



Shawn Myers, Thurston County Treasurer
2000 Lakeridge Dr SW, Olympia WA 98502

Request for Proposals for Banking Services

Purpose of Request

The Thurston County Treasurer is requesting proposals for Banking Services to ensure competitive pricing for services required for daily operation. 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 County Treasurer to pay any cost incurred in the preparation and submission of proposals.

Timeline

July 11, 2011- Request for Proposals published and distributed.

July 25, 2011- Deadline to submit questions.

July 29, 2011- Answers to all submitted questions distributed.

August 31, 2011- 4:30 PM, deadline to submit bid response/proposal.

September 15, 2011- Finalists for bid process chosen. Any additional information needed for consideration to be requested of finalists including scheduling any necessary interviews and/or demonstration of banking service products/systems.

September 30, 2011- Award of contract to successful bidder. Communication will be sent to all finalists regarding decision. Contract negotiations begin including, if necessary, agreed upon implementation schedule.

October 10, 2011- Contract finalized and signed by appropriate parties. Implementation begins.

January 1, 2012- New services begin.

This timeline is an estimate based on projected times needed for each part of the process. The due date for bid responses is firm; all other dates are subject to change. Any change to the proposed timeline will be communicated accordingly.

Background

The Thurston County Treasurer, hereafter called the “Treasurer,” is responsible for the collection of property taxes, special assessment charges, real estate excise taxes, gambling taxes, and payments for improvement district assessments. The Treasurer distributes these revenues to the taxing and assessment districts, receipts all monies received by the Treasurer, provides for disbursements as authorized, makes appropriate investments from revenues not required for immediate expenditure, and manages debt on both short and long-term note/bond issuances. The Treasurer provides these services to Thurston County and to other governmental entities, including all school districts, all fire districts, Area Agency on Aging, Regional Planning, LOTT Clean Water Alliance, Public Utility District No.1 of Thurston County, Olympic Region Clean Air Agency, Housing Authority, Intercity Transit, Timberland Regional Library, Washington State Transit Insurance Pool, Thurston 911 Communications, and Port of Olympia. Collections of these monies are made in a variety of ways such as physical deposit of cash and checks, ACH deposits, and wire transfers. Disbursement of funds can also be made by ACH, Wire Transfers, physical checks, and warrants.

Terms and Conditions

The successful bidder will be awarded a contract for a period of three years, renewable annually thereafter unless terminated earlier either by the Treasurer or the service bank upon 120 days notice. Proposed fees for services stated within the bid response must be guaranteed for the initial three-year period. Fees and terms will be subject to renegotiation at the end of the first three years and at the end of each contract period thereafter. Fee changes are to be submitted for consideration 120 days before the end of each contract term.

The Treasurer reserves the right to reject any or all proposals, and to accept or reject any item or combination of items within a proposal. The award of contract will be to the bank whose proposal best complies with all of the requirements set forth in the proposal document and has been determined by the Treasurer to provide the best benefit in service and cost to the Treasurer and the customers they serve. In the event that the bank to whom the contract is initially awarded does not execute according to the agreed upon terms, the Treasurer may give notice to such bank of intent to award the contract to the next most qualified proposer, or to call for new proposals, in which the award process will start over.

It is the proposer’s responsibility to fully understand the service requirements, proposed fees for services, and the terms and conditions defined by this request for proposals. Proposers shall thoroughly examine and be familiar with these specifications. Failure or omission of any proposer to receive or examine this document shall in no way relieve any proposer of obligations with respect to this bid or the subsequent contract. Submission of a proposal shall be taken as acceptance of these terms and conditions, understanding and ability to comply with the terms described, as well as the ability to successfully provide all described banking service requirements.

Banking Service Requirements

In order to serve all of the Treasurer's customers, a wide range of banking services are needed. The bank must be an approved Public Depository as qualified by the Washington State Public Deposit Protection Commission.

