

REQUEST FOR PROPOSAL

Banking Services for Skagit County Washington



October 22, 2015

RFP 2015-302

**Skagit County Treasurer's Office
RFP 2015-302
Banking Services for Skagit County, Washington**

PURPOSE OF REQUEST

The Skagit County Treasurer is requesting proposals for Banking Services to ensure competitive pricing for services required for daily operations. The Banking Services necessary will be detailed in the scope of bid and will include depository and disbursement services. This solicitation does not commit the Skagit County Treasurer to pay any costs incurred in the preparation and submission of proposals.

TIMELINE

- October 22, 2015 – Request for Proposals published and distributed
- November 3, 2015 – Deadline to submit written questions to the Treasurer
- November 10, 2015 – Answers to all written questions distributed to all participants of record on the interested proposer list available through Attachment A
- November 24, 2015 at 2:30PM – Deadline for all submitted bank proposals to be in the Treasurer's Office for opening
- November 25, 2015 to December 17, 2015 – Treasurer's review of RFP packets, collection of additional information, scheduling of interviews and demonstrations as necessary
- December 17, 2015 – Award of contract and communication to all proposers regarding decision.
- January 11, 2016 – Anticipated contract finalization and implementation

BACKGROUND

Skagit County was incorporated on November 28, 1883 as a first class county under the Revised Code of Washington 36.04.290. The County is 1,731.2 square miles in size and with an estimated population of 119,500. The County seat is in Mount Vernon, which is the most populated city in the County, and located approximately 60 miles north of Seattle, Washington and 140 miles south of Vancouver, British Columbia.

Skagit County is governed by a Commissioner form of government with three elected commissioners that serve three census driven equally populated districts. Locally elected County officials also include the Assessor, Auditor, Clerk, Coroner, Prosecuting Attorney, Sheriff, Treasurer, four Superior Court Judges, and two District Court Judges. These elected officials

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govern the County and establish policies on the basis of the County's needs and preferences. The Commissioners act as the legislative body and appoint an independent Administrator that works closely with the management team that includes the Budget & Finance Director, Human Resources Director/Risk Manager, other Department Directors, as well as the Elected Officials.

Tax collection, receipting, and investment responsibilities are purview of the elected County Treasurer. Under state statute, the Skagit County Treasurer is also the ex officio treasurer of most special purpose districts (hospital, port, school, fire, cemetery, water, dike, drainage, etc.) and inter-local agencies (EMS, 911, NW Clean Air Agency, etc.) operating within the County. Money received from or for the special purpose districts and inter-local agencies is deposited in a central bank account, and the Treasurer invests or disburses this money according to the instructions of the respective organization's governing body or administrative officer.

Skagit County's banking relationship is a critical part of the Treasurer's cash management program. The Treasurer is looking for a banking relationship that will provide the Treasurer's office with the necessary capabilities to enable it to respond to the ever-increasing financial needs of Skagit County and its partner organizations.

DEFINITIONS

The terms:

- "Bank" refers to that qualified public depository as defined in RCW 39.58.010, selected/requested to provide general banking services.
- "Treasurer" refers to the Skagit County Treasurer.
- "Account(s)" refers to all accounts for which the Skagit County Treasurer is responsible by statute or Skagit County ordinance, and which are created under the contract. PROVIDED, HOWEVER, that this request shall not be construed to be exclusive, or to preclude the Treasurer from obtaining services from any other Bank.
- "Proposal Documents" as referenced in the request include all parts of this proposal, questionnaire, exhibits, and any and all other parts of the Request for Proposal (RFP).

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GENERAL REQUIREMENTS

The Treasurer is soliciting proposals for the following general banking services: demand deposit accounts, balance reporting, deposit services, warrants processing, wire and book transfers, ACH/EFT, redeemed warrants/checks images, merchant services, etc.

1. This RFP document details specific requirements. These are the preferred requirements of the Treasurer. However, if Banks choose to submit alternative proposals to any qualification, it must be clearly noted why the original qualification is being disregarded and details as to the benefits of the alternate proposals must be outlined. The terms and conditions contained in this RFP will govern the performance of any contract resulting from this solicitation.
2. Banks submitting proposals must comply with all Federal and State Statutes and must be, and remain during the term of the contract, a qualified public depository as defined in the Washington Public Deposit Protection Act (RCW 39.58) doing business in and having a full service branch in Skagit County. In addition, the Bank must also be a member of the Federal Reserve System as well as the Federal Deposit Insurance Corporation. The Washington Public Deposit Protection Act limits the amount of public funds a Treasurer may deposit into a public depository to an amount not to exceed the combinations of the depository's capital, surplus, and undivided profits.
3. Banks submitting proposals must agree to maintain a net worth sufficient to safeguard the assets placed on deposit or the Treasurer may, at their option, cancel the contract.
4. Each public depository submitting a proposal to provide the service requested shall certify to the Treasurer that it has not and will not, during the service period provided, claim any exemption from payment of any sales, compensating use or ad valorem taxes as set forth in RCW 39.58.010 and 39.58.045.
5. The successful bidder must agree that in the event the Bank experiences a merger or any other form of change in ownership or management operations during the contract period, all Treasurer costs associated with such change will be borne completely by the Bank. This includes, but is not limited to, new warrant/check stock, stamps, forms, etc.
6. All services listed herein as well as in the proposal, questionnaire, and contract will be delivered to the Skagit County Treasurer with the utmost emphasis on security and safety of transactions, deposits in transit, password protections, encrypted files, etc.

