



CITY OF REDDING

SUPPORT SERVICES DEPARTMENT

PURCHASING DIVISION

777 Cypress Avenue, Redding, CA 96001-2718

P.O. Box 496071, Redding, CA 96049-6071

530.225.4138 FAX 530.225.4434

CITY OF REDDING, CALIFORNIA

REQUEST FOR PROPOSAL FOR BANKING, MERCHANT CARD, TRUST & CUSTODY, AND SECURE TRANSPORTATION SERVICES (Schedule Number 4622)

In accordance with the provisions of the Municipal Code of the City of Redding, sealed proposals will be received by the City Clerk of the City of Redding, at the 3rd Floor City Clerk's Office at City Hall, 777 Cypress Avenue, Redding, California 96001-3318, until **3:00 p.m., Tuesday, April 01, 2014**, for Banking, Merchant Card, Trust & Custody, and Secure Transportation Services, per specifications and terms and conditions contained herein.

PROPOSALS RECEIVED AFTER THIS TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.

The said proposals will be opened at 3:00 p.m. on Tuesday, April 01, 2014, in the designated City Hall Conference Room as posted in the main lobby of City Hall, 777 Cypress Avenue, Redding, California.

A Pre-Proposal Teleconference is scheduled for 1:00 p.m. PST on Monday, March 03, 2014. See the body of the Request for Proposal document for details. The cutoff for receipt of written questions is 5:00 p.m., PST, Monday, March 10, 2014.

The Proposer shall provide the original (unbound) and one (1) copy of the proposal.
****An electronic "pdf" of the proposal must be emailed to the Purchasing Officer no sooner than 3:00 p.m. April 01, 2014 and no later than 12:00 p.m. on April 02, 2014.****

The City of Redding reserves the right to reject any or all proposals or portions thereof and to waive minor irregularities.

THE CITY OF REDDING
Purchasing Division

A handwritten signature in cursive script, reading "Elizabeth B. Peer".

Elizabeth B. Peer, C.P.M.

Purchasing Officer

(530)225-4137

bpeer@ci.redding.ca.us

NOTE

If a potential bidder/proposer received this solicitation document through some means other than from the City of Redding (including from the City of Redding Internet web site), it is the responsibility of the potential bidder/proposer to advise the assigned City of Redding Purchasing contact of its intention to submit a proposal so that any addenda or other correspondence related to this solicitation will be sent to the potential bidder/proposer. When contacting the Purchasing Division, the bidder/proposer shall provide the solicitation number located on the cover page of this document. Transmittal of this information must be in writing, by U.S. Mail, fax, or e-mail. Transmittal of this information via telephone is not acceptable.

Please submit proposal package to:

City of Redding
City Clerk
777 Cypress Avenue
Redding, CA 96001-2718

Mailing package is to be clearly marked on the outside with the following notation:

**"Proposal for Schedule No. 4622, Banking, Merchant Card,
Trust & Custody, and Secure Transportation Services;
opening at
3:00 P.M., on Tuesday, April 01, 2014**

Proposals will not be considered unless:

1. Your original unbound proposal submittal (with pricing in a separate envelope), the one additional hard copy and the subsequent "pdf" of the proposal are received.
2. Proposal has cover letter signed by one who has authority to sign contracts on behalf of the organization.
3. Signature is legible - No initials.

The City of Redding

City of Redding

Request for Proposal

**For Banking, Merchant Card, Trust &
Custody, and Secure Transportation Services**

Schedule Number 4622

REQUEST FOR PROPOSAL
FOR
BANKING, MERCHANT CARD, TRUST & CUSTODY, AND SECURE
TRANSPORTATION SERVICES

SCHEDULE NUMBER 4622

TABLE OF CONTENTS

	PAGE
SECTION I - Introduction	3
SECTION II - Response Guidelines	9
SECTION III – Vendor Background	13
SECTION IV – Scope of Work	15
BANKING SERVICES	
A. Account Reconciliation	15
B. Positive Pay	17
C. Depository Services	22
D. Wire Transfers.....	31
E. ACH Services	41
F. Information Reporting	46
G. Account Analysis	49
SAFEKEEPING AND CUSTODIAL SERVICES	50
MERCHANT CARD SERVICES.....	52
SECURE TRANSPORTATION SERVICES (ARMORED CAR).....	54
SECTION V – Pricing.....	56
SECTION VI – Miscellaneous	57
APPENDIX A – Pricing tables	58
APPENDIX B – Insurance requirements	65