The proposer must have branch locations that provide a full range of banking services within Thurston County. An account representative and/or a client relationship manager must be provided and be reasonably available to assist in resolving any issues and to provide suggested solutions for improving the service and efficiency of banking services and related products. The account representative should be knowledgeable in government services, regularly attentive to account activity, and fully authorized to represent the bank in all areas of the account relationship with the Treasurer.

It is expected that the proposing bank has an efficient process for responding to questions and concerns. The process should include the ability to telephone and/or e-mail a representative of the bank and receive a response within the same or next business day.

The bank will provide on-line (web based) banking services to the Treasurer for daily and monthly reporting of account balances, managing controlled disbursements, collected and ledger balances, stop payment requests, confirmations, detailed debits and credits, and image access for all warrants, checks, and deposits. On-line banking should also provide the ability to electronically transfer balances between accounts as well as the ability to process ACH credit and debit files, and perform wire transfer payments. The security administration provided within the on-line banking system should accommodate multiple users with different security levels relative to many different accounts. There must also be the ability to assign and manage users by ACH company ID. The Treasurer currently has twenty-four ACH company ID's. ACH batches should be able to be processed using an imported NACHA file as well as by inserting data directly into the web-based ACH module. ACH templates should be able to be created within the system as well. This should allow the ability to edit some or all of the transactions within the batch by editing dollar amounts and updating bank account information and ID's transmitted with the transaction. Whenever transactions and/or batches are returned, the bank must be able to notify both the remitter and the Treasurer directly. For example, if ABC School District with ACH company ID 8989898989 has an ACH transaction processed from the Thurston County Treasurer's Electronic Payments Account, in the amount of \$615.00 returned due to account closed, a notification should be sent directly to ABC School District as well as reported on-line and retrievable by the Treasurer.

The Treasurer is currently assigned nine separate demand deposit accounts under their main banking service contract. The proposing bank should be able to provide same day credit whenever possible for deposits received, but at a minimum provide same day credit for any deposits received by 5:00 p.m. at branch locations, and 6:00 p.m. or later at the processing vault. In addition to this contract, the Treasurer may maintain accounts at other local financial institutions solely for the purpose of maintaining depositories throughout the County that provides for easier depositing for districts serviced by the Treasurer.

Nothing in this RFP will preclude the Treasurer from utilizing services of other financial institutions to compliment this agreement and provide convenient banking for customers of the County Treasurer.

It will be required that any deposited checks, that are returned for insufficient funds, will be automatically presented for collection a second time.

The proposing bank must be able to process deposits into a single depository account using multiple location codes, utilizing deposit slips encoded with such location codes that identify the depositor. It is also required that change orders be processed using multiple ID's for the purposes of identifying the customer/user ordering and receiving the change ordered.

Zero balance account(s) will be needed for the disbursement activity of twenty-one different agencies. This is currently managed using twenty-two separate zero balance warrant accounts and one control account from which monies are transferred daily to reimburse each warrant account for the warrants that have cleared. Each day the control account may or may not be prefunded by transferring from one or more DDA accounts an amount greater than or equal to the estimated dollar amount of warrants clearing that day. In the event that the balance in the control account remains negative at the end of the day, the negative balance will be treated as a temporary loan. A rate of interest, which will be determined by bid response, will be paid by the Treasurer to the bank. Because these accounts are considered ZBA accounts and not DDA accounts, there should be no NSF fees associated with these accounts. The proposing bank must have the ability to accommodate not charging NSF fees related to these accounts, either by suppressing or charging \$0.00 for each item processed. Alternate methods of managing daily disbursements for all of the Treasurer's customers will be considered if the method provides overall savings in banking service fees.

The bank must be able to provide a file on a daily basis containing data on the items cleared/redeemed for specified ZBA accounts. A sample of the file currently used and the specifications are outlined below. A reasonable accommodation may be made for alternate formats.