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TERMS AND CONDITIONS

1. The banking services contract shall be for a period of **three (3) years**, renewable by the Treasurer on a yearly basis for **five (5) additional years**. The banking services contract shall become effective immediately upon execution by all parties, with implementation of all specified services to take place on or before January 11, 2016. The banking services contract entered into between the Treasurer and the Bank shall extend for a term through and including January 30, 2019. Fees are guaranteed for the initial three-year period, with fees and terms subject to renegotiation 120 days prior to each yearly renewal period. In the event that the Bank to whom the Banking Services Contract is awarded does not implement by January 11, 2016, or there is reasonable indication that implementation is not likely to occur on the scheduled date, the Treasurer may give notice of the intent to award the final contract to the qualified Bank with the next best proposal or to call for new proposals and may proceed and act accordingly. Following the implementation, should the Treasurer find that the Bank has failed in any material respect to perform its obligations under the banking services contract the Treasurer may unilaterally terminate the banking services contract with notice. The Bank shall be liable for all damages for such default, breach, or violation including any and all incidental and consequential damages. Should the Treasurer find that the provision of banking services under the terms of the contract precludes the Treasurer from administering any required duties in an effective manner, the Treasurer may terminate the banking services contract upon 120 days written notice to the Bank. In such event, the Treasurer shall compensate the Bank at the contract rate for services performed through the effective date of termination, which shall be in full and complete satisfaction of the Banks claims. The Bank shall provide the Treasurer at least 120 days written notice prior of its intent to terminate any banking services contract or to alter fees during a renewal period.
2. All investments of Treasurer surplus funds will be made in the best interest of the Treasurer and will not necessarily be made with the Bank who is awarded the final contract for banking services.
3. Banks submitting a bid proposal shall thoroughly examine and be familiar with all specifications. Failure or omission of any Bank to receive or examine this document shall in no way relieve any obligations with respect to this bid or subsequent contract. Submission of a bid proposal shall be taken as prima facie evidence of compliance with this paragraph.

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PROPOSAL SELECTION

The Treasurer will evaluate all proposals received in a timely manner and will reserve the right to reject any and all proposals in whole or in part. Proposals must include the appropriate attached exhibits & questionnaire, and must be signed on each & every page designated by an authorized official of the Bank to be valid.

The following criteria will be considered in evaluating a proposal:

- The completeness of the proposal
- The cost of services
- The ability to provide the services requested
- The ability to have all service requirements installed and operating on the first day of the banking services contract
- The cost of transferring the Treasurer's accounts to a new Bank
- The financial condition of the Bank
- The feedback received from contacting references
- Branch locations
- Examples of reporting and other critical documents

No single factor will determine the final award decision.

SUBMITTAL REQUIREMENTS

To be considered, a proposal must:

- Supply all the information as requested in the RFP document
- Be signed by an individual legally authorized to bind the Bank
- Be submitted on the forms provided in this proposal document. Changes or alterations to proposal forms in format and/or amendments before or after the deadline will automatically disqualify the proposer.

The proposal must be valid for a period of no less than 120 calendar days from the RFP closing date.

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Proposals must include **one (1) original and four (4) copies** of the response in a sealed package, plainly marked on the outside as follows:

- Name of Submitter
- RFP 2015-302 - Banking Services for the Skagit County Treasurer

Responses must be received at the physical location below no later than 2:30 pm Tuesday November 24, 2015.

Mail or physically deliver the proposal to:

Mailing:

Skagit County Treasurer

Attn: RFP 2015-302

PO Box 518

Mount Vernon WA 98273

Physical Delivery:

Skagit County Treasurer

Attn: RFP 2015-302

700 South Second Street - Room 205

Mount Vernon WA 98273

Late submittals will not be accepted. Responses transmitted directly to Skagit County electronically or by fax will not be considered.

The submitter is responsible for the delivery of the document to the proper address by the assigned time. Skagit County accepts no responsibility for misdirected or lost proposals.

The Treasurer is not liable for any costs incurred by the submitter before issuance of a contract. All costs incurred in responding to this RFP are solely the responsibility of the bank.

Proposals submitted become the property of Skagit County at the time of submission (any restrictions thereon should be clearly stated) and will not be considered public information until after the award of the contract to the successful proposer. All materials submitted in response to this RFP as property of the Treasurer will not be returned. The Treasurer reserves the right to request additional information from any respondent.

The Treasurer reserves the right to accept or reject any or all responses and to grant or deny any or all interviews, as well as waives any informalities or irregularities as deemed to be in the best interest of the Treasurer. The Treasurer may terminate the selection process at any time, with or without initiating a new selection process.

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QUESTIONS

Please direct specific questions regarding this Request for Proposal to Katie Jungquist, Treasurer at KatieJ@co.skagit.wa.us. Only written questions will be accepted. Please include in the subject line "Questions for RFP 2015-302"

If your Bank wishes to receive the response summary to all written questions submitted whether it submitted a question or not, please notify the Treasurer via the email above with the completed Attachment A: Letter of Interest and the email subject line "Bank of Consideration for RFP 2015-302"

REQUIRED SERVICES

The following is a detailed description of the basic services desired by the Treasurer; other services may be added before a contract is signed and/or by mutual agreement of the parties during the contract period. The services listed in the following sections reflect existing and/or desired services. Providing services exactly as detailed in each section is not a requirement for consideration of an individual proposal unless otherwise indicated as **mandatory**. Alternative methods which provide equal or better service and/or which reduce costs will be considered if they are clearly noted as to why the original qualification is being disregarded and details as to the benefits of the alternate proposals are sufficiently outlined.