I. INTRODUCTION

PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)

The City of Redding has contracted with Wells Fargo Bank since 2002 for banking services, trust and custody, credit/debit card processing and secured transportation (armored car) services. The most recent contract extension will expire October 31st of 2014. The Treasurer of the City of Redding is seeking proposals for any or all of those services in an effort to assure that the City is receiving the best available services at the most competitive prices and to ascertain whether the City is taking advantage of all available technological and/or procedural advances that the industry may have to offer.

The City of Redding seeks proposals from financial institutions, with at least one full-service branch located within the City of Redding, interested in providing banking services. In addition, the City is seeking proposals from municipal merchant service providers interested in providing credit/debit card processing from financial institutions interested in providing trust and custody services and from providers of secure transportation for transporting cash and checks. The City of Redding will consider bundling these services but is willing to contract with a separate vendor/(s) for credit/debit card processing, trust and custody and/or secure transportation and is not requiring a branch location within the City of Redding for these services.

It is the intent of the Treasurer to contract for a period of five (5) years with the option to renew for three (3) additional years at the sole discretion of the City. The Agreement would be subject to termination, without cause, by either party upon ninety (90) days written notice or immediately for cause. The City requires fixed pricing for the first five (5) years of the contract. If the vendor intends to revise its fee schedule after the initial 5 year period, changes must be made on the anniversary date of the contract and only upon written notice provided at least ninety (90) days prior to the fee change.

BACKGROUND

The City of Redding is located in Shasta County, California. Approximately 91,000 of the 179,000 residents of the County reside within city limits. The City is the primary source within the County for government services, shopping, and medical (including two full service hospitals).

The City of Redding, City Hall, is located at 777 Cypress Avenue, Redding, California. The City has multiple locations that operate outside of City Hall and employs approximately 700 full-time and 350 part-time employees, of which over 95% are paid by way of direct deposit. The City of Redding is a full service city whose services/functions include Public Safety, Building and Planning, Parks and Recreation, Housing and Community Development (including the Housing Authority of the City of Redding and the Successor Agency to the Redding Redevelopment Agency), the Redding Electric Utility, the Solid Waste Utility and a full service Public Works Department (Water, Wastewater, Storm Drainage, Streets, Engineering and the Redding Area Bus Authority [RABA]).

The City of Redding's financial operations are split between the City Treasurer's Department (under the elected City Treasurer) and the Finance Department (under the Director of Finance). The City Treasurer supervises 3 full-time and one part-time staff. The Finance Director supervises 9 full-time and 1 part-time staff. In addition to these two departments, there are cash collection operations for the utilities (a customer service division which has been located at City Hall, but which will be

opening a new facility near the Redding Airport and 2 locations for the Solid Waste Utility), the City Clerk's Department, Building and Planning, the Police Department, and multiple locations for Parks and Recreation.

ACCOUNT DESCRIPTION

Over the last three years the City of Redding has deposited over \$500,000,000 annually. The City and its related Entities (see Entity accounts below) have deposited almost \$370,000,000 annually in the normal course of business operations. During fiscal years 2010-11 thru 2012-13, investment transactions (including transfers from LAIF accounts) resulted in deposits of \$125,000,000, \$158,000,000 and \$175,000,000 and wires out of \$115,000,000, \$166,000,000 and \$191,000,000. It is anticipated that with the dissolution of the Redding Redevelopment Agency and the wind down of Federal Reserve stimulus (fewer bond calls) the dollar amount of deposit transactions will decrease modestly for the foreseeable future.

