

# CITY OF LOS ANGELES



DRAFT 11/2/2017

## REQUEST FOR PROPOSAL FOR BANK SERVICES

|                                 |                          |
|---------------------------------|--------------------------|
| <b>Date:</b>                    | <b>November 17, 2017</b> |
| <b>Pre-Proposal Conference:</b> | <b>January 10, 2017</b>  |
| <b>Deadline for Submission:</b> | <b>February 21, 2018</b> |

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## **1. INTRODUCTION**

The City of Los Angeles (City) invites qualified financial institutions (“Respondents”) to submit proposals for bank services based upon the scope of work contained in this Request for Proposals (RFP). Respondents that fully and satisfactorily respond to the individual product/service category information requests and bank requirements and inquiries set forth in Sections 6, 7, 8, and 9 of this RFP will be considered for a contract award with the City.

It is the City’s intent to award multiple separate agreements to multiple financial services providers as a result of this RFP. Agreements are anticipated to be awarded in six distinct service categories with a primary awardee receiving the full scope of bid upon services and a separate back-up awardee to be next in line for performance of the City’s business in the event of any service lapse or termination with the primary awardee within a given service category. The City may award a total of six primary and six backup agreements for general banking services, plus a separate agreement with the City Administrative Officer for a Contractor Development and Bonding Program Letter of Credit Facility.

### **1.1. Profile of the City of Los Angeles**

The City of Los Angeles, California (the “City”) is the second most populous city in the United States with an estimated 2016 population of 4.03 million persons. Los Angeles is the principal city of a metropolitan region stretching from the City of Ventura to the north, the City of San Clemente to the south, the City of San Bernardino to the east, and the Pacific Ocean to the west.



Founded in 1781, Los Angeles was a provincial outpost under successive Spanish, Mexican, and American rule for its first century. The City experienced a population boom following its linkage by rail with San Francisco in 1876. Los Angeles was selected as the Southern California rail terminus because its natural harbor seemed to offer little challenge to San Francisco, home of the railroad barons. But what the region lacked in commerce and industry, it made up in temperate climate and available real estate; soon, tens and then hundreds of thousands of people living in the Northeastern and Midwestern United States migrated to new homes in the region. Agricultural and oil production, followed by the creation of a deep water port, the opening of the Panama Canal, and the completion of the City-financed Owens Valley Aqueduct to provide additional water, all contributed to an expanding economic base. The City's population climbed to 50,000 persons in 1890, and then swelled to 1.5 million persons by 1940. During this same period, the motor car became the principal mode of American transportation, and the City developed as the first major city of the automotive age. Following World War II, the City became the focus of a new wave of migration, with its population reaching 2.4 million persons by 1960.

The City and its surrounding metropolitan region have continued to experience growth in population and in economic diversity. The City's 470 square miles contain 11.5 percent of the area and 39.1 percent of the population of the County of Los Angeles (the "County"). Tourism and hospitality, professional and business services, direct international trade, entertainment (including motion picture and television production), and wholesale trade and logistics all contribute significantly to local employment. Emerging industries are largely technology driven, and include biomedical, digital information technology, environmental technology and aerospace. The County is a top-ranked county in manufacturing in the nation. Important components of local industry include apparel, computer and electronic components, transportation equipment, fabricated metal, and food. Fueled by trade with the Pacific Rim countries, the Ports of Los Angeles and Long Beach combined rank first in the nation in volume of cargo

shipped and received. As home to the film, television and recording industries, as well as important cultural facilities, the City serves as a principal global cultural center.

## **1.2. City Treasury Profile**

The Los Angeles City Charter establishes the City Treasury as the official depository of the City, which is under the direction and control of the City Treasurer. The City Treasury currently maintains \$11 billion in Assets Under Management and oversees cash management services with a \$50 billion transactional cash flow. The City Treasury maintains over 1000 depository accounts and has approximately \$46 million in cash vault deposits annually. Additionally, the City maintains agreements with various financial institutions for various treasury and bank related services.

### **1.2.1. City Treasury Financial Institution Partners and Service Providers**

The City currently partners with the following financial institution and agencies to deliver treasury services to forty (40) City departments:

|  |  |
|--|--|
| ❖ Commercial Banking Services                                  | Wells Fargo Bank                         |
| ❖ Credit Facility (Contractor Development and Bonding Program) | Wells Fargo Bank                         |
| ❖ Custody and Securities Lending Services                      | Bank of New York Mellon                  |
| ❖ Purchase Card Services                                       | U.S. Bank                                |
| ❖ Fleet/Fuel Card Services                                     | U.S. Bank                                |
| ❖ Checking and Commercial Card Services                        | MUFG Union Bank                          |
| ❖ Section 408 Guarantee Loan Program                           | MUFG Union Bank                          |
| ❖ Trustee and Paying Agent Services                            | U.S. Bank                                |
| ❖ Merchant Processing  | Wells Fargo Merchant Services and Elavon |
| ❖ Interest Allocation  | Sympro                                   |

- |                                    |                       |
|------------------------------------|-----------------------|
| ❖ Payment Card Industry Compliance | Trustwave             |
| Compliance Validation Services     |                       |
| ❖ Armored Courier Services         | GardaWorld and Brinks |

In addition to the aforementioned agencies, the City also has agreements with various financial institutions for the following services:

- |   |  |
|---|--|
| • Tax Deferred Savings Program (457 Plan) | Bank of the West and<br>East West Bank |
| • Debt Underwriting                       | Various financial institutions*        |

\* Information regarding the City's debt issuance, such as General Obligation Bonds, may be found at the following: [CAO.lacity.org/debt/index.htm](http://CAO.lacity.org/debt/index.htm)

### **1.2.2. Systems**

The City's treasury operations are dependent on three City systems as well as on the banks existing online business portal.

- A. Financial Management System – The City's Financial Management System (FMS) is the City's system of record and main business intelligence system for accounting and financial reporting. The integrity of the information in this system is maintained by the Office of the Controller.
- B. CashWiz – CashWiz is a cash management and financial reporting system developed and maintained by the Office of Finance. The system provides the following functions: 1) Disseminates banking information to all City departments; 2) Allows departments to reallocate and distribute funds; 3) Provides cash receipting (CR) at the end of each business day; and, 4) Provides the ability to generate reports for financial analysis.
- C. Grand Central Disbursements – The City's Grand Central Disbursements (GCD) is a centralized disbursement data management system for the City that: 1) collects data from various disbursement sources; 2) interfaces with

the City's commercial bank partner, the Department of Water and Power, Los Angeles World Airports, and other City accounts payable systems; and, 3) provides data management, inquiry, and reporting functions.

### 1.2.3. Transaction Volumes

The following chart provides transaction volumes for non-EFT activities:

*Chart 1.2.3: Annualized Transactional Volumes\*\**

|                    | Currency Deposits | ACH    | Checks Deposited | Checks Paid | Merchant Transactions |
|--------------------|-------------------|--------|------------------|-------------|-----------------------|
| Annualized Average | \$48,548,853      | 76,167 | 328,695          | 466,941     | 15,857,137            |

*\*\* Annualized volumes are based on July 1, 2016 through June 30, 2017-Fiscal Year data.*

### 1.2.4. Electronic Funds Transfer (EFT) by Payment Type

The following Chart provides annualized EFT volumes and values that Respondents to this RFP are expected to help process:

*Chart 1.2.4: Annualized EFT Volumes*

| EFT TRANSACTION TYPE  | EFT TRANSACTION VOLUME | EFT TRANSACTION VALUE   |
|-----------------------|------------------------|-------------------------|
| ACH In/Out            | 2038                   | \$4,789,394,739         |
| ACH Tax               | 383                    | \$1,046,382,244         |
| Outgoing Wires        | 1,316                  | \$16,488,051,837        |
| Incoming Wires        | 772                    | \$16,119,862,387        |
| Debt Service Payments | 439                    | \$3,141,586,663         |
|                       |                        | <b>\$41,885,984,941</b> |

## 1.3. City Departments

The Office of Finance provides Treasury services to forty (40) City departments that use the bank services described in this RFP. These departments provide a broad range of

services to City residents and are involved in the collection of revenue and payments as part of the course of operational business. The following departments have a significant footprint in the City's banking operations:

### **1.3.1. Office of Finance**

The Office of Finance (Finance) provides for the efficient, effective, and responsible collection of revenue through a customer-focused environment to taxpayers and City departments. Finance issues those licenses, permits, and tax registration certificates not issued by other City departments and makes recommendations concerning the efficient organization of the revenue collection functions of the City. Finance serves as the custodian of the City Treasury and all securities purchased by the City. This includes managing the City's general and special pool investment portfolios and cash and debt management programs. Additionally, Finance manages the City's bank relations, serves as the city-wide administrator for all depository accounts, maintains and administers the City's merchant processing activities.

### **1.3.2. Office of the Controller**

The City Controller, an independently elected citywide official, is the taxpayers' watchdog and the City's chief auditor and accountant. The Controller's job is to investigate and publicly report problems with City departments, increase governmental efficiency and save taxpayer money by improving operations, conduct financial and performance audits of all City departments, offices and programs, monitor and report on all matters relating to the City's fiscal health, keep the City's official financial records, and supervise all expenditures of the City. The City Controller is responsible for the City's general ledger, controlled disbursements for payroll, accounts payable, and the City's financial statements. Additional responsibilities in this office include the proper

recording of financial data to ensure the City's compliance with accounting regulations, ensures sufficient General Fund cash flow, and provides check reconciliation services.

### **1.3.3. Department of Water and Power**

The Los Angeles Department of Water and Power is the nation's largest municipal utility and is responsible for supplying the City and its inhabitants with water and electric energy by constructing, operating, and maintaining for that purpose works extending throughout the City and to Inyo and Mono Counties to import water and electric energy and to other western states to import electric energy. The department fixes rates for water and electric service subject to approval of the City Council by ordinance. The department controls its own funds in accordance with the Los Angeles City Charter and has a \$5 billion annual operating budget. The department spends heavily on capital infrastructure improvements to the water and power systems.

### **1.3.4. Los Angeles World Airports**

The Los Angeles World Airports, under its Board of Commissioners, is responsible for the management, supervision, and control of all airports and airport facilities under the jurisdiction of the City of Los Angeles. It plans, constructs and maintains its own buildings, and controls its own funds in accordance with the Los Angeles City Charter. The department maintains an annual operating budget of \$5 billion and is in the midst of a multi-billion dollar development program for the Los Angeles International Airport.

## **2. SCHEDULE OF ACTIVITIES**

### **2.1. Schedule and Submission Deadlines**

The City intends to follow the schedule described below to distribute the RFP and receive/evaluate responses from Respondents. The City reserves the right to alter the schedule at any time.

| ACTIVITY  | DATE              |
|---|-------------------|
| RFP issued, posted online   | November 17, 2017 |
| Deadline for preliminary written inquiries <sup>(1)</sup>   | December 13, 2017 |
| Pre-Proposal Conference   | January 10, 2018  |
| Pre-Proposal Conference Minutes and final responses to proposal inquires posted as an addendum to RFP | January 24, 2018  |
| Final addendum to RFP posted  | January 31, 2018  |
| Proposals due   | February 21, 2018 |
| Respondent Interviews and Presentations   | April 9-13, 2018  |
| Award Bid - Selection Announcement  | April 25, 2018    |

(1) This deadline is the final date for submission of questions which will be addressed at the Pre-Proposal Conference. Questions received after this deadline will not be officially addressed until the final version of the RFP is posted on January 31, 2018.

## **2.2. Obtaining the RFP**

The RFP is available on the City of Los Angeles Business Assistance Virtual Network website at:

<http://www.labavn.org>

## **2.3. Intention to Submit Proposals**

Any agency or institution interested in submitting responses to this RFP is encouraged to complete and submit Appendix N *Intention to Submit a Proposal Information Form*. The submission of this form will allow the City to provide timely information to interested

parties with any updates to this RFP, including the dissemination of any additional information.

#### **2.4. Pre-Proposal Conference**

Finance will host a mandatory Pre-Proposal Conference to allow the City representatives to discuss the RFP with prospective Respondents and answer any questions submitted by Respondents, and to provide for an equitable dissemination of information. The Pre-Proposal conference is scheduled at the following time and location:

Date: January 10, 2018  
Time: 10:00 AM –12 noon  
Location: City Hall, Room 201  
200 N. Spring Street  
Los Angeles, CA 90012

#### **2.5. City of Los Angeles Contact Information**

All general inquiries regarding technical support for this RFP or for interpretations of any provision of this RFP should be directed to the following:

Chris Herrera  
Office of Finance  
City Hall - Room 201  
200 North Spring Street  
Los Angeles, CA 90012  
(213) 978-1733  
[Chris.herrera@lacity.org](mailto:Chris.herrera@lacity.org)

#### **2.6. Proposers' Questions**

All questions about this RFP should be submitted in advance to the pre-proposal conference by e-mail by 5:00 p.m. Pacific Time, on or before December 13, 2017, to the following address:



bankrfp@lacity.org

The City will provide written responses to questions from prospective Respondents no later than January 10, 2018 by 5:00 p.m.

## **2.7. Submission of Proposals**

Respondents are required to submit a completed original proposal in accordance with the terms and format provided in this RFP. **Proposal will be accepted until 3:00 p.m. February 21, 2018.** Proposal submissions received after the aforementioned date and time will not be considered. It is the sole responsibility of the Respondents to see that its submission is received before the submission deadline. No corrected or resubmitted proposals will be accepted after the proposal deadline.

## **2.8. Proposal Evaluation**

### **2.8.1. General**

All proposals received in accordance with these RFP instructions will be evaluated to determine if they are complete and meet the requirements specified in this RFP. Only those found responsive and meeting the minimum qualifications based on this review shall proceed to be evaluated. The City expressly reserves the right to reject all proposals and make no award under this RFP. An award will be made to the Respondent(s) determined to be the most advantageous to the City. The process for evaluating, scoring, and selection shall proceed in three phases: (1) Written Proposal, (2) Interviews, Presentations, Site Visits and References, and (3) Compensation hereafter described.

