

City of Cathedral City
68700 Avenida Lalo Guerrero
Cathedral City CA 92234

Banking Services

Request for Proposal (RFP)

Issue Date: October 31, 2017

Proposals are due December 28, 2017 by 5:00 pm (PDT)

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The City of Cathedral City (City) is seeking proposals for Banking Services for its bank accounts, related depository, and cash management services in accordance with this Request for Proposal (RFP). All proposals must be in the format specified, with a separately sealed cost proposal clearly identified. These proposals will not be opened and read publicly.

PURPOSE OF THE RFP

The City of Cathedral City is seeking proposals from qualified public depositories (a state or national bank (financial institution) located in this state, as defined by Section 53635.2 of the California Government Code) to provide a variety of commercial banking services. The institution must be a member of the Federal Reserve System, a federally or State of California chartered financial institution; and in good standing among other comparable banks. The respondents must be adequately capitalized to accommodate the City's cash and investment management needs.

The City intends to select a financial institution to provide banking services with a branch office within the City limits or in the Coachella Valley. These services include:

1. General Banking Services
2. Merchant Card Processing
3. Credit / Purchase Cards

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

BACKGROUND

Cathedral City is conveniently located 110 miles east of Los Angeles and 130 miles northeast of San Diego. The City is a business and resort community located in the heart of the Coachella Valley located between Palm Springs and Rancho Mirage in eastern Riverside County. With a diverse population of more than 54,000, Cathedral City is the second-largest city in the Coachella Valley. Occupying a land area of approximately 24 square miles at an elevation of 400 feet above sea level, the City boasts an ideal climate of 350 sunny days a year. The City offers clean air, scenic beauty and unlimited leisure activities, housing options and business opportunities. Colonel Henry Washington discovered Cathedral City in 1850, naming it after nearby rock formations resembling a grand cathedral. The City is proud of its cultural diversity and rich history. The Agua Caliente Band of Cahuilla Indians established their reservation in 1876, and the City housed its first subdivision in 1925, and was incorporated in 1981.

Cathedral City is an ideal base to enjoy what sunny Southern California offers. Conveniently located off the I -10 freeway and less than five miles from the Palm Springs Airport, Cathedral City boasts the greatest amount of family friendly recreational activities in the Coachella Valley including the Desert Ice Castle (the only ice skating rink in the Coachella Valley) where Olympic athletes train; Boomers (miniature golf, bumper cars & batting cage); a 17-acre soccer park, where State championships have been held; Big League Dreams Sports Park, which hosts NCAA Women's softball; and three topnotch golf courses. The City of Cathedral City is also known as "The City Where Art Lives". One of the most visually capturing and historically rich pieces of art in the City is the "Fountain of Life" located in Town Square. Featuring mosaic tiles, stone sculptures, and a "spray ground," the fountain provides beauty and a place for adults and children to cool off in the summer's heat.

The City offers public, private, and charter K- 12 and preschools and is part of the Palm Springs Unified School District. The University of California at Riverside and California State University San Bernardino, which both have local campuses, and the College of the Desert are all located within 9 miles. Residents also have access to outstanding healthcare at Eisenhower Medical Center and Desert Regional Medical Center, which includes a trauma center.

The City of Cathedral City currently maintains a primary commercial banking relationship with one depository institution. The City currently holds a "sweep" type account. The City has determined a review of the services offered by qualifying institutions is required. It is the City's preference to maintain commercial banking services with one financial institution to maximize cash flow and minimize administrative costs. The City encourages financial institutions to submit the most comprehensive proposal possible offering the highest quality of service while providing opportunities for improving the current management of cash flow. The City is also interested in various technological advances improving banking, cash management, and customer service capabilities.

The City will administer the proposal process in accordance with the terms and dates outlined in this RFP; however, the City reserves the right to modify the activities, timeline, or any other aspect of the process as deemed necessary. By requesting proposals, the City is not obligated to award a contract or pay the expenses of proposing banks for the preparation or submission of a proposal. The award of any contract shall be contingent on the requisite staff and Council approvals.

