wire transfer and to zero the sweep account.

**6. Required Banking Services**

Each proposer shall submit a comprehensive list of service prices by completing the service cost section of the RFP. This list will be considered all-inclusive and the prices shown on the list shall be incorporated into the agreement and will be effective for the duration of the Banking Services Contract. Services will be evaluated on availability, costs, time schedules, interest rates, and the applicability of optional services.

The following categories are the basic package of required banking services:

**a. Depository**

The banking institution will furnish the City with a checking account into which deposits from up to two (2) different departments may be made once a day. Collections are primarily comprised of checks with some currency and credit card transactions. Disbursements from the main account will be mainly through the sweep account for daily claims and payroll warrants; Treasurer's checks and a small number of wire transfers. The City of Sedro-Woolley currently issues approximately 260 claims warrants and 60 payroll warrants per month through the sweep account. The issuance of Treasurer's checks is minimal, approximately 10 per month. The daily net usable balance of funds after allowing for uncollected funds shall receive interest overnight. If the balance should drop into a deficit position, a line-of-credit with a maximum limit of \$450,000 (payroll amount) will be established at a proposed rate based on a percentage of prime.

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

The bank may receive direct payments or deposits to City accounts other than from the City. In these instances the bank shall provide the City the next banking day a receipt of the transaction.

The bank shall automatically present (reprocess) returned deposited items a second time.

**b. Additional Small Checking Accounts as Needed**

The banking institution will provide the City with additional low-volume special purpose checking accounts as the need arises. Such accounts will be provided with personalized and pre-numbered checks and deposit slips at no additional charge, and 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 charges will be made directly to any of these special accounts.

**c. Electronic Funds Transfer**

The Finance Department initiates wire transfers and ACH by web-based systems with telephone service as a backup. The banking institution should provide automated wire transfer facilities that allow the Finance Department to initiate outgoing transfers and receive data on incoming wire transfers.

It is estimated that the City will have approximately 2 - 3 incoming and 3 – 4 outgoing ACH per month. The City receives between 25 and 30 credit card deposits per month. The banking institution will provide for instant wire transfer of funds and able to wire securities to any bank using the interbank and federal wire systems for investment purchases or sales and other transactions with commercial banks or brokerage houses. The bank will honor all outgoing wire requests by the City regardless of funds in the City's account at the time of the request. Incoming wires shall be posted to City's account within one hour of being received by the bank. When there are both transfers in and transfers out during the same day, they will be treated as if occurring simultaneously, precluding any consideration of daylight overdrafts for purposes of this RFP. Wire service credit and debit notices must be reported daily and included in the monthly statement.

**d. Account Maintenance**

**1. Collected Balance Reporting**

Each weekday morning by 8:30 a.m., after posting all of the previous day's activity, the banking institution will provide the City's Finance Department with information as to the current collected balance in the City's account. This daily information needs to include details related to electronic deposits. The City is interested in utilizing the latest technology to access this information. In the event that the banking institution is unable to provide a current collected balance by 8:30 a.m., the City will use its indicated ledger balance for investment purposes as if it were the current collected balance. The City shall not be charged or penalized if an overdraft results because of the account balance information not being available at the specified time.

**2. Deposits**

Deposits accepted and/or received by 4:00 p.m., will be credited to the account on that same day.

**3. 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 cost of operating the City's account(s). All canceled checks/warrants will be returned in numerical order. The monthly statement will include the amount of interest paid or charged as a result of the daily funds balance.

An Annual Statement will be provided following year-end (December 31) showing comparative data for the year by month and by major service cost category to be

identified by the City. This information will be "actual" data and shall include columns for units processed and collected, and ledger balances. This report will be provided at no additional cost to the City.

#### **4. Resource Personnel**

The banking institution shall identify personnel in both the Sedro-Woolley branch and main office who are available during normal working hours to answer questions pertaining to transactions which require more detailed explanation. These personnel shall be familiar with the City's account(s) and the Banking Services Contract.

#### **5. Priority Teller Services**

Should such a need arise, provision will be made for priority servicing of the City's deposits and related banking business, such that City personnel will not need to wait in line to make deposits and will be able to perform all banking business at one work station.

#### **6. Insufficient Funds**

Deposited checks returned for insufficient funds shall be automatically presented for collection a second time.

