



Request for Proposals

For

Banking Services

Issue Date March 4, 2020

Proposal Due April 15, 2020

Finance Department
318 first Street, Winters, CA 95695
Phone 530-794-6704 Fax 530-795-4935
www.cityofwinters.org

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Attachment A: City Investment Policy

I. Introduction and Instructions to Proposers

A. Introduction

The City of Winters is a California General Law city incorporated in 1898 and operates under the Council/Manager form of government. The City provides services to its citizens in the areas of public safety; community planning and development; water, wastewater services; transportation, recreation services. In addition, the City Council of the City of Winters exercises oversight control over the following legally separate entities: The Successor Agency of The City of Winters and The City of Winters Public Finance Authority.

The City currently maintains three (3) accounts and conducts its banking business with a local branch of a major bank. The City has had a long-term relationship with this bank, however, has determined that it is time to solicit proposals from interested financial institutions to ensure that the City receives the best available services to meet its needs.

The City is seeking proposals from qualified financial institutions to provide a proposal for banking services.

The Proposer is expected to provide all the materials and services that will fulfill or exceed the requirements and conditions as set forth in this RFP.

B. Time Schedule

3-4-20	Initial distribution of RFP package
3-12-20	Deadline for submission of questions
3-17-20	Estimated City response to questions
4-15-20	Proposal closing date and time of 3:00 p.m. Pacific time.
5-18-20	Conduct finalist interviews
6-2-20	Anticipated date for approval/award by City Council

C. Instruction to Proposers and procedures for submittal

Inquiries and questions concerning the contract terms and conditions contained within this Request for Proposal must be received in writing by 5:00 pm on March 12, 2020 to shelly.gunby@cityofwinters.org or

City of Winters
Shelly A. Gunby, Director of Financial Management
318 First Street
Winters, CA 95694

To ensure that written requests are received and answered in a timely manner, email correspondence is acceptable, but other forms of delivery, such as postal and courier services can also be used. Proposers shall not contact other city personnel with any questions or clarifications concerning this RFP.

Answers to questions received will be posted online at <http://www.cityofwinters.org/finance1/> no later than March 17, 2020. It is the proposer's responsibility to ensure that they access and review any questions as answers are posted. The City is not responsible to notify individual potential bidders of the availability of questions and answers beyond this notice. **Contact with City Personnel other than above regarding this request may be grounds for elimination for the selection process.**

The City may post Addendums to the RFP online at the City's website (<http://www.cityofwinters.org/finance1/>). It is the potential proposer's responsibility to access any addendums and ensure that stated requirements are met.

- 1. Proposals are to be properly identified on the outside of the package and are due by 3:00 pm, local time on April 15,2020 and shall be delivered in a sealed package to:**

City of Winters
Shelly Gunby, Director of Financial Management
318 First St
Winters, CA 95694

Proposals must be clearly identified and sent in a sealed package. **It is the responsibility of the Proposer to ensure timely delivery is made to the Director of Financial Management in the City of Winters.**

2. Proposals must be valid for a period of 120 calendar days from the closing date and time for receipt of proposals. No proposal may be withdrawn after the submission date.
3. Each Proposer must **provide five (5) hard copies and one electronic version** of its proposal. **One Copy is to be clearly marked as "original" on the outside cover and contains an original signature.**
4. All proposals shall be submitted on standard 8.5 x11 inch paper. All pages should be numbered and identified sequentially by section. Proposals must be tabbed and indexed in accordance with the information requested in Section III. **It is imperative that all Proposers responding to the RFP comply exactly and completely, to the instructions set forth herein.** All responses to this RFP shall be word processed (except where otherwise provided or noted), concise, straightforward and must fully address each requirement and question. Although not a substitute for complete written response, additional material, such as technical documents may be referenced in any response, if the material is included in the same section as additional information.