PROPOSAL REQUIREMENTS

Four copies of the proposal should be submitted in a binder format. Proposals shall consist of the listed tabs on the following pages (Tabs A – V). All financial institutions are encouraged to be creative and innovative in responding to this RFP. Discuss any creative pricing or payment options the bank can provide. Describe alternate approaches to the requested services where feasible or additional services offered or recommended, which may not be specifically requested but could be of benefit to the City.

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

No Proposal: If a service requirement or section of the proposal cannot be met by a proposer, then “No Proposal” should be indicated in the relevant tabbed section of the proposal. An alternative equivalent service may be offered.

Contracted Services: If a service is provided by a third party, please indicate this clearly in the relevant tabbed section of the document.

Cover Letter (one page preferred): The letter should designate the proposing bank, the address of the institution where the relationship will be domiciled, the address of the local branch, if different, and be signed by an authorized bank officer. The cover letter should also include the primary contact for this Request for Proposal. No pricing information should be included in the cover letter.

All proposals shall include the following tabs:

TAB A - TABLE OF CONTENTS

The table of contents should reflect the RFP format.

TAB B - MINIMUM QUALIFICATIONS

To be considered for selection, proposing banks must meet certain minimum qualifications.

1. Is your institution a State or National Bank as defined in California Government Code Section 53630.5?
2. Does your institution have established offices within the City of Cathedral City? When applicable, please list branch and ATM locations within the City of Cathedral City, and the Coachella Valley.
3. Is your institution a member of the Federal Reserve System with access to all Federal Reserve services?
4. Is this institution insured by the Federal Deposit Insurance Corporation (FDIC)?
5. If your financial institution is not insured by the FDIC, please disclose your association and how the institution is insured.
6. Is your institution a qualified depository of public funds in compliance with Section 53649 of the California Government Code? Would your institution be capable of collateralizing public fund deposits exceeding \$10 million? What is your institution's current level of public funds deposits and related collateral? How will the City's deposits be collateralized?

TAB C - BANK OVERVIEW

1. ***Banking Overview*** - Please provide an overview of bank, governmental client service philosophy, and corporate organization including identification of the government services unit, location of corporate, processing center, and branch localities. Also, please provide any relevant information regarding a correspondent bank relationship, including a list of the financial institution's holidays.
2. ***Experience*** – Describe the bank's direct experience in servicing public sector clients. Please include: the number of public agency clients, the dollar amount of public funds on deposit, and bank's knowledge of and adherence to the California Government Code and other applicable laws. Will the institution be able to comply with transaction confirmations and respond to other requests for data as needed from the City's auditors?
3. ***Relationship Management*** – Identify the size and scope of this public banking unit, bank officers responsible for the City's accounts, what each person's role and responsibilities will be and the relevant credentials and experience of each person on the relationship management team. Please specify the name and title of who will be designated as the bank's relationship manager for the City.

4. ***Differentiation*** - Please describe what sets the bank's government banking unit apart from others. Does the institution provide a toll-free number for Customer Service? What is the average wait time when contacting this number? What is the average resolution time for issues presented to this number?
5. ***Customer Service*** – The expected time to return calls will be 30 minutes to one hour. Can the institution commit to this time requirement? What are the hours a designated team or staff member is available to the City?
6. ***Strength*** – Please provide key measures of the institution's bank's financial strength, including total assets, market capitalization, and ratings from Standard and Poor's and Moody's. Include a copy of the bank's most recent audited financial statements in TAB V.
7. ***Third-Party Liability*** – If there are third-party services identified in any of the tabbed sections, will the bank interface directly with, and assume full responsibility for, any third-party service providers, e.g., couriers?

TAB D - COMMUNITY INVESTMENT AND SOCIAL RESPONSIBILITY

1. ***CRA Rating*** - Provide the bank's Community Reinvestment Act (CRA) rating and describe in detail, specific projects and community involvement activity in Cathedral City and the Coachella Valley.
2. Are donations or *in-kind* contributions made to local organizations? If so, please give examples of recent contributions relevant to Cathedral City and the Coachella Valley.
3. What types of incentives will the bank offer City employees to open accounts and have their paychecks direct deposited?