Warrant Redemption File Specifications

- File is a flat ASCII text file
- Each record is 38 characters
- Leading zeros are required for all fields

<u>Columns</u>	<u>No. of Characters</u>	<u>Field Description</u>
1-12	12	Account number
13-22	10	Warrant number
23-32	10	Dollar amount (with no decimal)
33-38	6	Warrant clear date (MMDDYY)

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ACCOUNT #   WARRANT # AMOUNT   DATE
-----*****-----*****
11111111111100220000010000059999062311
11111111111100220000020000100000062311
11111111111100220000030000004875062311
33333333333300440000010000030000062311
33333333333300440000020002801279062311
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Positive Pay service will be required for at least one of the demand deposit accounts. Currently, this is set up with our main depository account in which an approximate average of 200 checks are written each month. Cost dependant, Positive Pay will also be considered for additional accounts.

The proposing bank must be able to provide and maintain Check 21 deposit services including the acceptance of Image Cash Letter files and maintenance of Remote Deposit services. Each of these deposit types should be identified by a specific location code that identifies the depositor. The system that provides the acknowledgement/receipt files should be able to accommodate multiple e-mails for notification so that both the depositor and the Treasurer can be notified of such deposits.

An analysis report will be required to be presented monthly summarizing the charges for each individual service for the group of accounts maintained and detailing the charges by service for each individual account. 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.

The Treasurer would like to retrieve the analysis report on-line. It would be helpful if the service available allowed for exporting the data into an excel spreadsheet for the purposes of balancing the fees charged and analyzing the services used.

The proposing bank must have one or more options for web-based payment services (e-check for tax payments) that can interface with the Treasurer's property tax information site for the purpose of transmitting amounts paid electronically into one of the Treasurer's DDA accounts.

The Treasurer maintains ACH blocks and filters for most of their bank accounts. The proposing bank must have the ability to set up blocks and filters that can limit electronic credits and debits by Originating ID and limit debits by dollar amount.

The Treasurer will require the bank to provide and maintain accounts of minimal compensating balances, Zero CD's or a combination there of that would be used to offset banking services fees. These will be optional accounts for the Treasurer to utilize and will be evaluated periodically to determine the best account set up for this purpose. The Treasurer will also require an earnings credit allowance be applied to the average daily collected balances that would also offset/reduce the fees to be paid. It is recognized that these accounts would not always be sufficient to cover all amounts owed to the bank and that payment for banking services may be required. It is preferred that at any time the earnings credit allowance exceeds the service fees in a given month that the remaining earnings credit allowance be allowed to offset fees in the subsequent month(s). It is understood that the earnings credit allowance would only be a carryover credit to offset fee amounts due, and would not be accounted for in any part of the cash balances available in the account for expenditure.

Optional Banking Services

The Thurston County Treasurer is looking for opportunities to optimize investment earnings. It is preferred that the proposing financial institutions have the capability of providing a overnight investment sweep account for cash balances not needed for immediate expenditure. The sweep account must meet investment requirements per Washington State law (RCW 39.59.030) with respect to public funds. These accounts must also be compliant with the Washington State Public Deposit Protection Commission requirements for public deposits.

In order to provide additional efficiency in daily reconciliation of cash activity, it would be helpful to have an online system that provides the ability to view same day credit and debit transactions.

As an additional convenience, we would like the ability to provide image access to our customers for deposited items specific to a depositor, such as by location code, and made available within 24 hours.

The Treasurer's Office would like to consider options available for E-payables transactions.

Bid Response Requirements & Selection Criteria

The contract will be awarded the bank based primarily on the following criteria:

- Completeness of proposal. The Bid Response Form must be completed in full and all requested information must be provided.
- Costs for services. This will be based upon the direct fees for services coupled with earnings on compensating balances, and options for reducing processing costs.
- Ability to meet requirements and provide the services requested. All service requirements must be able to be installed and operating on the first day of the bank contract.
- Ability to provide bank service continuity and no interruption of treasury business functions.
- The financial strength of the institution.
- Quality of daily and monthly bank reports and/or access to data.
- Ability to provide suggestions of new, optional, and/or combined services that will improve efficiency.