### **2.8.2. Written Proposal**

All proposals received shall be presented to a panel of evaluators (Written Proposal Evaluation Panel) appointed by the City Treasurer consisting of representatives from City agencies. In this first phase of scoring, the Written Proposal Evaluation Panel will evaluate and score the scoring categories of the proposals according to the criteria noted in Section 5.1 of this RFP. Based on the scores of the Written Proposal Evaluation Panel, Respondents with a total score of at least 70 percent in each Service Category listed under Section 7 shall be invited to participate in the second phase of the evaluation for the Service Categories in which they qualify. Section 8 - Pricing and Bank Compensation will not be evaluated and scored in this phase.

### **2.8.3. Interviews, References, and Site-Visits**

Interviews shall be conducted by a panel of evaluators (Interview Panel) appointed by the City Treasurer, which may consist of those same persons who served as evaluators on the Written Proposal Evaluation Panel from the first phase, or the evaluators may be comprised of other individuals as selected by the City Treasurer. As part of the second phase of the evaluation process, the City intends to invite selected Respondents to meet with City representatives and the Interview Panel during the week of April 9-13, 2018. Interviews shall be comprised of a presentation to be made by the Respondent, questions from the Interview Panel, reference checks, and possibly site visits. Section 8 - Pricing and Bank Compensation will not be evaluated and scored in this phase.

Prior to the Interview, the Respondent is to provide a list of names and company affiliations of proposed attendees. Respondents requested to interview are to bring key personnel to be able to present on and respond to questions relevant to the Phase Two Scoring Criteria as identified in Section 5.2. No more than six representatives of the Respondent may attend or participate in the Interview. The Respondent shall not, in any event, bring an individual who does not work for the Respondent or for the Respondent as a Subcontractor on this project. Additional information regarding these Interviews will be disseminated to the respective Respondents invited.

Prior to the Interview, the Respondent shall submit a list of all government agencies and jurisdictions with which a contract has been ended or terminated within the past three years for any reason, and shall include the name of the government agency or jurisdiction, the listed contact for the contract, the services provided under the contract, and the date of and reason for contract termination. The City may, at its sole and absolute discretion contact existing and former users of the Respondents' and Subcontractors' products and services for references. The City may use any former client whether or not they have been submitted by the Respondent as a reference, and the City may choose to serve as a reference if the City has had former work or current work performed by the Respondent or Subcontractors. References will be reflected in the scoring by the Interview Panel as identified in Section 5.2. Although the City anticipates completing reference checks at this phase in the process, the Interview Panel may contact the client references of the Respondent or others in addition to those specifically provided by the Respondent, at any time to assist the City in its understanding of the proposal and the Respondent.

The City may consider conducting site visits of the Respondents' respective facilities that will be integral in providing the services noted in this RFP, such as the cash vault and lockbox facilities. Such site visits may also be reflected in the scoring by the Interview Panel as identified in Section 5.2.

#### **2.8.4. Pricing and Bank Compensation**

Review of Pricing and Bank Compensation (Section 8 – Pricing and Bank Compensation) shall be conducted by a panel of evaluators (Compensation Review Panel) appointed by the City Treasurer, which may consist of those same persons who served as evaluators in either of the first two phases of the Evaluation, or the evaluators may be comprised of other individuals as selected by the City Treasurer. The Compensation Review Panel will evaluate and score the proposals in accordance with

Section 5.3 of this RFP. For those Respondents invited to participate in the third phase of scoring as identified in Section 5.3, responses to Section 8 will be submitted at this time for those Service Categories in which the Respondent is a finalist for award. Additional information regarding requirements for submission of Pricing and Bank Compensation proposals for the third phase of scoring will be disseminated to the respective Respondents invited.

#### **2.8.5. Request for Additional Information**

During any phase of the evaluation the City may require supplemental information in order to fairly evaluate a Respondent's offer. For this purpose, the City may request such information, including a best and final offer, from the Respondent after the initial submittal. If such information is required, the Respondent will be notified and be permitted a reasonable period of time to submit the information requested.

#### **2.9. Award Notification**

All respondents to this RFP will receive a Notice of Intent to Award notification identifying the successful Respondent(s) to this RFP ranked highest and second highest by the City in each Service Category. In the event that the City does not reach agreement with either the first or second highest scoring Respondent in any Service Category, the City may determine to extend an award to the next highest scoring Respondent in that Service Category, and may continue to extend an award to each next highest scoring Respondent until an agreement is reached for that Service Category.

#### **2.10. Protest and Appeals**

Any protest as to the RFP documents or matters or procedures referred to therein must be submitted in detail and in writing and postmarked within five (5) calendar days after

the issuance of the RFP to the public. The RFP is considered issued when posted to the Los Angeles Business Assistance Virtual Network at <http://www.labavn.org>.

All persons submitting responses to this RFP will be notified of the City's intended award by mail. Any protest regarding the City's intention to award a contract which results from this RFP process must be submitted in detail and in writing and be postmarked within seven (7) calendar days of the postmark date of the City's notification letter concerning the City's intention to award a contract that results from this RFP process.

Any protest, whether relating to the RFP or to the eventual awarding of a contract resulting from this RFP process, shall contain a full and complete statement specifying in detail the grounds of the protest and the facts in support thereof. All protests must include the following information:

1. The name address and telephone of the person representing the protesting party;
2. The name of the involved RFP;
3. A detailed written statement of the legal and factual grounds of the protest, including copies of relevant documents and an indication as to what specific portions of the documents form the basis of the protest;
4. A statement as to the form of relief requested; and
5. Any evidence as to why the RFP should not issue, or in the event of a protest concerning a contract award, any reasons or evidence as to why a contract award should not be made according to the City's plans;

6. If applicable, a request that a hearing with the Director of Finance, or designee, be set within seven (7) business days of the actual receipt by the City of the protest or, in the alternative, a statement that the protester waives such hearing.
7. A request that the Director of Finance, or her designee, issue a decision either sustaining or denying the protest.

All protests, whether relating to the RFP or a resulting contract award, must be in writing and sent via certified mail to:

Claire Bartels, Director of Finance  
Office of Finance  
200 N. Spring St., Room 220  
Los Angeles, California 90012

The procedure and time limits set forth in this Section are mandatory and are the sole and exclusive remedy available in the event of protest. Failure to comply with these procedures shall constitute a waiver of any right to further pursue the protest, including filing a Government Code claim or legal proceedings. The City will only consider protests by or against any Proposer(s) who appear to have a substantial and reasonable prospect of receiving an award if the protest is denied or sustained, as applicable.

Protests meeting the above criteria will be reviewed by the Director of Finance, or designee. Protesting parties requesting a hearing will be notified of the time and date of a hearing within seven (7) business days of the actual receipt of the written protest with the Director of Finance, or designee. Protestors requesting a hearing will be given the opportunity to present their arguments to the Director of Finance, or designee. The Director of Finance, or designee, will hear and consider the contents of any written

protest and/or any arguments made at the time of the hearing, and will issue by mail a decision in writing to the protester that either denies or sustains the protest within five (5) business days. The decision of the Director of Finance, or designee, shall be final.

## **2.11. Agreement Negotiations**

After a review of the proposals, in-person presentations, and compensation, it is the intent of the City to enter into contract negotiations with the selected Respondent(s). These negotiations could include all aspects of services, fees, and implementation. If the contract negotiations are not finalized in a reasonable period of time, the City will open negotiations with the next ranked firm(s). It is the intent of the City to reach agreement with two (2) separate Respondents for each Service Category of the RFP for a total of twelve (12) agreements for general banking services, plus a separate agreement with the City Administrative Officer for a Letter of Credit (Section 7.6.5), although it will be bid as part of the Depository Service Category (Section 7.6). The highest scoring awarded Respondent (Primary Contractor) will negotiate for the City's business in the respective Service Category. The next highest scoring awarded Respondent (Secondary Contractor) negotiate a back-up agreement to be next in line for award of the City's business in the event of agreement termination or service gaps with the Primary Contractor in the respective Service Category. In the event that the City does not reach agreement with either the first or second highest scoring Respondent in any Service Category, the City may determine to extend an award to the next highest scoring Respondent in that Service Category, and may continue to extend an award to each next highest scoring Respondent until an agreement is reached for that Service Category.

## **2.12. Execution of Agreement**

It is the intent of the City to execute an agreement with two (2) separate Respondents for each Service Category of the RFP for a total of twelve (12) agreements. Additionally, a separate agreement will be executed with the City Administrative Officer for a Contractor Development and Bonding Program Letter of Credit Facility (Section 7.6.5) although it will be bid as part of the Depository Service Category (Section 7.6). The selected Respondents shall be required to enter into a written contractual agreement with the City in a form approved by the Office of the City Attorney. This RFP and the Respondent proposal(s), or any part thereof, may be incorporated into and made a part of the final contract agreement(s). The City reserves the right to negotiate the terms and conditions of the contractual agreement(s) with the selected Respondents.

### **3. TERMS AND CONDITIONS FOR RECEIPT OF PROPOSALS**

Proposals are to be made based upon the contents of this RFP. The City will assume no responsibility for any misunderstandings or misrepresentations concerning information provided or conditions given by any of its employees prior to the execution of the Agreement unless it is included in the RFP or related documents.

Respondents submitting proposals to this RFP must deliver one (1) original and ten (10) copies of their proposals together with one (1) electronic version of the proposals in PDF format on a Compact Disc ("CD") or UBS Flash Drive clearly showing the Respondent's name.

#### **3.1. No Proposal**

Respondents may elect to submit a proposal to satisfy all banking services identified in the scope of work.

Respondents that choose not to submit a proposal for an entire or part of a particular service category in Section 7 (Scope of Services) should communicate their intentions by



marking the Service Category section: "No Proposal." Respondents are encouraged to submit, if appropriate, an alternate or equivalent service or solution.

### **3.2. Right to Reject Proposals**

The City reserves the right to select Respondents whose proposals, in the sole judgment of the City, best meet the needs of the City. The City shall have the right to request that Respondents provide additional information regarding any particular services or group(s) of services contained in their proposals, and to enter into negotiations with Respondents for said service(s). The City reserves the right to reject any and all proposals, to waive any non-material irregularities or informalities in any proposals and to accept or reject any proposed item or combination of items.

The product statistics contained in the RFP are estimates and projections based on recent history. The City makes no commitment that the product volumes included in the RFP will materialize. The RFP does not commit the City to pay any costs incurred by Respondents in the submission of proposals or in making any necessary studies or designs for the preparation of proposals nor any costs associated with negotiating and completing Agreements for the services.

Respondents are reminded that all technical and business questions concerning this RFP should be submitted by e-mail to the following secure City mailbox: [bankrfp@finance.org](mailto:bankrfp@finance.org).

### **3.3. Authorized Signatories**

Bank and payment company personnel who execute the cover letter to the proposal or any other associated documents must be authorized signatories with the full and requisite authority to represent their firm and to enter into a binding agreement with the City.

### **3.4. Late or Facsimile Transmission Proposals**

Proposals received after the stated deadline (see Section 2.1) will not be considered nor will any proposal submitted by facsimile transmission.

### **3.5. Withdrawal of Proposals**

Upon submission of a written request to the City, Respondents may withdraw proposals at any time prior to the deadline for submission. After the deadline for submission, all proposals shall be firm offers and may not be withdrawn for one-hundred eighty (180) calendar days.

### **3.6. Corrections or Resubmission of Proposals**

If a Respondent has withdrawn a proposal prior to the deadline for submission, the Respondent may resubmit a proposal before the deadline for submission. In the event of multiple submissions by a Respondent of an original proposal, the City will only consider the most recent proposal submittal submitted by the due date and time. No corrections or resubmission of proposals will be accepted after the proposal submission deadline.

### **3.7. Errors and Omissions in the RFP**

Respondents are responsible for carefully and thoroughly reviewing all portions of this RFP. Respondents are to promptly notify the City, in writing, if Respondents discover any ambiguity, discrepancy, omission or other error in the RFP. Any such notification should be directed by e-mail to the City promptly after discovery but in no event later than ten (10) working days prior to the deadline for receipt of proposals. Modifications and clarifications to the RFP will be made by addendum as provided below.

### **3.8. City Determinations**

The City shall have the right to make all determinations and interpretations relating to the RFP documents or the RFP process, including, without limitation, any Respondent's compliance with the RFP documents or its qualifications to participate in the RFP process, and all such determinations shall be final and binding.

### **3.9. Revision of Proposal**

Respondents may revise proposals on their own initiative at any time before the deadline for submission of proposals. Respondents must submit revised proposals in the same manner as the original. A revised proposal must be received on or before the proposal due date. No corrections or resubmission will be accepted after the proposal submission deadline.

In no case will a statement of intent to submit a revised proposal or commencement of a revision process extend the proposal due date for Respondents.

At any time during the proposal evaluation process, the City may require Respondents to provide oral or written clarification of their proposals. The City reserves the right to make a selection decision without further clarification of proposals received.

### **3.10. Errors and Omissions in Proposal**

Failure by the City to object to an error, omission or deviation in Respondents' proposals will in no way modify the RFP or excuse the Contractor from full compliance with the specifications of the RFP or any Agreement negotiated pursuant to the RFP.

### **3.11. Amendment to the RFP**

The City may modify the RFP prior to the proposal due date by issuing written amendment(s). Amendments to this RFP may be issued to provide clarifications, corrects, changes in City contract statutory requirements, or in response to inquiries. All amendments will be posted to the City's website according to the schedule outlined in Section 2.1. The City reserves the right to alter this schedule at any time as necessary. Notwithstanding this provision, Respondents shall be responsible for ensuring that their proposals reflect any and all amendments issued by the City prior to the proposal due date regardless of when the proposal is submitted. Therefore, the City recommends that Respondents review the City's website prior to submitting proposals to determine if Respondents have received and responded to all amendments. It is the Respondent's

responsibility to periodically check the web address in Section 2.2 for information that may be issued to implement changes or clarifications to the RFP prior to the due date.

### **3.12. Term of Proposal**

Submission of a proposal signifies that the proposed services and prices are valid for one-hundred and eighty (180) calendar days from the proposal due date and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

### **3.13. Financial Responsibility**

The City accepts no financial responsibility for any costs incurred by a bank or a payments company in responding to this RFP. Submitted RFPs will become the property of the City and may be used by the City in any manner deemed appropriate by the City.

### **3.14. Proposal as a Public Record and Proprietary Information**

Respondents' bids, responses to RFPs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after an Agreement has been awarded and will be considered a "Public Record" as defined in the California Public Records Act, California Government Code Section 6250, et seq (CPRA). Information provided which is covered by this paragraph will be made available to the public upon request. All proposals submitted to the City in response to this RFP will be considered non-proprietary and subject to the California Public Records Act.