5. Information in proposals shall become public property and subject to disclosure laws. All proposals shall become the property of the City of Winters. The City of Winters reserves the right to make use of any information or ideas in the proposals.
6. By submitting a proposal, the proposer represents that it has thoroughly examined and become familiar with the work required under the RFP and that it is capable of providing and performing quality work to achieve the City objectives.
7. The City of Winters shall not, in any event, be liable for any pre-contractual expenses incurred by proposers in the preparation of their proposal. Pre-contractual expenses are defined as expenses incurred by the proposer and include:
 - a. Preparing its proposal in response to this RFP
 - b. Submitting that proposal to the City
 - c. Negotiating with the City any matter related to the proposer's proposal; and
 - d. Any other expenses incurred by the proposer prior to the date of award and execution, if any, of the Agreement.
8. Each proposer must submit its proposal in strict accordance with all requirements of this RFP and compliance must be stated in the proposal. Deviations, clarifications, and/or exceptions must be clearly identified and listed separately as alternative items for the City of Winter's consideration.
9. After the closing date and time for receipt of proposals, evaluation and proposal clarification will commence. No proposals received after the closing date and time will be considered.
10. Proposers judged most responsive to the City's requirements may be asked to give a presentation of their proposal including on-site demonstration to City Staff. Selected proposers should be prepared to make their presentation within five (5) calendar days after notification and be prepared to discuss all aspects of their proposals in detail, including technical questions regarding the proposal. No proposer shall be allowed to alter or amend its proposal through the use of the presentation process.
11. In the event the City of Winters deems it necessary to clarify or make any changes to this RFP, these changes shall be made in the form of a written addendum authorized and issued only by the Director of Financial Management.
12. The City of Winters reserves the right to negotiate modifications with any proposer as necessary to serve the best interest of the City of Winters. Any proposal may be rejected if it is conditional, incomplete or deviates from specifications in this request. The City of Winters reserves the right to waive, at its discretion, any procedural irregularity, immaterial defects or other improprieties, which the City of Winters deems reasonably correctable or otherwise not warranting rejection of the proposal. Any waiver will not excuse a proponent from full compliance.

13. Proposers shall describe their approach to the Scope of Work and indicate costs in separate attachments.

14. The City of Winters reserves the right to:

- a.** Negotiate the final agreement with any proposer(s) as necessary to serve the best interest of the City of Winters;
- b.** Withdraw this RFP at any time without prior notice and, furthermore, makes no representations that any contract will be awarded to any proposer responding to this RFP; or
- c.** Award its total requirement to one proposer or to apportion those requirements among two or more proposers as the City of Winters may deem to be in its best interest.

In addition, negotiations may or may not be conducted with proposers; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since the selection and award may be made without discussion with any proposer.

- d.** A contract agreement will be proposed for execution. It may be modified to incorporate other pertinent articles/terms and conditions set forth in this RFP, including those added by addendum, and to reflect the proposer's offer or the outcome of contract negotiations, if any, conducted by the proposer. The proposer's exceptions to the terms and conditions of the proposed contract, or the proposer's inability to comply with any of the provisions of the proposed contract, are to be declared in the proposal.

II. Proposal Response Requirements

A. Response Items

Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content with sufficient detail to allow for accurate evaluation and comparative analysis. Responses must provide the required information in the following order for each underscored item: Proposers shall respond by repeating the section and sub-sections number(s) and statement/question and by providing the appropriate response hereunder.

1. Cover Letter

All proposals **must** be accompanied by a cover letter, signed by an individual authorized to bind the proposing entity. **An unsigned proposal submission is grounds for rejection.**

2. Company Data

Each proposer shall submit the following information:

- a. State the company's official name and address and the names and titles of its principal officers; indicate what type of entity, such as corporation, partnership, joint venture, sole proprietorship, etc., and indicate if the firm is incorporated;
- b. Provide the firm's Federal Employer I.D. Number;
- c. Provide the name and address of the person to receive notices who is authorized to make decisions and represents the company. Specify in what capacity the person shall be representing the entity and any limitations to their authority;
- d. Furnish the complete firm's address for any mailed funds;
- e. State any failures or refusals to complete any contracts and a complete explanation;
- f. Indicate the number of years in business under the present business name;
- g. Indicate the number of years of the firm's experience in providing required, equivalent or related products and services;
- h. Submit a detailed statement indicating whether the proposer is totally or partially owned by another business organization or individual that will be providing the services to meet the requirements of the proposal.
- i. Submit a detailed statement indicating whether the proposer totally or partially owns any other business organization that will be providing the services to meet the requirements of the proposal; and