Payroll of around \$2,600,000 is issued bi-weekly to 800-900 employees. Approximately 95% of employees are paid via direct deposit. The City issues, on average, 750-800 accounts payable checks totaling in excess of \$5,700,000 monthly, and generates, on average, around \$14,700,000 in ACH/wire payments monthly (excludes investment transactions noted above). In addition, the Housing Authority of the City of Redding (HA) issues approximately 450 checks each month from its separate checking account for between \$620,000 and \$710,000 and the Redding Area Bus Authority (RABA) issues about 180 checks each year from its separate account for between \$6,000,000 and \$8,000,000 annually.

Our general business requires 4 demand accounts:

- General Account – (Accounts Payable & Payroll) with three deposit sub-accounts
 - Treasurer – deposits and disbursements
 - Utilities – deposits only
 - Parking Meter Account – deposits only
- Credit Card Account – ZBA
- Utility Billing Credit Card Account – ZBA
- Cafeteria Account
- Sweep Account

In addition, the following accounts are Entity accounts which function separately from the City's general business accounts:

- Housing Authority Account
 - The bank must execute a HUD approved general depository agreement for this account and this account must be interest bearing.
- Housing – FSS Escrow Account (currently a savings account)
- Redding Area Bus Authority (RABA) Account
- Successor Agency to the Redding Redevelopment Agency

Our General Account is used for deposit, investment, disbursement, payroll, and money transfer activities. Our Credit Card and Utility Billing Credit Card accounts are used primarily for Merchant Card deposits and transfer of excess funds to our general account. The Cafeteria Account is used for disbursements for child care and healthcare cost reimbursement. The Redding Area Bus Authority, Successor Agency to the Redding Redevelopment Agency and Housing Accounts are used for deposits and disbursements.

MERCHANT CARD SERVICES DESCRIPTION

The City accepts VISA, MasterCard, Discover and American Express as forms of payment. The City currently has the use of up to 12 merchant IDs. For 2012-13 the City had 10 distinct merchant locations on 9 merchant IDs. These locations accepted an average of over 16,700 credit/debit card transactions per month, generating average receipts in excess of \$3.4 million per month. By far, the majority of the City's credit card activity is for utility account payments. Utility payments accounted for an average of 13,875 transactions and \$3.089 million per month (excluding payments taken at the Solid Waste Transfer Station and West Central Landfill). In 2013-14 we have actually seen a significant increase in use of credit cards for utility transactions. Through the first three months of the fiscal year, we have seen a 10% increase in the number of utility credit card transactions over the same period in the prior year and a 14% increase in the dollar amount (rate increases have been implemented accounting for a portion of this increase). We anticipate that this trend will continue.

Beginning in November 2013 the Recreation Division began an online service for class reservations and payments. As a part of this service, credit card payments taken online are being processed by a separate Merchant Card Services vendor. The new Recreation portion of Merchant Card Services is not a part of this RFP, but payments that are made outside of the online system will still fall under this contract. For fiscal year 2012-13 total Recreation Division credit card activity was 5,551 transactions and \$449,094. At this time we do not know what portion of that activity will be shifted to this new Merchant Card Service provider but estimate at least a 50% reduction from historical activity (\$200,000 - \$250,000).

The City Clerk has intentions of accepting online credit card payments for business licenses in the future (possibly in the next 2 years). Annual receipts for the City clerk are around \$750,000 and they project that 1/3 of that could be eventually processed by credit card.

TRUST & CUSTODY SERVICES DESCRIPTION

The City's current banking services provider also provides trust & custody services. The City has a bond portfolio of around \$125,000,000 (\$100 million at 6-30-12, \$134 million at 6-30-13). The City receives same day posting of receipts of interest and maturities/sales/calls to its general account. We have processed nearly 100 transactions (purchases/calls/maturities) over each of the past 3 years due to the irregularities of the current bond market. It is anticipated that this volume will decrease significantly as interest rates rise in the near term and calls of currently held corporate and agency bonds diminish or cease. Through the first 3 months of 2013-14 we had only 4 bond transactions including calls/maturities/purchases.