If a Respondent agency does not want the City to disclose all or part of the information contained in its response to the RFP, you must indicate in writing the proprietary information contained in your response. Respondents must identify, in writing, all copyrighted material, trade secrets, or other proprietary information as "Proprietary and Confidential" that Respondents claim are exempt from disclosure under CPRA. Respondents should be prepared to provide an appropriate citation in the CPRA to

validate its request for non-disclosure. Failure to do so will be an indication to the City that your response is a public record.

Any Respondent claiming such an exception must also state in the proposal response that “the proposer agrees to indemnify and hold harmless the City of Los Angeles, its officers, employees and agents, from any claims, liability, or damages against, and to defend any action brought against above said entities for their refusal to disclose such material, trade secrets, or other proprietary information by any party.”

### **3.15.      Reservation of Rights by the City**

The issuance of this RFP does not constitute an agreement by the City that any Agreement will be actually entered into by the City. The City expressly reserves the right at any time to:

- A. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
- B. Reissue a Request for Proposals;
- C. Prior to submission deadline for proposals, modify all or any portion of the selection for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
- D. Procure any materials, equipment or services specified in this RFP by any other means; or
- E. Determine that no Agreement will be pursued.

### **3.16.      No Waiver**

No waiver by the City of any provision of this RFP shall be implied from any failure by the City to recognize or take action on account of any failure by Respondents to observe any provision of this RFP.

### **3.17.      Agreement Term**

The City intends that any Agreement(s) resulting from this RFP will be for a period of five (5) years. An additional five (5) year extension, optional at the City's discretion, may be negotiated.

**3.18. Cost Limitation**

The City requires that the pricing for services offered by any successful Respondents will remain unchanged as quoted in the RFP for the first term of five (5) years.

**3.19. RFP Reservations**

Notwithstanding any other provisions of this RFP, the City reserves the right to award this contract to the financial institution(s) that best meet the requirements of this RFP, and not necessarily, to the lowest cost Respondent. Further, the City reserves the right to reject any or all bids, to award in whole or part, and to waive minor immaterial defects in bids. The City may consider any alternative bid that meets its basic needs.

**3.20. Subcontractors**

Respondents are permitted to provide for a portion of the Scope of Work to be performed by one or more consultants or contractors retained by the Respondent (collectively, "subcontractor") provided that each subcontractor proposed to be used is identified in the Respondent's proposal by name, contact person, telephone number, e-mail address, and description of the portion of the Scope of Work to be performed by the subcontractor.

**3.21. Joint Proposals**

Where two or more Respondents desire to submit a single proposal in response to this RFP, both parties should do so on a prime/subcontractor basis rather than as a joint venture or informal team. The City intends to contract with an individual entity and not multiple entities doing business as a joint venture. Accordingly, where two or more agencies desire to join in preparing and submitting a response, they should do so on a prime-subcontractor basis, rather than as a joint venture. The agency acting as the “prime”, if it receives an award, will enter into a contractual agreement with the City.

### **3.22. Acknowledgement of RFP Terms and Conditions**

The City requires that Respondents closely review and execute the Acknowledgement of RFP Terms and Conditions included as Appendix I.

### **3.23. Restricted Period**

A “restricted period” will be in effect from the release date of this RFP until Finance concludes the selection process and finalizes its recommendation in writing. During this period, all Respondents and any representatives acting on their behalf are prohibited from contacting any City official regarding the RFP other than the designated contact person noted in Section 2.5. “City official” shall include any Finance department staff, other than the individual identified in Section 2.5, elected officials, and staff of elected officials.

### **3.24. Los Angeles Business Assistance Virtual Network**

The City requires that Respondents register with the Los Angeles Business Assistance Virtual Network (BAVN). Registration is necessary to obtain this RFP and to upload required City contractual documents discussed in Section 10. More information on registering for BAVN can be found at <http://www.labavn.org>.

#### **4. PROPOSAL FORM, CONTENT & SUBMISSION ADDRESS**

Respondents' Proposal Packages must contain the following materials. Respondents may utilize this section as a "checklist" to assure completeness prior to submitting Proposals.

##### **4.1. Cover Letter**

A cover letter signed by an authorized officer of Respondent listing the service categories to which Respondent is submitting proposals.

##### **4.2. Format**

Be certain, if you intend to submit a proposal, to complete and submit all of the required vendor forms listed in the Appendices either before you formally submit your proposal packages to the City or at the time of submission.

One (1) original and ten (10) copies of the proposal(s) together with one (1) electronic version of the proposal(s) in PDF format on a Compact Disc ("CD") or UBS Flash Drive clearly showing Respondent's name are required for submission. The submissions must include the following:

- A. Proposal Cover Letter
- B. Response to Section 6
- C. Response to relevant portions of Section 7
- D. Response to Section 9
- E. Properly executed copy of Appendices B, C, D, E, F, G, I, J, K, L, M.

Requirements for submission of Section 8 - Pricing and Bank Compensation proposals will be disseminated at a later date to those participating Respondents in accordance with the provisions of this RFP.



#### **4.3. Submission Address**

Respondents must deliver complete and properly organized proposal packages to the below address:

**BANKING & PAYMENTS PROPOSAL**

ATTN: Chris Herrera

Office of Finance

City Hall - Room 201

200 North Spring Street

Los Angeles, CA 90012

#### **5. SELECTION CRITERIA**

The evaluation will be in three phases. Respondents will not be provided their score for any phase of the Evaluation prior to award of agreement.

##### **5.1. Phase One Scoring – Written Proposal Evaluation**

The first phase of scoring applied to the written proposal (see Section 2.8.2) shall consist of a score on a hundred point scale using the criteria in the following table:

##### **Phase One Scoring**

| <b>Category</b>           | <b>Points</b> |  |
|---------------------------|---------------|--|
| Organizational Capability | 30            | Bank's financial strength and ability to provide relationship management, treasury consultancy and responsive customer service |

|                       |    |   |
|-----------------------|----|---|
|                       |    | team with experience in managing government accounts, along with other elements identified in Section 6.  |
| Scope of Services     | 50 | Comprehensiveness of services to be provided, bank's ability to meet the treasury needs of the City's departments, enable service enhancements, adapt to changes in technology, and provide new solutions In banking services and treasury management, along with other elements identified in Section 7.   |
| Social Responsibility | 20 | Ability of financial institution to demonstrate good civic responsibility (with an emphasis on activities within the City of Los Angeles) through its corporate citizenship including lending practices, provision of banking services to low- and moderate income neighborhoods, CRA assessments, regulatory enforcement actions and as demonstrated in its RBO submission, along with other elements identified in Section 9. |

The selection criteria will be scored separately for each Service Category proposed by the Respondent. Only those Respondents with an overall score of over 70 points in Phase One Scoring in any Service Category will be invited to participate in the second phase of scoring for those Service Categories that met this criteria.

## 5.2. Phase Two Scoring – Interview Evaluation

The second phase of scoring applied to the interview, presentation, references and site visits (see Section 2.8.3) shall consist of a score on a hundred point scale using the criteria in the following table:

**Phase Two Scoring**

| <b>Category</b>                   | <b>Points</b> |  |
|-----------------------------------|---------------|--|
| Business and Technical Capability | 30            | Points awarded based on the firm's capability to serve the City, adequacy of financial capacity, adequacy of assigned staff, adequacy of online access tools (if applicable), adequacy of technology, adequacy of service center site (if applicable), and experience and capability in provision of services. |
| Service Enhancements              | 25            | Points awarded for the firm's efforts to understand the City's service needs and goals and how the firm proposes to achieve these goals in increasing the efficiency and cost effectiveness of the City's banking services.  |
| Implementation Plan               | 15            | Points awarded for thoroughness and effectiveness of the firm's service implementation plan and adequacy of designated resources and timeline.   |
| Social Responsibility             | 20            | Points awarded based on the firm's social responsibility submission and any other pertinent information.   |
| References                        | 10            | Points awarded based on reference checks.  |

The selection criteria will be scored separately for each Service Category.

**5.2.1. Weighted Value**

The Weighted Value of Scoring Phases One and Two of evaluations will be: Phase One Scoring - 70% and Phase Two Scoring – 30%. Upon calculating the Weighted Value of Phase One Scoring and Phase Two Scoring, only those Respondents within twenty-five (25) points of the highest score in each Service Category will be invited to participate in Phase Three Scoring. If there is no other Respondent within twenty-five (25) points of the highest score then the second and third highest score may be invited to participate in Phase Three Scoring.

### **5.3. Phase Three Scoring - Compensation Evaluation**

The third phase of scoring applied to Pricing and Bank Compensation (see Section 2.8.4) as submitted in accordance with Section 8 of this RFP shall consist of a score on a twenty-five (25) point scale. Additional information regarding requirements to submit Pricing and Bank Compensation proposal(s) for scoring in Phase Three will be disseminated to the respective Respondents invited. Submitted Pricing and Bank Compensation proposals will remain confidential from other Respondents throughout Phase Three Scoring.

### **5.4. Selection for Award Negotiation**

Upon completion of all three phases of scoring, winning Respondents in each Service Category of Section 7 will receive Notification of Award (See Section 2.9) for invitation to proceed to Negotiation of Agreement (See Section 2.11). The final score for each Respondent in each Service Category shall be the combined score of the points awarded in Phase Three Scoring and the weighted average resultant from Phase One Scoring and Phase Two Scoring (As calculated in Section 5.2.1).

## **6. RESPONDENT PROFILE: EXPERIENCE, MANAGEMENT, FINANCIAL CONDITION**

The City is looking for banking institutions that have significant experience with government agencies and can provide a high professional standard of expertise, customer service, and support to the various City agencies that will use the services outlined in this Proposal. The City is also looking for qualified Respondents that have the financial capability to address the challenges in today's economy and have the strength and resilience to enhance the business solutions and products offered.

In order to help the City assess the organizational and financial strength of the Respondents to this RFP, the City is requiring that Respondents submit information relative to experience, organization, financial health, personnel assigned to assist the City, and disaster contingency plans.

#### **6.1. Experience & Operational Capability**

Please provide a narrative detailing your organization's government banking experience. Please include a brief narrative on your corporate structure, overview of your institution's banking and customer service philosophy, and what you feel distinguishes your agency's approach to government banking from your industry peers. Please describe any existing partnerships with the City. Please provide three (3) references for current customers of a scope and size closest to that of the City's service requirements.

#### **6.2. Organizational Capacity**

Please provide an organization chart detailing the corporate structure and the government institutional banking relationship within that structure.

#### **6.3. Bank Services**

Please provide the number of branch and office locations and total square footage owned or leased by the Respondent in the City of Los Angeles:

- A. Conventional Bank Branches
- B. In-Store Bank Branches
- C. Automated Teller Machines
- D. Non-Bank Branch Locations
- E. Offices
- F. Data Centers
- G. Operations Facilities

#### **6.4. Financial Capacity**

##### **6.4.1. Capital Adequacy**

Please discuss your agency's capital structure, adequacy, and coverage. Please provide your organization's Total Risk Based Capital Ratio, Tier 1 Risk Based Capital Ratio, Tier 1 Leverage Capital Ratio, and gross revenue ratio.

##### **6.4.2. Financial Statements**

Please provide a copy of the most recent audited annual financial statements, your agency's latest U.S. Securities and Exchange Commission 10-K report.

##### **6.4.3. Credit Ratings**

Respondent's responses to this Proposal shall provide your short term and long term credit ratings by at least two Rating Agencies.

#### **6.5. Relationship Management**

Will the bank provide a dedicated relationship specialist? If so, please describe the individuals experience and qualifications. Aside from the City, how many other corporate clients will the relationship specialist manage?

#### **6.6. Customer Service**

The City expects the successful Respondent to provide a fully staffed government services customer support team with sufficient resources to manage inquiries from City staff and to trouble shoot problems. Please provide a narrative that addresses how the bank will establish a customer support team and how your customer service is structured to serve the City. Please consider responses to the following inquiries in your submission:

1. Please provide information regarding what support, aside from a relationship manager, the City can expect to receive?
2. Will the bank provide a local relationship team?
3. Please provide information regarding the backgrounds and qualifications of your agency's staff that will be assigned to the City. What is the experience working with public agencies?
4. Please provide the organizational structure of the proposed bank's customer service team.
5. Where is the support team located and what hours is the support team available?
6. What business and technical support is available?
7. What kind of training will be provided to City employees as part of any transition?
8. What educational training formats are available for City employees (webinars, seminars, in-office presentations)? Is custom training available?
9. Please describe the bank's procedures for processing inquiries that require research and/or adjustments.
10. Are there established turn-around times for research and adjustment items? If yes, please specify.

11. What is the bank's record for meeting its established response times for research and adjustments?
12. Does the bank provide technical support for any computer hardware, software and communications problems? If so, what are the hours of operation for technical support?
13. Does the bank have a Service level Agreement?

## **7. SCOPE OF WORK**

The Scope of Work of this RFP consists of general requirements and six separate categories of banking and payment services (refer to Table of Contents):

### **7.1 GENERAL REQUIREMENTS**

### **7.2 DISBURSEMENT SERVICES**

### **7.3 NEIGHBORHOOD COUNCIL FUND**

### **7.4 CHECK PRINTING SERVICES**

### **7.5 LOCKBOX SERVICES**

### **7.6 DEPOSITORY SERVICES**

### **7.7 ELECTRONIC FUNDS TRANSFER**

Respondents may opt to submit proposals for any or all of the Service Categories as delineated by Sections 7.2, 7.3, 7.4, 7.5, 7.6, and 7.7. Respondents must respond to the Section 7.1 General Requirements portion for each Service Category bid on to the extent the questions apply to your business.

Respondents shall respond in full to all questions for each of the Service Categories to which the Respondents are submitting proposals. Depending on how many Service



Categories to which Respondents may submit proposals, Respondents may encounter similar or duplicate questions. This condition exists in order to allow Respondents to respond completely to a single Service Category. Please respond to the duplicate questions by simply repeating your answer to the duplicate question. Proposals for each of the Service Categories will be evaluated separately; each Service Category proposal must be able to stand on its own as complete and independent of other Service Category proposals. The City encourages Respondents that may not be able to provide all of the services required by the City to submit proposals for any of the RFP's individual Service Categories.

