



REQUEST FOR PROPOSALS FOR BANKING AND CUSTODIAL SERVICES

City of Whittier

Proposal Submittal Due Date

***April 10, 2015
4:00 p.m.***

Time Table	
Distribution of RFP	March 6, 2015
Due Date for Questions	March 17, 2015 @ 4:00 p.m.
Release of Responses to Questions	By March 26, 2015
Proposal Submission Deadline	April 10, 2015 @ 4:00 p.m.
Presentations & Demonstrations to City*	Week of May 4, 2015
Tentative Contract Award Date	June 5, 2015
Tentative Implementation Date	August 1, 2015

*Presentations and demonstrations will be conducted at the City's option.

TABLE OF CONTENTS

SECTION I. OVERVIEW/INTRODUCTION

A. Objective of the RFP Process.....	1
B. General Information.....	2
C. Evaluation Criteria.....	4

SECTION II. REQUIREMENTS

A. Bank Qualifications.....	6
B. Fees.....	6
C. Banking Services.....	8
D. Custodial Services.....	10
E. Bank Liability.....	10
F. Disaster Recovery.....	10
G. Audit.....	11
H. Service Management.....	11
I. Innovation.....	11

SECTION III. PROPOSAL FORMAT

Title Page/Cover	11
Tab A Table of Contents	12
Tab B Bank Profile	12
Tab C Banking Services Proposal.....	12
Tab D References	13
Tab E Deposit Accounts	13
Tab F Bank Compensation	14
Tab G ACH, Wire and Other Transfers	15
Tab H Deposit Activity.....	15
Tab I Account Reconciliation.....	17
Tab J State Activity.....	18
Tab K Direct Deposit of Payroll.....	18
Tab L Payroll Tax Payments.....	18
Tab M Overnight Sweep	19
Tab N Balance and Detail Reporting.....	19
Tab O Merchant Card Services	20
Tab P Corporate Credit Cards	20
Tab Q Daylight Overdraft Protection	21
Tab R Custodial Services.....	21
Tab S Technical Capability	22
Tab T Implementation Plan and Costs.....	22
Tab U Bank Liability	23
Tab V Service Enhancements.....	24
Tab W Disaster Recovery	24
Tab X Miscellaneous Questions.....	24

TABLE OF CONTENTS – Continued

Tab Y	Standard Bank Fee Schedule for Government Clients	25
Tab Z	Sample Account Analysis Statement and User’s Guide	25
Tab AA	Sample Account Reconciliation Reports and Account Statements	25
Tab AB	Payee Positive Pay Reports	25
Tab AC	Cash Management Agreements and Statements	25
Tab AD	Bank Credit and CRA Ratings	25
Tab AE	Custodial Services	25
Tab AF	Banking and Custodial Services Bid Form	26

I. OVERVIEW / INTRODUCTION

A. OBJECTIVE OF THE RFP PROCESS

The objective of the RFP process is to produce an agreement between defined Bank and the City which meets the banking needs of the City, Whittier Redevelopment Successor Agency¹, Whittier Housing Authority, Whittier Utility Authority, and Wildlife Corridor Conservation Authority. All of the City's needs and concerns should be addressed. The City is entering the RFP process in good faith, and is seeking proposals from banks which are likewise submitted in good faith.

The City wishes to create efficiencies, make improvements where possible, and take advantage of new, applicable technologies. It is the City's intent to maintain all commercial banking services with one financial institution to maximize cash flow and minimize administrative costs; however, the City reserves the right to outsource various services if it is deemed to be in the best interest of the City to do so. As such, proposals should be submitted with pricing on certain pieces of the banking services requests as indicated.

The City is seeking an excellent working relationship with its Bank. The City will look to the Bank and its personnel for more than just banking services such as processing checks and deposits. While these services are very important, what matters most to the City is the Bank's willingness to make the extra effort to provide solutions for the City's business needs. Equally as important is assistance in the implementation of those solutions. The most weight will be accorded to those proposals that clearly demonstrate a strong commitment to assisting the City in its mission of providing the most service to the citizens of Whittier at the most efficient and effective cost.

The City proposes entering into a contract for a four (4) year term with an option to renew for an additional two (2) year period thereafter.² The City desires fixed pricing for four years, with any price change for years five and six to be agreed upon by the parties, during the fourth year.

¹ Any and all references to the City in the RFP are inclusive of the Whittier Redevelopment Successor Agency, Whittier Housing Authority, Whittier Utility Authority, and Wildlife Corridor Conservation Authority.

² A draft agreement for banking and custodial services is attached.

The City will attempt 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, time line, or any other aspect of the process at any time, as deemed necessary by City staff. By requesting proposals, the City is in no way obligated to award a contract or pay the expenses of proposing Banks in connection with the preparation or submission of a proposal. The awarding of any contract shall be contingent on the availability of funds and the required staff and City Council approvals. It is the City's preference to do business with banking professionals who are dedicated to the local government market. The City also requires doing business with a Bank that has a branch within City limits. The successful financial institution will have a relationship with the State Treasurer as an approved depository for LAIF transactions. No single factor will determine the final award decision.

