

City of Poulsbo

Request for Proposals

Banking Services



Finance Department

200 NE Moe Street

Poulsbo, WA 98370

Issue Date: August 18, 2017

Responses Due: September 18, 2017

City of Poulsbo
Banking Services
Request for Proposal
Due Date: 4:00 p.m. September 18, 2017

I. Introduction

The City of Poulsbo (City) invites commercial banking institutions (Bank) who possess the capability and expertise to provide depository and various other banking services, to submit proposals for the provision of those services according to the requirement set forth in this document. The purpose of this process is to identify the banking institution that can provide maximum services and competitive pricing to the City.

The City is a noncharter code city. The City operated under an elected mayor and an elected seven-member City Council. The City's Finance Department is responsible for banking services, purchasing, utility billing, accounts payable and accounts receivable, debt service, cash and investments, budget, payroll, grants, and financial reporting.

II. Conditions Qualifying a Bank to Propose

A. Location within the city limits

1. Bank must be a Federal or State of Washington chartered banking institution with branch banking facilities located within the city limits of the City of Poulsbo. If the headquarters of the proposing bank is not located within the city limits, a branch of the bank located within the city must offer the full range of banking services required by this Request of Proposal (RFP)

B. Mandatory Requirements

1. Bank must be approved by the Washington Public Deposit Protection Commission as a qualified public depository. The qualified designation must remain in effect for the duration of the Banking Services Contract
2. The Bank must be insured by the Federal Deposit Insurance Corporation (FDIC)
3. Legal Compliance. The Bank must be in compliance with all applicable laws, rules, regulations, and ordinances of the City of Poulsbo, the State of Washington and the United States.
4. The Bank must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.

C. Other Qualifying Conditions

1. The Bank must be full-service financial institution capable of providing the banking services identified in this Request for Proposal.
2. The Bank must provide copies of all documents required by State law (Public Fund Protection Act of 1969, chapter 193) as a part of the submittal to the City. The Bank must meet or exceed the requirements outlined therein.

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III. Time Schedule

Event	Date
Request for Proposals Issued	August 18, 2017
Deadline for Questions	September 1, 2017
Proposal Responses Due	September 11, 2017
Preliminary Selection of Firm	October 5, 2017
Recommendation to City Finance Committee	October 18, 2017
Council Approval	November 1, 2017
Notify Bank Chosen	November 3, 2017
Transition and Testing period (no compensation)	December 1, 2017
Effective Date of New Contract	January 1, 2018

These dates are estimates and subject to change by the City

IV. Proposer Questions

A. RFP Coordinator

1. Upon release of this Request for Proposals(RFP), all communications concerning this acquisition must be directed to the RFP Coordinator listed below:

Jana Brown, Accounting Manager
City of Poulsbo
200 NE Moe Street
Poulsbo, Washington 98370
Phone: (360) 394-9721
Email: Jbrown@cityofpoulsbo.com

2. All Proposers may send a request to the RFP Coordinator via email asking to receive a copy of all requests.
3. Unauthorized contact regarding this RFP with other City of Poulsbo employees may result in disqualification. Any oral communications will be considered unofficial and non-binding on the City of Poulsbo. Proposers should rely only on written statements issued by the RFP Coordinator.

B. Questions

1. All questions related to errors, conflicts or inadequate information in the RFP must be submitted in writing to the RFP Coordinator named above. Questions of this nature must be received a minimum of 10 days in advance of the scheduled deadline for receipt of answers within 3 days prior to the deadline.
2. All answered questions will be sent out to all those who have registered with the RFP Coordinator

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C. Disclaimer

1. The responsibility for determining and obtaining the full extent of all information needed to respond to the Request for Proposals (RFP) rests with the Bank. Submission of a proposal constitutes acceptance of the procedures, evaluation criteria, and other instruction of this RFP.

V. Submittal Instructions

A. Proposal Response

Bank submittals must be received in City Hall, in its entirety, no later than 4:00 p.m., Pacific Time in Poulsbo, Washington, on September 18 2017. All proposals and accompanying documentation will become property of the City of Poulsbo.

Banks submitting proposals assume all risk related to the method of dispatch chosen. The City of Poulsbo assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for actual proposal receipt. Late proposals will not be accepted nor will additional time be granted to any Bank wishing to submit a proposal. Proposals may not be delivered by facsimile transmission or other telecommunication or solely by electronic means.

B. No Proposal

If a Bank cannot meet a service requirement, then the term “No Proposal” should be entered on the Proposal Form for that specific requirement. In the case of a “No proposal” remark, the Bank may offer an equivalent alternative service. Failure to substantially propose on all basic services may result in bid rejection.

C. Multiple Banks

A Bank may submit equivalent alternative proposals for any and all of the optional banking services.

D. Proposal Deadline and Submittal instructions

All proposals should be directed to:

City of Poulsbo
Finance Department
200 NE Moe Street
Poulsbo, WA 98370

All proposals must be in a sealed envelope and clearly marked in the lower left-hand corner: “RFP-Banking Services”.