#### **e. Online Services**

Online services such as account balance information, transfers between accounts, deposit transaction details, and payment transaction details provided through secure website access.

#### **f. Printing**

The banking institution will provide checks, blank check stock, deposit slips, and endorsement stamps for the four (4) demand deposit accounts.

#### **g. Credit Cards**

The banking institution will provide credit card services to the City (Visa or MasterCard). Currently, the City provides a city credit card in the name of individual employees for minor procurements and a number of generic cards for goods and services, travel, and fuel related expenses. The City has been issued 10 credit cards with a credit limit of up to

\$2,500 monthly limit each. There shall be no annual fee and the City anticipates paying balance in full on a monthly basis.

**h. Investment Assistance**

The banking institution may provide investment information and assistance in the management of the City's investment portfolio as permitted by pertinent federal and state laws and regulations. The banking institution will make available to the City, Repurchase Agreements, Banker's Acceptances, and Certificates of Deposit, and will purchase Government and Federal Agency Securities for the City as directed.

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

The City of Sedro-Woolley will exercise its option to obtain competitive investment bids as outlined in the City's formal investment policy.

**i. Safekeeping**

The City purchases all securities on a delivery versus payment method. The selected banking institution may be the City's custodial agent in charge of providing safekeeping facilities and services for all securities that the City purchases. In doing so, the banking institution will comply with all state and federal regulations regarding safekeeping of City securities. The agent banking institution shall control the securities through its own safekeeping department, through any corresponding bank with which it deals regularly, or through the Federal Reserve Bank of San Francisco. All proposals should identify where safekeeping facilities will be located and what banks are used as corresponding banks. The banking institution shall arrange for safekeeping services with its correspondent bank in New York, should transactions occur involving securities that are not wirable. Each proposal shall clearly specify services to be performed and the respective monthly cost.

Upon request, as well as at the end of each month, the banking institution will provide a complete inventory listing of the securities being held in safekeeping for the City, with no additional fee beyond the transaction fees stipulated in the attached bid response form. Fees will not be subject to change during the initial term of the contract.

**j. Line of Credit**

A line of credit shall be established to protect the City in the event of an overdraft. The maximum limit shall be \$450,000. Cost shall be determined as a percentage of prime. The City, as appropriate, will initiate any documents necessary to implement a line of credit

**k. Competitive Bidding — Interim Financing**

The banking institution agrees to bid competitively on all legally acceptable interim financing debt issues such as tax anticipation notes, bond anticipation notes, or other notes issued in anticipation of future City revenues.

**l. Depository Credit Card Transactions**

The City's Finance Department currently accept credit cards (VISA and MasterCard) as a means for payment of City services, with the vast majority being payments on City utilities. It is anticipated that the City may expand the number of departments that accept credit cards as a means for payment. Currently the City averages 350 transactions with a dollar value of \$120,000 per year. The banking institution shall supply the appropriate supplies and equipment to do on-line verifications. The City will be credited for the bankcard transactions in gross amount and the merchant discount will go against the monthly analysis. The bank will specify in their proposal which credit cards the bank will process and the related cost to the City.

**m. Direct Deposit to Checking and Savings Accounts**

The City provides employees with the option of direct deposit of payroll checks to the institution of their choice. The City allows employees to have multiple bank account transfers, which may result in the generation of a higher number of transactions than number of employees. The successful respondent must be able to provide this service. These items can be transmitted to the bank using a PC and modem, website interface, or diskette. The bank should indicate the minimum number of working days prior to the date of payment that the City would be required to deposit payroll monies and provide the transmission information. Funds shall be available to employees at their respective banks at the time of opening on the date of payment.

The bank shall indicate if they use a corresponding institution to facilitate Direct Deposit services.

The bank shall explain its security structure and requirements for direct deposit.

**n. Automatic Payment Deposits**

The City has an Automatic Payment Service, which automatically deducts customer's monthly utility bills the same day each month from their bank accounts. The number of customer accounts is currently 285 and will continue to increase in the future.

**o. Other**

Proposers are requested to list any services not previously specified that will be provided to the City at no additional cost.