Questions regarding any portion of this request for proposals or any required and/or preferred services should be submitted in writing by July 25th. The question submission process is optional. There will be no advantage given to any financial institution that chooses to participate, or not, in the question submittal process.

The subsequent pages contain the Bid Response Form that is required to be submitted by all financial institutions interested in securing a contract for banking services. All required information to be provided is addressed within the Bid Response Form. The form must be signed and the original returned by 4:30 PM on August 31st, 2011.

Bid Response Form

Financial Institution Name:

Contact Name:

Address:

Contact Phone #:

Contact e-mail:

- ◆ Provide references including contact information of three current public entity customers.
- ◆ Provide contact information for at least one prior customer that chooses to no longer utilize your services.
- ◆ Provide two references of public entity customers that converted from another financial institution to yours. One should be a recent conversion (within the last 9 months to 1 year) and the other a conversion within the last 3-5 years.
- ◆ Provide a description of your basic conversion and implementation process and timeline for a public entity. Include a list of available resources and training during the conversion process.
- ◆ Describe your experience, including the number of years, providing banking services to government entities in Washington State. Provide a detail of the volume of transactions, accounts, and dollar amounts the bank administers, along with information that validates the bank's financial strength and integrity.
- ◆ Provide a list of branch locations within Thurston County and the immediate surrounding areas, detailing the type of services provided at each location, the hours of operation, and the cut off time for same day processing/credit for deposits and any plans for closures of any of the branches listed.
- ◆ Provide the location of the vault where Thurston County Treasurer's deposits are to be delivered by the courier and the cut off time for same day processing/credit for deposits received at the vault. Provide one or more references, including contact information, of current customers contracted with Loomis armored car service, that have their deposits delivered to the same vault location. Is it anticipated the vault location would change anytime within the next 3 years? Describe any known plans for changes to available vault locations. What other armored car services currently deliver to your vault?
- ◆ Specify any limitations in volumes for any of the required banking services listed.

- ◆ Describe other banking services available, and innovative approaches, which the Financial Institution believes would be of benefit to the Treasurer.
- ◆ Provide a description of the security measures in place for securing the data stored within the bank's database containing sensitive bank account information, as well as the level of protection available while accessing information on the bank's on-line application. Describe options and requirements for accessing the bank's on-line system (such as digital certificates, tokens, etc.).
- ◆ What, if any, software is required for the Treasurer to use in order to utilize the bank's Positive Pay service? Please provide a sample file describing the file type and specifications accepted along with the methods of acceptance of positive pay files.
- ◆ Is the bank able to provide the warrant redemption file in the format described in the **Banking Service Requirements**? If not, provide a sample warrant redemption/document clearing file that would be provided by the bank for the purpose of the Treasurer uploading to their accounting software. Describe the required file type and specifications, as well as the methods of transmitting.
- ◆ Submit samples of current and previous day reporting that meets the requirements described in the **Banking Service Requirements**. Provide a list of options and related differences in price, for image access availability. For example: What is the default amount of time that images are available through your on-line banking system, what are the prices associated with the maintenance of this service, what other options are available for receiving and retaining these images, and what is the price associated with these additional options?
- ◆ Describe the relationship responsibility of the account representative and/or a client relationship manager that will be provided.
- ◆ Any deposited checks, which are returned for insufficient funds, will be automatically presented for collection a second time. Provide a detailed description of the process to "re-clear" items including the amount of time that is allowed prior to presenting the item a second time. Are the images of returned items available on-line?
- ◆ An analysis report will be required to be presented monthly summarizing the charges for each individual service for the group of accounts maintained and must also detail the charges by service for each individual account. The bank must be able to have the ability to charge all regular on-going services and supplies to the monthly analysis and also have the ability to individually invoice as needed for specific items for unique situations. Provide a sample analysis report and indicate any requirements for the frequency of payment and payment methods. Provide a description of audit controls in place related to billing and collecting service fees due.