All proposals must be received by September 18, 2017 at 4:00 pm. Two (2) copies of the RFP must be presented. No faxed, emailed or telephone proposals will be accepted.

Proposals should be prepared simply and economically, providing a straight forward, concise description of provider capabilities to satisfy the requirements of the request. Special bindings, colored displays,

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promotional materials, etc. are not required. Emphasis should be on completeness and clarity of content. The City encourages the use of recycled paper and double-sided printing whenever possible.

E. Late Proposals and Modifications

Any modifications or late submittal received after the time of opening will not be accepted. Late proposals shall be returned unopened.

F. Public Information

Submittals are considered public information once a proposal is opened by the City. Only under limited circumstances can submittal information be considered proprietary and not subject to disclosure. In no case can a Bank indicate that their entire submittals is proprietary, and the City shall make the sole determination of what information may be considered proprietary based upon the City interpretation of the Public Disclosure laws.

G. Right to Reject Proposals and Waive Informalities

The city reserves the right to reject any or all proposals, to waive any non-material irregularities or informalities in any proposal, and to accept or reject any item or combination of items.

H. Execution of Agreement

If a Bank does not execute an agreement within fifteen (15) days of notification of award by person or by mail, the City may give notice to the Bank of the City's intent to select the next most qualified "proposing Bank" or call for new proposals, whichever the Finance Director deems most appropriate.

I. Non-Endorsement

As a result of the selection of a firm to supply equipment and/or services, the City is neither endorsing nor suggesting that the Bank's equipment and/or services are the best or only solution. The Bank agrees to make no reference to the City of Poulsbo in any literature, promotional material, brochures, sales presentation or the like without prior express written consent from the City.

J. Cost of Preparing Proposals

The City of Poulsbo is not liable for any costs incurred by Banks in the preparation and presentation of proposals in response to this RFP.

VI. Selection Process

A. Qualifications and Criteria for Selection

1. Vendors must demonstrate an ability, knowledge and background in successfully providing banking services. Experience in municipal banking services is preferred.
2. Proposals for this project must be accompanied by at least three (3) references of recent successful banking relationships (municipal preferred).
3. The chosen proposal under this project will be determined by a number of factors, with emphasis on the overall quality of banking services to be provided. Other evaluation factors will include:

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- **Proper Submission of Proposal:** Receipt of proposal by due date (September 18, 2017) as outlined in this proposal according to our specifications. Late submissions or delivery via facsimile or email will not be considered.
- **Comprehensiveness of Services Provided:** Overall capabilities of the bank to meet the required service levels described in this RFP.
- **Public Sector Experience and Resources:** The Bank's experience in providing services to the public sector, as well as dedicated resources and personnel.
- **Strength and Stability of Bank:** The bank's financial standing among its peers and the associated credit quality ratings.
- **Charges for Services:** The amount of proposed charges and pricing increases in subsequent years.
- **Cost of Transition:** The total cost of changing banks.
- **Service Enhancements:** The bank's efforts to understand our banking needs and goals, and the creativity the bank shows in introducing new technologies and efficiencies to improve our current practices and procedures.
- **Assigned Relationship Manager/Team:** The credentials and experience of the person(s) assigned to our relationship.
- **Community Involvement:** The City of Poulsbo is interested in all proposing banks' community involvement specifically through their Community Reinvestment Act (CRA) policies and performance under each of the Lending, Investment and Service tests in the Poulsbo/Kitsap County area.
- **Other Factors:** Any other factors that we believe would be in our best interest to consider which were not previously described.

B. Responsiveness to Criteria

Services will be evaluated on availability, time schedules, reporting, and in the case of interest bearing demand account; services will be evaluated on interest rates.

All proposals from qualified public depositories that pass the completeness test and financial strength/capacity tests and provide a satisfactory service level will then be ranked based upon least total cost to the City. Total cost to the City is defined as the lowest combination of projected monthly service costs, highest earnings factor specified in the Bank's proposal and the resulting compensating direct fee. However, the City reserves the right to select the Bank which, in its opinion, provides the best combination of service quality and costs to the City.

The basic required service proposal will be evaluated separately from any optional service proposal. Please make each proposal separate so that each can be evaluated on its individual completeness and cost criteria.

VII. Terms and Conditions

A. Cancellation of Contract

The Banking Services Contract shall provide that either the City of the selected Bank reserves the right to cancel any agreement at any time upon ninety (90) days written notice of its intent to terminate any

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agreement. A decision to terminate the depository contract during the initial five years of the contract may NOT be as a result of profitability or non-profitability by either party.

B. Awarding of Contract

The City of Poulsbo Banking Services Contract is expected to be awarded at the City Council Meeting (November 1, 2017) at 7:00 p.m. in the City Council Chambers, 200 NE Moe Street, Poulsbo, Washington.

C. Draft Contract Form

A draft contract form is attached. This form is supplied by the City and may be used for this agreement. The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney.