TAB E - REFERENCES

1. ***References*** - Please provide five (5) local government or client references of similar size and scope of service utilization as the City. Include the following information for each reference:
 - Customer name
 - Contact name and title
 - Telephone and email
 - Street address, state, and zip code
 - Number of years as customer
2. Description of services provided including contract amount, when provided and project outcome.

The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Describe fully the last three contracts performed by your firm terminated with or without cause. Please include the following information:

- Customer name
 - Contact name and title
 - Telephone and fax number
 - Street address, state, and zip code
 - Description of services provided
 - Explanation for contract termination
3. ***Statement of Past Contract Disqualifications*** - The Financial Institution shall state whether it, or any of its officers or employees who have a proprietary interest in it, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of the violation of law, a safety regulation, or for any other reason, including but not limited to financial difficulties, project delays, or disputes regarding work or product quality, and if so, explain the circumstances.
- The staff of the Financial Institution who will be responsible for carrying out this Agreement have not, within the last two years, been convicted of any crime or pleaded nolo contendere or agreed to any consent decree with respect to any matter involving breach of trust or fiduciary duty or securities law violations.
4. ***Pending Litigation*** – Does your institution have any pending litigation with any California government agency clients regarding banking services? If so, please describe the instance.

TAB F – CHECK PROCESSING

1. The City currently issues approximately 500 accounts payable checks per month. The City is processing payroll checks “in-house”. Payroll checks are paid through direct deposit. The City would like funds to be available the next banking day after the file is transmitted to the bank (see Wires, ACH, and Direct Deposits for additional information). Please describe in detail the ability of the bank to provide the above deposit services for the City’s account(s).
2. Can the City establish Zero Balance Accounts (ZBA’s) tied to our main operating account? Are there any limitations to the type of ZBA?
3. Will postings of the daily total from ZBA’s to the main account be accessible through a detailed report of the main account, or must the City access each account separately?
4. Are paid items/checks truncated, with images (front and back) transmitted to the City?
5. How are check images provided to the City, e.g., Compact Disk-Read Only Memory (CD-ROM)?
6. Are the images also available online? For how long? Are the images also available by e-mail? How soon after a check has been cashed is the image available?
7. Is the City capable of receiving an online report of checks paid daily and previous day? Can the check status be viewed online? Is there an associated cost?

8. Do you offer full and partial account reconciliation? Please describe the bank's reconciliation services. How are 'stop' payment checks being coded in the account reconciliation file?
9. Does your bank provide an electronic file in the City's specified format (CSV or XLS) to include the following fields (to be used for automatic check reconciliation with our current financial system)?
 - Check Date
 - Check Number
 - Amount
 - Cleared Date
10. What methods are provided for stop payment orders, and how are they confirmed? Can the request be input online? If input online, is the confirmation immediate?
11. Within what time frame (hours) does the stop payment order take effect? Immediately?
12. How long do stop payment orders remain in effect? Are there different duration options, such as 6 months, 1 year, or 2 years, without the need to implement extensions? Is the cost different for each option?
13. In the case of stale dated checks, will the bank agree to not honor any checks outstanding (based on the dated date of the check) for six months or more? Is there a cost to the City for reviewing and returning stale dated checks?
14. How does the bank compensate the City for checks cashed after a stop is placed or if stale dated, and how many days does it take for the bank to reimburse the City?
15. Does the bank have a safeguard mechanism at the teller windows to detect fraudulent checks not issued by the City or signed by authorized signers? Describe the bank's notification procedure within the banking system and to City contacts.
16. Will the bank guarantee items drawn on the City accounts be paid regardless of the balance in the funding account? What is the charge for covering these items?
17. Describe the bank's policies concerning daylight overdrafts, and what, if any, impact these policies may have on the management of the City's accounts.

TAB G - POSITIVE PAY

The City of Cathedral City currently has Positive Pay. Please provide your institution's perceived benefits of positive pay along with the cost.

1. Describe the bank's capabilities for Positive Pay and indicate what fields are currently included. How flexible is the bank's file format?
2. Do you offer name verification (payee validation) under positive pay? Is it a one-line payee verification or 2-lines payee verification? How restrictive are name specifications for the printed checks? Do you have restrictions such as font size, no bolded names, etc.? Do you have high read rates?