- j. Submit qualifications of the proposer to be considered for selection:
 1. The proposer 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, as well as statutes and policies. The proposer must be able to offer the full range of banking services required by the proposal throughout the duration of the contract with the City of Winters.
 2. The proposer must be Federal or State of California chartered.
 3. The proposer must collateralize the City of Winters' deposits pursuant to all applicable sections of the California Government Code. Indicate the current level of public funds deposits and related collateral market value as well as types of securities used as collateral.
 4. The proposer has been evaluated by an independent rating services as "Outstanding" or "Satisfactory" for the last eight (8) consecutive quarters.

B. Certificate of Insurance

The proposer shall demonstrate the willingness and ability to provide the required insurance coverage as set forth by City of Winters requirements within ten (10) calendar days of notification of selection for award of an agreement.

C. Validity of Proposal

The proposer shall state the length of time for which the submitted proposal shall remain valid. The City of Winters requires a period of at least 120 days.

D. Certification of Understanding

The City of Winters assumes no responsibility for any understanding or representation made by any of its officers or agents during or prior to the execution of any agreement resulting from this RFP unless:

1. Such understanding or representations are expressly stated in the agreement; and
2. The agreement expressly provides that the responsibility therefore is assumed by the City. Representations made but not so expressly stated and for which liability is not expressly assumed by the City of Winters in the agreement shall be deemed only for the information for the proposer.

E. Resumes and Qualifications of Proposer's Personnel

The proposer shall provide the resumes of all the project manager and key personnel who will be assigned to this project. Resumes shall contain information relating to each person's education, experience or training in the area covered within this proposal.

F. References

The proposer shall include at a minimum, a list of five (5) applicable, preferably located in California, municipalities or applicable government operations, which are provided with these types of services.

G. Resources to be Provided by The City of Winters

The proposer must list any resources, City of Winters assistance, or other items expected to be provided by the City of Winters

H. Conversion Plan

The proposer shall provide a conversion plan for the operation and use of all its banking services

1. Describe the process by which the proposer would coordinate to ensure a smooth transition from the current provider.
2. Provide a schedule of the conversion process.
3. Discuss the training program that will be used to train city staff that utilizes any of the services and/or systems provided.
4. Include any hardware, software and any other requirements necessary for the implementation of the banking services proposed.

I. Transaction Retention Period

Describe the proposer's transaction history retention practice. Specify how long transactions are available for retrieval online and offline.

J. Backup and Emergency Systems

Describe the proposer's backup and emergency systems which would enable to City of Winters to continue operations in the event of a system breakdown or other emergency. Indicate how often these systems are tested and the hours for the technical support hotline.

III. Contract Terms

The proposer shall be designated as the City of Winters depository for a five (5) year fixed rate contract with an option of two (2) additional two (2) year increments under the same terms and conditions. The City of Winters reserves the right to cancel any agreement at any time upon thirty (30) days prior written notice of its intent to terminate any agreement. The designated depository shall provide the City of Winters at least ninety (90) days prior written notice of its intent to terminate any agreement.

IV. Scope of Work

A. Nature of Services Required

The City of Winters is soliciting proposals from full-service institutions. With the ongoing changes in technology and treasury management practices occurring within the banking industry, the City of Winters has determined that a review of services offered is appropriate at this time as a prudent procurement practice. The primary objective of this proposal is to obtain the most efficient, socially responsible and high-quality services at the most reasonable cost.

It is the City of Winters intend to maintain all its banking services with one banking institution, and as such, all proposals must include services for all bank accounts. The City of Winters reserves the right to add or reduce the number of accounts required to meet its banking objectives.

The City of Winters utilizes banking services, full account reconciliation for general account, electronic transaction fraud protection, electronic deposit and disbursement. The City of Winters is interested in online wire entry and online stop payment services. The City of Winters is interested in compensating balances and a sweep account, which is currently not provided by our current bank.

1. Operating Accounts

The City of Winters currently has 2 accounts

- General Account for all banking purposes
- Money Market account for investment of cash not immediately required for disbursements.