D. Contract Duration

The awarded Bank shall enter a five-year contract with the City. Prior to expiration of the five-year term, the City and the Bank may mutually agree to additional year(s) at fees not to exceed an increase based on 90 percent of the Consumer Price Index All Urban Consumers, Seattle-Tacoma-Bremerton Area (CPI-U), issued for the June to June period. This is the CPI-U published by the U.S. Department of Labor, Bureau of Labor Statistics, P.O. Box 192766, San Francisco, California 94119-3766.

VIII. Scope of Services

A. General Information

The City is soliciting proposals for a primary banking relationship with a Bank or Firm which operates an office within the city limits. The City will be contracting for the following general services for a five year period beginning January 1, 2018 and ending December 31, 2022. At the City's option, an extension, will be permitted with the same terms and conditions of the original contract and as it is amended.

The following is a listing of mandatory services the City requires of its Bank:

- Demand deposit checking accounts
- On-line services
- Remote Deposit Capture (Check 21)
- Overdraft Protection
- Trust and Escrow Agent Services
- Banking Supplies
- ACH Debit/Credit Services
- Payroll Direct Deposit
- Account Reconciliation Processing
- Positive pay protection
- Safekeeping (Optional)
- Excellent customer service & response

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B. Services Required

1. **Checking Accounts:** The City currently utilizes two checking accounts: 1) the primary checking account, which includes accounts payable & payroll check processing; and 2) a Municipal Court operating account. The Bank would furnish the City with additional checking accounts as needed. Currently, City staff daily scans all checks electronically and remotely deposits into the appropriate account. Cash deposits (consisting of cash, coin and non-MICR read checks) are then picked-up at City Hall (one location) via an armored service once per week and delivered directly to the Bank's vault. NSF checks must be processed twice before being returned to the City.

The basic checking account services should at least consist of:

- Provide month-end statements electronically by the 3rd business day of the following month and provide paper statements to various auditors upon request;
 - Electronic check image retrieval on CD monthly including necessary software;
 - Provide individual and consolidated monthly account analysis for all accounts by the 10th day of the following month;
 - Provide an automated wire transfer system for transferring money to other Banks, along with appropriate security levels for wire transfer initiations and approvals;
 - Provide computer balance reporting system, with information on collected, available and closing balances, as well as details of all debits and credits posted to the account for the previous day, by 7:00 a.m. (PST) each business day;
 - Provide a reporting system that shows current day ACH transactions, by 9:00 a.m. (PST) each business day;
 - Provide support in answering questions, troubleshooting problems and resolving issues in a prompt manner;
 - Provide means to inquire about canceled checks and stop payment on checks upon proper authorization.
2. **On-line Services:** Currently the City utilizes most banking services via a secure on-line access to their banking accounts. It will be important to assure PCI compliance and equipment and data compatibility. Will need the following services within the on-line portal:
 - On-line secure account access by individual user
 - On-line daily deposits
 - On-line balancing reporting, transaction look-up, re-print of source document
 - On-line stop payments
 - On-line wire, ACH, and account transfers with the ability to future date transactions
 - On-line Positive Pay processing
 - On-line account management
 3. **Remote Deposit Capture (Check 21):** The City currently scans each check received and processes a batch deposit at the end of each day. Any specialized software and equipment needs for this would need to be included.

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4. **Overdraft protection:** Although the City will attempt to minimize daylight and overnight overdraft situations, it recognizes that there are times these situations will occur. It is anticipated these overdraft situations will not exceed \$1,000,000, if and when they do occur.
5. **Trust and Escrow Agent Services:** The City requires multiple trust accounts be made available and may require escrow agent services to hold letters of credit and other third party commercial documents.
6. **Banking Supplies:** The Bank will be required to provide a supply of coin rollers, security pre-numbered plastic deposit bags, deposit slips, and endorsement stamps for each location.
7. **ACH Debit/Credit Services:** The City processes many transactions using ACH and continues to grow.
8. **Payroll Direct Deposit:** Currently, the City transmits the payroll data to the Bank via internet one working day prior to payday. Deposits must be made into the employees' account by 8:00 a.m. on payday. Any deviation from these time limits must be stated in the proposal.
9. **Positive Pay:** The City electronically manages disbursements for internal controls and deterrence of check fraud.
10. **Safekeeping:** The City currently uses third-party custodian services for all City securities transactions with about 1 to 3 transactions monthly.
11. **Excellent customer service & response:** The City expects and places a premium on good, personalized service.

IX. Banking Services Questions/Statements

- A. **Provide the names** of individuals, with phone numbers and email addresses, who will be working on the proposed services and their areas of responsibility including their specific experience relative to the request for proposal requirements.
- B. **Submit at least three (3) references** (preferably from current local government customers) who can attest to the Bank's experience as it relates to providing banking services. The references must include contact name, title, e-mail address, telephone number and services used.
- C. **Community:** Describe your Bank's community participation/reinvestment program including your community Reinvestment Act (CRA) rating.
- D. **Customer Service:** Describe your Bank's customer service philosophy and organizational structure and provide meaningful examples to illustrate.
- E. **Statements:** Please provide the following sample reports:
 1. Monthly checking account statement.
 2. Monthly account analysis.
 3. Most recent Financial Statement
 4. SEC and/or Moody's credit rating or comparable rating
- F. **Funds Available:** provide a funds availability schedule. Describe one day, two-day availability and wire requirements.