The Treasurer currently has 50 accounts: 32 DDA, 14 ZBA all in the name of the Skagit County Treasurer. Over the contract period, such accounts may be consolidated at the convenience of the Treasurer or additional accounts may be established.

Account Maintenance

1. The Treasurer will provide for the printing of all warrants and checks at its own expense. The Bank will provide the Treasurer with cost estimates for printing checks and deposit slips (MICR encoded), check registers and endorsement stamps to the Treasurer's specifications. The Treasurer reserves the option of contracting for these services independent of the banking services contract.
2. The Bank will provide the Treasurer with a secure internet based reporting system that will supply daily detailed account debit and credit information in summary format for each account. In addition, transaction detail shall be provided daily for each account in acceptable format to the Treasurer, by internet, to support the Treasurer's automatic reconciliation program – please list your available formats. It is mandatory that this information be available for download no later than 7:30 AM each business day.

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3. The Bank will provide an internet based reporting system that will supply information regarding collected balances, available balances, ledger balances, one-day float, and two-day float for download no later than 7:30 AM each business day. This is a **mandatory** requirement for consideration.
4. Monthly account analysis reports and statements will be provided for each account and on a total account basis. The account analysis will contain, at a minimum, the following: average ledger balance, average float, average collected balance, average negative collected balance, average positive collected balance, reserve requirement, available balance for earnings credit, price levels for each activity, monthly volumes by type, earnings credit allowance (provide an explanation of how the earnings credit rate is calculated). It is **mandatory** that the Treasurer be able to retrieve the monthly analysis report online. It is preferred that the service available allows for exporting the data into an excel spreadsheet for internal purposes.
5. The bank must have the ability to charge all regular ongoing services and supplies to the monthly analysis and also have the ability to individually invoice as needed for specific items for unique situations.
6. Please include a description of your institution's ability to provide custom bank reporting that would allow the Treasurer to download bank activity into a predetermined custom format.
7. As it is necessary for the Treasurer's office to fully resolve banking problems on a daily basis for balancing purposes, exceptional service is expected. It is required that the Bank designate an employee who is thoroughly familiar with the Treasurer's banking practices to serve as the Treasurer's account officer to insure that any problems are quickly resolved.
8. Appropriate internal controls must remain in place during the contract period. Please provide an explanation of your controls/procedures. All controls must be consistent with the Treasurer's policy to not allow debits from the general account (other than returned items) without the express knowledge and consent of those persons authorized by the Treasurer to provide that consent.
9. The Bank will provide an internet based user management system that allows the Treasurer or designee to add and delete users and edit each user's level of access to

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accounts, reports, ACH, Wire services, etc. without intervention by bank personnel. This applies to all bank accounts established under this contract. Please describe and include screen shots of how this would work at your bank.

10. Include with your bid a description of how you propose to assist the Treasurer's staff in migrating to new systems, accounts, etc. This should include a description of actions to minimize disruption to the operations of the Treasurer's office and the districts served by the Treasurer. Please include a breakdown of the projected costs of conversion that displays those costs to be borne by the Bank and those costs to be borne by the Treasurer.

Deposit Services

1. The Treasurer will take steps necessary to facilitate deposits to the Bank in the most expedient manner possible, such as frequent and/or multiple deposits during the day, separation of large items into "special" deposit slips, and immediate notification to the Bank of items deserving special handling. The Treasurer endorses its checks prior to depositing. The Treasurer currently uses Check 21 for a majority of checks deposited; please provide information on your process or your experience with Check 21. Specify the cost savings to the Treasurer for using Check 21 or the process adopted by your bank.
2. The Bank will give same day ledger credit for all deposits accepted and/or received by close of business on that day.
3. Deposited checks returned for insufficient funds will be automatically presented for collection a second time.
4. The Treasurer will pay, through analysis, all returned item fees both foreign and domestic. The Bank will notify the Treasurer of any additional fees due on returned checks either at the time the check is returned to the Treasurer for payment, or by a separate monthly invoice. This is necessary as the Treasurer charges these fees back.
5. The Treasurer has several departments that utilize locked canvas bags that are delivered to the Treasurer's office and included in the armored car pickup each day. Those canvas bags are then returned to the Treasurer with the appropriate deposit receipts inside each bag. Please describe your process for handling these locked canvas bags including additional charges, if any, and if you provide the bags or not.