2. Merchant Card Processing

The City of Winters currently utilizes a credit card provider that charges the customer the fee for using a credit card to pay city fees. In the near future, the City

of Winters will begin accepting credit cards for services for all city fees. This service will be processed through a third-party vendor.

B. Scope of Services Required

1. Overview

Detailed services to be provided to the City of Winter have been segregated into the following two categories.

- **Required Services:** These services are mandatory and must be provided to the City of Winters by the selected institution. The only exceptions are acceptable alternative or non-material deviations. The City of Winters retains the option in the case of certain services to elect not to use them. This is based on changes in the City's capability to handle these internally.
- **Optional Services:** These are services that the City of Winters may wish to use depending on the cost, quality and availability of the services offered. If there is a cost for these services, it must be specified in the bid. Optional services do not have to be addressed in order to be considered an acceptable bid, however, selection of a firm may be based on the ability to provide these optional services at a reasonable cost. In addition, any other services that the institution may wish to offer to the City of Winters may be included with the submission package. Again, this does not have to be addressed in order to be considered an acceptable bid, but, the final selection may be based on these services.

2. Required Services

a. General operating account.

- General Checking Account
- Money Market account for investment of Cash more readily available than LAIF deposits.

b. Deposit Services

- Guarantee same day credit for wire transfers and ACH deposits on the day received regardless of the time of receipt during the day. Send via email incoming wire/ACH deposits.
- Redeposit returned items due to "non-sufficient funds". Items returned a second time should be forwarded to the City of Winters daily. Send via email returned item notification as well.
- Provide cutoff time for deposits to ensure same day ledger credit
- Describe how the bank handles any deposit discrepancies, including check deposited to the City by mistake and how the City will be notified on deposit adjustments.

- Include a list of all the bank's deposit locations within the City's limit and branch hours. (exclude ATM deposits)

c. Billing

Direct fees method provide the unit charge for each required service, monthly and annual charges based on the City's estimated monthly volume for each service (Attachment A). Any earnings credit occurring in the account will be used to offset fees. Earnings credit on collected balances in excess of those required to pay charges incurred in any month shall be carried forward to offset future bank charges. Interest earnings rate will be computed in accordance with the negotiated rate agreed upon.

d. Daily cash balance reports for the previous day activity through direct access by 6 am each day. The following information needs to be provided for the checking account.

- Cash balance
- Type, number, and amount of debits
- Type, number and amount of credits
- Collected and available balance.

e. Transaction reports for current day activity to be provided for the checking account.

- Type, number and amount of debits
- Type, number and amounts of credits

f. Monthly statements for all accounts within 7 working days. These statements must provide:

- Listing of warrants and amounts cleared sorted by check number
- Date warrant cleared
- Date and amount of deposits
- Summary of beginning cash balance, deposits/credits, warrants/debits and ending cash for each day.

g. Monthly account analysis report for active checking accounts and a summary providing the following information:

- Average daily cash balances
- Average daily float
- Average daily collected balances
- Overdraft charges
- Detailed transaction volume description and prices
- Basis of earnings allowance

h. Annual/Fiscal Statements for all accounts on or before August 1st of each year or as needed, the bank shall provide comparative data by month and by major service cost

category to be identified by the City of Winters. This information shall be “actual” data and shall include columns for units processed, and collected and ledger balances. The annual statement detailed analysis shall be prepared on a fiscal year basis (July 1-June 30). This report shall be provided at no additional cost to the City of Winters.