The City of Whittier hereby notifies all proposers that no person shall be excluded from participation in, denied any benefits of, or otherwise discriminated against in connection with the award and performance of any contract on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation or on any other basis prohibited by law.

B. GENERAL INFORMATION

1. **Proposal Submission Deadline:** Signed and sealed proposals, labeled "Banking Services RFP", must be submitted prior to **4:00 p.m. on Friday April 10, 2015**. Unsigned proposals may be considered non-responsive and rejected.
2. **Proposal Format:** A proposing Bank must follow the instructions for preparing the proposal in the prescribed format. For the signed original proposal and the four copies, section tabs must be used in a three-ring binder, with the responses following the same order of the RFP. Each question in the RFP should be repeated with the Bank's response following. Do not include any superfluous information or marketing material.
3. **No Proposal:** If a proposer cannot meet a service requirement or section of the proposal, then "No Proposal" should be indicated on the Response Form and in the relevant section of the proposal. If an alternative service is available, it may be offered. However, the response must clearly indicate the requested service is not available and the response is an alternative.

4. Proposal Submission Location:

Whittier City Hall
City Clerk-Treasurer Department
13230 Penn Street
Whittier CA 90602

Additional information may be obtained by contacting Kelley Williams, Deputy City Treasurer at (562) 567-9866 kwilliams@cityofwhittier.org.

5. Questions: Any questions concerning this RFP must be submitted in writing. **The deadline for accepting written questions is March 17, 2015 at 4:00 p.m.** The questions are to be faxed to Kelley Williams at (562) 567-2870, or e-mailed to kwilliams@cityofwhittier.org. **All Banks interested in submitting a proposal are requested to provide e-mail addresses to kwilliams@cityofwhittier.org by March 17, 2015 so that the City can respond to questions via e-mail.** The responses to all questions submitted will be relayed to all Banks via e-mail, no later than March 26, 2015 at 4:00 p.m.
6. Oral Statements: The City of Whittier is not responsible for oral statements made by any of their employees or agents concerning this invitation to bid. If the financial institution requires specific information, the financial institution must request that it be supplied in writing by the City of Whittier.
7. Withdrawal of Proposals: Proposals may be withdrawn without prejudice, providing the City receives the written request no later than the time set for receiving proposals. Withdrawals will be returned unopened to the financial institution at its expense.
8. Incorporation of RFP and Proposal in Agreement: This RFP and the Bank's response, including all promises, warranties, commitments and representations made in the successful proposal shall be binding upon the submitting Bank and its successors or assigns, and shall become contractual obligations, and will be incorporated by reference in the City's agreement with the Bank.

If a banking institution does not execute an agreement within fifteen (15) days after being notified of selection, the City may give notice to the Bank of the City's intent to select the next most qualified proposing Bank or call for new proposals, whichever the City deems most appropriate.

The contract shall provide that the City reserves the right to cancel any agreement at any time by giving written notice of its intent to terminate any agreement. The bank shall provide the City at least one hundred eighty (180) days prior written notice of its intent to terminate any agreement. In the case of termination by the City or by the Banking institution, the Bank will work with the City to ensure a smooth Banking transition.

9. Amendments to Agreement: The contract shall provide for the right to make amendments or modifications to the agreement by written amendment signed by both parties. No amendment shall be effective unless approved by representatives authorized by the Bank the City Clerk-Treasurer.
10. Public Records Act: Proposals will not be opened and read prior to the closing date and time. All proposals are subject to disclosure under the California Public Records Act. However, proposals will not be disclosed to competing firms or to the public until after all proposals are reviewed and analyzed.

C. EVALUATION CRITERIA

Proposals will be evaluated on how the Bank proposes to meet the overall objectives of the City. Responsiveness to the RFP is an important factor in the evaluation process. There will be no public opening and reading of bids. The City Clerk-Treasurer reserves the right not to accept for consideration any proposal received which is deemed incomplete.

The City of Whittier reserves the right to reject any and all proposals.

The City reserves the right to waive any minor irregularities or request any organization submitting a proposal to clarify its proposal or to supply additional material deemed necessary to assist in the selection of a financial institution, and to modify or alter any or all of the requirements herein. In the event that the proposal guidelines change materially, all respondents who submit a proposal will be given an opportunity to modify their proposal in the specific areas that are impacted.

The proposals will be evaluated on the following criteria:

1. Ability. The City's determination of the Bank's ability to provide the requested services.
2. Related Experience. The Bank's related experience in providing services comparable to the City's needs.