3. Following a successful submission of the Positive Pay data, can the bank accept subsequent add/delete data to become effective immediately for manual or void checks?
4. How are exception items under Positive Pay reported to the City? Describe how the bank provides image viewing for exception items.
5. What is the procedure and timeline for paying or returning exception items? What is your default disposition if you do not receive the pay decision response by the deadline?

TAB H - WIRES, ACH AND DIRECT DEPOSITS

The City currently processes its own payroll. It is anticipated bi-weekly payroll will generate approximately 175 payroll checks; with 100% direct deposit participation.

1. The City anticipates using ACH or Direct Deposit of employees' payroll. Describe types of direct deposit files acceptable to the bank. What are the cut-off times for delivery of a direct deposit file? What is the 'drop dead' deadline to guarantee employee posting? Are there fees associated with missing the standard deadline? Are fees different if the direct deposit files are delivered prior to deadline date?
2. Describe the acknowledgments provided and the associated timeline when (a) receiving a file transmission, and (b) when a file transmission fails.
3. Describe the procedure for notifying the City when an ACH, a payroll ACH or wire transmission fails. How soon will the notification occur? Is the City's bank account made whole immediately when a wire or ACH transmission fails?
4. Do you recommend/require pre-notifications for every transaction prior to transfer?
5. What screening measures does the bank use to minimize errors on files sent to the bank, i.e., pre-notes, ABA screening, etc.? Describe how return items and returned pre-notifications are handled.
6. To be compatible with your direct deposit service, are there any restrictions on the software we can use to prepare our payroll?
7. The City may submit tax payments and other time sensitive payments by ACH file transmission. What are the different file transmission options? What are the delivery and transmission deadlines? Can transmissions be initiated and monitored online?
8. If the City uses the service for making tax payments, do you guarantee the timing of the payment? If the payment has been made within the cut-off time, but is delayed, will the bank absorb any penalties and interest charges assessed by the tax authority? Describe any restrictions or limitations.
9. Do you provide the City the ability to change, add or delete an item after transmitting our ACH file to you? If yes, describe the procedure and cut-off times?
10. Describe the system security in general and how it will guard against unauthorized ACH debits to the City's accounts. If unauthorized ACH transactions post to the City's account, describe how the transaction would be resolved.

11. What assistance do you provide in establishing a new ACH transmission? Do you provide access to a database of ACH member institutions and ABA transit routing codes? What is the cut-off time in Pacific Standard Time for initiating ACH and when the recipient account receives the funds?
12. Describe the bank's online wire transfer capabilities. What is the cut-off time in Pacific Standard Time for initiating wire transfers to ensure same-day execution?
13. What safeguards and security measures does the bank have in place to protect the City, especially against unauthorized use of the system? Are there daily limits on wire transfers? Include a description or sample of the bank's fund transfer agreement.
14. Is your bank both a sending and receiving bank of the National Automated Clearing House Association (NACHA)?
15. With regards to ACH and wire services, what are the bank's contingency plans in the event of a system failure? Do you offer these services by means other than a computer system? Do you have backup process if internet/transmission lines are unavailable? Will the City be immediately notified of any changes or problems and the ability to re-send a file or delete a file?

TAB I - DEPOSIT ACTIVITY

City Hall serves as the primary depository for City departments. Currently, the City collects approximately 600+ checks per month. In addition, about \$30,000 in currency and coins per month are deposited from City Hall.

1. Describe the bank's required preparation for cash deposits, currency, coins, checks, and checks in foreign currency.
2. Does the bank offer desktop deposits of checks? In addition, does the bank offer third-party desktop deposits of checks? If so, is there an additional fee for third-party capability? Please describe they type of equipment required.
3. Describe funds availability (when it becomes ledger credit) and cut-off times for:
 - a. Scanned check deposits
 - b. Checks drawn on the same bank
 - c. Incoming ACH direct deposit and incoming wires
4. Does the bank guarantee immediate credit (same day funds credit) on all incoming wire transfers and U.S. Treasury and State of California checks upon receipt?
5. Are you an approved State Depository? Are your availability policies different from the Federal Reserve Bank's availability schedule? Will the City receive same day availability of funds for images and check deposits drawn on the bank?