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Warrant/Checking Services

1. The Bank will accept all warrants presented each day on the warrant accounts.
2. Warrants are redeemed on a next-day basis. The warrants are redeemed daily per a download transmission file associated with the automated reporting system. The file will be available for transmission before 7:30 AM daily.
3. Warrant and check images will be stored and available at the Bank. The Bank will provide internet access to images of redeemed warrants/checks no later than 7:30 AM of the day following warrant/check clearing day via internet.
4. Redeemed warrants can be paid for on the same day or next day basis with the warrant accounts set up on a ZBA system. The Treasurer may choose the option of paying for the warrants on a next-day basis. Please indicate the Bank's warrant float rate, and other fees associated with this, if any.
5. The Treasurer will not be charged any additional costs or fees if warrants are not delivered in a timely manner due to bank error or if warrant payment is underestimated due to warrant information not being available as a result of communications error.
6. The Treasurer may choose to inform the Bank of all stopped, voided, and canceled checks via an internet-based system for all accounts not included in and reconciled via daily electronic file. The Bank will be responsible for indefinite tracking and returning all such checks to the payee as unpaid. Please give details regarding the process, the electronic file protocol used, the time limit, and the fees.
7. The Treasurer currently tracks all stopped, voided, and canceled warrants and checks in-house for those accounts included in the daily electronic file. The Treasurer requires the Bank to give next day credit for warrants and checks identified as such, provided the Treasurer refuses to pay said warrants and checks within 24 hours of first notification of presentment given to the Treasurer via the daily electronic file. The Bank will be responsible for returning all such refused warrants and checks to the payee as unpaid. This also includes accepting, returning and giving credit for forged warrants and checks whenever they are returned with a certification of forgery. Please give details regarding the process, time frame, and the fees.
8. The Treasurer deems it is mandatory for the bank to provide overdraft protection including daylight overdrafts. The bank will honor all demands upon the Treasurer. In the proposal, the

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bank shall state the cost of providing the overdraft protection, including, if used, a benchmark on which the bank will determine the interest to be charged on overdrafts and what the current rates are. The bank is required to send wire transfers immediately, and not call to confirm repetitive wires have been authorized, even if Treasurer account is in a daylight overdraft status.

9. The Bank shall provide Positive Pay or Reverse Positive Pay services for the Treasurer.

Wire Services

1. The Bank will be required to maintain wire transfer facilities to the Federal Reserve Bank for investment purchases and sales and other transactions with various financial institutions and securities firms. It is expected that the Bank will initiate wire transfers even in the event that such transfers might cause a daylight overdraft of the Treasurer's account.
2. The Bank will provide automated wire transfer capabilities that will allow the Treasurer's office to initiate outgoing transfers and receive data on both incoming and outgoing wire transfers. The Treasurer requires that wire transfer information be posted no later than 90 minutes after the wire transaction has been initiated/received. Please provide documentation of your wire transfer system, including copies of all reports that are generated by the system and average time from receipt of wire into your Bank until the wire transfer receipt system can be seen online by the Treasurer's Office.
3. The Bank will guarantee that all outgoing wires properly initiated by the Treasurer can be received by close of business at the wire destination. The Bank shall specify on the proposal form the latest time of day or times of day when an outgoing transfer can be initiated by the Treasurer and assure that the wire can be received by the close of business at the wire destination. Should a wire not be received at its destination, the Bank shall provide timely information and assistance in the tracking of the wire in question.

ACH/EFT Services

1. Maintenance of ACH originating/receiving capabilities is **mandatory**. The Bank must be capable of receiving Treasurer formatted data transmission from, or on behalf of, the Treasurer for ACH items.
2. The Bank shall provide the latest time of day when an ACH transfer can be initiated by the Treasurer and assure that the item can be processed at the ACH item destination by

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the close of business the following day.

3. The Bank shall provide an internet based ACH template management system for the Treasurer to use for daily single ACH item submission. Please describe, with screen shots, your ACH creation and submission process, including dual controls.
4. Skagit County and the other agencies that the Treasurer represents offer direct deposit of payroll to employees. Please include details related to the Bank's ability to provide this service, and a complete breakdown of the process and fees for this service.
5. The Treasurer receives many ACH transactions daily and must be able to identify the source and ultimate destination. The Bank shall describe its ability to provide the Treasurer with all available descriptive records of information related to each ACH transaction.
6. The Treasurer currently blocks ACH debit transactions from many of its bank accounts. The Treasurer would like a system that allows the Treasurer to approve/deny incoming ACH debits as they are presented and/or permanently approve those from trusted sources. Please explain your process and costs for managing these blocks.
7. The Bank must have a system available to allow the Treasurer to utilize the Electronic Federal Tax Payment System (EFTPS) as well as State of Washington sites access. Please provide details of how the Treasurer would access this through the Bank and all fees associated with it.

Merchant Services

1. MasterCard, Visa, American Express, & Discover are currently accepted at several office locations in Skagit County and over the internet. These credit/debit card payments are settled through a third-party software system which is currently Official Payments, but some Departments have already transitioned to Point and Pay. Over-the-counter payments are processed by a separate stand-alone bankcard machine. Payment batches settle daily through the internal system, and the batches for credit card payments processed through the other types of pay station need to settle automatically daily without manual initiation. These daily transactions are deposited in the credit/debit card revenue at the Treasurer's Zbal banking account. The responding bank shall describe its experience with these various third-party settlement companies.
2. As the use of credit/debit card transactions have increased, the Treasurer needs to keep expenses at the lowest level possible for the rate payers and citizens of Skagit County. The

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selected financial institution shall support the variety of customer payment methods in a way that simplifies daily reconciliation of transactions. The selected bank must be able to process transactions, accept settlement files from the Treasurer's current systems, and provide detailed transaction reports.