3. Firm Stability. The Bank's financial standing among its peers and credit quality ratings.
4. Prior City Experience. The City's prior experience with the Bank.
5. References. The references obtained from current and past Bank client cities.
6. Assigned Personnel. The credentials and related experience of the person(s) who would be assigned to the City's accounts.
7. Information Systems. The systems available to enable the City to electronically interface with the Bank.
8. Location. The location of the branch or office, which will be the primary service location for the relationship with the City.
9. Conversion Plan. The presentation of a detailed conversion plan to ensure a smooth transition.
10. Charges for Service. The amount of the standard charges and the concession pricing structure proposed.
11. Service Enhancements. The Bank's effort to understand the City's Banking needs and goals with the objective of introducing new technologies and efficiencies to the City that may improve its Banking and cash management efficiency.
12. Community Reinvestment Act. The Bank's compliance and commitment to the Community Reinvestment Act, especially within the City of Whittier.
13. Commitment to City of Whittier. The Bank's commitment to meeting the service goals and objectives of the City, including assigning personnel to manage the relationship with the City.
14. LAIF. The Bank must have a relationship with the State Treasurer as an approved depository for Local Agency Investment Fund (LAIF) transactions.
15. Assumption of Liability. Extent to which Bank will assume liability for safeguarding and protecting City assets.
16. Other Factors. Any other factors that the City believes would be in its best interest.

II. REQUIREMENTS

A. BANK QUALIFICATIONS

1. Qualified Depository

Any Bank submitting a proposal must be a qualified public depository, as defined by California General Statutes, and must perform its obligation under this proposal in compliance with all applicable federal and state laws and regulations, statutes and policies. The Bank must be able to offer the full range of Banking and Custodial services required by this RFP throughout the duration of the contract with the City.

2. Capitalization

Respondents must be adequately capitalized to accommodate the City's cash and investment management needs. This includes, but is not limited to, a minimum \$4 million daylight overdraft facility, subject to credit review by the Bank.

3. Ratings

Provide the most recent ratings for the Bank (Moody's, Standard and Poor's, and/or Fitch). The successful proposer shall provide the City with quarterly updates of credit ratings assigned by a recognized credit rating service.

4. Community Reinvestment Act

The Bank must be in compliance and good standing with the Community Reinvestment Act.

B. FEES

Proposals shall indicate all fees that would be charged to the City. Pricing submissions will be required to use the City's format to be considered in the selection process. Any proposal submitted with merely the proposer's standard fee schedule attached, as a response to the requested pricing of specified services, will be considered incomplete.

1. Once the contract has been awarded, the Bank will not be permitted to charge the City for any service performed pursuant to the terms and conditions of the contract that is not clearly identified in terms of cost and detail within the Bank's proposal to the City. The only exceptions to this limitation will be if the City specifically

requests an additional service which is not identified in the RFP or in the Bank's proposal and the parties amend the contract, or if a regulatory agency imposes a fee to the Bank which is passed through to all Bank customers.

2. Statistics on the number of City transactions indicated throughout this RFP and any referenced documents are believed to be a reliable estimate of the City's banking activities. However, the actual number of transactions will vary, and the City makes no guarantees regarding minimum or maximum volumes.
3. The City reserves the right to retain all proposals, and prices shall remain firm for a period of at least one hundred and eighty (180) days for examination and comparison. The City reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, and to reject one service category of a proposal and accept another, except to the extent that proposals are qualified by specific limitations by the proposer.
4. As part of this RFP, the City has provided a pricing template in Microsoft Excel. Proposers are required to use a spreadsheet to price services and submit the Banking and Custodial Services Price Form, Tab AF. The extensions of Unit Price figures for the estimated quantities in the Estimated Monthly Unit Volume column must be entered in the spaces provided and the Pricing Schedule format must be followed. If the extensions calculated appear to be incorrect, the Unit Price alone will be considered as representing the proposer's price intention, and the Total Price will be corrected to conform to the specified Unit Price. Include an electronic copy of the spreadsheet with your proposal.
5. Proposers are encouraged to propose alternatives to the listed requirements that will reduce cost and enhance service. The City will evaluate these alternatives on an individual basis. Alternative services should be listed separately on the Pricing Schedule. All services listed must be priced, even though an alternative service has been proposed.
6. Any successful proposer shall be required to post collateral and comply with depository regulations in accordance with the California Government Code, City of Whittier Charter and Municipal Code, and other applicable state and federal laws.

C. BANKING SERVICES

Proposing Banks should have prior experience in providing these services for large corporate organizations and preferably for other local governmental entities.

1. **Full Account Reconciliation.** The City transmits checks issued information to the Bank on a weekly basis utilizing a File Transfer Protocol (“FTP”) file. The Bank provides a daily detailed report, by account, of checks paid, and a monthly detailed report of checks outstanding. Paid checks are imaged and transmitted to the City on a monthly basis.
2. **Electronic Reporting.** The Bank must have an on-line application to allow the City to receive previous day balance and transaction information for each account. The City currently uses its bank’s on-line service to obtain a balance report each morning for use in connection with its cash management functions.
3. **Sweep Account.** The City does not currently use this service, however may wish to avail itself of sweep account services in the future.
4. **Payee Positive Pay.** The City currently utilizes Payee Positive Pay on the General, Payroll and Workers Compensation accounts, obtaining the daily information via the Internet. The Bank must be able to provide this service.
5. **Controlled Disbursement Services.** Even though the City does not presently use this type of service, the Bank should be able to provide it if the City chooses to implement this service. The service should include funding notification to be used in connection with the City's daily cash management activities.
6. **Electronic Payment/Deposit Services (ACH).** The Bank must have the capability to accommodate a range of electronic payment and deposit services currently used by the City in connection with investment, payroll transactions (including direct deposit), Image check deposit, and Federal and State transfers of funds to and from the City. The Bank should also provide electronic tax deposit service.
7. **Money Transfer Services.** The Bank must have the capability to accommodate incoming and outgoing electronic money transfers. The Bank should also provide the City with a money transfer type

service that allows the City to initiate on-line wire transfers and intra-book transfers among the City's accounts.