## **7.1. General Requirements**

### **7.1.1. Public Funds Depository**

Respondents must be a commercial banking institution chartered by Federal or State of California law. Respondents must identify if they are a qualified State Depository Institution for public funds. Please include a statement verifying your status as a public funds depositor pursuant to California Government Code Section 53648 and that the Respondent represents and warrants that it has fulfilled all applicable requirements of the laws of the State of California to perform the services requested in this RFP.

### **7.1.2. Balance Insurance and Collateralization**

All City balances held on deposit at a bank Contractor must be fully insured, to the maximum level permitted by law, by the Federal Deposit Insurance Corporation ("FDIC") and for any balances that do not receive insurance protection from the FDIC, the bank Contractor must provide full collateralization of the balances in accordance with State of California law. Kindly confirm in your proposal your understanding, acceptance of and ability to conform to this requirement. Do you collateralize balances through an established pool or on a separate instrument basis or both?

### **7.1.3. Demand Deposit Account Services**

The City currently maintains approximately 1,000 Demand Deposit Accounts (DDA), of which approximately 700 are Zero Balance Accounts (ZBA) accounts, 300 sub-accounts, one Master Concentration account, and seven (7) disbursement accounts. Successful Respondents will be required to work with City departmental representatives to ensure that a combination of DDAs, ZBAs and sub-accounts, and disbursement accounts are established in accordance with the City's current account structure. However, the City is looking for a financial institution that can work with the City to establish and appropriate account structure.

### **7.1.4. Daylight Overdraft Facility**

Respondents shall place a Daylight Overdraft Facility (DOD) line in place to accommodate normal and peak operations up to \$100 million. Respondents shall grant same day approval of DOD activity that may exceed pre-approved limits. The Respondents must be prepared to work with the City during its annual Tax and Revenue Anticipation Note issuance, during which period the City can generate up to \$1.4 billion in daily inflows and outflows in Electronic Funds Transfer activity. The City also expects successful Respondents to this RFP to regularly monitor the City's activity to ensure the adequacy of the DOD facility.

### **7.1.5. Online System and Reporting Requirements**

The City requires access by its representatives to a fully automated on-line system that provides daily balances and transaction reporting information. The City also requires access to prior day reporting, including ledger balance, available balance, and summary of details of credits/debits posted. Current day reporting requirements include wire transfer activity, controlled disbursement receipts, ACH receipts, cash vault deposits, and lockbox deposits, detail of adjustments, summary.

In your response, please provide your institution's ability to provide the aforementioned information and whether your system is proprietary or managed through another service provider.

#### **7.1.6. Service Organization Controls**

The City places a great importance of the security of its financial systems and transactions. Respondents to this RFP are required to submit its most recent certified Service Organizations Control (SOC) Type II Report to demonstrate the organization has implemented the appropriate controls to certify the security, confidentiality, and processing integrity of City financial transactions.

#### **7.1.7. Business Continuity and Disaster Recovery**

The City requires that Respondents to this RFP describe in the proposal response the disaster recovery and business continuity plans in place for the services the Respondent intends to provide. The response should include a description of the location of back-up facilities, including disbursement and check printing services, in the event of a system interruption or failure. Please specify your plans for:

- A. Short-term disaster recovery
- B. Long-term disaster recovery
- C. Power failures
- D. Also, briefly describe the notification protocols for the City in the event of a disaster

#### **7.1.8. Implementation Plan and Schedule**

The City requires a smooth and efficient transition to a financial services provider or enhanced service with its existing provider. Please provide an Implementation Plan that

describes the bank's process for transitioning the City from one financial institution to another. The plan should include the following information:

- A. Timeline with major implementation schedules and milestones
- B. Description of conversion team and responsibilities of each member
- C. City responsibilities during the transition
- D. Implementation costs that may be associated with the transition
- E. Training that will be provided to City employees as necessary
- F. Approach to setting up accounts to be more cost effective

## **7.2. Disbursement Services**

The City's controlled disbursements are managed by the City's Office of the Controller in cooperation with the City's Finance, Water and Power and Airport departments. The City currently disburses approximately 467,000 checks through the treasury and 112,000 payroll checks annually. The City is seeking a financial institution to provide the following disbursement services: Controlled Disbursement, Account Reconciliation, Positive Pay and on-line reporting capabilities for paid items. Respondents are kindly asked to provide an overview of their ability to provide controlled disbursement services and to note what elements of your disbursement services distinguishes your agency among your peers, while answering the following inquiries:

### **7.2.1. General Service Requirements**

1. What are the unique advantages of your controlled disbursement service?
2. Is your controlled disbursement service provided by your bank or an affiliate or correspondent?
3. Where is your controlled disbursement point located? What are the most effective controlled disbursement sites for the City that you operate?

4. Can the City establish multiple Controlled Disbursement accounts with full reconciliation and positive pay services?
5. Approximately 10% of City employees receive checks for their payroll pay. Please provide the bank's policy for processing these checks and identify costs. Who absorbs to the cost for cashing these checks – the bank, City, or employees?
6. Please describe your DDA Stop Payment services.
  - a) Through which channels can a stop payment be initiated?
  - b) How are stop payments confirmed?
  - c) How soon does the Stop Payment become active (reflected) in the bank system?
7. Describe the methods (e.g., Internet, PC, manually) the bank offers to place stop payments.
  - a) What is the deadline for same day action?
  - b) Will the system verify if a check has been paid before accepting the stop?
  - c) What are the time framed offered for stops?
  - d) Can the period be extended?
  - e) Can the City request stop payments for a range of checks?
  - f) What time is the system available for placing stop payments?
8. Discuss how the bank reports any City transactions that originated as checks that are converted to electronic debits. How do converted checks impact the process and reporting for the following:
  - a) Controlled Disbursement
  - b) Stop Payments
  - c) Account Reconciliation

d) Positive Pay

### **7.2.2 Account Reconciliation Services**

9. Does the bank offer Account Reconciliation Program ("ARP") services for controlled disbursement and non-controlled disbursement accounts? If ARP service varies between controlled disbursement and non-controlled disbursement accounts, describe the differences.
10. Are both full and partial reconciliation offered? Please provide sample reports.
11. Please specify whether the following ARP options are available at your bank.
- a) ☐ Data Transmission                      ☐ Input                      ☐ Output                      ☐ Cost
  - b) ☐ CD ROM                                      ☐ Input                      ☐ Output                      ☐ Cost
  - c) ☐ PC/Internet                                      ☐ Input                      ☐ Output                      ☐ Cost
  - d) ☐ Image of ARP Reports
- ☐ PC/Internet   ☐ CD ROM   ☐ Archive
- e) ☐ Index of checks
- ☐ PC/Internet   ☐ CD ROM   ☐ Archive
- ☐ Imaged in check serial number order
- ☐ Imaged randomly with indexing
- f) ☐ High Order Digit Break
  - g) ☐ Stale Date Parameters
  - h) ☐ Maximum Dollar Limits
  - i) ☐ Fine Sorting of Paid Checks
  - j) ☐ Automatic Register/Issue File Editing
  - k) ☐ Sub-Accounting within Accounts

- l) ☐ Float Analysis
  - m) ☐ Electronic transmission schedules (i.e., Daily, weekly, annually)
  - n) ☐ Interim bank statements
12. Can the City specify a cut-off date for ARP reports? If not, what dates are available?
- a. Can the City specify a cut-off date for bank statements? If not, what dates are available?
  - b. Can cut-off dates for ARP reports and bank statements be independent of each other?
13. How soon after the cut-off date will the following be sent?
- a. For **full** reconciliation:
    - bank statements
    - canceled checks (or microfilm/CD ROM)
    - reconciliation information
  - b. For **partial** reconciliation:
    - bank statements
    - canceled checks (or microfilm/CD ROM)
    - reconciliation information
14. What is the turnaround time to receive:
- a. A copy or image of a check?
  - b. The original check (if stored on-site)?
  - c. The original check (if truncated and stored off-site)?
15. What reconciliation features does the bank have that distinguish it from other banks?

16. What is the bank's cut-off time for:
  - a. Receiving issued check files (for full reconciliation)?
  - b. Receiving adds and deletes?
  - c. Receiving manual issues?
  - d. Transmitting paid check files (for partial reconciliation)?
  - e. Transmitting reconciled check files (for full reconciliation)?
17. Describe the process that your bank uses to verify all records have been received and processed.
18. On a daily basis, can the City transmit multiple issue files to the bank?
19. Does your system provide for electronic confirmation of receipt for daily file transmissions?
20. Describe your bank's controls to prevent file loss, duplicate transmissions, and acceptance of duplicate returns. Do the controls differ by type of applications? If yes, please explain.
21. Does your bank provide an image capture of paid items?
22. How does your image system capture and report images for damaged checks?
23. What mediums are available for receiving check image detail?
24. Are there any volume limitations for receiving check image detail?



25. Can your system index according to a miscellaneous field that captures a payee identifier (e.g., social security number, vendor number, account number)?

### **7.2.3 Positive Pay**

26. Please describe the bank's positive pay program service, including payee positive pay.
- a) What is the bank's delivery procedure for exception items to the City?
  - b) What is the response deadline for the positive pay decisions by the City to the bank?
  - c) What is the Bank's default if the City does not respond timely to a positive pay deadline?
  - d) Are approved exception items automatically added to the issue file for account reconciliation purposes?
  - e) If not, what is the mechanism to add to the issue file for account reconciliation purposes?
  - f) How does the bank handle one-off transmissions (e.g., same day employee separations or a vendor requiring encashment for services or products?)
27. Describe all methods by which the bank can receive the file of all checks issued and voided by the City.
28. Describe all methods by which the City can send manual issues or deletes to the bank.
29. How are positive pay reports delivered?

30. In the event that the bank does not receive the City's pay decision response by the stated deadline, is the default disposition set by the bank or by the City? If the bank sets the default, what is the default disposition (e.g., pay, return, optional)?

#### **7.2.4 Controlled Disbursement**

31. What time does the bank provide presentment totals?
32. The City is considering issuing all check payments against controlled disbursement accounts including vendor/supplier/contractor payables as well as payroll and customer refunds. Does your bank have any restrictions on the City's use of the controlled disbursement service?
33. Assuming the City uses positive pay including payee verification, will your bank cash controlled disbursement checks in its branches? If yes, what procedures will you follow?
34. The City requires that accounts payable, payroll and benefits checks be cashed with proper authentication of the payee at one or more convenient bank branches in Los Angeles. The City expects this service to be provided free of charge. Will you confirm availability of this service? At which Los Angeles bank branch locations will you provide this service?
35. Discuss the bank's policies and procedures for processing stale-dated items. If the City uses positive pay, will the City be notified of stale-dated items? If the City uses positive pay, can the bank enforce stale-dated items and return stale items unpaid to the bank of deposit?
36. Is high order prefix reporting available? If yes, what information is available (e.g. check numbers, amount)?

### **7.2.5 Integrated Payables – Electronic Data Interchange**

37. Can the bank/firm receive and process a consolidated file containing payments by different payment methods (i.e., wire transfers, ACH/bulk payments, drafts and checks, and/or Virtual Commercial Payment Cards created in the City's accounting system, in order to originate transactions and create an issued file for positive pay service? If yes, describe in detail.
- a. Eligible payment types (including credit/ghost cards)?
  - b. Format languages?
  - c. File transmissions and confirmations?
  - d. Workflow? Timing?
  - e. Daily deadlines?
  - f. Reconciliation?
38. What type of assistance or services does your bank offer to the City's payees with respect to the delivery of remittance information? Is there an additional fee for this service?
39. Discuss how daylight overdraft limits might impact the processing of EDI payments.
40. Are any of the bank's/firm's EDI processes (e.g., IT, Operations) outsourced? If yes, describe and include diagrams of file and payment flows.
41. Describe how the bank processes ACH return items and how the City is notified of these returns.

42. When and how does your bank/firm post ACH debits and credits in terms of ledger and collected balances (e.g., memo posting policy and frequency)?
43. Does the bank/firm require that a particular security method be used? If so, describe.
44. Does the bank/firm require that the City use a specific encryption algorithm? If so, describe the requirement and discuss the bank's/firm's capability to accept alternative algorithms.
45. Describe the hardware, software and physical/data security supporting your bank's/firm's EDI processing. Are any activities outsourced to third parties?
46. What historical/archival policies and procedures does the bank/firm maintain for payments and remittances?

### **7.3. Neighborhood Council Banking**

The City supports its ninety-six (96) Neighborhood Councils to promote citizen participation in government and making government more responsive to local needs, in part, through the establishment of a Neighborhood Council Funding Program (NCFP) that is administered by the Office of the City Clerk. The City is seeking a financial institution that can establish a dedicated demand deposit account for the NCFP and Commercial Card Payment Program (CCPP) services to support Neighborhood Councils. Such CCPP services must include the following:

- A. Establishment of accounts to cardholders identified by the City to support the NCFP;
- B. A program administrator for this service;

- C. An on-line fully automated card program management system available to City representatives
- D. The ability to establish aggregate credit limits (e.g., program credit limit) and sub-limits (e.g., cardholder limits) for all accounts in this program;

Please describe any fees applicable to this program, including initial program fees, on-line service fees, transaction fees and ongoing maintenance fees in a program fee schedule.

#### **7.4. Check Printing Services**

The City currently processes check printing disbursement services internally and is considering check printing externally. The City processes annually approximately 117,000 payroll checks and 467,000 vendor payments by check. Please describe your check processing service, including the hours of operation, deadlines for processing items, and reporting capabilities. Please include in your response answers to the following inquiries:

- 47. Does the bank outsource its check printing services?
- 48. How many check printing facilities do you have and where are your check printing sites located?
- 49. The City requires that the primary check printing facility be located in the State of California. Please confirm your ability to comply with this requirement.
- 50. If the Respondent bank operates multiple check printing facilities, which one is the most optimal for the City?

51. Please describe the characteristics of your check stock and describe in detail your check security features and fraud prevention techniques.
52. Please describe your check printing equipment.
53. Does the bank use a customized check stock? Is it a controlled check stock?
54. Please describe what procedures are in place to ensure that no duplicate checks are printed or mailed?
55. Please describe your procedures for printing company logos and authorized signatures.
56. What is the bank's policy for allowing the City to supply inserts with checks?
57. Please describe the format of the check, corresponding remittance document, and additional remittance information page(s).
58. Please describe your check mailing process.
59. Please describe the processing time from the bank receipt of the City's disbursement file to the release of checks?