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G. Balance Reporting:

1. What time is previous day information available for access by the customer?
2. Does the bank provide current day information?
 - a) How frequently is this information updated throughout the day?
 - b) What transaction types are available on current day reports?
3. How many days of history can be accessed through the system?
4. Sample printout of the daily on-line balance information.

H. ACH Services:

1. What is the recommended service delivery method (i.e. direct transmission, on-line, or other.)?
 - a) Does the software offer the ability to manage security and access levels by user?
 - b) What controls are in place to protect against lost files and duplications of transmissions?
 - c) Does the bank provide automatic file receipt acknowledgements? If so, how?
2. What are the hours of operation of the ACH unit?
3. Describe the procedures used to verify accurate and secure receipt of transmissions.
4. How does the bank handle file, batch and item reversals and deletions?
5. If there is a problem with a transmission who is contacted?

I. Positive Pay:

1. What is the recommended service delivery method (i.e. direct transmission, on-line, or other.)?
 - a) What are the hardware/software requirements?
 - b) What are the file format specifications?
2. What is the bank's deadline for transmitting files/data?
3. What is the process for notifying the bank of a single check or small check run outside of the regular batch file?
4. How does the city notify the bank of voided and stop payment checks?
5. Does your bank have payee verification?
6. Is the positive pay service fully implemented at all bank branches?
7. How does the bank handle exception ("paid not issued") items?
8. Does the bank offer a daily listing of exception items?
9. What is the timeline for reporting exceptions to the city?
10. How are exceptions reported to the city? Will an image be available?
11. What is the timeline for the city to act on any exceptions?
12. What are the hours of operation of this service unit?

J. Remote Deposit Capture

1. What controls are in place to protect against lost files and duplications of transmissions?
2. Does the bank provide automatic file receipt acknowledgements? If so, how?
3. Describe the role of any third-party processor used by the bank to provide this service?
4. What is the bank's deadline for transmitting files/data?
5. How long is this information accessible?

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- K. Payment of Fees:** Respondents will need to provide information on the following:
1. The effective rate and formula used to calculate the service charge credit for collected fund balances;
 2. The proposed method for setting rates on a compensating certificate of deposit;
 3. A time frame proposed to pay any additional fees not offset by the service charge credit;
 4. whether a service charge credit/debit can be carried forward to the next period; and
 5. The formula for any fees in the event of an overdraft.
- L. Errors and Adjustments**
1. Describe your adjustment process for resolving deposit discrepancies.
 2. At what dollar amount do you write off discrepancies?
 3. Do you adjust the deposit amount or process an adjusting debit or credit?
 4. Describe how inquiries requiring research and adjustment are handled by the Bank. Are there established turn-around times for research and adjustment items? If yes, specify.
- M. NSF/Returned Items:**
1. Describe processing procedures
 2. What are the fees?
 3. Are there any other related services available?
- N. Security/Protection Measures:** What security features are in place to minimize the risk of unauthorized transactions?
- O. Service Enhancements:** Describe any enhancements, technological or otherwise, that we should consider to improve operational or cash management efficiencies.
- P. On-Line Banking:** Discuss your use of the internet in providing services to your municipal/business customers. What type of transactions, what type of security, limits and any plans for the future.
- Q. New Services:** Provide information on how your Bank plans to keep your product line competitive. Describe what approach the bank is taking in the development of new services and what new services and/or features the bank plans to offer and within what time frame.
- R. Implementation:** Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.
- S. Security/Protection Measures:** What security features are in place to minimize the risk of unauthorized transactions?
- T. Disaster Recovery:**
1. What disaster recovery plans does the bank have to avoid interruptions in service?
 2. How quickly can back-up facilities be activated?
 3. What disaster recovery services can the bank provide to the city if we are unable to operate from our own facilities?
- U. Operation:** List the address and hours of operation at your nearest branch office and also the hours of operation for non-branch services.

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- V. **Other:** Details on services provided but not listed that may be beneficial to the city. Such as Lockbox services, purchasing cards, etc.