6. The City may require daily cash deposits including coin deposit delivery to the bank. What are the packaging criteria for accepting currency deposit delivery? Does the bank have an efficient system to process high volume of cash and coins?
7. What is the same-day ledger cut-off for direct local branch deposits? How many bank branches do you have in the City of Cathedral City and/or the Coachella Valley?
8. Will the bank be able to fulfill the City's requirement for returned deposit items to be re-deposited at least once? Is there a charge for this? Is there an NSF check fee for the first and/or second return on the same deposit?
9. Describe how the bank handles any deposit discrepancies, including checks deposited to the City by mistake. What supporting documents are provided for deposit adjustments? How will you notify the City?
10. Describe the return procedures for checks. If the original check is deposited, will you return it? How long does it take for returned items to be sent to the City? Is an automatic re-clearing option available? Can you provide an internet based returned-check list with images both front and back?
11. What are the cut-off times for image and check deposits at the bank's operations center to ensure same day ledger credit?

TAB J - DIRECT DEPOSIT RELATIONSHIP – STATE OF CALIFORNIA

The City transacts with the State of California Local Agency Investment Fund (LAIF) and receives tax apportionments on a regular basis. Please provide the following information on your experience with LAIF.

1. Is the bank an approved State of California Depository?
2. What is the charge per transfer to LAIF? From LAIF?
3. Please describe the method the financial institution processes payments from the State of California and LAIF transfers.
4. Does the bank have an office in Sacramento with a direct DDA banking relationship with the State Treasurer's Office and the State Controller's Office?

TAB K - CASH MANAGEMENT, REPORTING AND INVESTMENT

The City currently uses a web-based daily balance and detailed reporting information system. The City requires daily cash balance reporting information for all account(s), for both prior day and current day (intraday) information. The City utilizes the web-based system for transfers between the City accounts and LAIF. The City requires at a minimum online monthly bank statement showing summaries, reconcilements and relevant detail.

1. Please describe the bank's online information reporting system including any costs associated with web-based reports. The City may request a demonstration of the online reporting system. In your response, please include the file export and the ability to implement internal controls (multiple levels of approval authority).
2. Describe or provide a sample copy of screens showing the information reports the City can obtain from your system.
 - a. Can the reports be custom-tailored for the end-user?
 - b. At what time is prior day information available for access by City staff? Is intra-day reporting available via the Internet? How often is intra-day information updated and when? Please provide a sample of prior day and intra-day reports as a best example of the system's capabilities. Include the reports in this section.
 - c. Is it possible to get online reports before the monthly statement is available? (e.g., for example, if we need information from the 10th of the month through the 20th of the month, is it possible to obtain real-time reporting?)
3. What are the computer hardware and software specifications for check scanning and the bank's online system?
4. Describe the systems security, including whether passwords, authentication, and/or encryption techniques used to protect online data?
5. Does the online system export information to third-party software or accept online files?
6. Provide a report showing system down time for the past year. Include the types of services available and how it was communicated to the client. Describe the backup procedures for times when the system is unavailable. What is the bank's contingency plan for providing this information in the event of unexpected bank systems problems or natural disasters?
7. How long is information maintained at the bank and online? Is historical data always accessible online? If not, describe the procedure for accessing the information and turnaround time.
8. What other online or internet based systems are currently available to customers?
9. Provide the frequency and format of reports provided to the City.

TAB L - SWEEP SERVICES

The City of Cathedral City currently has sweep services.

1. Do you offer an overnight sweep service for collected balances at the end of the day with automatic fund transfer?
2. Describe the overnight sweep account offered by the financial institution including overnight investment options available to maximize the City's potential earnings.
3. Is the bank's sweep an end-of-day or intra-daysweep?
4. What sweep investments are available for public funds clients? Please include a prospectus and sample financial statements on the fund.
5. What are the costs associated with the sweep (monthly maintenance, set-up charges, fund expenses, transaction fees, etc.)?