SECURED TRANSPORTATION (ARMORED CAR) DESCRIPTION

The City currently has the following contract services:

1. Year-round service to City Hall – every business day (five days a week when City Hall is open).
 - a. Change orders (when applicable) and prior day receipts are picked up at our Banking Services provider (local branch).
 - b. Change orders/receipts are delivered to Redding City Hall and cash and check deposits are picked up at City Hall. Daily deposits from City Hall range from \$15,000 to \$75,000 with most deposits running \$25,000 to \$40,000.
 - c. Cash and check deposits are delivered to our local bank the same day.
2. Seasonal service to the Aquatic Center on Quartz Hill Drive in Redding.
 - a. Daily pickups of cash/check receipts from the Aquatic Center. These pickups are made 5 days a week during the school break for summer. In 2013 these dates were June 10 thru August 16, but dates vary with the school year. The average deposit from the Aquatic Center was less than \$1,500 a day in 2013.
 - b. Amounts picked up at the Aquatic Center are delivered to City Hall the same day.

In addition to current services, proposers for this RFP will be bidding for an additional run. The Redding Electric Utility (REU) will be opening its new offices near the Redding Municipal Airport sometime in mid 2014. Once in operation the City will require the following services:

3. Year-round service to and from the REU building.
 - a. Change orders (when applicable) will be picked up at our Banking Services provider (local branch).
 - b. Change orders/receipts are delivered to REU and cash and check deposits are picked up from REU for same day service to City Hall. Deliveries to City Hall will be approximately the same dollar amount as what is currently being delivered to the bank from City Hall (\$25,000 to \$40,000 on average).
 - c. Same day delivery of REU deposits to City Hall by 1:00pm.

VENDOR SELECTION FACTORS

We encourage vendors to submit the most comprehensive proposal possible offering the highest quality of service and enhancements to improve our current management of cash flow. We are also interested in various technological advances and pilots that could improve our banking, cash management and customer service capabilities.

The following are key decision factors that the City will use in selecting a service provider:

1. Quality of services the vendor is capable of providing.
2. The vendor's experience with similar municipalities.
3. Individualized customer service.
4. Technological capabilities.
5. Overall cost of services.
6. Established offices within the City of Redding (primarily for banking services).
7. Conversion, implementation and transition plan.
8. Strong financial ratios.

MINIMUM QUALIFICATIONS

To be considered for the selection, proposing banks/service providers must have at least all of the qualifications pertaining to the services they are proposing to offer as follows:

1. Banking Services
 - a. Be a financial institution that is authorized to do business in the state.
 - b. Be a member of the Federal Reserve System and have access to all services.
 - c. Be a qualified depository for public funds and capable of providing collateralization on all deposits.
 - d. Be a full service bank in good standing among other comparable banks.
 - e. Be capable of providing the services sought by the City.
 - f. Have established offices within the City of Redding.
 - g. Maintain strong financial ratios.
 - h. Have reporting capabilities (content and format) that meet the City's needs.
 - i. Provide evidence of Professional Liability Insurance in the amount of \$2,000,000 upon opening of contract negotiations
2. Merchant ID – Credit/Debit Card Services
 - a. Be capable of providing the services sought by the City.
 - b. Have reporting capabilities (content and format) that meet the City's needs.
3. Trust & Custody Services
 - a. Be capable of providing the services sought by the City.

- b. Able to provide same day posting of receipts.
 - c. Have reporting capabilities (content and format) that meet the City's needs.
4. Secure Transportation Services
- a. Be capable of providing the services sought by the City.
 - b. Willingness to break out (itemize) the three areas being bid (under description) to facilitate internal billing, anticipate cash flow (seasonal nature of #2, Aquatic Center) and anticipate costs should operations change in the future.
 - c. Meet the City's requirements for insurance. The City is requiring \$5 million in general liability (with crime coverage), \$1 million in auto liability and statutory workers compensation coverage. Please see Appendix B for more detail regarding the City's requirements.