- i. The bank shall provide online services for the City to initiate wire transfers, ACH transactions, and transfers between accounts, create and store repetitive money transfer templates as well as create future dated money transfers. Provide the cut off time for setting up EFTs for same day execution.
- j. Web based online services shall include services such as image inquiry information reporting, business statements, stop payments, positive pay, account balance inquiry, transaction inquiry, deposit history, and other online web applications that can provided added convenience and cost savings.
- k. Stop payments that are initiated by direct access to the bank by authorized City employees will be done the same day. The bank shall provide online confirmations of stop payments.
- l. Back procedures (via phone and fax), forms and contacts shall be designated in the event of system failure or emergency. The bank shall provide hard copy confirmations.
- m. Positive pay to include such services as payment of matching checks by check number, vendor name, and check amount, exception reports, return instruction, and holdover exceptions. Describe the procedure and timeline for paying or returning exception items and default disposition if a decision response is not received.
- n. Direct access to the bank authorized by City employees to view images of paid checks for payroll and accounts payable per month. In addition, a bank file on cancelled checks shall be available to the City of Winters for upload to the City financial system (Corbin Willits MOMS) for automatic clearing of cancelled checks on a monthly basis.
- o. Assure that proper City signature authorizations are on all paid items.
- p. The bank shall guarantee not to return unpaid because of insufficient or uncollected funds any item drawn on the City of Winters account. Any fees for overdraft will be charged to the City of Winters through account analysis.
- q. The City of Winters utilizes Electronic Federal Tax Payment System (EFTPS) to set up electronic fund transfers from its bank for Federal and State payroll taxes as well as retirement and health benefit payments.
- r. Direct deposit of City employee’s payroll and benefit checks into their own bank accounts (based on an employee accepting this option) with a 24 hours turnaround. Online confirmation of the receipt of the payroll file transferred to the bank will be available to the City. The bank must guarantee direct deposit amounts are available in individual personal bank accounts on the City’s biweekly pay date on Wednesday. All payroll deposit must b available at the start of business on pay day. Describe the procedure and timeline for paying or returning exception items and default disposition if a decision response is not received.

- s. The City of Winters 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. The custodial fees will be charged to the City through account analysis.
- t. The bank shall provide support for all products and/or services provided to the City of Winters. Training operating manuals and on-going support are to be supplied by the bank for all services provided.
- u. Ability to set up EFTs to make vendor payments such that an accounts payable filed can be submitted electronically to the bank to process payments.
- v. Other standard banking documentation and services not specified in this RFP will be provided to the City of Winters at a reasonable cost.
- w. Ability to offer the City of Winters overnight investment (SWEEP Account) for idle funds accumulated in the City's account. These investments must be within the City of Winters investment guidelines set by the City Council. (City Investment Policy - Attachment A).

3. Optional Services

- Partner with armored courier service daily to pick up the deposit from City Hall before noon to ensure same day deposit.
- Credit/purchase card platform
- Credit/Debit card processing
 - Provide merchant card processing services for the City of Winter for online credit card processing for utility billing, as well as other City fees, whether online or in person at City Hall and the Police Station.
 - Same day payment processing for internet authorizations, settlements and deposit of funds to the City of Winters' bank account Monday through Friday. Indicate if this processing is provided in house or by a third-party administrator.
 - Standard reports allowing for user defined reporting capabilities and research tools, locations and methods. Generate reports on a daily, monthly, quarterly, and annual basis using payment dates, amounts or other search criteria.
 - Consistent and reliable system functionality, payment acceptance, account information access, and "up-time" available to City staff on a 24-hour daily, seven days a week basis.
 - All funds be directly deposited into the City of Winters account and no service charges or fee removed from the revenue. Any service charge or fees should be charged through the account analysis.
 - The ability to incorporate future payment types, systems, methods or standards at little or no cost, with a short implementation curve, and minimal system upgrades.

- All web interfaces and on-line transactions shall have a strong encryption method to prevent unauthorized or “spoofed” transactions via the internet.
- There may be additional services not otherwise specified in the RFP that a proposing firm may wish to offer to the City of Winters, whether for free or at a cost specified by the bidder. Proposals are not required to address any additional services to be considered and acceptable bid. However, the desirability and price of any additional services offered may be a factor in the final selection of the successful bidder.

V. Proposal Evaluation Criteria

Proposals that meet the requirements specified in this RFP will be evaluated based on the following criteria.

- A. Completeness of response to all required items.
- B. Ability to meet current and projected service requirements over the term of the banking agreement.
- C. Overall cost (although costs are important pricing is not the sole factor in the evaluation of the proposals).
- D. Reliability and quality of customer service.
- E. Experience and governmental knowledge of bank team.
- F. Financial Strength
- G. Capacity to provide numerous electronic banking service.
- H. Thoroughness of the conversion plan
- I. References.

End of Proposal