



ERIC GARCETTI  
MAYOR

November 2, 2017

Honorable Members of the Budget and Finance Committee  
City Clerk  
City Hall, Room 395

## **FINAL DRAFT GENERAL BANKING SERVICES REQUEST FOR PROPOSAL**

Dear Honorable Members:

Attached for the information of the Budget and Finance Committee is the Office of Finance's (Finance) final draft General Banking Services Request for Proposal (RFP) subject to further review of the Office of the City Attorney. Finance presently provides Treasury services to forty (40) City departments, including proprietary departments, that use the bank and payment services described in the RFP. These departments provide a broad range of services to City residents and businesses and are involved in the collection of revenue and payments as part of the course of operational business.

This RFP seeks to maximize service capabilities and social responsibility of the City's general banking partners, while also providing improved business continuity and competitive pricing in meeting all of the City's critical demands.

### **Term and Services**

This RFP requests bids to contract for general banking services for a period of five years, with a five year option for renewal and includes the following six Service Categories and associated services:

1. Disbursement Services
  - A. Account Reconciliation Services
  - B. Positive Pay
  - C. Controlled Disbursement
  - D. Integrated Payables –Electronic Data Interchange
2. Neighborhood Council Accounts
3. Check Printing Services

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4. Lockbox Services
5. Depository Services
  - A. Cash Vault
  - B. Check Processing and Funds Availability
  - C. Remote Deposit Services
  - D. Contractor Development and Bonding Program Letter of Credit Facility
6. Electronic Funds Transfer
  - A. Automated Clearinghouse Services
  - B. Wire Transfer Services

### **Multiple Awards to Multiple Contractors**

In order to maximize competition and service area expertise, respondents will submit proposals separately for each Service Category. Finance intends to award a separate “primary” agreement to the highest scoring bidder in each Service Category as well as a “back-up” agreement to the next highest scoring bidder in each Service Category. Therefore, it is anticipated that a total of six “primary” and six “back-up” agreements will be awarded as a result of this RFP. While the “primary” or highest scoring awardee will receive the award of services bid upon under a single service category, the “back-up” agreement will be executed with a separate next highest eligible bidder to provide the City the option to continue services with the “back-up” awardee in the event of any lapse in service with the “primary” awardee. This approach will result in anywhere from two to twelve (12) service providers to the City and will allow the City greater assurances of business continuity in the event of any lapses in service with the “primary” awardee in any Service Category.

Additionally, although the Contractor Development and Bonding Program Letter of Credit Facility will be awarded under the Depository Service Category, a separate agreement for this service will be entered into between the selected bidder and the Office of the City Administrative Officer.

### **RFP Timeline**

The estimated timeline for this RFP process is as follows:

<u>Activity</u>	<u>Date</u>
RFP issued, posted online	November 2017
Deadline for preliminary written inquiries	December 2017
Pre-Proposal Conference	January 2018
Pre-Proposal Conference Minutes and final responses to proposal inquires posted as an addendum to RFP	January 2018
Final addendum to RFP posted	January 2018

Proposals due	February 2018
Respondent Interviews and Presentations	April 2018
Award Bid - Selection Announcement	April 2018

### **RFP Evaluation and Scoring**

The RFP will be evaluated and scored in three phases as described below.

#### Phase One Scoring – Written Proposal Evaluation

A 100-point scale will be applied as follows:

Organizational Capability	30 points
Scope of Services	50 points
Social Responsibility	20 points

Respondents with a total score of at least 70 points will be invited to participate in the second phase of scoring.

#### Phase Two Scoring – Interview Evaluation

A 100-point scale will be applied as follows:

Business and Technical Capability	30 points
Service Enhancements	25 points
Implementation Plan	15 points
Social Responsibility	20 points
References	10 points

A weighted score of Phase One (70 percent) and Phase Two (30 percent) will be established prior to advancing to Phase Three Scoring.

#### Phase Three Scoring – Compensation Evaluation

A twenty-five point scale will be applied to the pricing and bank compensation proposals submitted by the bidders at this stage. The points from Phase Three scoring will be added to the weighted score of Phases One and Two Scoring to determine final ranking of bidders for award in each individual Service Category.

### **Social Responsibility**

In addition to identifying financial institutions with the proven 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. There are several key elements of Social Responsibility to note.

Community Reinvestment Act Rating

Council File (C.F.) 17-0330 requires that the RFP consider any financial institution’s CRA score. As such, a pre-qualifier for proposal is that bidders must have a current “Satisfactory” or higher overall Community Reinvestment Act (CRA) rating, both nationally and in the State of California. Any institution that does not meet this criteria is disqualified from bidding.

Responsible Banking Ordinance

As instructed in C.F. 17-0330, compliance is required with the current and any future Responsible Banking Ordinance (RBO) at the time of RFP submission, at the time of contract execution, and throughout the duration of any banking services agreement with the City.

Recent and Pending Enforcement Actions

As instructed in C.F. 16-1126 and C.F. 17-0330, bidders must disclose any pending investigation or enforcement action for consideration in the bid process and must continue to provide disclosure through the duration of agreement with the City.

Consumer Adverse Practices

As instructed in C.F. 09-0234-S3, bidders must certify that they do not base evaluation, promotion, discipline, or compensation of any employee on illegal practices within the City.

**Recommendation**

It is recommended that the Budget and Finance Committee note and file this transmittal.

If there are any questions, please contact Todd Bouey, Assistant Director of Finance, at (213) 978-1776 or by e-mail at [todd.bouey@lacity.org](mailto:todd.bouey@lacity.org).

Sincerely,



Claire Bartels  
Director of Finance / City Treasurer

Attachment

cc: Miguel Sangalang, Deputy Mayor, Budget and Innovation, Mayor’s Office