6. What are the total assets in your institution's sweep program and what is the largest individual customer balance in the last month?
7. Provide historical rates on your sweep fund(s) for the past 12 months.

TAB M - CORPORATE CREDIT CARDS AND/OR PURCHASE CARDS (P-CARDS)

Currently, twenty City staff have been issued corporate credit cards. The monthly City credit line for all current card holders totals \$100,000. The estimated annual combined spend on these cards is \$250,000.

1. Do you have an online system for accessing credit card information? Describe the online system and information (detail and summary data relating to purchases and payment) available to City staff.
2. Provide a sample copy of your monthly statement. What is the typical statement period? Does the City have flexibility in establishing the billing dates, provide monthly statement cut-off date and payment due date or related timeframe.
3. What are system support hours and customer service hours?
4. Provide any costs associated with initiating a card, annual fees, financing charges, and access to the online system. In addition, please provide information related to rebates or rewards associated with credit card purchases. If rewards or rebates are available for credit card purchases, are there additional fees or charges associated with these programs?
5. Is there a notification process to cardholder for late payment?
6. Describe the administration process for City users to access the online system.
7. Describe the offerings and benefits of credit cards versus P-Cards?

TAB N – BANKCARD PROCESSING - MERCHANT (CREDIT CARD) SERVICES

The City's monthly credit card receipts amount to about \$100,000. The City currently accepts credit card payments for American Express, Discover, MasterCard or Visa, and may accept other payment brands in the future. Locations of payments are City Hall, the Fire Department and the Police Department.

Please describe the bank's Bankcard and Point-of-Sale processing capabilities.

1. Please quote a discount rate and all other applicable charges for credit card processing. Quote for both swiped and non-swiped transactions.
2. What are fees associated with debit card transactions?
3. How is the applicable interchange fee determined for each transaction? What recommendations does the bank have to minimize these fees?
4. If the City chooses to transition its credit card transactions to your financial institution, will the bank supply the City with terminals, printers, and pin pads? Is there an associated cost to lease or purchase the requisite equipment? Do you support internet connectivity to terminals?
5. 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?

6. Is the bankcard relationship managed by a separate unit of the bank, or by the Account Relationship Manager? Please briefly describe the organizational structure. What is the available means to resolve disputes and the associated timeline?
7. Describe the online reporting for merchant service accounts. Provide a list of available reports.
8. Is the system capable of combining several merchant accounts into groups and assigning permission to run reports by group?
9. Please describe what assistance you can provide the City with Payment Card Industry (PCI) compliance.

TAB O - ONLINE BANKING INFORMATION SYSTEMS, SECURITY, INTEGRATION AND DISASTER CONTINGENCY

1. Describe the bank's online capabilities and security. In addition to your description, please include the following items:
 - a. Does it have fraud detection programs for unauthorized transactions.
 - b. Capability to upload or download electronic data from the bank to the City or from the City to the bank, or to outside third party such as the State of California.
 - c. Availability of reports exported to Microsoft products.
 - d. Ability to place currency order online.
 - e. Security for user access administration of online business banking.
2. Please describe in detail, the bank's compliance with State and Federal regulations pertaining to this area?
3. Please describe testing of core service applications and systems assuring information backup, anti-intrusion, and other privacy requirements.
4. Does the bank have a centralized program to manage changes and globally applied to all online programs, statements, reports being affected? Please describe the process, any related time stamps, etc.
5. Describe the bank's disaster contingency plans, contacts and backup systems for continued City operations in the event of system failure and natural disaster and other emergencies.

TAB P - CONVERSION PROCESS AND TRAINING

In the event your bank is selected, key branch and bank staff assigned to the City may be required to participate in an on-site review of City finances and other existing banking practices. The bank will be expected to make a written report to the Administrative Services Director of its findings and recommendations and develop a conversion plan based on the review.

1. Describe the plan your financial institution would coordinate to ensure a smooth transition from the current provider.
2. Provide a typical conversion timeframe and indicate what factors could alter the conversion period. In addition, provide a sample conversion timetable/schedule.
3. Describe the onsite training to the City's staff for the operation and use of the financial

institution's services and automated systems for areas of service.