- ◆ Provide a detail of service fees and credits. At a minimum, include all proposed pricing per item using the Service Cost Bid Form on the subsequent pages, the proposed rate of interest overdraft loan charge for ZBA accounts, and the proposed Earnings Credit Rate calculation including the minimum rate to be used. Where possible, include a description of any of the Optional Banking Services available and their associated pricing.
- ◆ Provide a description of the options available for web-based payment services that would accommodate tax payments by electronic check, interface with the Treasurer’s property tax information site, and transmit amounts paid electronically into one of the Treasurer’s DDA accounts. Include pricing detail for each service including any set up and transaction costs.
- ◆ If there are any services listed in the Service Cost Bid Form that the proposing financial institution does not provide, provide a detail description of the available comparable services and their associated proposed fees.

The undersigned acknowledges that he/she has read and understands the provisions set forth in this proposal and agrees that he/she can furnish the specified services at the quoted prices. It is further acknowledged that this Request for Proposals for Banking Services document and proposed response of the financial institution shall be incorporated into the awarded contract between the Treasurer and the successful bidder.

Name of Company

Address

Signature

City, State, Zip

Printed Name of Signer

Phone

Title of Signer

Fax

Service Cost Bid Form

AFP Code	Service Description	Estimated Monthly Volume Average Number of Items	Proposed Pricing Per Item
10000	ACCOUNT MAINTENANCE	32	
10000	REMOTE DEP-ACCOUNT MAINTENANCE	2	
10020	ZBA MASTER ACCOUNT MAINT	1	
10021	ZBA SUBSIDIARY ACCOUNT MAINT	22	
10100	DEBITS POSTED-OTHER	8	
10100	DEBITS POSTED-ELECTRONIC	172	
10101	CREDITS POSTED-ELECTRONIC	700	
10306	DIRECT DDA STMT PER ACCT	16	
10310	DEPOSIT ACCOUNT STATEMENTS	5	
10600	GCS TRANSACTION HISTORY	1	
10709	ICL SET UP TESTING	As Needed Average monthly volume not available	
19999	RDSOL-ITEM STORAGE	243	
19999	REMOTE DEP CK IMAGE PROCESSING	<1	
19999	LOW VOLUME SCANNER MAINT	1	
100000	BANKING CENTER DEPOSIT	314	
100007	QBD/NIGHT DROP DEPOSIT	90	
100040	CHANGE ORDER BKG CTR	4	
100044	COIN SUPP/ROLL-BKG CTR	17	
100049	CURR SUPP/\$100- BKG CTR	61	
100100	VAULT DEPOSIT	468	
100100	ITEM PROCESSING DEPOSIT	163	
100106	DEP CONDITIONING-SURCHG-VAULT	6	

100111	COIN DEPOSIT-NON STD BAG-VLT	49	
10014A	CURRENCY SUPP/\$100-STD-VLT	As Needed Average monthly volume not available	
100141	CHANGE ORDER VAULT	As Needed Average monthly volume not available	
100142	CHANGE ORDER-AUTO-VLT	3	
100144	COIN SUPPLIED/ROLL-VLT	21	
100148	CURRENCY SUPP/\$100-NONSTD-VLT	33	
100200	IMAGE DEPOSIT	39	
100209	TRANSMISSION MAINTENANCE	1	
100229	IRD DEPOSITED ITEMS- ICL	178	
100229	IMAGE DEPOSITED ITEMS-ICL	7344	
100229	IRD DEPOSITED ITEMS- RDSO	2	
100229	IMAGE DEPOSITED ITEMS-RDSO	4	
100230	CKS DEP REJECTS	<1	
100310	CKS DEP FOREIGN ITEMS	1	
100400	RETURNS-CHARGEBACK	35	
100402	RETURNS-RECLEAR	38	
100501	DEPOSIT CORRECTION-CASH	<1	
100502	DEPOSIT CORRECTION-NON-CASH	3	
100520	MAIL NOTIFICATION-DCN-VLT	1	
150100	GENERAL CKS PAID-NOT TRUNCATED	520	
150102	GENERAL CHECKS PAID TRUNCATED	9585	
150340	ITEMS PAID RETURNED	As Needed Average monthly volume not available	
151342	CHECK COPY	As Needed Average monthly volume not available	
151350	CD ROM MAINTENANCE	20	