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Attachment A
Bid Sheet

CITY OF POULSBO - Banking Services Quatity Counts

2016-2017

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Totals
Acct Maintenance	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	2	2	2	51
Electronic Bank Statements	24	24	24	25	25	25	24	25	25	25	26	26	26	26	26	26	26	26	454
Electronic analysis Statement	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
Vault Deposited Cash	8,725	17,667	14,116	18,273	16,842	18,424	16,162	18,621	13,108	15,063	14,391	13,488	11,797	21,987	11,137	16,152	16,579	13,463	275,994
Deposits Remote Capture	35	40	45	42	40	42	42	43	41	41	36	45	37	38	45	38	44	43	737
Deposits to Vault	8	8	8	10	8	8	10	8	8	10	5	7	8	8	10	8	8	8	148
Electronic Item Clearing	1,914	1,832	1,827	1,789	1,738	1,697	1,736	1,716	1,737	1,720	1,639	1,616	1,658	1,757	1,670	1,607	1,597	1,589	30,839
Vault Per Item Charge	1	2	1	5	1	1	1	2	1	1	1	1	2	4	2	1	1	1	29
check Charge back	4	4	4	1	4	1			1	2		1	3	4	1	1	2		33
Vault deposit Adjustment			1																1
Long-term Image access	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	54
Remote Deposit Capture System Fee	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	36
Positive Pay Maintenance	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
Checks/debits Paid	247	264	267	255	271	270	281	267	215	274	282	213	310	246	245	215	277	244	4,643
Positive Pay Per Item	240	258	261	243	264	265	277	264	212	270	276	208	304	241	241	210	270	237	4,541
Paid No Issue (Per Item)	244	259	255	230															988
Online Stop pymt Entry			2		1	2	1	1		11	1	1	2		1	1	1	1	22
CD Item Capture	240	258	261	243	264	265	277	264	212	270	276	208	304	241	241	210	270	237	4,541
CD Creation Fee	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
ARP Full Recon Maint	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
ARP Full Recon N/S per item	240	258	261	243	264	265	277	264	212	270	276	208	304	241	241	210	270	237	4,541
File Translator Tool	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
ACH Monthly Fee	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
ACH Originated Debit Item	569	575	574	572	584	595	292	594	596	594	610	617	622	619	625	624	632	633	10,527
ACH Originated Credit Item	308	314	315	310	331	319	321	320	308	319	325	313	304	311	315	305	322	331	5,691
Originated Late File Surcharge	4	4	6	5	6	5	5	2		2	5	5	4	6	5	4	4	5	77
Same Day ACH Originated Credit Item									12	13									25
Incoming ACH debit item	13	13	16	15	12	14	12	15	13	13	13	16	14	14	15	15	13	15	251
Incoming ACH credit item	161	186	187	172	175	184	174	187	171	180	172	178	179	173	194	184	206	188	3,251
ACH received addenda	17	25	23	20	20	21	20	22	24	28	24	26	21	23	21	23	22	20	400
ACH Return Items	1	1	2	1	1			1	1	1	2	6	2	3	3	1	1	2	29
CAR Report Via Mail or Fax	7	9	7	8	8	7	8	8	7	7	6	8	7	8	9	6	10	11	141
ACH data Transmission	7	8	9	8	9	8	8	8	8	8	9	9	8	7	9	7	13	11	153
EPA Admin Fee w/ ACH Direct	3	3	8	3	3	3	3	3	3	3	3	3	1	3	3	2	2	2	54
ACH NOC							2	3	1			3					2		9
ACH Direct Monthly Maint	1	1	3	1	2	2	2	1	1	1	1	1	1	1	1	1	1	1	23
Online Domestic Repeat Wire	2	1	3	1	1	1	2	1	1	1	2	1	2	1	1	1	1	2	25
Incoming Domestic Wire Stop	1	1	1		1														4
Online Book Transfer Entry		1		1		1	1	1			1								6
Online Wire Maint	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	17
Online file Transfer Base fee	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	17
Online Previous Day Report	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	2	2	52
Online Intraday Report	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	1	1	34
Online Account management Access	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	18
Online Previous Day Detail Items	486	521	545	531	505	537	564	513	493	509	533	511	553	493	558	483	535	554	9,424
Online Intraday Detail Items	158	174	181	168	169	180	168	173	163	172	176	185	186	176	201	189	210	196	3,225
	13,038	22,038	18,509	22,498	20,896	22,446	19,960	22,663	16,940	19,149	18,403	17,230	15,942	25,984	15,083	19,873	20,593	17,326	361,213

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<u>General Account Services</u>	Proposed Fee
Acct Maintenance	
Electronic Bank Statements	
Electronic analysis Statement	
<u>Depository Services</u>	
Vault Deposited Cash	
Deposits Remote Capture	
Deposits to Vault	
Electronic Item Clearing	
Vault Per Item Charge	
check Charge back	
Vault deposit Adjustment	
Long-term Image access	
Remote Deposit Capture System Fee	
<u>Paper Disbursement Services</u>	
Positive Pay Maintenance	
Checks/debits Paid	
Positive Pay Per Item	
Paid No Issue (Per Item)	
Online Stop pymt Entry	
CD Item Capture	
CD Creation Fee	
<u>Paper Disb Reconciliation Services</u>	
ARP Full Recon Maint	
ARP Full Recon N/S per item	
File Translator Tool	
<u>General ACH Services</u>	
ACH Monthly Fee	
ACH Originated Debit Item	
ACH Originated Credit Item	
Originated Late File Surcharge	
Same Day ACH Originated Credit Item	
Incoming ACH debit item	
Incoming ACH credit item	
ACH received addenda	
ACH Return Items	
CAR Report Via Mail or Fax	
ACH data Transmission	
EPA Admin Fee w/ ACH Direct	
ACH NOC	
ACH Direct Monthly Maint	
<u>Wire and Other Funds Xfer Services</u>	
Online Domestic Repeat Wire	
Incoming Domestic Wire Stop	
Online Book Transfer Entry	
Online Wire Maint	
<u>Information Services</u>	
Online file Transfer Base fee	
Online Previous Day Report	
Online Intraday Report	
Online Account management Access	
Online Previous Day Detail Items	
Online Intraday Detail Items	