3. Banks interested in providing a response for this service:
 - a. Must have a minimum of three years' experience processing credit/debit card records transmitted for processing and settlement from major credit/debit processing networks
 - b. At the time of the proposal, have all required licenses, bonding, facilities, equipment, and trained personnel necessary to perform the work as required
 - c. Must be able to provide electronic funds settlement to any financial institution located in Washington
 - d. Must be able to provide on-line daily statements of credit/debit deposits both in summary and detailed formats
 - e. Must be able to provide gross settlement using the Automated Clearing House (ACH) to a designated department/district bank account for all accepted debit/credit card transactions, segregated by merchant number and date
 - f. Must not process discount fees and charge backs by netting against deposits
 - g. Will address fees by billing on a monthly basis to the Treasurer
4. The Bank shall assign an account representative to the Treasurer who will be responsible for coordinating all activities necessary to implement and provide ongoing service, including but not limited to:
 - a. Setting up new merchant accounts
 - b. Researching and providing transaction history
 - c. Assisting with equipment and software purchases if the Treasurer implements new software systems
 - d. Notify the Treasurer of changes to card processing regulations
 - e. Notify the Treasurer of any data breaches
 - f. Provide training assistance

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- g. Provide assistance with PCI related issues and equipment compliance upgrades
 - h. Resolve invoice-related questions
 - i. Resolve batch settlement and/or bank submission discrepancies
 - j. Provide technical support to the Treasurer
 - k. Assist the Treasurer in any resolutions related to any card association or other entity that has rule making or enforcement abilities of rule changes or alleged violations of any rules
 - l. Bank shall conduct semi-annual business reviews with the Treasurer managed accounts, providing an analysis of the utilization of services and any cost reduction opportunities. This may be an on-site meeting at the Treasurer's Office
 - m. The Treasurer expects to receive the best available rate, with as many transactions as possible being coded with that program rate and appropriate clearing level designation
 - n. Bank shall provide adequate coding and monitoring procedures to ensure that the best and appropriate Merchant Category Code (MCC) is assigned to transactions
 - o. Bank shall provide training for Treasurer Staff or designees. This may be by phone, internet training module, and/or written manuals. Training will include but not be limited to topics such as POS terminals, report generation, transaction queries, authorizations, fraud management, retrieval & chargeback handling, and management of interchange qualifications
 - p. Bank shall provide ongoing education to Treasurer staff or designees to keep them up-to-date with changes that occur in credit/debit card processing, operating rules, and PCI DSS items
 - q. Bank shall maintain PCI compliant equipment and software during the contract period
5. Depending on the payment method and department/district, there may be varying requirements in the amount of detail necessary to perform internal operations. Reporting capabilities shall be flexible enough to allow the Treasurer to choose the report format that meets the particular need. All reports shall include the time & date of the transaction, the payment method, and total amount. Daily, weekly, monthly, and annual reports shall have the ability for consolidated roll-up reporting.

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6. The Treasurer will be credited daily for the gross amount of the bank card transactions. Any sales discount fee or percentage proposed will be billed at the end of each month. Payment will be made on a monthly basis at the same time the bank analysis fees are paid through the account analysis statement.
7. At this time, Skagit County accepts MasterCard, Visa, American Express, & Discover. It is the Treasurer's desire to understand the composition of proposed credit card fees. The total fees charged should include proper designation and segmentation of all fees the Bank would charge for similar activities and number of merchant accounts.
8. Currently, Skagit County does not offer internet payment services. However, this service is something the Treasurer may be interested in offering this service in the future. Please consider including costing and operational materials as part of the Bank response.

PAYMENT FOR SERVICES

1. The daily collected balances remaining in the accounts after the day's deposits and disbursements have been posted by the Bank will automatically generate an earned credit to be used to offset monthly service fees. Please explain your earnings credit interest rate and provide a 2-year history of the rate.
2. If balances maintained by the Treasurer for the service month are insufficient to satisfy fees, the deficit shall be carried forward to the following month as an addition to the month's average daily balance requirements.
3. If balances maintained by the Treasurer generate an earned credit higher than the fees, the excess shall be carried forward to the following month and credited to the balance maintained for that month. Any earned credit as of December 31 shall be carried forward to January 1 of the following year.
4. The Bank shall provide online access to a monthly detailed Account Analysis of itemized services provided and balances maintained within five banking days after the month of service.
5. The Treasurer shall have the right to examine any records that support this monthly analysis.
6. Service charges will be billed and paid on a quarterly basis.
7. In pricing any of the service items, indicate any parameters that exist for the services. For example, if a fee is charged on a transaction, indicate whether it is a daily or monthly charge.

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OPTIONAL SERVICES

The following is a detailed description of optional services desired by the Treasurer. The Treasurer is asking respondents to include in their proposal, at their discretion, certain optional services that are not exclusively provided by a Bank and can be provided by other third-party financial firms. The Treasurer desires to preserve its flexibility for how it provides these optional services. The Treasurer will treat proposals for optional services as ancillary to the required services for bid analysis.