4. Will the conversion be at no cost to the City? If not, provide information on the conversion costs. Will the bank provide a conversion allowance to the City? If so, how much?
5. Will the Bank take the lead and responsibility for the conversion progress, with weekly updates of progress to staff?
6. Do you provide on-line and/or written user manuals for all services? How often are manuals updated?
7. Do you provide on-going training after implementation? Is the training available on-site, off-site or online?

TAB Q - PAYMENT FOR SERVICES, BANK COMPENSATION

The City currently compensates for bank services through a combination of direct fees and an earnings allowance based upon compensating balances. In addition, all ZBA accounts and other accounts are linked to the main operating account and fees are consolidated under the operating account. The City requires a monthly account analysis report with a summary page for all accounts.

1. Does the bank accept compensation in fees, balances, or a combination of the two? Is the price schedule the same either way?
2. List the bank's Earning Credit Rate (ECR), and how it is calculated and applied. What accounts are taken into consideration?
3. Please explain in detail, how and when the FDIC assessment is computed and charged?
4. Please detail exactly which types of items and services can be applied against the City's account analysis in addition to the standard bank services, i.e. merchant bankcard processing, bank courier service, etc.
5. What procedure is used to make any adjustments to Account Analysis statements and how long does it take for adjustments to take effect?
6. Please state the negative collected balance charge the City will pay and, in detail explain how the charge is computed. Is the rate quoted in this proposal good for the term of the contract? Please provide escalation clauses and list your actual negative collected funds rate for each of the last 12 months.
7. Please provide a sample account analysis statement.
8. Are Treasure Management Association (TMA) codes included on the Account Analysis Statement? How is statement delivered and how quickly can we expect delivery?
9. Please provide a copy of the Account Analysis Statement as an exhibit
10. Does the bank have any special charges not specified in the pricing schedule relating to operations of the bank account? For example, do you charge for an excessive error rate on encoding?
11. Will your institution guarantee the prices in this proposal for the contract period? If not, how will future price increases be calculated?

TAB R - E-PAYABLES OR ELECTRONIC PAYMENT SERVICES

In addition to any information provided in TAB H above, the City could be interested in electronic bill payment services for regular accounts payable transactions, if it is cost-effective.

1. Please thoroughly describe the bank's electronic bill payment, EFT and ACH services, as they relate to accounts payable.
2. What hardware, software, and special programming are required for the implementation of an ACH credit program for payments to City vendors? Has the bank worked with any users of Tyler Munis software to accept a file?
3. Do you offer any electronic vendor payment services with a rebate of merchant transaction fees to the City?
4. Please detail all costs associated with ACH for a vendor payment program.
5. Please detail all costs associated with your automatic bill payment program.
6. Please detail all costs and processes for auto draft (automatic payment deductions).

TAB S - ARMORED CAR SERVICES

The City currently does not contract with an armored car company for armored car transport to pick up cash and checks from the City Hall to be deposited at the bank. In the future, the City may require the bank to provide this service as part of their proposal. If so:

1. Does your bank have a contract for this service?
2. Who is the service provider?
3. Does your bank or third-party provider for this service, provide secure transportation services for deposits? What are the costs for these services?

TAB T – INVESTMENT SERVICES

Please describe investments service offered by the financial institution; excluding the duplicate description of overnight sweep account capabilities included in TAB L above. The City is particularly interested in short-term options to preserve potential cash flow needs. Please indicate the bank's knowledge of the relevant sections of the government code as it relates to municipal investments.

TAB U – SERVICE ENHANCEMENTS

Based on the information provided in the RFP and your bank's knowledge of the public sector, please describe any services or technological enhancements not previously mentioned, to be considered for further improving the effectiveness of the City's treasury management operations.