PREFERRED ELECTRONIC CAPABILITIES

The City currently uses Secure File Transfer Protocol (SFTP) to send and receive electronic files to and from its banking services provider. Authentication is achieved with an SSH key and an encrypted password. This SFTP technology is used to transfer/receive details for payroll direct deposits, payroll tax and income tax payments to the IRS and the EDD, payments to employee annuity providers, employee union dues, payments made electronically on utility accounts (through online bank bill pay), and binary check image files from our Remittance Processor System (RPS).

The City also uses this technology to transmit Automated Clearing House (ACH) files for its accounts receivable system and accounts payable system.

The City receives, from its banking services provider, SFTP ACH confirmation files, ACH returns, ACH rejects, and confirmation files of scanned utility payment checks. Account reconciliation files and confirmation files are transmitted using this same secure file transfer method.

The City currently processes Visa, MasterCard, Discover and American Express credit/debit card transactions. The City uses Curbstone Card, a commercial software package from Curbstone, Inc., to authorize and settle credit/debit card transactions via a secure internet connection to TSYS network. The City requires that the merchant services vendor support the TSYS authorization and settlement network. See www.tsys.com for more detailed information.

All of the above transmission processes currently run in an automated, unattended manner. The City strongly intends that future banking transmissions continue to be accomplished in a reliable, secure, automated and unattended manner.

II. RESPONSE GUIDELINES

Acceptable proposals should address all of the applicable items identified in the Request for Proposal *in the order that they appear*. The cover letter for the proposal (see II, 2, below) should identify which sections are being bid by the vendor. All proposals should address Sections III thru VI. Section III contains some Banking Services specific questions. If not bidding for Banking Services, answer all that apply and mark N/A as applicable. Sections IV and V have questions that are specific to the individual services being requested. Please respond to each section that is being bid by the vendor. Please mark the section “Not Applicable” if vendor is not bidding the section. **Also, please clearly mark “No” or “Unable to Provide” within sections that are being bid if the vendor is unable to provide the service described.** If a responder believes that it is beneficial or necessary to summarize or expound on a particular section in order to clarify their offering, the additional verbiage will not be accepted in lieu of answers within the format of the questionnaire, but may be included at the beginning or ending of a section. Any additional information, such as Marketing, should be addressed in Section VI - page 57 of this RFP. Proposals received that are not in compliance with the above may be rejected at the sole discretion of the City. **Each proposal package should contain one unbound original and one (1) bound copy of the proposal (due by 3:00pm PDT to the City Clerk’s office – see #7, below). Also provide an electronic ‘pdf’ version of the submission. The electronic version should be e-mailed to the Purchasing Officer (see #3, below) no sooner than 3:00pm PDT on the 1st of April and no later than 12:00pm PDT on the 2nd of April. Both the electronic and the single copies should not contain pricing information. Each firm submitting a proposal is to provide One (1) Set of Section V, Pricing, in a separate sealed envelope. The Pricing section must be signed by an authorized representative. If the proposed pricing is dependant upon bundling of services (Banking/Trust & Custody/Merchant Services), please provide separate pricing for unbundled services. The Pricing submittal includes the requested pro forma analysis.** All proposals will be reviewed on technical merit before pricing is looked at and taken into consideration. Please remember to follow the format of the RFP exactly. For your convenience, files in Microsoft Word and Microsoft Excel will be electronically mailed upon request. Please submit requests for electronic versions to the Purchasing Officer (see II, 3, below).