8. **Information Reporting Services.** The Bank must provide on-line monthly account reconciliation reports, Bank statements, account analysis statements, confirmation tickets and other report related features normally associated with municipal government accounts. The Bank must also be willing to customize such reports where feasible to accommodate the City's preferences.
9. **Web based Applications.** The City is interested in utilizing new applications and technology to increase the level of customer services available to the citizens of Whittier. The Bank must provide web based on-line services that provide added convenience and cost savings. These web based on-line services should include such services as: ACH Deposited returned items image inquiry, image on demand, information reporting, business statements, stop payments, wire transfer, Payee Positive Pay, account balance inquiry, transaction inquiry, deposit history, and other on-line web applications. The Bank should have the ability to tailor web based banking applications to the needs of the City.
10. **Merchant Card Services.** The City currently accepts credit cards on a limited basis but expects to expand to full acceptance in the future. The City is interested in the use of a third party processor in order to allow service and/or convenience fees to be added to credit card purchases. The Bank must provide an electronic system that will accommodate credit card authorizations, over the counter and through the City's website, and then automatically credit funds to the City's account. The City currently has nine locations with credit card terminals, and accepts credit card payments for business licenses via its website.
11. **Training Services.** As part of the conversion period and as necessary thereafter, the Bank must provide on-site training to City personnel for the operation and use of the Bank's services and automated systems for all areas of service. The training must be sufficient to ensure that City personnel are proficient with all systems and procedures prior to the conversion date, and anytime thereafter. Training, operating manuals, and on-going support are to be supplied by the Bank for all services provided.
12. **Cash Management.** The City Clerk-Treasurer manages the City's \$115 million dollar investment portfolio. The portfolio consists of mostly fixed income type securities, such as treasury notes, agency securities, commercial paper, etc. At times the City releases wire

transfers in amounts greater than the current Bank balance in anticipation of receiving funds either by a maturing investment or deposits. Therefore, the City has the need for a daylight overdraft facility to accommodate its cash management activities. The amount of daylight overdraft may be as high as \$4 million. There may also be rare exceptions when this amount could be greater. Outgoing wire transfers usually range from \$40,000 to \$4 million dollars per transfer. The Bank should have the capitalization necessary to accommodate the City's depository and cash flow needs.

13. **Armored Car Services.** The Bank must provide armored car service, twice-a-week, between City Hall, 13230 Penn Street, Whittier and the Bank. The City desires the Bank to bid and contract for armored car service for pick up twice-a-week.
14. **Additional and Other Services.** There are additional services and other services customarily provided to corporations and governmental entities. These services will also be generally assessed by the City in reviewing the information provided in the proposal.

D. CUSTODIAL SERVICES

The City requires an independent agent to safe keep and clear securities on a delivery versus payment basis and report investments to ensure the protection of its security interest in portfolio investments. The City requires the custodian to be thoroughly familiar with the public sector and the investment of public funds.

E. BANK LIABILITY

The City will assess the degree to which the Bank will assume liability for injury or harm to the City, its officers, officials, employees, agents, vendors, customers, creditors, bondholders, and third parties in general. The City needs to clearly understand the extent to which the Bank is willing to assume liability if and when extraordinary events might occur.

F. DISASTER RECOVERY

The Bank's disaster contingency plans, contact list and backup systems which would enable the City to continue operations in the event of systems breakdowns or other emergencies are important to the City's ability to provide continuous services to its citizens.

G. AUDIT

The Bank shall respond to audit confirmations and other requests for data annually or as needed from the City's internal and external auditors. Upon City's request, the Bank shall permit the auditors to conduct on-site inspection of transactions or review the Bank's system of internal controls.

H. SERVICE MANAGEMENT

The Bank shall provide both proactive and responsive consulting services to the City. Bank shall immediately notify the City whenever the Bank becomes aware of potential problems that may occur to City accounts. For example, City staff should be informed of any new form of check fraud, which may affect the City as soon as possible after the Bank becomes aware of it. The Bank shall provide the City with information on what the Bank is doing to correct the problem and recommendations as to what the City may do to cause as little administrative and cost burden to the City as possible. In addition, the Bank shall provide the City with information concerning new and updated technology in the Banking industry, which can improve the City's Banking or business activities. Designated Bank personnel shall be available by telephone at all times during the Bank's regular business hours to respond promptly to City questions.

I. INNOVATION

All financial institutions are encouraged to be creative and innovative in responding to this RFP. In your proposal, 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. Discuss any creative pricing or payment options the Bank can provide.

J. BUSINESS LICENSE REQUIREMENT

Any Bank submitting a proposal located in the Whittier Uptown area must have a current (tax free) City of Whittier Business License.

The City appreciates the efforts all the Banks and their respective staffs have put forth in responding to the Request for Proposal for Banking Services.