City of Poulsbo
Banking Services
Request for Proposal
Due Date: 4:00 p.m. September 18, 2017

Attachment B
Draft Contract Form

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF POULSBO
AND [CONSULTANT]**

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20____, by and between the City of Poulsbo, a Washington State municipal corporation (“City”), and [Consultant], a [Nature of Business Entity of Consultant, i.e. corporation, limited liability corporation, sole proprietorship and whether licensed/incorporated in Washington], organized under the laws of the state of Washington, located and doing business at [Address] (“Consultant”).

In consideration of the terms, conditions, covenants, and performances contained herein, the parties hereto agree as follows:

- 1. SCOPE OF SERVICES.** The Consultant shall provide the work and services described in the attached Exhibit A, incorporated herein by this reference (the “Services”). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant’s profession.
- 2. TERM.** The term of this Agreement shall commence on _____ and shall terminate at midnight on _____. The parties may extend the term of this Agreement by executing a written supplemental amendment.
- 3. COMPENSATION.** The Consultant shall be paid by the City for Services rendered under this Agreement as described in Exhibit A and as provided in this section. In no event shall the compensation paid to Consultant under this Agreement exceed **[\$Enter Amount]** within the term of the Agreement, including extensions, without the written agreement of the Consultant and the City. Such payment shall be full compensation for the Services and for all labor, materials, supplies, equipment, incidentals, and any other expenses necessary for completion.

The Consultant shall submit a monthly invoice to the City for Services performed in the previous calendar month in a format acceptable to the City. The Consultant shall maintain time and expense records and provide them to the City upon request.

The City will pay timely submitted and approved invoices received before the 20th of each month within thirty (30) days of receipt.

4. CONSULTANT’S OBLIGATIONS.

4.1 MINOR CHANGES IN SCOPE. The Consultant agrees to accept minor changes, amendments, or revisions to the scope of the Services, as may be required by the City, when such changes, amendments, or revisions will not have any impact on the cost of the Services or the proposed delivery schedule.

4.2 ADDITIONAL WORK. The City may desire to have the Consultant perform additional work or services which are not identified in the scope of the Services. If the parties agree to the performance of additional work or services, the parties will execute a written supplemental amendment detailing the additional work or services and compensation therefore. In no event will the Consultant be compensated for preparing proposals for additional work or services. In no event shall the Consultant begin work contemplated under a supplemental amendment until the supplemental amendment is fully executed by the parties.

4.3 WORK PRODUCT AND DOCUMENTS. The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon completion of the Services shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the Services, the work product, and all documents produced under this Agreement, even though the Services have been accepted by the City.

In the event that the Consultant defaults on this Agreement or in the event that this Agreement is terminated prior to the completion of the Services or the time for completion, all work product and all documents and other

materials produced under this Agreement, along with a summary of work as of the date of default or termination, shall become the property of the City. The summary of Services provided shall be prepared at no additional cost to the City. Upon request, the Consultant shall tender the work product, all documents, and the summary to the City within five (5) business days. Tender of said work product shall be a prerequisite to final payment under this Agreement.

The Consultant will not be held liable for reuse of work product or documents produced under this Agreement or modification of the work product or documents for any purpose other than those identified in this Agreement without the written authorization of the Consultant.

4.4 PUBLIC RECORDS ACT. Consultant acknowledges that the City is subject to the Public Records Act, chapter 42.56 RCW (the “PRA”). All records owned, used, or retained by the City are public records subject to disclosure unless exempt under the PRA, whether or not the records are in the possession or control of the City or Consultant. All exemptions to the PRA are narrowly construed.

a. **Confidential Information.** Any records provided to the City by the Consultant which contain information that the Consultant in good faith believes is not subject to disclosure under the PRA shall be marked “Confidential” and shall identify the specific information that the Consultant in good faith believes is not subject to disclosure under the PRA and a citation to the statutory basis for non-disclosure.

b. **Responding to Public Records Requests.** The City shall exercise its sole legal judgment in responding to public records requests.