1. Before submitting a proposal, it is the responsibility of each Proposer to perform its due diligence and make any and all investigations necessary to ascertain the full scope and volume of the services that the Proposer is bidding. Failure on the part of the Proposer to gain an understanding sufficient to make a competent bid will not be basis for any claim for remuneration in excess of what has been submitted, by the Proposer, with the RFP. Questions will be taken at the pre-proposal conference and written questions will be accepted within the time-frame provided.
2. Include a cover/transmittal letter signed by a member of the organization having the authority to negotiate and execute contracts on behalf of the firm. Cover letter must acknowledge receipt of any and all addenda, if any were issued. If in doubt as to the status of addenda, contact the Purchasing Officer per the information below. Cover letter must identify which services are being bid by the proposer.

3. Questions concerning the RFP should be directed to:

Purchasing Officer

Elizabeth Peer (530) 225-4137

bpeer@ci.redding.ca.us

Inquiries should refer to specific RFP sections and/or paragraphs. Written responses to an inquiry will be distributed to all known parties at the discretion of the City.

4. All submitted proposals and information included therein or attached thereto shall become public record upon their delivery to the City.
5. The City of Redding reserves the right to amend, alter, or revoke this RFP in any manner at any time. At the City's sole discretion, modifications, clarifications, or additions will be distributed as an addendum to all known participants.
6. The vendor shall wholly absorb all costs incurred in the preparation of this proposal.
7. Proposal packages shall be submitted in sealed envelopes clearly marked "BANKING , MERCHANT CARD, TRUST & CUSTODY AND SECURE TRANSPORTATION SERVICES PROPOSAL SCHEDULE 4622, opening April 1, 2014" to:

City Clerk

City of Redding

777 Cypress Avenue

Redding, CA 96001-3396

Proposals must be received prior to 3:00 P.M. on Tuesday, April 1, 2014.

The proposals will be opened at 3:00 P.M on April 1, 2014, in a City Hall conference room (conference room assignments are posted in the main lobby of City Hall). The City reserves the right to reject at its sole discretion proposals received after this time and date.

All proposals shall be firm for a period of six (6) months following the required date of submission.

8. Any submitter of a proposal may withdraw its proposal, either personally or by written request at any time prior to the scheduled closing time for receipt of proposals. Such requests should be directed to the City Clerk.

9. Proposals submitted will be subject to the City's selection procedures for technical and/or professional consultants. Accordingly, final selection will be based upon overall capability to perform services and not exclusively upon cost of services.
10. The City reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal, and to accept or reject any items or combination of items.

The selected firm shall execute an agreement with the City within 21 calendar days after notification of selection, unless the time for execution has been extended for good cause at the sole discretion of the City. Failure of the selected firm to meet contract submission requirements (e.g., insurance) or failure to timely execute an agreement with the City may result in, at the sole discretion of the City, a decision to select from the remaining respondents or to call for new proposals.

11. Request for Proposal Tentative Schedule:

- a. Begin Circulation of RFPJanuary 9, 2014
- b. Pre-proposal teleconference @ 1:00 pm PST*March 3, 2014
- c. Deadline to receive written questions regarding RFPMarch 10, 2014
- d. City to Respond to RFP questions.....March 17, 2014
- e. **Deadline to Receive Proposals Back**.....April 1, 2014
- f. Evaluate Proposals and select vendorMay 1, 2014
- g. Finalist interviews/presentations (if necessary)May 15, 2014
- h. Legal Review of proposed contract.....June 2014
- i. City Council Meeting.....July 1, 2014
- j. Contract ImplementationSeptember 1, 2014

*Contact Ken Hadley @ 530-225-4197 by February 28th for instructions on how to join.

12. Proposal Evaluation Criteria – the following items, as they relate to the Scope of Services described in the following sections of this document will be evaluated to determine the ranking of the proposals.
 - a. Completeness of response to all required, applicable items;
 - b. Cost per identified activity, aggregate banking services cost, and corresponding compensating balances, if applicable;
 - c. Ability to meet current and projected service requirements over the term of the agreement;
 - d. Best rate of interest paid on accounts;

- e. Best earnings credit rate (ECR) on compensating balances;
- f. Best availability schedule for deposit items;
- g. Capacity to provide numerous electronic services;
- h. Suitability of Bank's/Service Provider's standard contract language.
- i. Experience and governmental knowledge of vendor team;
- j. Ability & willingness to meet the City's insurance requirements. See Appendix B.
- k. Reasonableness of conversion and transition plan; and
- l. References.