TAB V – SUPPLEMENTARY INFORMATION

1. *Provide a list of insurance carried and amounts covered* - Indicate insurance underwriter or if self-insured. The selected financial institution must within (20) working days of award of contract, provide and maintain in force during the term of the services contemplated, Certificates of Insurance providing coverage as specified herein for Workers' Compensation, Commercial General Liability, Automotive Liability, and Error and Omissions Liability or Professional Liability in amounts consistent with the services provided and as determined jointly by the City and the Bank. Such policies shall be issued by companies admitted in the State of California. A copy of the City's Standard Insurance Requirements and Indemnity Clauses are attached for reference.
2. Standard Bank Fee Schedule for Government/Corporate Clients
3. Bank Credit and CRA Ratings
4. Most current Annual Report
5. Statement of Auditing Standards (SAS) 70 – Covering Operating Controls
6. Sample Account Analysis Statement and User's Guide
7. Sample Account Reconciliation Reports, Account Statements and Positive Pay Reports

EVALUATION OF PROPOSALS AND NEGOTIATIONS

All proposals submitted will be reviewed by an evaluation panel consisting of the City of Cathedral City personnel. At the completion of the proposal review, the panel may invite the top scoring institutions to make a presentation and provide a software demonstration, at no cost to the City. The City may request Best and Final offers. Based on the presentation and the Best and Final offers (if requested), the panel will select the proposal best fulfilling the City's requirements. The City may negotiate with the institution to determine final pricing and contract form.

Proposals will be evaluated on the following criteria:

- Demonstrated understanding the needs and operation requirements of the City
- Compliance with the requirements of this RFP
- The experience, resources and qualifications of the financial institution and individuals assigned to the City's account
- Relevant experience managing similar account relationships with public institutions and similar clients
- Bank and branch locations
- Availability schedule
- Scope of services offered including the degree of automation
- Financial strength and capitalization
- Adequacy of financial controls and protection against loss
- Quality and scope of conversion plan
- The value of any new product or service suggestions or other new ideas and enhancements
- Proposed fees and compensation

A selection panel will be convened of City staff, which will primarily include Finance and Information Technology.

CONDITIONS AND STIPULATIONS

The City reserves the right to reject any proposals, cancel this RFP, and waive any non-material irregularities or informalities and to request additional information and clarification regarding any service(s) from the proposing institutions.

By requesting proposals, the City is not obligated to select any proposal or pay expenses of the proposing financial institutions for the preparation or submission of a proposal. The City reserves the right to reject any proposal for any reason. The proposal should be the best effort possible by the institution, since the City reserves the right to award the contract with no further negotiations. Conversely, the City reserves the right to negotiate with the successful proposer any additional terms and conditions not contained in their proposal or to revise the scope of this RFP, which are in the best interest of the City. All proposals, whether accepted or rejected, shall become the property of the City of Cathedral City. All proposals received become public records. The City's decision to award a contract will be based on many factors including, but not limited to service, cost, experience, financial strength, and ability to deliver, or for any other reason deemed by the selection committee to be in the best interest of the City. No single factor, such as cost, will determine the final decision to award. This RFP and the bank's response, including all promises, warranties, commitments, and representations made in the successful proposal, shall become binding contractual obligations, and will be incorporated by reference in the final agreement (see page 22 for the City's Services Agreement Template) between the City of Cathedral City and the selected bank. All terms and conditions not specifically identified as exceptions will be considered acceptable to the vendor.

ESTIMATED TIMELINE (DATES SUBJECT TO CHANGE)

- Distribution of RFP October 31, 2017
- Deadline for Questions November 17, 2017, 5:00 PM
- Response to Questions December 1, 2017
- Closing Date December 28, 2017, 5:00 PM
- Selected Vendor Presentations/Interviews February 28, 2018
- Present Recommendations to City Council March 31, 2018

CONTACT

For questions regarding this Request for Proposal, please submit questions no later than **November 17, 2017 at 5:00 pm** via email to: asyed@cathedralcity.gov

SUBMISSION INFORMATION

Proposals must be submitted to:

City of Cathedral City

Attn: Adnan Syed, Procurement Administrator

68-700 Avenida Lalo Guerrero

Cathedral City, CA 92234

All proposals must be delivered no later than **December 28, 2017 at 5:00pm**. Late submissions or proposals delivered via email will not be accepted.