III. PROPOSAL FORMAT

- **Title Page/Cover:** It should include the name of proposing Bank, the branch/office address where the relationship will be managed, the name

and telephone number of the primary relationship manager, and the name and telephone number of the proposal author, if different.

- **Tab A - Table of Contents:** Table of Contents should follow the RFP format.
- **Tab B - Bank Profile:** Please respond to the following sections:

Bank Overview - General overview of Bank, customer service philosophy, and identification of the primary office or branch that the City will be served from and where the City will conduct its banking business.

Experience – Describe the Bank's direct experience in servicing public sector clients. Please include the number of municipal government clients and the Bank's knowledge of and adherence to the California Government Code and other applicable laws.

Relationship Management – List the names, titles, telephone numbers and fax numbers and e-mail addresses, and provide brief biographies of relationship management personnel. Identify primary and secondary representatives assigned to the City's accounts. Describe what each person's role and responsibilities will be. Describe how the Bank plans to handle problem resolution, customer service, day-to-day contact, and ongoing maintenance for the City of Whittier. Describe the Bank's organizational structure as it relates to governmental clients and any other information that will be helpful in understanding the Bank's internal relationships.

CRA Rating and Other Community Involvement – Provide the Bank's CRA rating and describe in detail, specific projects and community involvement activity in the City of Whittier. Are donations or in-kind contributions made to public agencies? If so, please give examples of recent contributions.

- **Tab C - Banking Services Proposal:** By submitting this proposal, we (the proposing Bank) warrant and represent to the City of Whittier (City) that the representative whose signature appears below is fully authorized and qualified to submit this proposal, and that the executing representative has read the proposal and fully understands its intent and agrees to its conditions. 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 Clerk-Treasurer and staff. No agreement or obligation of the City shall result from this proposal unless such

agreement or obligation has been approved in writing and signed by a representative of the City.

It is further understood that all information included in, attached to, or required by the Request for Proposals shall become public record upon presentation to the City Council.

Submitted by:

Bank

Authorized Signature

Title

Date

Telephone

- **Tab D - References:** Please provide at least three (3) references that are of similar size and scope of service utilization as the City, preferably cities or counties. Select both long-standing and recent customers. Also provide at least one reference from a city no longer serviced by the Bank. Include the following information for each reference:
 - Contact Name and Title
 - Name of Organization
 - Address
 - Telephone Number
 - Number of years as Customer
 - Services Utilized

- **Tab E - Deposit Accounts:** The City expects to initially open eight (8) deposit accounts. The General Account serves as the concentration account for disbursements and deposits.
 -
 - General Account
 - Payroll Account
 - Worker's Compensation Account

- Earthquake Relief Account
- Petty Cash Account
- Wildlife Corridor Conservation Authority General Account
- Whittier Housing Authority
- Whittier Redevelopment Successor Agency General Account

Please respond to the following questions regarding deposit services:

1. Does the Bank offer on-line Bank statements, whereby the City can receive its Bank statement in an electronic desired custom format?
 2. How many days after month-end will the City receive its bank and analysis statements?
 3. Checks should be printed with a notation that they will be honored for 60 days after the date of issuance. Explain the Bank's procedure for identifying and returning stale-dated checks.
 4. Does the Bank offer Zero Balance Accounts (ZBA's)? If so, please describe the service.
- **Tab F - Bank Compensation:** The City has historically compensated for banking services primarily with compensating balances and desires to settle account analysis deficiencies annually.
 1. Are Account Analysis reports available on-line? If so, what is the cost for this?
 2. What is the Bank's Earnings Credit Rate (ECR) based on, and how is it calculated? Specify the Treasury bill or money market instrument upon which proposed rate is based and the method to be used in calculating the rate (e.g., 90% of prime rate, etc.). Vague references to "managerial discretion" or "competition" are not acceptable.
 3. List the Bank's actual ECR for the last six (6) months.
 4. What account analysis settlement periods are offered? Monthly, quarterly, semi-annually, or annually?
 5. How long will the Bank's pricing as indicated in this proposal and the Banking Services Proposal Form be fixed?
 6. The City, Whittier Redevelopment Successor Agency, Whittier Housing Authority, Whittier Public Financing Authority, and/or Whittier Utility Authority, or their related organizations may need to

open new accounts in the future. Will the Bank guarantee to extend the service pricing and terms to any new accounts required during the term of the contract?

7. Detail exactly which types of items and services can be applied against the City's account analysis in addition to standard Bank services such as Custodial services, merchant card services processing, armored car service, supplies?
 8. 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.
 9. What procedure is used to make any adjustments to Account Analysis statements and how long does it take for adjustments to take effect?
 10. Please state what, if any, negative collected balance charge that the City will pay and, in detail, explain how this charge is computed.
- **Tab G - ACH, Wire and Other Transfers:** The City currently initiates electronic payments using an on-line wire function that is part of its electronic Banking service. The City's safekeeping custodian currently initiates payment for securities transactions via direct debit to the City's General account.
 1. Please describe the Bank's on-line wire transfer service capabilities and what specifically is recommended for the City's use and consideration.
 2. Describe the security measures and safeguards offered by your service. Include any Internet based account services here.
 3. Please provide a sample of the Bank's Funds Transfer Agreement (Tab AB). How is authorization levels established for transfers?
 4. The City currently transfers funds among its accounts electronically. Describe the availability of this service.
 - **Tab H - Deposit Activity:** The City currently utilizes a variety of methods to process daily deposits. An armored car service is used for cash deposit pick-up, twice a week, at the City Clerk-Treasurer's Office. The City currently scans and electronically transmits all check deposits. The City also has third parties who make deposits on behalf of the City for collection of parking citations.