After reviewing the proposals, the City may schedule interviews with the most qualified respondents, review the proposed Scope of Work Plans, evaluate the vendor's qualifications, and establish a rating list of the respondents interviewed. The respondent receiving the highest ranking will be asked to enter the contract negotiations stage. Should the selected respondent and the City Treasurer or her designee be unable to reach a binding agreement, the City Treasurer may enter into negotiations with the next ranked respondent.

- 13. The successful respondent shall provide evidence of Professional Liability Insurance in the amount of \$2,000,000 upon opening of contract negotiations.
- 14. Respondents must be adequately capitalized to accommodate the City's cash and investment management needs. This includes, but is not limited to, a minimum of \$3,000,000 daylight overdraft facility, subject to credit review by the bank.
- 15. The contract to be executed upon award of this RFP to Respondent shall include the following or similar indemnification and hold harmless provision:
 - a. [Name of Respondent] shall defend, indemnify and hold harmless City, its elected officials, officers, employees, agents and volunteers, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, penalties and expenses (including, but not limited to, reasonable attorney's fees of the City Attorney or legal council retained by the City, expert fees, litigation costs, and investigation costs) of every type and description to which any or all of them may be subjected by reason of, or resulting from, directly or indirectly, the negligent performance of this Contract by [Respondent], whether or not caused in part by passive negligence of the Party indemnified hereunder. [Respondent] will conduct all defense at its sole cost and expense and City shall have the right to approve or disapprove the legal council retained solely to represent the City's interest. City shall be reimbursed for all costs and attorney's fees incurred by City in enforcing this obligation.
 - b. The obligation to defend, indemnify and hold harmless set forth in this Section applies to all claims and liability regardless of whether any insurance policies are applicable. The policy limits of said insurance policies do not act as a limitation upon the amount of indemnification to be provided by [Respondent].

III. VENDOR BACKGROUND

SAFETY AND SOUNDNESS

1. Identify key measures of the vendor's financial strength, *e.g.*, capital ratios, market capitalization, total assets.
2. Provide ratings for the vendor and/or vendor holding company from two of the following agencies: Standard & Poor's, Moody's, Weiss, Sheshunoff, or Fitch. Include ratings for senior debt, subordinated debt and long-term deposit.
3. Submit copies of audited annual financial reports for the past two years.
4. Confirm that your financial institution is a qualified depository for public funds (see California Government Code Section 53648).
 - a. What types of securities will be used to collateralize the City's deposits?
 - b. How are collateralization levels monitored?

PERSONNEL

5. List names, titles, phone and fax numbers, and e-mail address and provide brief biographies of primary contact personnel.
6. Will one primary contact be assigned to our account? If so, from which area of the organization?
7. How many employees does the vendor have in key areas providing the service?

COMPETITIVE POSITION AND FUTURE COMMITMENT

8. What differentiates your service from other providers?
9. How do you plan to keep the products current and competitive? Discuss any services or technical enhancements that should be considered for further improving the effectiveness of the City's treasury management operations.
 - a. What approach is the bank/vendor taking in the development of new services?
 - b. What new services or features does the bank/vendor plan to offer, and within what time frame?
10. Discuss your bank/vendor's plan to address changes in the banking system which may impact processing. Please discuss any pending or projected legislation that may impact the banking system during the potential contract period.

REFERENCES

11. Provide customer and contact names and phone numbers of a minimum of three references, preferably within our industry or with comparable volumes, which are currently using the services requested in this RFP. Select a mix of long-standing and recent customers.

EXPERIENCE

12. How long has your bank offered account reconciliation, positive pay, ACH, EFT, and direct deposit services being requested in this RFP?
13. Specify the number of corporate/business customers using these services.