**7.5. Lockbox Services**

60. Does the provider process both wholesale and retail payments on the same equipment in the lockbox department? If yes:
  - a. How are payments prioritized for processing?

- b. What were the average monthly volumes for your retail lockboxes during the last six months (items, dollars, number of lockboxes and number of customers)?

*Mail Processing*

- 61. How long has the lockbox operation been in existence?
- 62. What is the bank's schedule for post office pickups of wholesale lockbox mail for weekdays, weekends and holidays?
- 63. Does the bank have a unique five-digit zip code assigned exclusively for receipt of wholesale lockbox items?
- 64. Does the bank use post office box numbers or vanity street addresses when assigning new lockbox numbers?
- 65. Is the mail delivered directly to the lockbox department from the post office? If not, please describe each delivery phase and the associated time delay.
- 66. Who performs the fine sort per box number, the bank or the post office? If you sort the lockbox mail, describe the mail sorting operation. Include manual and automated handling, any ability to read bar codes, peak volume and contingency plans. Do you sort by mail delivery or group of deliveries?
- 67. Describe the receipt and handling of remittances delivered by private services (e.g., FedEx, UPS, and courier) to the lockbox for processing.
- 68. Describe the receipt and handling of remittances delivered directly by the company to the lockbox for processing.
- 69. Provide the latest Phoenix-Hecht Postal Survey reflecting the provider's current smoothed total float averages for all Phoenix-Hecht mailing locations nationwide, including the Mail Arrival Pattern Report.

70. Does the provider meet regularly with the United States Postal Service to discuss service issues affecting lockbox processing? If applicable, provide an example of how these meetings have led to the resolution of a processing issue.

Lockbox Processing

71. Describe the lockbox department's processing workflow. Highlight your quality control checkpoints and the components that are directly controlled by the lockbox manager. Include a schematic or flow chart of the processing procedures.
72. Has this workflow process changed recently? If so, describe the extent of the changes and the length of time the new process has been in effect.
73. Based on consumer trends, are there any plans, or intent, to alter significantly the work flow process within the next 12 months? If so, describe the extent of the changes and the anticipated conversion schedule.
74. What controls does the provider have in place to ensure accurate and timely processing of all remittances per customer specifications?
75. If changes are made to the City's processing instructions, how are these changes communicated and memorialized? How does the provider ensure that specifications are adhered to when assigned persons are unavailable?
76. If a copy of the check is required along with the envelope and remittance advices, are the items matched up or provided separately?
77. If a copy of the check is required, how is that copy made and what other information is available on the check copy document (e.g., batch #, item #, and check amount included in deposit, processing time)? Provide a sample.
78. How does the provider handle original items if imaging and/or data capture and transmission is used (e.g., archive, destroy)?



79. What is the provider's deposit schedule for same day ledger credit? Include weekends and holidays. What is the latest deposit? Will the provider process and deposit all of the customer's payments on the same ledger day as received? If not, when are these items deposited?
80. Describe any priority handling of items for certain lockbox items
81. How would the provider handle remittances requiring significant amounts of data entry?
82. Does the provider offer intelligent character recognition (ICR) technology in lieu of data entry? If so, what is your "hit rate" of automated data capture?
83. When are the provider's peak periods (weekly and monthly), and what arrangements are made to handle the increased volume? Is the work flow process scalable in order to handle unexpected volumes? If so, describe.
84. Describe the provider's procedures for processing foreign checks received in the lockbox.
85. Please provide a copy of the bank's processing instructions for processing checks marked "paid-in-full," post-dated checks, stale dated checks, checks missing a payee and checks missing a drawer's signature? If so, describe requirements. If not, what is your policy for handling these items?
86. Provide a list of the provider's and lockbox department's holidays.
87. In the case of an automated system failure, what back-up arrangements are in place for lockbox processing?
88. Discuss how the bank handles cash payments received by a lockbox.

*Image Service*

89. Please describe your imaging services for wholesale lockbox?

90. If imaging is offered, which of the following documents can be imaged:
- a. Checks (Front and Back or Front Only)
  - b. Remittance Documentation
  - c. Correspondence (no checks enclosed)
  - d. Envelopes
  - e. Other
91. Please describe your procedures for processing and imaging multiple items by sort type.
92. Is duplex imaging of the invoice/accompanying remittance documentation available? If so,
- a. Is it possible to only image the back when necessary (not blank)?
  - b. Is there an additional fee for this service?
  - c. If not, how do you determine which side is imaged?
93. Are images captured during the normal process or must they be captured by re-passing the documentation?
94. Can additional remittance data capture (e.g., invoice number, net amount) be included as part of the image index for search purposes? Describe.
95. If images can be accessed using a Web browser, describe the recommended hardware and software specifications.
96. How soon after the images are captured are they available for online viewing?
97. What period of time are images available online?

98. What frequency options (e.g., daily, weekly, monthly) does the provider offer for issuing images to the company on CDs or DVDs? Discuss the security measures associated with these CDs/DVDs.
99. Can images from all lockboxes for a specific client, regardless of physical processing location, be consolidated onto a single CD/DVD? Explain available options for grouping lockboxes on CD/DVD.
100. Are checks and document images available via a long-term image archive hosted by the provider? If yes, state the number of years available (e.g., 7 years).
101. What is the bank's primary recovery process for the retransmission of images requested by the City?
102. If images can be transmitted directly to a customer via bulk file, specify the image transmission format (e.g., XML, bank proprietary format, customized per client).
103. Please describe any integrated solution to maximize the City's benefit and reduce costs.
104. Describe the provider's processes for ensuring that all checks are imaged and that all check and document images are readable (i.e., clear, straight, not overlapping).
105. What is the bank's reject rate?
106. What security measures are in place to prevent unauthorized access to online images?
107. Can the original paper remittance detail be mailed to the City?
108. If yes, describe the options available for returning paper remittance information to the City.

109. If no, describe your short-term retention period and subsequent paper destruction process.

*Lockbox Remote Deposit*

110. Does the provider offer a remote deposit service that is integrated with the lockbox? If yes, describe the provider's services.
- a. Does the service include any data entry capabilities?
  - b. Does the service include the ability to scan optical character recognition (OCR) coupons?
  - c. Can the remittance file be integrated with and formatted the same as the end of day lockbox file transmission?
  - d. Can the service accommodate various sizes of remittance documents, such as 8 ½" x 11" pages or check remittance stubs?
111. Can the provider integrate images from the remote deposit service with images from the wholesale lockbox?
112. How are money orders processed through remote deposit service integrated with the lockbox?

*Check Processing and Funds Availability*

113. Describe the bank availability for items processed through the City's lockbox.
114. How many availability schedules are offered to your lockbox customers (e.g., premium, expedited)?
- a. Which schedule would you provide the City?
  - b. Can you provide a Phoenix-Hecht (most current release) review of your lockbox operation?

115. How does the provider handle return items on the lockbox account?

*Data Transmission*

116. Describe the provider's procedures for the capture and transmission of remittance detail, such as account or invoice number, MICR line or other data for automated posting of accounts receivable records.

- a. Describe methods to assure validity of data.
- b. Do you retain the actual check in the lockbox department until data capture is completed or send the check for collection prior to data capture?
- c. What back-up arrangements exist should the system fail?

117. In what standard formats do you transmit? Will you customize?

118. What communications protocols are used for file transfer and retrieval services?

119. What is the earliest transmission time the provider can offer without affecting the ability to deposit all mail received for a ledger credit day? Describe your procedures if we were to choose an earlier transmission time.

120. What is the bank's guaranteed time to initiate a daily data transmission output?

121. Describe procedures to ensure that transmissions are received successfully and contain all remittance payment detail.

122. What are your notification protocols in case of a delay or missing file transmission?

123. What is the backup in the event that the transmission of remittance detail cannot be successfully completed?

## **7.6. Depository Services**

Various City departments accept currency and checks as payment for City services and fees at various locations throughout the City. The City processes an annualized average of \$48.5 million in currency deposits. The City is seeking a bank partner to provide depository and vault services, including night drop, vault, branch deposits, branch services, check processing, and coin and currency purchasing services. In order for the City to assess the Respondent's ability to provide Depository services, please provide information requested in the following sections.

### **7.6.1. General Cash Acceptance Requirements**

In addition to collecting fees for services, licenses and permits, the City also collects revenue through special use taxes: business, transient occupancy, utility users, and parking occupancy tax. These deposits occur at regular intervals with some high volume peaks during which the City receives currency payments as high as \$300,000 in a single transaction. Respondents to this RFP are asked to describe their ability to process and assist the City in these peak seasons.

Considering the large values of cash currency transactions, the City is looking at options to automatically accept, validate, record and store cash in a secure environment at City facilities. The City is interested in obtaining information on any technology or business solutions offered by Respondents to this RFP for managing cash collections. Such solutions must possess the ability to authenticate paper currency, provide transaction records that can be reconciled and audited, and security measures to secure deposits. Please provide a description of cash acceptance solutions including equipment and programs that may be suitable for City operations.

### **7.6.2. Cash Vault Services**

Successful Respondents must maintain a Cash Vault. In preparing your responses to this RFP, please provide information regarding the following:

124. What are your policies regarding acceptance of checks for deposit? Will you accept instructions from the City with a list of acceptable payee names for City depository accounts? Describe your check endorsement policies.
125. Discuss how incoming wire transfers are reported to a City DDA. What help can your bank provide to assist the City identify the originator of a wire transfer unknown or unrecognized by the City?
126. Describe the bank's night drop, vault (via armored courier, virtual), ATM, branch service options, and/or specialty depository services – both physical and non-physical.
  - a. Is pricing different for utilizing these different deposit options?
  - b. Are any processing applications outsourced to a third party? If so, name the vendor(s) and describe the application(s).
  - c. Describe the physical security features used to protect City employees using external deposit options such as night drops, ATMs, etc.
127. What is the cut-off time to ensure same day ledger credit?
  - a. For the various deposit options proposed, address any differences in ledger cut-off times.
  - b. Address any differences for cash versus checks, drafts, etc.
  - c. Are there any options that might affect this cut-off time (e.g., provisional credit, delayed verification, etc.)?
128. Are there any benefits or requirements to separating cash and checks for the proposed deposit solution?

129. Do you require that checks and currency be on separate deposit tickets?
130. Explain the bank's policy and procedures for acceptance and deposit of checks in foreign currency and/or drawn on foreign banks.
131. What is the limit, if any, on the number of deposit tickets that can be included in one deposit bag?
132. Do you require that cash be deposited in standard straps only? Is there a penalty for depositing non-standard straps?
133. Do you accept loose and/or rolled coin for deposit at vault, branch, and night drop locations?
134. Provide an availability schedule for the deposit service options proposed.
  - a. How do you determine and calculate the availability of deposited items?
  - b. Do you give immediate availability for on-us items?
  - c. Do you calculate availability by item or formula?
  - d. Is there an accelerated schedule? If so, how often is it updated?
  - e. Is the schedule flexible? For example, can accommodations be made for high volume accounts or pre-encoded checks?
135. What are the requirements for depositing unencoded checks (e.g. pack size, audit tapes)?
136. Do you accept pre-encoded checks?
  - a. Provide a copy of the bank's instructions for pre-encoded checks.
  - b. Is there a discount for pre-encoded checks?
  - c. Describe your encoding quality monitoring process.



- d. Do you charge for rejected items once they exceed your allowable reject rate? If so, discuss.
137. What courier services are provided, if any, for pick-up and delivery of check deposits? If not made available by the bank, what third-party couriers are available and/or recommended? What is the cut-off time for same day credit?
138. Do you accept image cash letters? Describe your service. What is the deadline for delivery of an image cash letter for same day ledger credit? Attach technical specifications for the image cash letter if available.
139. Will the City order deposit tickets and other supplies through the bank or directly from a vendor? How are the charges handled?
140. Will you accept deposit tickets from a third-party printer? List any limitations and attach a specification sheet.
141. Can deposit tickets contain an auxiliary MICR field for our location and/or transaction information? What is the maximum number of usable digits in this field?
142. How many copies of each deposit ticket does the bank require?
143. What are the requirements for deposit bags?
- a. How are these bags obtained?
  - b. What are the fees for these bags?
  - c. Are there any restrictions on deposit bags provided by the customer?
  - d. What is the approval process for customers who have custom bags?
  - e. How do you communicate to your branches which bags are acceptable?

144. Will all of your branches accept immediate and post-verification deposits at the teller line?
145. Will the branch provide a validated deposit slip and provisional credit with post-verification at the time the deposit is handed to a teller? If provisional credit is given, when does verification take place?
146. Discuss the bank's procedures for post-verification.
  - a. How many bank employees are present when deposit bags are opened?
  - b. Where are the bags opened?
  - c. What additional security measures are employed?
147. Discuss the bank's procedures for processing night deposits.
  - a. How many bank employees are present when deposit bags are opened?
  - b. Where are the bags opened?
  - c. What additional security measures are employed?
  - d. How will you return the validated deposit receipts to the City and within what time frame?
  - e. Describe any fees associated with this service.
148. Will the bank identify and adjust all discrepancies?
  - a. If not, at what dollar amount do you write off discrepancies?
  - b. Do you adjust the deposit amount or process an adjusting debit or credit?
  - c. What is the standard procedure for reporting deposit adjustments and what additional options are available (e.g., electronic reporting with location ID attached, adjustment copies to multiple locations, etc.)?

- d. What information do you provide to the City regarding a deposit adjustment (e.g., deposit bag number, denomination breakdown, etc.)?
  - e. Describe any fees related to adjustment processing.
149. What is the bank's policy on receipt of tampered bags?
150. Describe security at the cash vault center. What fraud prevention procedures are in place?
151. Does the bank assess charges for deposit conditioning?
152. What evidence materials (i.e., logs, video tapes) will the bank make available to the City in the event of a deposit investigation? How long does the bank archive such materials for retrieval and use in investigations?
153. CITY has, in the past, been advised by a depository bank that certain bills were counterfeit. After further review, it was learned that the bills were in fact valid. How is your system able to prevent this from happening?
154. Does the bank have an automated coin/currency ordering service? Describe the deposit and change order procedures, cut-off times, security, and other features of this system.
155. Describe change order procedures and restrictions for branch pickup. For cash vault and branch change orders, discuss whether or not there are minimum purchase requirements (e.g., standard straps of currency and full boxes of coin)? Is a discount offered for purchasing standard amounts and/or using standard change orders? What settlement options are available for change orders (e.g., cash, check, debit to account, wire, etc.)?