The armored car service is paid by the City on a monthly basis. The City would prefer the service be charge through account analysis. Total monthly deposits consist of approximately 4,500 checks and \$132,000 in coin and currency. The City requires the ability to use the local branch to make branch deposits, get change, allow employees to cash payroll checks, and offer banking services to City employees and for other miscellaneous activities.

1. Please identify your branch locations within the Whittier city limits.
2. What is the required deposit preparation for scanned checks transmitted? How are these deposits uploaded to the Bank's processing center? Who is responsible for file transmission?
3. Please describe the bank's online payment services.
4. Please describe the Bank's deposit requirements. How should the coin and currency deposits be prepared?
5. Please describe in detail the Bank's procedures for handling deposit adjustments. What documentation on discrepancies does the Bank provide? Is the documentation different for cash deposits and check deposits? What is the minimum adjustment amount? How soon would support documentation of a deposit discrepancy be provided to the City?
6. 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? If applicable, can the Bank provide returned item information by the City department that deposited it, i.e., by identification or location number?
7. What are the cut-off times for deposits at the Bank's local branch and at the Bank's Processing Center to ensure same day credit? Where is the Processing Center/Cash Vault located? Will the City deal directly with the Cash Vault on deposit adjustments or with a local representative?
8. Can miscellaneous change orders for \$1,000 or less be made available to City departments without advance notice? Is this service available at all local branches?
9. The City requests the latest armored car pick-up time available to ensure same day credit, but no earlier than 11:00 a.m. Describe the services and pick-up times available from armored car

companies the Bank utilizes. Can this service be paid with hard dollars and/or account analysis?

10. Can the Bank provide “flash” cash, up to \$50,000, with 24 hour notice on a confidential basis to the City's Police Department? The currency needs to be in various denominations and used bills, and such transactions should be exempt from Federal and State cash deposit reporting. What is the recommended procedure for expeditiously handling these transactions when necessary?

- **Tab I - Account Reconciliation:** The City currently issues approximately 13,000 accounts payable and payroll checks monthly, and utilizes full account reconciliation reporting from the Bank for checks paid information. Additionally, the City uses Payee Positive Pay on the general and payroll accounts. Both accounts are fully truncated and the City receives imaged checks through monthly electronic transmission.

1. Does the Bank offer full account reconciliation with data transmission capabilities? If so, please describe the services, what medium it can be provided in and what is recommended for the City's consideration.
2. Describe the Positive Pay services offered by the Bank whereby the City can view check images for daily exception items prior to making a pay or no/pay decision.
3. Describe the Bank's stop payment service and features including confirmations. Prior to placing a stop payment, the City requires that the Bank's system determine the status of the check (to verify that the check has not already been cashed) from issue date to stop payment date. Can stop payments be entered on-line? Does the Bank offer on-line capability to revoke any effective stop payments? How long will a stop payment be honored by the bank?
4. Describe the Bank's stale dating service.
5. Does the Bank provide the ability for the City to confirm the clearing status of a check as an on-line service and by phone?
6. Describe the Bank's check truncation service and how to receive copies of paid items. How long does it take to obtain a copy of a paid check? Is this service available on-line?
7. Describe the Bank's imaging service.

- **Tab J - State Activity:** The City transacts State of California Local Agency Investment Fund (LAIF) transfers on a regular basis and receives electronic funds payments for deposit of various State apportionments.
 1. Is the Bank an approved State of California depository?
 2. Please describe the LAIF transfer process. Are the transfers done by telephone, terminal (ACH), fax, wire transfer, etc.?
 3. Does the Bank have an office in Sacramento that maintains a direct DDA Banking relationship with the State Treasurer's Office?

- **Tab K - Direct Deposit of Payroll:** The City currently offers direct deposit of payroll. Payroll dates are every other Friday.
 1. Please describe the Bank's Direct Deposit service in detail.
 2. What are the different file transmission options available, including backup plan?
 3. What are the transmission deadlines for Direct Deposit ACH files? When (day and time) does the Bank need the file from the City, and when specifically are funds debited from the City's account?
 4. When are direct deposited payroll funds available in an employee's account?
 5. What screening measures does the Bank use to minimize errors on files sent to the Bank (pre-notes, ABA screening)?

- **Tab L - Payroll Tax Payments:** Please describe the Bank's payroll tax withholding services. The City must be able to deposit various employee Federal and State payroll tax payments via personal computer and secure internet access within the bank.
 1. What are the transmission deadlines tax payments? When specifically are funds debited from the City's account?
 2. 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 delete a file. Describe your support services and response time.