**7. Compensation**

Each quarter the bank will be compensated for the services provided. The following procedures will be followed:

1. The bank will compute the actual cost to service the account based on the transaction volumes and the actual services provided.
2. The bank will compute the average collected funds balance and calculate a service charge credit against the costs determined in #1 above. The earnings rate on these balances will be a factor in the consideration of each proposal. The use of a sweep account is acceptable.
3. The bank will compute the difference between the account service charge in #1 above and in the service charge credit computed in #2 above. If a sweep account is used, then direct billing for service charges is acceptable.
4. If the charges exceed the credit, the City shall compensate the bank for the excess charges. Payment will be by City check within thirty (30) days of delivery of the invoice.
5. If the service charge credits exceed the service charges for the account, the bank will compensate the City for excess service charge credits.
6. The charges calculated in this section shall be the sole compensation to the bank for account services provided.
7. The bank agrees to abide by the service charges submitted in its proposal for a period of five years.

## **8. Optional Banking Services**

In addition to the basic services described the City requests proposals for optional services.

A proposer may, under separate cover, submit optional proposals for other services that the proposer feels would be in the best interest of the City. The "Selection Criteria" set forth previously herein applies to the selection of a banking institution for optional banking service(s). The City may be interested in the following optional banking services:

### **a. Check Reconciliations**

The banking institution will provide an automated reconciliation plan (ARP) report to the City for the warrants paid the previous day together with the daily summary statement on the next working day.

### **b. Automatic Overnight Investments**

At a mutually agreed upon time each working day, the prior day's net collected balance shall be invested overnight through the banking institution's own investment department at a stipulated percentage rate, i.e., 75 percent of prime, 80 percent of 180-day T-bill, etc.

### **c. Other Optional Services**

As identified by the proposing bank.

## **9. City Volume of Activity**

### **BANKING SERVICES**

#### **Types of Accounts**

- Four (4) General Treasury (Public Funds)
- One (1) Sweep Account

#### **Average Monthly Activity (not intended to be a guaranteed minimum or maximum)**

- Number of Deposits – 45
- Number of Items Deposited — 2,600
- Number of Checks/Warrants Written — 330
- Number of ACH Deposit Transactions — 3
- Number of ACH Deposit Items — 285
- Number of outgoing ACH Transactions — 4
- Number of Wire Transfers In - 1/Out - 1
- Number of Returned Items - 5
- Number of Accounts - 4
- Credit Card Transactions Number - 30
  - Dollar Value - \$10,000
- Credit Card Deposits - 20
- Cash for Change – 2

**10. Exhibit A (Basic Services) Banking Services Proposal**

Patsy Nelson  
Finance Director  
325 Metcalf Street  
Sedro-Woolley, WA 98284

Dear Patsy:

We have read the Request for Proposal (RFP) for Banking Services and fully understand its intent. We certify that we have adequate personnel, equipment, and facilities to fulfill the requirements thereto. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the City of Sedro-Woolley Finance Department. A copy of the Proposal is attached.

We have attached the following:

1. The most recent call report available.
2. Audited Annual Financial Report for the past fiscal year.
3. Bank availability schedule.
4. Information for on-line balance reporting, if available.
5. Listing of other public entities our bank does business with.
6. Copy of latest Public Depository Liability Report as submitted to the Public Deposit Protection Commission.

It is understood the above information will be used as evidence of our ability to meet the capital structure requirements necessary to service this account.

It is further understood that all information included in, attached to, or required by this RFP shall become public record upon delivery to the City.

The undersigned certifies that the completion of this Bid Response is a binding commitment to provide the banking services requested as proposed herein.

SUBMITTED BY:

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(Bank)

---

(Authorized Signature - Title)

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(Authorized Signature - Title)

---

(Telephone/Date)

---

(Telephone/Date)

## PROPOSAL - MANDATORY BANKING SERVICES

The undersigned, a banking institution maintaining branch offices within the city limits of the City of Sedro-Woolley, Washington, submits the following bid for banking services for the five-year period beginning January 1, 2010, as per specifications and exhibits attached.