- (1) The City may rely upon the lack of notification from the Consultant in releasing any records that are not marked “Confidential.”
- (2) If records identified as “Confidential” by the Consultant are responsive to a PRA request, the City will seek to provide notice to Consultant at least ten (10) business days before the date on which the City anticipates releasing records. The City is under no obligation to assert any applicable exemption on behalf of the Consultant. The Consultant may seek, at its sole cost, an injunction preventing the release of information which it believes is protected. In no event will the City have any liability to Consultant for any failure of the City to provide notice prior to release.
- (3) If the City, in its sole legal judgment, believes that the Consultant possesses records that (1) are responsive to a PRA request and (2) were used by the City, the City will request the records from the Consultant. The Consultant will, within ten (10) business days:
 - i. Provide the records to the City in the manner requested by the City;
 - ii. Obtain a court injunction, in a lawsuit involving the requester, covering all, or any confidential portion of, the records and provide any records not subject to the court injunction; or
 - iii. Provide an affidavit, in a form acceptable to the City Attorney, specifying that the Consultant has made a diligent search and did not locate any requested documents.

c. **Indemnification.** In addition to its other indemnification and defense obligations under this Agreement, the Consultant shall indemnify and defend the City from and against any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorneys fees and litigation expenses), suits, judgments, or damages (collectively “Damages”) arising from or relating to any request for records related to this Agreement, to the extent such Damages are caused by action or inaction of the Consultant. This indemnification and defense obligation shall survive the expiration or termination of this Agreement.

4.5 MAINTENANCE/INSPECTION OF RECORDS. The Consultant shall maintain all books, records, documents, and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this

Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts, and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

4.6 INDEMNITY.

a. **Indemnification and Hold Harmless.** The Consultant shall defend, indemnify, and hold the City, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including attorney fees, arising out of or resulting from the acts, errors, or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

b. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

c. The provisions of this Section 4.6 shall survive the expiration or termination of this Agreement.

d. The Consultant hereby knowingly, intentionally, and voluntarily waives the immunity of the Industrial Insurance Act, Title 51 RCW, solely for the purposes of the indemnity contained in subpart "a" of this Section 4.6. This waiver has been mutually negotiated by the parties.

_____(initials) _____(initials)

4.7 INSURANCE.

a. **Insurance Term.** The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the Services hereunder by the Consultant, its agents, representatives, or employees.

b. **No Limitation.** Consultant's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

c. **Minimum Scope of Insurance.** Consultant shall obtain insurance of the types and coverage described below:

- (1) Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the Services performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
- (2) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (3) Consultants Errors or Omissions or Professional Liability.
- (4) Bankers Professional Liability Insurance with All Risk Coverage.
- (5) Electric Funds Transfer and Computer Fraud Insurance.

(6) Directors & Officers Liability Insurance.

d. **Minimum Amounts of Insurance.** Consultant shall maintain the following insurance limits:

- (1) Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
- (2) Consultants Errors or Omissions or Professional Liability insurance shall be written with limits no less than \$10,000,000 per occurrence.
- (3) Bankers Professional Liability Insurance with All Risk Coverage shall be written with limits no less than \$10,000,000 per occurrence.
- (4) Electric Funds Transfer and Computer Fraud Insurance shall be written with limits no less than \$10,000,000 per occurrence.
- (5) Directors & Officers Liability Insurance shall be written with limits no less than \$10,000,000 per occurrence.

e. **Other Insurance Provision.** To the extent possible, the Consultant's insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

f. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

g. **Verification of Coverage.** The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the Services.

h. **Notice of Cancellation.** The Consultant shall provide the City with written notice of any policy cancellation within two business days of the Consultant's receipt of such notice.

i. **Failure to Maintain Insurance.** Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five (5) business days notice to the Consultant to correct the breach, immediately terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

j. **Insurance to be Occurrence Basis.** Unless approved by the City all insurance policies shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

k. **City Full Availability of Consultant Limits.** If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.

4.8 LEGAL RELATIONS. The Consultant shall comply with all federal, state, and local laws, regulations, and ordinances applicable to the Services to be performed under this Agreement. The Consultant represents that it and all employees assigned to perform any of the Services under this Agreement are in full compliance with the statutes of the State of Washington governing the Services and that all personnel to be assigned to the Services are fully qualified and properly licensed to perform the work to which they will be assigned.

4.9 INDEPENDENT CONTRACTOR.

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants, and agrees that the Consultant's status as an independent contractor in the performance of the Services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the Services required under this Agreement. The Consultant shall not make a claim of City employment and shall not claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work to the Services that the Consultant performs under this Agreement.

d. Prior to commencement of Services, the Consultant shall obtain a business license from the City.