1. The Bank will provide an armored car service from the Treasurer's office a minimum of once each working day at times mutually agreeable for pick-up and/or delivery of deposits, coin, and currency and other essential information. The Treasurer reserves the right to contract for this service from a vendor other than the Bank.
2. The Bank is encouraged to provide in its bidding materials other services, or innovative approaches, which the Bank believes would be of benefit to the Treasurer, along with any associated charges and/or quantified monthly benefit to the Treasurer. The Treasurer, at its option, may accept proposals for primary banking services only, or for primary banking services plus any, or all, of these other services offered by the Bank.
3. Payment rejection notice to the Treasurer and Corresponding Depositor
4. Retrievable Image Support Documents
5. Night Drop Access
6. Locking bags
7. Laser checks
8. Deposit books
9. Endorsement Stamps
10. Coin Wrappers
11. Currency Straps

NON-DISCRIMINATION

Except to the extent permitted by bona fide occupation qualifications, the Bank agrees as follows:

1. The Bank will not discriminate against any employee or applicant for employment because of race, creed, color, religion, sex, age, national origin, marital status, disability, or veteran

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status. The Bank will insure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, religion, sex, age, national origin, marital status, disability, or veteran status. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other form of compensation; and selection for training.

2. The Bank will state in all solicitations for employees or job orders for employees placed with any employment agency that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, sex, age, national origin, marital status, disability, or veteran status. The words "Equal Opportunity Employer" in advertisements shall constitute compliance with this section.
3. The Bank will send to each labor union or representative or workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union worker's representative of the Bank's commitments under this section if applicable.
4. The Bank will include the provision of the foregoing paragraphs 1, 2, and 3 in every subcontract or purchase order for goods or services, which are the subject matter of this contract.

In the event of noncompliance by the Bank with any of the non-discrimination provisions of the contract, the Treasurer will have the right, at its option to cancel the contract in whole or in part. If the contract is canceled after part performance, the Treasurer shall be obligated to pay the fair market value or the contract price, whichever is lower, for goods or services, which have been received and accepted.

MISCELLANEOUS PROVISIONS

The estimated quantity of each item listed in the notice is only an estimate; the actual quantity may be more or less. The Treasurer is not obligated to any minimum amount, and the Treasurer may process any reasonable amount greater than the estimate for the same unit price. Any limitations on quantities available must be stated in the proposal.

No oral statement of any person shall modify or otherwise change, or affect the terms, conditions, plans and/or specifications stated in the various Proposal Packages and/or Proposal Instructions/Requirements.

The proposer shall not accept or offer gifts or anything of value nor enter into any business

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arrangement with any employee, official or agent of the Treasurer.

The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

Minor exceptions, conditions, or qualifications to any provision of the Treasurer's specifications must be clearly identified as such, and reasons must be stated.

In the event of any dispute related to this request for proposal and subsequent contract, the decision of the Skagit County Treasurer shall be final and binding on the parties, subject to any civil remedy or determination otherwise available to the parties.

All unsigned proposals will be disqualified.

By affixing my signature to this document I hereby certify that all information provided in compiling this document is true and accurate including the following requested attachments:

- A list of references of current Public Funds Users that utilize Cash Management
- Products similar to those requested in proposal including necessary examples
- The Bank's Annual Financial Reports for the past two (2) years
- A sample Account Analysis Report
- A sample Bank Statement
- Completed Cost Analysis Worksheets from Banking Services Proposal
- Attachments providing requested information not included on Cost Analysis Worksheets
- Attachments detailing the process used for Positive Pay or Reverse Positive Pay services offered by the Bank
- Attachments indicating other services and charges not specified in the Request for Proposal including necessary examples
- Summary of security provisions and internal controls used to protect Skagit County funds
- A detailed list of branch locations within Skagit County, contact person name, telephone number, email address, and hours of operation

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AUTHORIZED BANK OFFICIAL ACKNOWLEDGEMENT OF TERMS:

Signature

Printed Name of Authorized Bank Official

Date

Bank

Contact Phone Number

Contact Email Address

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Attachment A: LETTER OF INTEREST

Legal Name of Applicant Bank _____

Street Address _____

City _____ State _____ Zip _____

Mailing Address _____

City _____ State _____ Zip _____

Contact Person _____ Title _____

Phone _____ Email address _____

Program Location (if different than above) _____

- All proposers are required to be included on the plan holders list. If your organization is NOT listed, submit the 'Letter of Interest' to ensure your inclusion.
- In the body of your email, request acknowledgement of receipt.
- Email Attachment A to: KatieJ@co.skagit.wa.us
- Skagit County website: <http://www.skagitcounty.net>

This document will only be used to add a proposer to the interested proposer list. Submitting this document does not commit proposer to provide services to Skagit County, nor is it required to be submitted with proposal. Proposals may be considered non-responsive if the proposer is not listed on the interested proposer list.

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Attachment B: QUESTIONNAIRE

How soon does the Bank collect funds drawn on accounts at other Banks?

_____ Number of days for local institutions

_____ Number of days for out of county institutions

_____ Number of days for out of state institutions (West Coast)

_____ Number of days for out of state institutions (East Coast)

_____ Number of days for Canadian items (US dollar denominated)

Please provide an availability report to substantiate the above information.

What percent of Skagit County depositors have checking accounts with your Bank? _____%

Many taxpayers of Skagit County are foreign residents, with the majority holding Canadian citizenship:

- As much as 8% of Skagit County's taxpayers are Canadians remitting with US dollar denominated Canadian checks.
- These checks represent the majority of our remittance processing problems (such as post-dated checks).
- Please describe your Bank's procedures for ensuring the prompt handling of these items.
- As a policy, the Treasurer does not accept Canadian dollar denominated checks (and taxpayers are clearly made aware of that on their tax statements).
- However, the Treasurer does continue to receive checks drawn on Canadian banks that do not state 'Payable in US Funds' and/or 'Payable in US Funds' or similar wording is handwritten by the taxpayer
- The Treasurer's experience has been that the vast majority of these items are drawn on US fund accounts (despite not stating so on the check).
- Is it possible to process all Canadian checks assuming they are drawn on US funds?