### **7.6.3. Check Processing and Funds Availability**

156. Can return items be automatically re-deposited? If so, how many times?

- a. Is this service optional by location?
  - b. Can copies of all re-deposited return items be provided to the depositing location or designated department office? If so, within what time frame?
  - c. Provide information about the bank's re-presented check entry (RCK) program.
  - d. Are returned items available for viewing online?
157. Provide the bank's standard return item and reroute processing instructions. List any non-standard options that are available.
158. Can the bank post returned items to an account different from the original deposit account?
159. Can you provide a detailed return item transmission to CITY? If not, when do you plan to have the service available?
- a. Does the transmission include both returns and reroutes?
  - b. Is there a separate record for each returned item?
  - c. Can these records identify the depositing location and the type of item being returned (e.g., personal check, traveler's check, money order, etc.)?
  - d. Indicate which of the following details the bank can report:
    - i. Checking account and ABA number
    - ii. Check number
    - iii. Check amount
    - iv. Original deposit date
    - v. Reason code

- vi. Full name on check
  - vii. Complete address
  - viii. Phone numbers
  - ix. Driver's license number and state
  - x. Check date
160. Does the bank refuse return items not sent through the system within a particular time frame? If so, what is this time frame?
161. Do you assign float to return items?
162. Describe your capabilities to interface with third-party providers of negative databases?
163. Describe the check and document imaging capabilities of your service.
- a. Do they include online CITY access to paid items, deposit items, return items, and adjustment images?
  - b. Can the images be downloaded for storage?
  - c. If not currently available, when do you plan to implement image services?
  - d. What are the hardware and software requirements for CITY?
  - e. List any third party vendors used to provide images to CITY
  - f. How long are images available online vs. on media?
164. Does the service capture the image of the front and back of the check?
165. How many fields can be used as an indexed field? Can users define which fields are used as indices?

166. Does your service have the ability to create a non-proprietary image export file that can be imported into an industry standard image storage and retrieval solution?
167. Describe the process used for ensuring high quality check images.
- a. Does your service use IQA (Image Quality Acceptability) / IQU (Image Quality Usability)?
  - b. Where is the quality control verification process performed (e.g., CITY site, your site, etc.)?
168. Do you provide check conversion services such as Accounts Receivable Conversion (ARC) and Back Office Conversion (BOC) and/or an image exchange paper process?
- a. If so, describe the services.
  - b. If not, discuss any plans to offer this service and when it will be offered to CITY.
173. Does your bank accept image cash letters in X9.37 format? If yes, describe the service in detail including technical specifications, transmission deadlines and requirements, balancing and image quality standards.

#### **7.6.4. Remote Deposit Services**

174. Provide a brief description of your remote deposit service capabilities.

#### *Payment Processing*

175. Can we establish multiple depository accounts on one remote deposit scanner? Are there any restrictions, and if so, what are they?
176. Does your service allow the deposit total to be entered before the scanning of checks?

- 177. Is there a limit on the number of checks that can be contained in a single batch? If so, describe.
- 178. Does your service allow our organization to make multiple deposits in a single day? If so, discuss any limitations.
- 179. Describe the process used for balancing and correcting deposits transmitted to the bank by the City.
- 180. How will the City be notified of deposit corrections and/or adjustments associated with transmitted deposits?
- 181. Does your service offer the ability to adjust data using recognition technology that was not captured correctly by the scanner?
- 182. Please describe your endorsement process for remote deposit services. Can the endorsement be customized by location?
- 183. Does your service offer the ability to print processing details (e.g., depository site) on scanned checks? If so, discuss any limits on the types or amount of information that can be printed and/or the placement of the printed information on the check.
- 184. Is your service able to use deposit location aggregate files from multiple, geographic locations? If so, discuss any limitations on the number and/or location of sites that can be aggregated.

*Payment Exception Processing*

- 185. Describe the procedures for handling exception items (e.g., MICR rejects, piggy back images, torn documents, foreign checks) received in a customer's deposit transmission.
- 186. Describe the procedures our organization would use to process non-standard check items (e.g., money orders, food stamps, credit card checks).

*Check Duplicate Detection*

- 187. What methodology does the remote deposit service use to identify duplicate items?
- 188. What period of time does the remote deposit service retain the images to detect duplicates?

189. Explain whether the remote deposit service can detect duplicates from multiple scanners (e.g., two scanners in one office).

*Clearing Capabilities*

190. What is the remote deposit services deadline for same-day ledger credit of funds? What is the availability schedule for remote deposit services?
191. What is your float schedule for remote deposit services?

*Return Items*

192. Describe your steps for processing remote deposit items that are returned as unpaid.
193. Can the bank identify a return item by location?
194. Can you automatically redeposit return items which are processed as remote deposit transactions?
- a. How many times is the item presented for payment?
  - b. Can the user dictate re-presentment dates?
195. How do you process items returned for reasons other than insufficient funds (e.g., stop payments, account closings)?
196. Does your service support the scanning of substitute checks received as returned items for any reason other than insufficient funds? If not, how does the customer re-present the item for payment?
197. Describe the safeguards against lost data. Do they include built-in back up features and data recovery if processing is disrupted due to power loss or other interruptions?
198. Please describe bank safeguards in place to prevent tampering with the data that is transmitted by the company?

*Audit Trails and Reports*

199. Does your solution offer the ability to provide a report of all listed users and their rights?



- 200. Do you offer deposit reconciliation services which may be applied to remote check deposits?
- 201. Does your solution pass along scanner location identifier to the depository bank?
- 202. For City Departments with multiple locations, is there a consolidated report which may be used as an audit trail or for Department reconciliation?
- 203. Does your solution provide any reporting of deposits? Please describe all standard reporting available.

*Check Imaging*

- 204. Describe the check and document imaging capabilities of your service.
- 205. Does the service capture the image of the front and back of the check?

*Image Quality*

- 206. Describe the process for handling an image that you believe to be substandard after the customer has already successfully processed the deposit.

*Image Storage & Retrieval*

- 207. How does your service store images (e.g., separate database, files within remote deposit application)?
  - a. What is the maximum number of images that can be stored?
  - b. How and with what frequency are image files backed up?
- 208. Does the bank have an on-line service to search and view imaged items?
- 209. Do the images that are saved in your storage location qualify as legal evidence? Discuss.

*Technical Capabilities: Hardware and Software Requirements*

- 210. Does your service require a stand-alone PC? Can your service co-exist on the same PC with other software?
- 211. What are the minimum PC requirements? What are the optimal requirements? Is there a need for any specific software other than yours to perform the necessary functions?

212. List any additional peripheral hardware that may be required for optimal performance of your service

*Scanners:*

213. The City currently maintains an inventory of various scanner models. What is your general policy for redirecting?
214. What type of equipment allowance is your bank willing to provide?
215. Can the City use its own scanning equipment with your remote deposit service?
216. Should the City elect to purchase remote deposit capture for its locations can the bank provide a general idea of the equipment needed for low/medium/high volumes?

*Security & Administrative Rights*

217. How many deposit accounts can be established per machine?
218. Does your service assign a unique customer identifier?
219. Do you prohibit the company's third party administrators from using the service?
220. Please provide an overview of the security parameters for user authentication?

**7.6.5. Contractor Development and Bonding Program Letter of Credit Facility**

City and State law mandate that the City obtain bid bonds, performance bonds, and payment bonds on public works construction contracts. In recognizing the difficulty obtaining surety bonds, the City established the City's Contractor Development and Bonding Program (CDABP) to assist contractors with their respective contracting capacity and business growth. The CDABP qualifies local, small, and emerging (including minority and women owned) contractors in obtaining the required bid, performance and payment bonds necessary to compete for various City construction projects. The CDABP is administered by the Office of the City Administrative Officer that partners with a broker/administrator who works with contractors in preparing them to meet bond underwriting requirements, thereby providing sureties a comfort level

allowing them to bond those contractors previously unable to obtain the necessary bonding.

As part of the program, and in some instances, the City provides bond guarantees for contractors enrolled in the program if it is determined that such guarantees are the only manner in which a contractor could obtain surety bonding. Some of the contractors are unable to meet the bonding requirements for the City's projects. In order to support these contractors furthering the City's local economic and inclusivity goals, the City is looking to partner with a financial institution to issue Stand-by letters of credit to sureties on behalf of approved contractors participating in the CDABP.

The City Council established within the Treasury of the City a special fund known as the Insurance and Bond Special Fund, a portion of which is used to pay sureties for contractor bond defaults where the City provided a guarantee under the CDABP. The City Council also authorized the City Treasurer to arrange and establish a \$4,000,000 line of credit to cover outstanding bond guarantees.

The City is seeking a financial institution to provide a letter of credit facility (LOC) under which the financial institution will issue standby letters of credit for the account of a borrower to support the City backed collateral provided to approved CDABP contractor participation. The available commitment, including the aggregate of all undrawn amounts, and all amounts drawn and unreimbursed shall not exceed the principal amount of four million dollars (\$4,000,000.00). Each LOC shall be issued for a term not to exceed Four Hundred and Eighty Five (485) days as designated by the City. The stated amount of each LOC may not exceed Two Hundred and Fifty Thousand Dollars (\$250,000.00) or 40% of the contract amount, whichever is least.

Please provide the following information:

221. What are the fees for the following costs associated with the LOC :

- a. Cost for the uncommitted (unused) amount

- b. Cost per Letter of Credit issuance or dollar drawn on the line of credit
  - c. Draw fee
  - d. Cost for amendments
  - e. Cost for transfers of LOC
  - f. Default rate
222. Is there a commitment fee?
223. Please identify the Interest that would be charged for each drawing under any LOC and describe how the interest is calculated and what are the terms for the application of interest?
224. What are the terms of the availability period as it relates to extensions?
225. What are the terms for the repayment of drawings under the LOC?
226. What other costs, expenses and fees is the City expected to pay?
227. Attached as Appendix HH is a sample Form of Letter of Credit. Please confirm your agency's ability to accept the existing language in the Form Letter of Credit.

#### **7.7. Electronic Funds Transfer**

The City processes approximately 6,700 ACH transactions monthly, including payroll direct deposits, and approximately 200 wires monthly, including tax payments, debt service payments, and trade transaction settlements. Finance is looking for firms to provide the City the capability to accept and send Wire and ACH transactions, provide ACH debit block services, provide a secure electronic platform to initiate intra-bank transfers and provide for multi-authorization approvals for wiring funds. The City requires that the successful Respondent be in compliance with the applicable State and Federal banking regulations and with the current National Automated Clearing House

Association (NACHA) rules and requirements. In preparing your response to this RFP, please describe your agency's current electronic payment services and provide answers to the following inquiries:

**7.7.1. Automated Clearing House (ACH) Services**

- 228. The City wants to originate ACH Payroll direct deposits for City employees. Please describe your agency's capability to do so.
- 229. The City will want to originate ACH entries both by direct transmissions (which includes a payroll and flat file export) and manual one-off via an internet connection. Please describe your agency's ability to accommodate these three processes.
- 230. What ACH file transmission options are available?
- 231. Please describe the bank's methodology for determining credit exposure limits. Will the City be told what its exposure limits are? Are the limits set by account, by account group or by the entire relationship?
- 232. Does the bank have a tax module or tax transaction service for the Internal Revenue Service, California State Board of Equalization, or California State Franchise Tax Board?
- 233. Does the bank have a file limitation for maximum dollar amounts or number of entries?
- 234. What are the hours of operation of your ACH processing unit? What is the contact information for normal business hours? What is the contact information for issues that occur outside of normal business hours?

- 235. Please explain your suggestions for business resumption in the event, particularly for payroll, that the City is unable to deliver an ACH file to the bank in a timely manner.
- 236. Explain your disaster recovery solutions for business resumption in the event, particularly for payroll, that the bank's ACH operations are unable to execute the City's ACH activity for one or more days.
- 237. Please explain the cut-off times for City initiation of ACH debit and credit entries.
- 238. Please describe the bank's procedure for files that do not balance.
- 239. Does your bank provide a receipt notice for a file?
- 240. Please describe the bank's procedures regarding late transmissions of files. Is it possible to transmit a file and have it processed after the cut off with proper notification to the processing unit?
- 241. Does the bank outsource any of the proposed services? If so, provide the name and address of any third party processor. Please list the services that they provide, how long they have provided these services to the bank, and discuss any anticipated changes in the relationship.
- 242. Describe the procedures for establishing origination company Ids. Are multiple originator names allowed in your structure for one department?
- 243. How does the bank notify the City of administrative returns or rejects?
- 244. What is the bank's maximum number of days the City can warehouse and ACH prior to settlement future dated entries?

- 245. Does the bank provide the City the ability to modify, recall, or delete a transaction prior to the file or individual transaction being released to the ACH operator?
- 246. What service does the bank provide for the City to reverse a transaction or file that has been released to the ACH operator?
  - a. What are the procedures and deadlines for the City reversing a file? Batch? Item?
  - b. Describe the bank's process for reversing files, batches and items.
  - c. What security procedures are used?
  - d. Do you provide standard request forms?
  - e. How is the City notified of the results of the attempted reversal?
- 247. Do you offer an ACH filter application, such as Universal Payment Identification Codes? If yes, please describe it.
- 248. Does the bank offer a service to block all ACH debits to the City's Account?
- 249. By what methods does the bank notify the City of the receipt of unauthorized ACH debits?
- 250. Can the City selectively accept ACH debits only from originators and/or in amounts authorized by the City? If so:
  - a. How are such authorizations established?
  - b. Can the bank ensure the originators do not charge a City account for more than the City has authorized?
  - c. What return code is used when returning unauthorized entries?
- 251. Will assistance with software installation be provided? Is on-site assistance available? If so, is there any charge for such assistance?