- **Tab M - Overnight Sweep:** The City does not presently use Sweep services, but may in the future. Address how the City could utilize an

automatic, overnight DDA Sweep with all collected funds in excess of a designated balance swept into an investment fund.

1. Please describe the Bank's DDA Sweep facility.
 2. Is the Bank's Sweep an End-of-Day or Intra-Day Sweep?
 3. What Sweep investments or funds are available for public funds clients?
 4. Does the fund(s) meet the California Government Code for allowable investments? What is the size of the Sweep fund(s)?
 5. Is a zero (collected balance) balance an option? What are the procedures for changing the designated balance?
 6. Provide indicative rates on your Sweep fund(s) for the past three months.
 7. Please describe alternative products to the Bank Sweep account.
- **Tab N - Balance and Detail Reporting:** The City currently accesses daily balance and detail reporting, Payee Positive Pay exception and returned items reporting information electronically.
 1. Please describe the Bank's on-line information reporting system. What is the earliest time that the reports are available on-line? The City may request a demonstration of your on-line system. Describe the options for receiving a demonstration.
 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 (Tab AA).
 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 clients or in the development process?
- **Tab O - Merchant Card Services:** The City currently accepts credit card payments on a limited basis however are interested in expanding this service in the future. The City is interested in the option of passing transaction costs on to customers.
 1. Please describe the Bank's credit card processing capabilities.
 2. What authorization methods do you support and which do you recommend?
 3. How is the applicable interchange fee determined for each transaction? What does the Bank recommend to minimize interchange fees?
 4. When and how are the discount rate and other fees charged to the City? Can this fee be paid through account analysis? How can these fees be passed on to customers? Describe the Bank's position on allowing service/convenience fees to be added to credit card transactions.
 5. Describe your reporting methodology and how adjustments and charge backs are handled. Are charge backs and other debit adjustments netted from daily proceeds or debited separately? Is the discount fee refunded when a charge back or refund occurs? What is the rebuttal process?
 6. 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?
 7. 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.
 - **Tab P – Corporate Credit Cards** - The City currently has corporate credit cards issued to selected employees.

1. Can the Bank provide the City with corporate credit cards? What is the prevailing interest rate?
 2. Does the Bank provide consolidated and individual monthly billing for all corporate cardholder accounts? Please describe and provide a sample billing (Tab AC). Is this billing available on-line?
 3. Please describe and provide details for the corporate credit card administration?
- **Tab Q - Daylight Overdraft Protection:** The City requires DOD protection for the occasional situation where a timing difference may occur between incoming and outgoing wires and/or transfers.
 1. What is the Bank's policy regarding Daylight Overdrafts? If there is a charge for DOD's how is it calculated?
 2. Will the Bank guarantee that all items drawn on City accounts be paid regardless of the balance in the funding account? Please be comprehensive in your response.
 - **Tab R - Custodial Services:** The City currently has a \$115 million investment portfolio, approximately \$70-71 million of which is in securities maintained by its Bank's Custodial unit. The Whittier Redevelopment Successor Agency requires a separate Custodial account.
 1. Upon implementation of the contract, the securities already owned by the City and Agency will be delivered into safekeeping on a free delivery basis. Describe the transfer process.
 2. Describe Custodial services offered by the Bank including confirmation of maturities, expected interest payments, calls and purchases. Provide samples of confirmation, expected interest payment, and call notices (Tab AE).
 3. Discuss timelines for receiving month-end reports and confirmation reports.
 4. Custodial statements must describe assets completely at cost, par and market value as of the end of the month. Provide a sample report (Tab AE).
 5. The Custodian will collect and receive interest income and maturity and sales proceeds on behalf of the City and transfer funds on a same day basis. Describe the Bank's funds transfer (including wire transfers if applicable) procedures.

6. Identify the advantages and disadvantages associated with having the custodial account reside at the Bank that is also the provider of the City's general Banking services.
 7. Describe any services or technological enhancements, not previously mentioned, that the City should consider for further improving the effectiveness of its treasury management operations.
 8. Describe the Banks public sector client base (number of public agency Custodial clients and assets under Custodial) and how the Bank tailors its Custodial services to meet the needs of public agency clients.
- **Tab S – Technical Capability** Describe the Bank's capability including hardware, software, and personnel utilized for technical applications of banking processes and procedures.
 1. Describe the Bank's use of the Internet to provide its customers with banking services. Include a description of portals, transmissions and downloads of information, electronic funds transfers, and e-Banking.
 2. Describe the Bank's technical personnel who will be available to support the City's Information Services staff in implementing new processes and procedures to perform the City's banking functions. Training, operating manuals, CD and technical support shall be supplied by the Bank as appropriate for all services provided.
 - **Tab T - Implementation Plan and Costs:** The City requires a smooth and low-cost transition to a new Bank or to enhanced services with its existing Bank.
 1. Please describe in detail the Bank's plan to implement the proposed services and to ensure a smooth, error-free conversion.
 2. Please detail *all* costs and the responsible party (Bank or City) associated with the conversion of all of the new services. What size conversion allowance will the Bank provide to the City? Please identify those supplies, products or services included.
 3. Will the Bank provide on-site training, including operating manuals, for City personnel for all of the services selected? How is this structured?