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- If not, is it possible to return all Canadian checks not stating "payable in US funds" to us directly (instead of processing as a Canadian item) so that we may verify and stamp them "Payable in US Funds" and then deposit them again to be handled accordingly?
- Please provide a narrative to be attached to this questionnaire that addresses this situation.

Please include your last consolidated report of condition that was filed with the Public Deposit Protection Commission

Please provide the following ratings information as provided directly to the banking institution:

| | 2014 | 2013 | 2012 |
|------------------------------------|-------|-------|-------|
| <u>C</u> apital Adequacy | _____ | _____ | _____ |
| <u>A</u> sset Quality | _____ | _____ | _____ |
| <u>M</u> anagement Capability | _____ | _____ | _____ |
| <u>E</u> arnings Quality | _____ | _____ | _____ |
| <u>L</u> iquidity Adequacy | _____ | _____ | _____ |
| <u>S</u> ensitivity to Market Risk | _____ | _____ | _____ |
| Moody's | _____ | _____ | _____ |
| Standard & Poor's | _____ | _____ | _____ |
| Other(s) - Please Specify | _____ | _____ | _____ |

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AUTHORIZED BANK OFFICIAL ACKNOWLEDGEMENT THAT ALL QUESTIONNAIRE ITEMS AS WELL AS ALL ATTACHMENTS PROVIDED BY THE BANK HAVE BEEN ANSWERED COMPLETELY AND TRUTHFULLY AND PRESENTED AS SUCH:

Signature

Printed Name of Authorized Bank Official

Date

Bank

Contact Phone Number

Contact Email Address

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BANKING SERVICES PROPOSAL

The undersigned authority has read the Skagit County Treasurer's RFP 2015-302 and fully understands the intent. In addition, the undersigned authority certifies that the banking institution has adequate personnel, equipment, and facilities to fulfill the proposal requirement. Furthermore, the undersigned authority further understands that banking institution's ability to meet the criteria and provide the required services shall be judged solely by the Skagit County Treasurer.

Therefore, this banking institution agrees to furnish such required services to the Treasurer in accordance with the direct fee basis as described in RFP-302, with the following prices:

| | <u>SERVICE</u> | <u>MONTHLY SAMPLE AVERAGE</u> | <u>UNIT PRICE</u> | <u>TOTAL SERVICE CHARGE</u> |
|---------------------------------|---------------------------------|---------------------------------------|-----------------------|---------------------------------|
| BALANCE RELATED SERVICES | | | | |
| | COLL OVERDRAFT INTEREST CHARGE | 30,628 | | |
| | DEP INSURANCE-BANK ASSESSMENT | 12,363,090 | | |
| | FLOAT | 2,012,822 | | |
| | NET +/- COLLECTED BALANCE | 10,380,898 | | |
| | AVAILABLE BALANCE REQUIRED | 36,762,651 | | |
| | NET AVAILABLE BALANCE | 26,881,754 | | |
| DEPOSITORY SERVICES | | | | |
| | ACCOUNT MAINTENANCE | 49 | | |
| | BANKING CENTER DEPOSIT | 218 | | |
| | ZBA MASTER ACCOUNT MAINT | 1 | | |
| | ZBA SUBSIDIARY ACCOUNT MAINT | 31 | | |
| | VAULT DEPOSIT | 117 | | |
| | DEBITS POSTED - OTHER | 26 | | |
| | DEPOSIT CORRECTION - NON CASH | 4 | | |
| | GENERAL CHECKS PAID - TRUNCATED | 7,305 | | |
| | ZBA PER TRANSACTION | 471 | | |
| | RETURNS-E-MAIL IMAGES | 1 | | |
| | RETURNS-CHARGEBACK | 7 | | |
| | RETURNS-RECLEAR | 3 | | |
| | RETURNS-RECLEAR SERVICES | 2 | | |
| | RETURNS-SINGLE ITEM ADVICE | 1 | | |
| | RETURNS- DUPLICATE ADVICE | 1 | | |
| | RETURNS-RECAP/TRIP ADV | 1 | | |
| | CKS DEP PRE-ENCODED ITEMS | 1 | | |
| | CKS DEP UN-ENCODED ITEMS | 5,557 | | |
| | CKS DEPOSITED FOREIGN ITEMS | 45 | | |