### 1. Bank Services to be provided:

- a. Demand deposit checking account services
- b. Additional checking accounts as necessary
- c. Electronic fund transfer notification and on-line service ability
- d. Account reporting, maintenance, and service
- e. On-line services
- f. Printing
- g. Credit cards
- h. Investment Assistance
- i. Safekeeping services
- j. Line of credit
- k. Competitively bidding on all legally acceptable interim financing loans requested by the City on a prompt basis
- l. Depository credit card transactions
- m. Direct deposit to checking accounts
- n. Automatic Payment Deposits
- o. Other services as specified in this Request for Proposal

### 2. Charges for Services

Please complete all items on the questionnaire and attach any supplemental material you wish. You may use a separate sheet of paper to answer the following questions. If there are other services your financial institution can provide that would benefit the City, please provide the cost of those services and how they would benefit the City. If your financial institution does not or cannot provide a specifically requested service, please indicate so. Please submit samples of reports (e.g., check printouts, bank statements, account analysis, etc.) The City retains the right to select any and/or all items listed in this questionnaire as services to be provided by the financial institution receiving the contract.

Checking Account Fees: (Please state your fees for the following services. If there is no cost enter "none")

- Account maintenance fee, (monthly) \_\_\_\_\_
- A. Deposits, per deposit \_\_\_\_\_
  - B. Wire transfers (in) per transfer \_\_\_\_\_
  - C. Wire transfers (out) per transfer \_\_\_\_\_
  - D. Repetitive wire transfer \_\_\_\_\_
  - E. Terminal access for executing wire transfers and account inquiry \_\_\_\_\_

- F. Returned items, per item \_\_\_\_\_
- G. Stop payment, per item \_\_\_\_\_
- H. Check/warrant processing, per item \_\_\_\_\_
- I. Negative balance fee, percent of published prime rate as published in the "Western Edition" of the Wall Street Journal \_\_\_\_\_
- J. Direct deposit charges (please itemize) \_\_\_\_\_
- K. Automatic payment deposits \_\_\_\_\_
- L. Daily earnings rate on collected funds remaining in account at close of business \_\_\_\_\_
- M. (A) Bank card discount rate \_\_\_\_\_  
(B) Other bank card related fees \_\_\_\_\_
- N. Other charges (list and describe) \_\_\_\_\_

3. Credit for account balances (describe the formula proposed to calculate the service charge credit for collected fund balances). What is the policy regarding overdrafts and negative collected balances?
4. Overdraft Line of Credit (describe the mechanism and fee for handling possible overdraft situations).
5. Wire transfers (describe security procedures).
6. Safekeeping Services (describe fee structure and procedures).
7. Who may we contact at your financial institution regarding this proposal?

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Name	Title	Phone
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**PROPOSAL - OPTIONAL BANKING SERVICES FEE**

- A. Check reconciliation services \_\_\_\_\_
- B. Automatic Overnight Investments (percent of earnings) \_\_\_\_\_
- C. Underwriting City-sponsored credit card \_\_\_\_\_
- D. Online Services \_\_\_\_\_
- E. Other optional services

**11. Exhibit B (Evaluation of Criteria for Selection) Banking Services Proposal**

Each proposal will be evaluated on the six (6) criteria listed in section 3.a. of the City of Sedro-Woolley, WA Request for Proposal — Banking Services Contract. Only the basic required services will be evaluated by this method. The optional services will be evaluated separately. The contract will be awarded to the institution with the highest net total.

The six criteria will be weighted according to the following allocations:

- 1. Legal and other qualifications met by the proposer. \_\_\_\_\_(10 points maximum)
- 2. Completeness of proposal. \_\_\_\_\_(10 points maximum)
- 3. Financial strength and capacity of the banking institution. \_\_\_\_\_(10 points maximum)
- 4. Ability to meet requirements. All service requirements must be able to be installed and operating on the first day of the bank contract. \_\_\_\_\_(20 points maximum)
- 5. Expected convenience of banking services for the City personnel involved. \_\_\_\_\_(25 points maximum)
- 6. Total estimated costs to the City. \_\_\_\_\_(25 points maximum)
  
- Total** \_\_\_\_\_(100 points maximum)

## 12. Exhibit C (Proposed Banking Services Contract) Banking Services Proposal

### CITY OF SEDRO-WOOLLEY AGREEMENT FOR BANKING SERVICES

#### I. PARTIES

This Agreement for Banking Services (the "Agreement") is made and executed this \_\_\_\_\_ day of January 2010, by and between the City of Sedro-Woolley, 325 Metcalf St., Sedro-Woolley, Washington 98284 (hereinafter "City"), and , (the "Bank").