- 252. What training does the bank provide? Is on-site training available? If so, is there any charge for such training?
- 253. Specify the ACH data provided on current/intraday and previous day reports.
- 254. By what methods does the City receive returned entries and Notifications of Change?
- 255. Please describe the bank's process for ACH returns and Notifications of Change on originating entries.
- 256. When will funds for returned entries be posted to the City's account?
- 257. What are the bank's plans if and when same-day ACH entries are enabled? How could the City use this service to improve its cash management and payment operations?
- 258. Can returned entries be individually posted in your information reporting service?
  - a. What supporting information can the bank provide to reconcile entries?
  - b. How will this information be made available to the City?
- 259. How many days of historical information are available online?
- 260. Can the system export reports in various file formats? If so, what formats are available?
- 261. How will the bank provide the City with information contained in ACH addenda record and electronic data interchange (EDI) entries?
- 262. Please describe your ACH settlement procedure.



- 263. When will settlements for this service be reported?
- 264. Does the bank provide simultaneous settlement between debits and credits?
- 265. Is the settlement entry date required in the origination file (e.g., balanced file)?
- 266. Please describe your bank's experience with check conversion, including the number of customers using the service, the number of items processed and the length of time you have been converting these payments.
- 267. Please describe what type of implementation support your bank is able to provide for this service.
- 268. Does your bank offer assistance with creating an opt-out file for check conversion?
- 269. Do you offer same day credit for on-us check conversion entries?
- 270. Please describe options available for managing returns (re-deposits, encoding errors) related to check conversion and the settlement impacts to City accounts.
- 271. How does the bank notify the City of administrative returns and what tools are available for correcting these returns?

#### **7.7.2. Wire Transfer Services**

- 272. Briefly describe all wire initiation products currently supported by the bank. Indicate which product is recommended for the City's application.
- 273. Please describe the process of initiation, approval and release of wires using internet, mobile, and telephone land line mediums.

- 274. Do any of the methods listed above provide for remote user initiation or release? If so, describe by method.
- 275. Is there any manual processing involved in executing either a repetitive or free-form wire transfer that has been initiated via one of the automated input vehicles (e.g., Internet, telephone land line, mobile technology)? If so, please describe.
- 276. Please describe your process for recalling a wire when requested by the City. What additional charges are involved?
- 277. Does the bank's system offer self-administration for user maintenance and user deletes via the Internet and/or PC method? If so, please list the user functions that are available.
- 278. If wire transfers can be initiated online, what security systems or features are in place to allow for secure messaging for returns, recalls, investigations, and miscellaneous requests?
- 279. Please describe the bank's ability to establish varying degrees of authorization (i.e. multiple authorizers, maximum dollar amounts, etc.?)
- 280. What are the hours associated with your money transfer system?
- 281. Please describe the bank's procedure for providing payment confirmation information (e.g., reference numbers) upon acceptance and execution of a wire.
- 282. Have there been interruptions in the processing of wire transfers due to the bank managing its net debit cap? What steps is the bank taking to ensure uninterrupted service?
- 283. How and when is the City notified of a wire transfer that is rejected by the receiving bank, or at any point during the transaction of the wire?
- 284. Does the bank's wire transfer system have the capability of warehousing instructions for future value dated wires? If so, please explain your process

285. Is it possible to cancel a currently warehoused wire transfer request before value day?
286. Does the bank have an on-line repetitive wire setup function? If so, please describe. Can the City structure a new repetitive wire transfer number online without relying on an exchange of paper documents with the bank? Can the City assign its own transfer numbers or names?
287. Under what circumstances do incoming and outgoing wires require repair?
288. What are the bank's procedures and average time frames for repairing incoming and outgoing wires?
289. Under what circumstances would the bank not repair a wire? What are the bank's procedures in these cases?
290. Does the bank provide the City with reports tracking wires requiring repair and the reasons for reject? If so, how are they provided?
291. When and how is the City notified of wire transfer repairs?
292. What is the average turnaround time for responding to inquiries about failed wire transfers?
293. What efforts are being made to increase the rate of incoming and outgoing wires going straight through without exception handling?
294. If either the originating or receiving bank makes an error, how are back value adjustments handled:
  - a. Between banks
  - b. On the City's AA
  - c. When notifying the customer
  - d. How would the adjustment be calculated?

295. Is the City charged for wire transfer investigations, incoming repairs, and/or outgoing repairs? If the City is charged, how and under what circumstances?
296. Can the bank provide addenda on wire transfers? If so, what detailed information is provided on incoming and outgoing wire transfers on a *current* day basis (e.g. amount, payer, comment field, date received, and Fed Reference number)?
297. What detailed information is provided on incoming and outgoing wire transfers on a *previous* day basis, (e.g., amount, payer, comment field, date received, time received, and Fed Reference number)?
298. Will the bank provide wire transfer inquiry by status, (e.g., warehouse wires, pending wires, confirmed wires), amount, and dollar ranges?
299. Does the bank operate its own wire transfer system in-house? If not, is the system purchased or customized? If purchased, who is the vendor? Do all the bank's branches and affiliates utilize the same system?
300. Please describe authorization requirements for repetitive and free-form wires specific to your bank. Are authorization requirements the same for repetitive and free-form wires initiated by telephone, PC, Internet, CPU to CPU?
301. What are the standards for CPU or PC transmissions to the bank? What are the acknowledgement protocols for informing the City the bank received a file, it was encrypted and authenticated?
302. Can user authorization and rights be restricted to certain functions (e.g., repetitive only, data enter only, approve only, inquiry only)
303. Can dollar limits by user authorization and rights be established for single transaction amounts and daily aggregate amounts?
304. What controls has the bank put in place to prevent wire transfer fraud? What has been the bank's experience with fraud in the wire transfer area?

## **8. PRICING AND BANK COMPENSATION**

The City is looking to partner with a financial institution that can provide quality services for the requirements mentioned in this RFP and that provides a cost efficient service delivery model with competitive pricing. As the City considers existing services, it is always looking to achieve greater efficiencies with new products and business solutions that may be offered now, or during the term of the subsequent agreement. Response to Section 8 is not to be submitted with the Respondents' original written proposal. Only those Respondents invited to take part in Phase Three scoring (see Section 5.3) must complete Section 8 (Pricing and Banking Compensation), to the extent applicable, including Appendix J ("Pricing/Fee Schedule") separately for each Service Category under Section 7 for which the Respondent has been invited to participate as a finalist for award. Pricing and compensation should be submitted discretely for each Service Category. Additional information regarding requirements to submit Pricing and Bank Compensation proposal(s) for scoring in Phase Three will be disseminated to the respective Respondents invited.

### **8.1. Pricing and Fees**

Respondents are required to submit a pro-forma account analysis and price schedule for all Service enumerated in Section 7 of this RFP, for which the Respondent has been invited to participate as a finalist for award in Phase Three scoring (see Section 5.3). In developing your response, please provide responses to the following inquiries and requests:

1. Provide a price schedule for the proposed services using Association of Finance Professionals (AFP) Service Codes. Include any one-time or set-up charges,

research fees and all other fees that will be charged, even if already in place or listed elsewhere in the proposal.

2. Provide a pro forma analysis based on the attached list of volumes and services (Appendix J), using AFP Service Codes.
3. Please indicate how long will the bank honor the price schedule offered in this proposal while the City is evaluating proposals?
4. If the respondent bank is awarded this business, for how many years will the bank guarantee the price schedule provided in its response to this proposal?
5. How is the City notified of a price change? How long before there is a price change is the City notified?
6. Can future price changes be indexed? If so, to what? Can future price increases be capped? If so, discuss.
7. What kind of technical support is provided during the implementation, and is there a charge for this support?
8. What implementation allowances are provided?
9. How does the bank charge for overdrafts?
10. Does the bank charge for the use of uncollected funds? If so, how is the charge calculated? Are these fees a direct charge or can they be offset by the earnings credit allowance?
11. The City does not allow debits to its accounts. Please describe how would the City be billed for overdraft charges?
12. Please describe the bank's policies and procedures regarding overdrafts?

13. Please explain how the bank establishes an intra-day limit for the City? What are the banks procedures for handling intra-day positions?
14. How does the bank handle an intra-day position assessment?
15. The City prefers to describe balances and fee adjustments to the current analysis statement, including adjustments to *prior* analysis statements. Please describe the bank's ability to conform to this process.

Additional information regarding requirements to submit Pricing and Fees for scoring in Phase Three will be disseminated to the respective Respondents invited.

## **8.2. Account Analysis**

Respondents will be required to provide the City a monthly account analysis which details the bank balance activity and itemizes monthly bank service charges. The account analysis must include services provided by the bank, the charges for these services, the quantifiable volume of services, the levels of balances maintained, and the net fees (if any) that will be billed to the City's account.

16. How does the bank define the analysis (billing) period? How soon after the close of the billing period is the account analysis available to the customer?
17. Is the bank's account analysis statement available online via a browser-based access service?
18. How many months are these statements maintained and serviced?
19. What is the cut-off date for the City to notify the bank of errors to have adjustments reflected on the new account analysis statement?

20. For reporting purposes, can the bank provide summary information by a City department's account structure?
21. How do you determine balances for allowance purposes? Please describe how the following are used in calculating any amount due:
- a. Reserve requirement
  - b. Earnings allowance
  - c. Overdraft assessment
  - d. FDIC assessment
  - e. Other fee
22. What balances are reported on the account analysis statement?
23. What balance or calculation is used to arrive at the investable balance?
24. How does the bank treat the reserve requirement? Is it calculated as a percentage of the Average Net Collected Balance or Average Positive Collected Balance?
25. What methods of physical and electronic delivery are available? If the account analysis is available electronically via ASC X12 822, what versions do you support and by what methods can the analysis be transmitted?
26. Does the bank include AFP Service Codes on account analysis statements? Are the codes included on paper statements, electronic statements, or both?
27. Can the City define its bank reporting cycle?

Additional information regarding requirements to submit Account Analysis proposal(s) for scoring in Phase Three will be disseminated to the respective Respondents invited.



### **8.3. Compensation**

The City is looking for a financial institution partner that will provide a competitive and enhanced Earnings Credit Rate to complement its fee pricing structure. In order for the City to make a determination on the competitiveness of your compensation proposal, please include in your response to this RFP answers to the following inquiries:

28. Does the bank accept compensation in fees, balances or a combination of the two?

If fees are accepted, is there a surcharge or a different price schedule for fee compensation? Please describe.

29. Can the bank combine balances and fees from multiple City accounts into one consolidated balance?

30. The City's payment process is by ACH credit initiated by the City. Can the bank accommodate this option?

31. What analysis settlement period does the bank propose (quarterly, semi-annual, annual)?

32. Please describe the method used to calculate and determine the Earnings Credit Rate (ECR).

33. How is the earnings allowance established?

34. Is there a fee or other assessment for FDIC insurance? If yes, how does the bank calculate the charge?

35. Can earnings credited on collected balances in excess of service costs be carried forward to offset future bank charges and fees? If so, how long can excess balances be carried forward to apply to bank charges and fees in future billing periods?

Additional information regarding requirements to submit Compensation proposal(s) for scoring in Phase Three will be disseminated to the respective Respondents invited.

## **9. CORPORATE SOCIALLY RESPONSIBLE BANKING**

In addition to identifying financial institutions with the proven financial strength and ability to provide sound banking services to the City as a client, the City is striving to partner with an institution that has a commitment and dedication to the communities the City serves. As the steward of the City Treasury, Finance has a responsibility to ensure that public funds are secured with a fiscally sound and healthy institution, as well as with one that is committed to corporate social responsibility in our local communities. Respondents to this RFP are required to articulate how their respective institutions have encouraged economic opportunities to local businesses and citizens by providing a narrative that demonstrates the Respondent's efforts to corporate social responsibility and provide the information below.

Note that Section 9 does not need to be repeated for each Service Category to which a Respondent is submitting a proposal. A response to Section 9 will be scored as the Social Responsibility score component of Phase One Scoring (Section 5.1) and the score for each Respondent will be applied to each and any Service Category proposed by the Respondent.

### **9.1. Responsible Banking Ordinance**

The City established a Responsible Banking Investment Monitoring Program to spur community reinvestment by the financial institutions that partner with the City and

promote responsible consumer banking. Respondents to this RFP will be required to provide disclosures in its response pursuant to Los Angeles Administrative Code, Article 2, Section 20.93 *et seq* (RBO). Please note that the Respondents to this RFP will be required to comply, as part of their submission, with any changes to the City's RBO made and adopted by the City Council prior to the RFP submission deadline. If any changes are made or adopted by the City Council to the RBO after the submission deadline, the successful Respondents to this RFP will be required to comply to any such changes before a contractual agreement can be finalized with the successful Respondent.

Successful Respondents awarded an agreement under this RFP must maintain compliance with the RBO for the duration of any agreement, including amendments resultant from this RFP.

#### **9.1.1. Responsible Banking Investment Monitoring Program**

Respondents must complete and submit the Responsible Banking Investment Monitoring Program for Commercial Banks form, identified in Appendix K.

#### **9.1.2. Pending Enforcement Action**

To the extent permitted by law, respondents must provide a statement disclosing any pending investigation and enforcement action undertaken by federal, state or local agencies against the Respondent. Furthermore, during the period of submission and review of the responses to this RFP, Respondents are required to disclose to the City any public enforcement action undertaken by any federal or state agency against the Respondent within ten (10) days after an action is taken or a fine is imposed.

#### **9.1.3. Recent Enforcement Actions**

To the extent permitted by law, respondents must provide a statement disclosing any enforcement action undertaken by federal, state or local agencies against the Respondent in the past five (5) years.

#### **9.1.4. Consumer Practices**

A Respondent to this RFP must certify that it does not base evaluation, promotion, discipline, or compensation of any employee on illegal practices within the City. The decision that a banking practice is illegal shall be based on findings made by appropriate government agencies, and courts of law. Respondents must complete and submit the Consumer Practices certification attached as Appendix L.

#### **9.2. Community Reinvestment Act (CRA)**

The City is committed to ensuring the financial agencies with which it partners have continuing and affirmative obligations to meet the credit needs of low- and moderate-income neighborhoods of the City traditionally underserved by lending institutions. In order to help the City evaluate the respective Respondents record in serving these neighborhoods, Respondents are required to provide the information requested in the following sections in their responses. In order to facilitate the City's evaluation, please provide the following information for the calendar year 2016 in the worksheet provided in Appendix M. The City is requiring that information be reported by Community Reporting Area as defined by census tracts. The worksheet in Appendix L includes a corresponding set of census tracts by Community Reporting Area. Appendix N displays a census tract overlay for Community Planning Areas, which are the corresponding Community Reporting Areas.