4.10 EMPLOYMENT.

a. The term "employee" or "employees" as used herein shall mean any officers, agents, or employee of the Consultant.

b. Any and all employees of the Consultant, while performing any Services under this Agreement, shall be considered employees of the Consultant only and not of the City. The Consultant shall be solely liable for: (1) any and all claims that may or might arise under the Workman's Compensation Act, Title 51 RCW, on behalf of any said employees while performing any Services under this Agreement, and (2) any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while performing any Services under this Agreement.

c. The Consultant represents, unless otherwise indicated below, that all employees of the Consultant that will perform any Services under this Agreement have never been retired from a Washington State retirement system, including but not limited to Teacher (TRS), School District (SERS), Public Employee (PERS), Public Safety (PSERS), law enforcement and fire fighters (LEOFF), Washington State Patrol (WSPRS), Judicial Retirement System (JRS), or otherwise. *(Please use initials to indicate No or Yes below.)*

_____ No, employees performing the Services have never been retired from a Washington state retirement system.

_____ Yes, employees performing the Services have been retired from a Washington state retirement system.

In the event the Consultant checks "no", but an employee in fact was a retiree of a Washington State retirement system, and because of the misrepresentation the City is required to defend a claim by the Washington State retirement system, or to make contributions for or on account of the employee, or reimbursement to the Washington State retirement system for benefits paid, the Consultant hereby agrees to save, indemnify, defend and hold the City harmless from and against all expenses and costs, including reasonable attorney fees incurred in defending the claim of the Washington State retirement system and from all contributions paid or required to be paid, and for all reimbursement required to the Washington State retirement system. In the event the Consultant checks "yes" and affirms that an employee providing work has ever retired from a Washington State retirement system, every said employee shall be identified by the Consultant and such retirees shall provide the City with all information required by the City to report the employment with Consultant to the Department of Retirement Services of the State of Washington.

4.11 NONASSIGNABLE. Except as provided in Exhibit B, the Services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

4.12 SUBCONTRACTORS AND SUBCONSULTANTS.

a. The Consultant is responsible for all work or services performed by subcontractors or subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors or subconsultants the Consultant directly hires meet the responsibility criteria for the Services. Verification that a subcontractor or subconsultant has proper license and bonding, if required by statute, must be included in the verification process. If the parties anticipate the use of subcontractors or subconsultants, the subcontractors or subconsultants are set forth in Exhibit B.

c. The Consultant may not substitute or add subcontractors or subconsultants without the written approval of the City.

d. All subcontractors or subconsultants shall have the same insurance coverage and limits as set forth in this Agreement and the Consultant shall provide verification of said insurance coverage.

4.13 CONFLICTS OF INTEREST. The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant's client base and shall obtain written permission from the City prior to providing services to third parties when a conflict or potential conflict of interest exists. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

4.14 CITY CONFIDENCES. The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate, or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or the Services provided to the City.

4.15 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Consultant agrees to comply with equal opportunity employment and not to discriminate against any client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age, or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training; or rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth its nondiscrimination obligations. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

4.16 UNFAIR EMPLOYMENT PRACTICES. During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

5. CITY APPROVAL REQUIRED. Notwithstanding the Consultant's status as an independent contractor, the Services performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if the Services have been completed in compliance with the Scope of Services and City requirements.

6. GENERAL TERMS.

6.1 NOTICES. Receipt of any notice shall be deemed effective three (3) calendar days after deposit of written notice in the U.S. mail with proper postage and address.

Notices to the City shall be sent to the following address:

CITY OF POULSBORO
Finance Director

200 NE Moe Street
Poulsbo, WA 98370

Notices to the Consultant shall be sent to the following address:

[ENTER CONSULTANT]

[Contact Name]

[Address]

[Address]

6.2 TERMINATION. The City may terminate this Agreement in whole or in part at any time by sending written notice to the Consultant. As per Section 6.1, the Consultant is deemed to have received the termination notice three (3) calendar days after deposit of the termination notice in the U.S. mail with proper postage and address. The termination notice is deemed effective seven (7) calendar days after it is deemed received by the Consultant.

If this Agreement is terminated by the City for its convenience, the City shall pay the Consultant for satisfactory Services performed through the date on which the termination is deemed effective in accordance with payment provisions of Section 3, unless otherwise specified in the termination notice. If the termination notice provides that the Consultant will not be compensated for Services performed after the termination notice is received, the City will have the discretion to reject payment for any Services performed after the date the termination notice is deemed received.

6.3 DISPUTES. The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

6.4 EXTENT OF AGREEMENT/MODIFICATION. This Agreement, together with exhibits, attachments, and addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by a written supplemental amendment properly signed by both parties.

6.5 SEVERABILITY.

a. If a court of competent jurisdiction holds any part, term, or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining parts, terms, or provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

b. If any part, term, or provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that part, term, or provision shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

6.6 NONWAIVER. A waiver by either party of a breach by the other party of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay, or failure of either party to insist upon strict performance of any agreement, covenant, or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition, or right.

6.7 FAIR MEANING. The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

6.8 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

6.9 VENUE. The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Snohomish County, Washington. **6.10 COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

6.11 AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT. The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CONSULTANT: **Company Name**

By: _____ Addr: _____

Title: _____

CITY OF POULSBO:

Rebecca Erickson, Mayor

Addr: 200 NE Moe Street
Poulsbo, WA 98370

ATTEST/AUTHENTICATED:

Rhiannon K. Fernandez, CMC, City Clerk

APPROVED AS TO FORM:

James E. Haney, City Attorney