4. Please provide a proposed timeline for the conversion process.
- **Tab U – Bank Liability:** Please respond to the following areas:
 1. The City prefers that the Bank assume full responsibility and liability for damages incurred by City or any third parties as a result of check fraud on the City's account. Under what circumstances will the Bank assume full liability for check fraud on the City's accounts?
 2. The City would like the Bank to assume full responsibility and liability for damages incurred by City or any third parties as a result of wire transfer failure. The Bank shall also be liable for any losses to the City due to unauthorized wire transfers initiated or controlled by the Bank so long as the City had not authorized the transfer, or was not negligent in ordering or causing any wire transfer to occur. Under what circumstances will the Bank assume liability for wire failure, any subsequent nonpayment to the City's bondholders or unauthorized wire transfers?
 3. The City prefers that the Bank assume full responsibility and liability for damages incurred by City or any third parties in the event of Direct Deposit failure. Under what circumstances will the Bank assume liability for damages to City employees in the event that Direct Deposit failed?
 4. The City prefers the Bank to assume full responsibility and liability for damages incurred by City or any third parties as a result of mistaken or fraudulent debits. No debits shall be charged directly to any City account without prior notification to and approval of an authorized representative of the Treasury Office. This includes, but is not limited to, adjustments, credit reversals, and banking fees. Bank shall reverse any unauthorized charges made to the City's account(s). What assurances will the Bank make that no unapproved debits are made to the City account(s)? If an unauthorized debit occurred, what procedure does the Bank have for reversing it and paying the City interest on the amount from the date of crediting?
 5. The City prefers the Bank assume full responsibility and liability for damages incurred by City or any third parties as a result of lost or missing deposits. Under what circumstances will the Bank be liable for missing deposits? What proof will the Bank require in order to credit the City? What is the Bank's policy for adjustments to reconcile deposit records? What procedure, if any, does the Bank have for resolving disputes over deposits?

6. The City expects the Bank to assume full responsibility and liability for damages incurred by City or any third parties as a result of failing to honor a City check. The City requires a daylight overdraft line of credit that allows all City checks to be honored. Will the Bank represent that it will honor all City checks? What protection does the Bank afford the City if a City payee were harmed because the Bank failed to honor a City check and the payee brought an action against the City?
 7. The City requires that the Bank represents and warrants that it will not disclose City Bank information without written authorization from an authorized representative of the City. Also, the City expects that the Bank shall assume full responsibility and liability for damages incurred by City or any third parties as a result of unauthorized disclosure of City Bank information. What liability does the Bank assume for the safeguarding of City Bank information? What is the Bank's system for ensuring the security of the City's Bank records? What is the procedure for notifying the City if City records are released without proper authorization?
- **Tab V - Service Enhancements:** Based on the information provided in the RFP and the Bank's knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that should be considered for further improving the effectiveness of the City's treasury management operations.

Tab W - Disaster Recovery

1. Describe the Bank's disaster recovery plan in detail.
2. Where are off-site facilities located? How quickly can this facility be activated in the event of an emergency?

- **Tab X - Miscellaneous Questions** - Please respond to the following:

1. The Bank will be required to provide certain transaction confirmations and respond to other requests for data as needed from the City's auditors. Will the Bank be able to comply with such requests? Which Bank branch/office will make these records available?
2. What is the maximum time period to respond to requests from the City (i.e. calls are returned within XX business hours)?

3. The City is interested in reviewing controls over cash and may like to tour the cash facilities. How can this be arranged?
4. Describe the Bank's facilities for providing miscellaneous Banking supplies including bulk coin deposit bags and seals, endorsement stamps, deposit tickets, check stock, etc. How will the Bank handle such orders and the charges for them? Can supplies be ordered on-line? Any orders for additional Banking services or supplies not included as part of the original contract with the Bank and the City will be paid only if the order was placed by an authorized person from the City Treasury Office. All orders for new Banking services or supplies not included as part of the original contract must be authorized by the City Clerk-Treasurer or an authorized representative, subject to appropriation and approval by the City Council.
5. Will the Bank cash City issued checks at no cost to the payee?

- **Tab Y** - *Standard Bank Fee Schedule for Government Clients*
- **Tab Z** - *Sample Account Analysis Statement and User's Guide*
- **Tab AA** - *Sample Account Reconciliation Reports & Account Statements*
 1. Prior day and intra-day information reports
- **Tab AB** - *Payee Positive Pay Reports*
- **Tab AC**- *Cash Management Agreements and Statements*
 1. Sample Funds Transfer Agreement
 2. Sample Merchant Services Statement
 3. Sample Consolidated/Parent Billing Statement for Corporate Credit Cards
- **Tab AD** - *Bank Credit and CRA Ratings*
 1. Most Current Annual Report
- **Tab AE** – *Custodial Service*
 1. Sample confirmation, expected interest payments and call notices
 2. Sample Custodial statement

- **Tab AF** – *Banking and Custodial Services Bid Form - (Use Excel Spreadsheet Provided)*