##### **9.2.1. CRA Rating**

In order to be considered for this RFP, Respondents must have a current "Satisfactory" or higher overall CRA rating, both nationally and in the State of California, if applicable. Respondents are required to provide a statement indicating the CRA rating and performance evaluation published by the respective Federal financial supervisory agency.

Please provide a copy of the most recent Public Disclosure "Community Reinvestment Act Performance Evaluation" issued by the federal regulatory agency authorized to

conduct evaluations. Please ensure the disclosure includes the **overall** CRA rating as well as the CRA rating for the primary rating area that encompasses the City of Los Angeles.

Successful Respondents awarded an agreement under this RFP must maintain a minimum “Satisfactory” CRA rating both nationally and in the State of California, if applicable.

### **9.2.2. Lending Activity**

The City will evaluate the Respondent’s record of helping to meet the credit needs of its neighborhoods and will consider the following information:

- A. Small Business Loans - Please provide the aggregate number and amount of loans for each community reporting area by origination amounts of:
  - i. \$100,000 or less;
  - ii. More than \$100,00 but less than or equal to \$250,00; and
  - iii. More than \$250,000.
- B. Loans to businesses with gross revenues of \$1 million less
- C. Community Development Loans – Please provide the number and dollar amount of community development loans and investments for small business development and economic development as follows:
  - i. Affordable housing for low- or moderate-income individuals;
  - ii. Community services targeted to low- or moderate-income individuals;
  - iii. Activities that promote economic development by financing businesses that meet the size eligibility standards of the Small Business Administration’s Development Company or Small

Business Investment Company programs, or have gross annual revenues of \$1 million or less;

- iv. Activities that revitalize or stabilize low – or moderate – income geographies, designated disaster areas, or distressed or underserved nonmetropolitan based on rates of poverty, unemployment, and population loss;
- v. Loans, investments, or services that support, enable, or facilitate projects or activities that meet the “eligible uses” criteria described in Section 2301 (c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP).

D. Home Mortgage Loans – Please describe your institution’s efforts in home lending with underserved communities and provide a record of your institution’s home lending activities for underserved communities including:

- i. Residential Mortgage Loans
- ii. Home Equity Loans
- iii. Home Improvement Loans

E. Activities in cooperation with minority- or women-owned financial institutions and low-income credit unions – Please note the efforts regarding any capital investment, loan participation, and other ventures undertaken by your agency in cooperation with minority- and women-owned financial institutions and low income credit unions. Such activities must help meet the credit needs of local communities in which the minority- and women-owned financial institutions and low-income credit unions are chartered.

- F. Low-cost education loans provided to low-income borrowers – Please provide a record of low-cost education loans originated by your agency to borrowers who have an individual income that is less than the fifty percent (50%) of the area median income.
- G. Consumer Loans – Respondents may provide loan data to low – and moderate- income consumer loans by service area for the following loans: Motor Vehicle, Credit Card, Other secured consumer loan.
- H. Additional Loan Data – Respondents may choose to provide any other loan data, including data on loans outstanding, commitments and letters of credit that supports the agency’s commitment toward addressing the credit needs of low- and moderate- income neighborhoods in the City of Los Angeles.
- I. Innovative or Flexible Lending Practices – Respondents may provide information that it feels supports its use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or neighborhoods.

### **9.2.3. Community Investments**

The City will evaluate the Respondent’s record of helping to meet the credit needs of City neighborhoods by reviewing the bank’s record of qualified investments that benefit low- and moderate- income neighborhoods in the City. Qualified investments are those whose primary purpose is community development. Respondents should provide the following a list of investments made in the City of Los Angeles during the calendar year 2016, including dollar amount and quantity that support the following activities for the following:

- A. Affordable Housing
- B. Community Services
- C. Financing of economic and small business development

#### **9.2.4. Community Banking Services**

The City will review the Respondent's record of delivering retail banking services in low- and moderate- income communities. Please provide the following information for the calendar year 2016 to allow the City review your record of community banking services:

- A. Consumer Lending and Services – Please provide the number of checking accounts and savings accounts by community reporting area.
- B. Branches – Please provide:
  - i. The current distribution of bank branches by community reporting area.
  - ii. In the Context of the Respondent's current distribution of the bank's branches, please provide a record of the bank's opening and closing of branches in the community reporting area.
- C. Alternative Systems for Banking Services – Please provide the availability and effectiveness of alternative systems for delivering retail banking services, such as Automated Teller Machines (ATM), banking by telephone, loan production offices, or bank-at-work or bank-by-mail programs. Please provide the total number of ATMs by community reporting area.
- D. Community Financial Education in the City of Los Angeles – Please describe any successful programs which the bank would propose and commit to partner with the City to bring financial education to the citizens of Los Angeles and help make their communities better. The City is particularly interested in community financial education and literacy programs targeted toward underserved populations such as teens, college students, and seniors in low- and moderate-income communities of the City. Such programs may include financial basics, teaching children and teens how to save, paying for college, buying a home, building credit, banking for seniors, and planning for retirement.



The City is also interested in financial education programs for small businesses and non-profit organizations that support low- and moderate-income communities. Such programs may include bank services for small businesses, tax planning and reporting, insurance, risk management, financial management, managing cash flow, and record keeping.

- E. Bank on California – Does your institution participate in the State of California Bank On Program? If not, please identify any efforts or business products designed for the following consumers: un-banked or under-banked, elderly, youth, low and moderate income and minority residents.

### **9.3. Corporate Citizenship**

Through this RFP, the City is not only looking for a financial institution with which to partner to provide quality treasury solutions to meet the City's banking needs, but also for a partner institution that has a demonstrated record of commitment toward good corporate citizenship. The City's goal is to identify a business partner which seeks to make a positive impact on society through its activities and is committed to improving neighborhoods.

Respondents are asked to provide examples that display the bank's awareness and commitment to improving communities by providing examples of the following initiatives:

- A. Corporate philanthropy and charitable giving.
- B. Economic investments - helping individuals with limited access to employment opportunities, promote entrepreneurship, developing financial literacy and awareness.
- C. Social investments – Support for learning and education, local non-profit arts and cultural agencies and programs, investments in initiatives to combat homelessness, support for youth programs.
- D. Environment – Participation in building a sustainable future by directing resources to the renewable energy sector, partnering with clients to a low-

carbon economy, helping to reduce environmental impact of client operations, encourage projects that promote energy efficiency.

- E. Ethical Labor Practices – Treating employees fairly and equitably helping businesses integrate human rights in its business policies and practices.
- F. Community Outreach - Helping empowering individuals to participate in civic activities and community involvement, volunteer programs.

## **10. CITY CONTRACT REQUIREMENTS**

The selected Respondent(s) will be required to enter into a written contractual agreement with the City of Los Angeles in a form approved by the City Attorney. A copy of this RFP with all attachments and the successful proposal will be the basis for the provisions of the contract. The following items will be incorporated into that agreement. If the successful Respondent firm(s) are unable to comply with the following provisions during the contractual negotiations, the City reserves the right to suspend negotiations and open negotiations with the next ranked firm(s).

### **10.1. Standard Provisions for City Contracts**

The City's "Standard Provisions for City Contracts (Rev, 10/17)," attached as Appendix A, will be incorporated into the contract.

### **10.2. Insurance Requirements**

The successful Respondent will be required to provide insurance in accordance with the Insurance Requirements noted in Exhibit 1 to the Standard provisions for City Contracts. Proof of Insurance will be required prior to the execution of any contractual agreement and does not need to be returned with the response to this RFP. Instructions and information on complying with City insurance requirements for this proposal are attached as Exhibit 1 to the Standard Provisions for City Contracts.

### **10.3. Contractor Responsibility Ordinance**

Pursuant to Section 10.40.4 of Article 14 of Chapter 1 of Division 10 the Los Angeles Administrative Code, contracts awarded in response to this RFP are exempt from the Contractor Responsibility Ordinance because such agreements will be banking contracts entered into by the City Treasurer pursuant to California Government Code Section 53630 et seq.

#### **10.4. Slavery Disclosure Ordinance**

Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded pursuant to this RFB/RFP/RFQ will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.

All Bidders/Proposers shall complete and electronically sign the Slavery Disclosure Ordinance Affidavit available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at [www.labavn.org](http://www.labavn.org) prior to award of a City contract.

Bidders/Proposers seeking additional information regarding the requirements of the Slavery Disclosure Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

#### **10.5. Equal Benefits Ordinance**

Bidders/Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO).

All Bidders/Proposers shall complete and submit the Equal Benefits Ordinance Compliance Affidavit, available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at [www.labavn.org](http://www.labavn.org), prior to award of a City contract that exceeds \$25,000. The affidavit shall be valid for a period of three years from the date it is first uploaded onto the City's BAVN.

Bidders/Proposers do not need to submit supporting documentation with their bids or proposals. However, the City may request supporting documentation to verify that the

benefits are provided equally as specified on the EBO Affidavit. Bidders/Proposers seeking additional information regarding the requirements of the Equal Benefits Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

#### **10.6. First Source Hiring Ordinance**

Unless approved for an exemption, contractors under contracts primarily for the furnishing of services to or for the City, the value of which exceeds \$25,000 with a term of at least three (3) months, and certain recipients of City Loans or Grants, shall comply with the provisions of Los Angeles Administrative Code Sections 10.44 et seq., First Source Hiring Ordinance (FSHO).

All Bidders/Proposers shall complete and electronically sign the FSHO Compliance Affidavit available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at [www.labavn.org](http://www.labavn.org) prior to award of a City contract. The affidavit shall be valid for a period of three years from the date it is first uploaded on the City's BAVN.

Bidders/Proposers seeking additional information regarding the requirements of the First Source Hiring Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

#### **10.7. Iran Contracting Act of 2010**

The State of California Legislature adopted the Iran Contracting Act of 2010 (California Public Contract Code (PCC) Sections 2200-2208). The Iran Contracting Act prohibits Respondents and bidders engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars (\$1,000,000) or more (PCC § 2203 (a)). To comply with the Iran Contracting Act of 2010, successful bidders shall complete the Iran Contracting Act of 2010 Compliance Affidavit included as Appendix B.

#### **10.8. Bidder Campaign Contribution Limitations**

Respondents (bidders) that submit a response to this solicitation are subject to Charter section 470(c)(12) and related ordinances. As a result, bidders may not make campaign contributions to and or engage in fundraising for certain elected City officials or candidates for elected City office from the time they submit the response until either the contract is approved or, for successful bidders, 12 months after the contract is signed. The bidder's principals and subcontractors performing \$100,000 or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

Bidders must submit the Prohibited Contributors (Bidders) City Ethics Commission Form 55 (provided in Appendix C) to the awarding authority at the same time the response is submitted. The form requires bidders to identify their principals, their subcontractors performing \$100,000 or more in work on the contract, and the principals of those subcontractors. Bidders must also notify their principals and subcontractors in writing of the restrictions and include the notice in contracts with subcontractors. Responses submitted without a completed CEC Form 55 shall be deemed non-responsive. Bidders who fail to comply with City law may be subject to penalties, termination of contract, and debarment. Additional information regarding these restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or [ethics.lacity.org](http://ethics.lacity.org).

#### **10.9. Municipal Lobbying Ordinance**

Any bidder for a contract, as those terms are defined in Los Angeles Administrative Code Section 10.40.1, shall submit with its bid a certification that the bidder acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance (LAMLO), Los Angeles Municipal Code §§ 48.01 *et seq.*, if the bidder qualifies as a lobbying entity under Section 48.02 of the LAMLO. Respondents to this RFP must submit the Bidder Certification Form CEC 50, attached as Appendix D, to comply with this requirement.

#### **10.10. Business Inclusion Program and Outreach**

It is the policy of the City of Los Angeles to provide Minority-owned Business Enterprises (MBEs), Woman-owned Business Enterprises (WBEs), Small Business Enterprises (SBEs), Emerging Business Enterprises (EBEs), Disabled Veteran-Business Enterprises (DVBEs), and all Other Business Enterprises (OBEs) an equal opportunity to participate in the performance of City contracts. Bidders and proposers (hereafter called “bidders”) shall assist the City in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBEs, WBEs, SBEs, EBEs, DVBEs, and OBEs have an equal opportunity to compete for and participate in City contracts. A prime bidder’s Outreach efforts in reaching out to MBEs, WBEs, SBEs, EBEs, DVBEs, and OBEs shall be determined by the level of effort put into achieving the Business Inclusion Program (BIP) Outreach indicators. Failure to meet anticipated MBE/WBE/SBE/EBE/DVBE participation levels will not by default be the basis for disqualification or determination of non-compliance with this policy. However, failure to complete the Outreach as directed in the bid specifications will render the bid nonresponsive and will result in its rejection. Requirements must be completed on the Business Assistance Virtual Network (BAVN), [www.labavn.org](http://www.labavn.org).

#### **10.11. Workforce Residence Information**

It is the policy of the City of Los Angeles to encourage businesses to locate or remain in the City of Los Angeles. Therefore, the City Council requires all City departments to gather information from Respondents to this RFP with the information requested in Appendix E *Los Angeles Workforce Residence Information*.

#### **10.12. City of Los Angeles Contract History**

The Los Angeles City Council established a policy requiring that all City entities soliciting qualifications and/ or bids require as part of the information supplied by all Respondents to include information regarding the Respondent’s contractual history with the City. All Respondents must include a list of **all** contracts with the City of Los Angeles for the past ten (10) years using the City of Los Angeles Contract History form provided in this RFP as Appendix F.

**10.13. Non-Collusion Statement**

Pursuant to Los Angeles Administrative Code Section 10.15 (d), each proposal must include a Statement of Non-Collusion signed on behalf of the Respondent by a person(s) authorized to bind the proposer. A copy of the Non-Collusion affidavit is provided in Appendix G. Any bid or proposal made without this affidavit shall not be considered.

**10.14. Exceptions and Deviations**

Any exceptions to, deviations from, or inability to comply with the requirements set forth in this RFP, or the terms and conditions contained in the Standard provisions for City Contracts, must be declared in writing. The City will make a good faith effort to consider contractual issues identified by the Respondents. The City requires all Respondents to similarly make a good faith effort to comply with the City's terms and conditions.

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