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| | | | |
|-----------------------------------|--------|--|--|
| LEDGER OVERDRAFT PER DAY | 3 | | |
| DEBITS POSTED-ELECTRONIC | 201 | | |
| CREDITS POSTED-ELECTRONIC | 575 | | |
| DEPOSIT ACCOUNT STATEMENTS | 50 | | |
| GEN DISB CKS PD-IS FRONT IMG | 221 | | |
| GEN DISB CKS PD-IS FRT BK IMG | 59 | | |
| VRU STATEMENT COPIES | 2 | | |
| CHECK DEPOSIT-ICL OR RDSO | 62 | | |
| IMAGE DEPOSITED ITEMS-ICL | 10,199 | | |
| TRANSMISSION MAINTENANCE | 1 | | |
| COMMERCIAL DEPS-CASH VAULT | | | |
| CURR/COIN DEP/\$100-BKG CTR | 12,259 | | |
| CURR/COIN DEP/\$100-VLT | 1,133 | | |
| MAIL NOTIFICATION-DCN-VAULT | 2 | | |
| GENERAL ACH SERVICES | | | |
| ACH OPTIONAL RPTS-ELECTRONIC | 5 | | |
| ACH OPTIONAL REPORTS FAX | 5 | | |
| ACH DELETE/REVERSAL | 1 | | |
| ACH RETURN ITEM | 3 | | |
| ACH MONTHLY MAINTENANCE | 9 | | |
| ACH INPUT-ECHANNEL | 5 | | |
| ACH INPUT-FILE | 5 | | |
| ACH BLOCKS AUTH INSTRUCTIONS | 12 | | |
| ACH INPUT-BATCH | 13 | | |
| ACH BLOCKS AUTH MAINTENANCE | 1 | | |
| ACH BLOCKS AUTH ADD-CHANGE | 8 | | |
| ACH NOTIF OF CHANGE (NOC) | 2 | | |
| ACH STANDARD REPORTS FAX | 4 | | |
| ACH STANDARD REPORTS ELECTRONIC | 3 | | |
| ACH CONSUMER ON US CREDITS | 670 | | |
| ACH CONSUMER OFF US CREDITS | 4,899 | | |
| ACH CONSUMER ON US DEBITS | 9 | | |
| ACH CONSUMER OFF US DEBITS | 1 | | |
| ACH CREDIT RECEIVED ITEM | 539 | | |
| ACH DEBIT RECEIVED ITEM | 208 | | |
| WIRE TRANSFER | | | |
| CPO GPS CONFIRMS | 2 | | |
| CPO GP MNTHLY MAINT BASIC | 2 | | |
| PH OR STND ORDER TEMP STORE | 3 | | |
| ELEC WIRE OUT-DOMESTIC | 19 | | |
| ELEC WIRE OUT-BOOK DB | 7 | | |
| INCOMING DOMESTIC WIRE | 30 | | |

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| | | | | |
|-------------------------------|---------------------------------|--------|--|--|
| | CPO GP CUST MNT TEMP STORAGE | 46 | | |
| | WIRE ADVICE - MAIL | 2 | | |
| | BOOK CREDIT | 6 | | |
| ACCOUNT RECONCILIATION | | | | |
| | ARP PARTIAL MAINT-PAPER SUPP | 21 | | |
| | ARP PARTIAL PER PAID ITEM | 6,221 | | |
| | ARP PARTIAL PPAY MAINT SUPP | 2 | | |
| | ARP PARTIAL PPAY ITEM | 1,084 | | |
| | ARP RECON TRANS END OF CYCLE | 23 | | |
| | ARP OUTPUT TRANS OTHER FREQ | 460 | | |
| | ARP VOID CANCEL ITEMS | 13 | | |
| | POSITIVE PAY EXCEPTIONS | 18 | | |
| | TELLER PPSY ISSUE NOT FOUND >1% | 1 | | |
| INFORMATION SERVICES | | | | |
| | CPO PREM EMAIL SCHED | 117 | | |
| | CPO ARP ONLINE REPORTS | 2 | | |
| | CPO OUTGOING WIRE CONFRM NOTIF | 23 | | |
| | CPO ARP POSITIVE PAY NOTIF | 120 | | |
| | CPO WIRE PAYEE ADVISING | 19 | | |
| | CPO ARP ISSUE NOT RECD NOTIF | 20 | | |
| | CPO ARP ISSUE POSTED NOTIF | 16 | | |
| | CPO ARP ISSUE RECD NOTIF | 19 | | |
| | CPO ONLINE SUBSCRIPTION | 2 | | |
| | CPO INFO DETAIL NOTIF | 2 | | |
| | CASHPRO EXPRESS PACKAGE | 1 | | |
| | CPO PREM IR MAINTENANCE | 1 | | |
| | CPO PREM PDR ACCOUNT | 43 | | |
| | CPO PREM PDR ITM STORED | 18,479 | | |
| | CPO PREM CDR ACCOUNT | 42 | | |
| | CPO PREM CDR ITEM | 16,472 | | |
| | CPO PREM RESEARCH ITEM | 186 | | |
| | CPO PER IMAGE ACCESS | 63 | | |
| | GCS TRANSACTION HISTORY | 1 | | |
| IMAGE | | | | |
| | IMAGE ARCHIVE-90 DAYS | 376 | | |
| | IMAGE ARCHIVE-7 YEARS | 7,305 | | |
| | IMAGE MAINTENANCE CPO | 31 | | |
| MISCELLANEOUS | | | | |
| | CHECK COPY | 1 | | |
| | STATEMENT COPY | 1 | | |
| TOTAL | | | | |

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AUTHORIZED BANK OFFICIAL CERTIFICATION OF TERMS AS PER THIS ENTIRE REQUEST FOR PROPOSAL FOR BANKING SERVICES FOR SKAGIT COUNTY WASHINGTON (RFP 2015-302):

Signature

Printed Name of Authorized Bank Official

Date

Bank

Contact Phone Number

Contact Email Address