151351	CD ROM PER IMAGE	9426	
151351	IMAGE RETRIEVAL	93	
151353	CD ROM DISK	19	
151399	IMAGE ARCHIVE-90 DAYS	3173	
151399	IMAGE MAINTENANCE	9	
150410	STOP PAY AUTOMATED > 12 MONTHS	1	
150410	STOP PAY MANUAL <= 12 MONTHS	<1	
150420	STOP PAY MANUAL	1	
200010	ARP FULL RECON MAINT-PPR RPTS	1	
200020	ARP PARTIAL MAINT-PAPER RPTS	21	
200120	ARP PARTIAL RECON PER ITEM	9002	
200201	ARP FULL RECON INPUT PER ITEM	204	
200301	ARP FULL RECON INPUT FILE	13	
200301	ARP PARTIAL RECON OUTPUT FILE	21	
200301	ARP RCECON TRANS DAILY	440	
209999	PP IMAGE REQUESTED	As Needed Average monthly volume not available	
250000	ACH MONTHLY MAINTENANCE	27	
250100	ACH CONSUMER ON US DEBITS	160	
250100	ACH CONSUMER OFF US DEBITS	1221	
250101	ACH CONSUMER ON US CREDITS	1207	
250101	ACH CONSUMER OFF US CREDITS	9651	
250101	ACH CORPORATE ON US CREDITS	26	
250101	ACH CORPORATE OFF US CREDITS	421	
250120	ACH ORIGINATED ADDENDA	5	

250150	ACH BLOCKS AUTH INSTRUCTIONS	30	
250200	ACH DEBIT RECEIVED ITEM	255	
250201	ACH CREDIT RECEIVED ITEM	744	
250302	ACH RETURN ITEM	50	
250504	ACH INPUT-ECHANNEL	23	
250640	ACH DELETE/REVERSAL	2	
250703	DIRECT ACCOUNT TRANSFER	36	
251000	SET UP NEW ACH	As Needed Average monthly volume not available	
251040	ACH INPUT-BATCH	9	
251050	ACH BLOCKS AUTH MAINTENANCE	22	
251070	ACH NOTIF OF CHANGE (NOC)	38	
259999	ACH OPTIONAL RPTS-ELECTRONIC	157	
259999	ACH STANDARD REPORTS-FAX	21	
259999	ACH STANDARD RPTS-ELECTRONIC	39	
259999	RPO MAINTENANCE	1	
259999	RPO TRANSACTION PRICING	283	
350103	ELEC WIRE OUT-DOMESTIC	5	
350113	ELEC WIRE OUT-USD ITL	As Needed Average monthly volume not available	
350123	ELEC WIRE OUT-BOOK DB	13	
350202	MANUAL WIRE OUT DOMESTIC	1	
350300	INCOMING DOMESTIC WIRE	12	
350320	BOOK CREDIT	13	
350551	ELEC WIRE BK MNT TEMP STORAGE	22	
359999	WIRE MODULE MAINTENANCE SVCS	1	

400050	DIRECT PREVIOUS DAY ACCT	29	
400051	DIRECT PREVIOUS DAY EXT ITEM	12,302	
400054	DIRECT CURRENT DAY STD ITEM	667	
400055	DIRECT CURRENT DAY ACCT	1	
400299	SECURITY ACCESS	As Needed Average monthly volume not available	
450299	CPO SUBSCRIPTION ONLINE	1	
10001Z	CURR/COIN DEP/\$100-BKG CTR	310	
10011Z	CURR/COIN DEP/\$100-VLT	141,720	
10022Z	CKS DEP UN-ENCODED ITEMS	20,397	
1008ZZ	DEPOSIT SUPPLIES	As Needed Provide a price list of common deposit supplies	