#### II. RECITALS

1. WHEREAS, the City issued a Request for Proposals for Banking Services; and
2. WHEREAS, the Bank was the successful bidder in response to the City's RFP for Banking Services; and
3. WHEREAS, the City desires to enter into an Agreement with the Bank for the performance of the Banking Services identified in the City's RFP; and
4. WHEREAS, the Bank is agreeable to performing such Banking Services for the City in accordance with the terms and conditions set forth below; and

NOW, THEREFORE, in consideration of the mutual benefits to the City and the Bank and in consideration of the terms and conditions specified below, the parties agree as follows:

#### III. SCOPE OF BANKING SERVICES

The Bank shall furnish all labor, materials, and supplies necessary to perform the required Banking Services as stated in the Banking Services Proposal (the "RFP") attached as Exhibit A and incorporated by this reference. All performance of Banking Services under this Agreement shall meet all applicable requirements of the state and federal law.

#### IV. TIME OF PERFORMANCE

The Bank shall commence performance of banking service for the City on January 1, 2010, and this Agreement shall be in effect for a term of five (5) years. Prior to expiration of the term of this contract, the City may exercise an option to renew said Agreement for a period of one additional year provided that:

1. the Bank is in compliance with the terms and conditions of the Agreement, and
2. the annual payment to the Bank for the performance of Banking Services under this Agreement continues to be cost effective as determined by the City, and
3. sufficient funds have been appropriated by the City Council in the Annual Budget for payment of the Banking Services to be performed by the Bank under the terms of this Agreement.

The total term of the Agreement shall not exceed six (6) years.

#### V. COMPENSATION

- A. The Bank shall be paid at the specified rate for each of the Banking Services required by the City as set forth in Exhibit A.
- B. The Bank shall invoice the City on a quarterly basis for Banking Services rendered under this Agreement and in accordance with the compensation methods defined in Exhibit A, the Bank shall be compensated in accordance with the City's usual procedures.

#### VI. INDEPENDENT CONTRACTOR

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

## VII. INSURANCE

The Bank shall, at a minimum, maintain commercial general liability insurance appropriate to its industry and financial condition. All such insurance shall be primary over any coverage held by the City. The Bank shall provide to the City written verification of compliance acceptable to the City prior to commencing performance of Banking Services under this Agreement, which verification shall be attached to the Agreement as Exhibit B. The Bank may self insure.

## VIII. TERMINATION

The City may terminate this Agreement, with or without cause, upon ninety (90) days written notice to the Bank at the Bank's branch office in the city of Sedro-Woolley, Washington. The City shall pay the Bank only for the Banking Services completed by the Bank in accordance with this Agreement.

## IX. GENERAL PROVISIONS

A. Integrated Agreement. The entire and integrated agreement between the City and the Bank related to the Services shall consist of this Agreement, the Bank's service-level agreements in connection with the Services (including their respective user documentation and set-up forms), the Bank's Bid Response and the City's RFP as modified by the Bid Response. In the event of conflict among any of the preceding documents, such documents shall govern in the following order of precedence: (1) this Agreement, (2) the Bank's Treasury Terms and Conditions booklet agreements (including user documentation and set-up forms), (3) the Bid Response and (4) the RFP. The integrated agreement supersedes all prior negotiations, representations, statements and agreements, whether written or oral, regarding the Services.

B. Assignment. The Bank shall not assign all or any portion of its duties or obligations to provide Banking Services to the City under this Agreement without the City's prior written consent.

C. Waiver. A waiver of any breach by either party shall not constitute a waiver of any subsequent breach.

D. Choice of Law. All questions concerning the validity, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Washington, and venue for any action in court for the interpretation of the terms of this Agreement, shall lie in Skagit County, Washington.

E. Compliance with Laws. The Bank shall comply with all applicable federal, state, local laws, regulations and City ordinances in performing Banking Services for the City under the terms of this Agreement.

F. Authorized Signatures. By their signatures below, each party represents that they are fully authorized to sign for and on behalf of the named principal above.

DATED this day of \_\_\_\_\_, 2010

CITY OF SEDRO-WOOLLEY

THE BANK

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Finance Director

Approved as to form:

Approved as to form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Attorney for the Bank

**ATTACHMENTS:**

**EXHIBIT A: Banking Services Fee Schedule**

**EXHIBIT B: Insurance Verification**