CONTINGENCY AND RECOVERY TIME

14. Is a formal disaster recovery plan in place in the event of a systems failure or other disaster at the bank's primary processing site? Describe. When was the plan last updated and tested?
15. Is there a "hot" back-up processing site? Describe its capabilities and test results. Have disaster recovery procedures ever been implemented for a real disaster?
16. What is the contingency plan if a "hot" back-up site is not available and a disaster occurs which prevents all work from being processed on a same-day basis? Does the bank/vendor compensate in the event of loss? Explain.

CONVERSION AND TRANSITION PLAN

17. Provide an outline of a typical transition process for a government requiring similar comprehensive banking services. Individual sections of this RFP have questions that focus on implementation of those sections. The response to the questions in this section should focus on the overview.
 - a. Include a rough timeline from contract approval to 'go-live'.
 - b. Provide a detail of all conversion costs.
 - c. Will the bank provide on-site training of City employees?
 - d. Do you have personnel who specialize in implementing new corporate/government accounts or is implementation performed by the same staff that provides day-to-day support?

IV. SCOPE OF WORK

BANKING SERVICES

A. ACCOUNT RECONCILIATION SERVICES

The City currently has a calendar month-end cut off for statements. The statements (available electronically) are received within 5 days of the cut off date. The Cafeteria Account is a full reconciliation account. The rest of the checking accounts have partial reconciliation services. The City receives an electronic file of paid checks at month end for the accounts with partial reconciliation services. The City receives a CD ROM within 11 days of month-end with the prior month's imaged checks.

Please provide sample statements and reports and clearly indicate whether each sample provided is indicative of a report that is available for all accounts or only for accounts with certain optional services.

In addition to answering the following questions, please indicate whether you can match or exceed the current service that the City is receiving, and if you have products or services that you believe would be an improvement over the current methods used by the City:

1. Does the bank/vendor offer Account Reconciliation Program (ARP) services? Are these services optional?
2. Are both full and partial reconciliation offered? Please provide sample reports.
3. How are ARP statements available?

Internet_____

Scheduled, automated, electronic transmission file_____

Other (please describe) _____

4. Set forth below is a list of ARP options, on which we have placed an "X" for those items we require, and an "XX" for those items in which we have an interest, but may not require. Please specify whether these options are available at your bank.

X Data Transmission X Input X Output

X CD ROM X Input X Output

X Stale Date Parameters

XX Automatic Register/Issue File Editing

X Sub-Accounting within Accounts

X Float Analysis

5. Can the customer specify a cut-off date for ARP reports? If not, what dates are available?
 - a. Can the customer specify a cut-off date for bank statements? If not, what dates are available?
 - b. Can cut-off dates for ARP reports and bank statements be independent of each other?
6. How soon after the cut-off date will the following be sent?
 - a. For **full** reconciliation:
 - i. bank statements
 - ii. CD Rom of imaged checks
 - iii. reconciliation information
 - b. For **partial** reconciliation:
 - i. bank statements
 - ii. CD Rom of imaged checks
 - iii. reconciliation information
7. What is the bank's cut-off time for:
 - a. Receiving issued check files (for full reconciliation)? Receiving adds and deletes?
 - b. Transmitting paid check files (for partial reconciliation)?
 - c. Transmitting reconciled check files (for full reconciliation)?
8. Explain whether copies or images of checks can be requested on-line. If yes, how are they delivered?
 - a. Fax _____
 - b. Image via PC _____
 - c. Other (describe) _____
9. What is the turnaround time to receive:
 - a. A copy or image of a check? How is image provided?
10. Can stop payments be submitted on-line?
 - a. What is the deadline for same day action?
 - b. Will the system verify if a check has been paid before accepting the stop?
 - c. How much history is examined in the verification process?

- d. How long will the stops remain in effect?
 - e. Can the period be extended?
 - f. Can stop payments be requested for a range of checks? What is the limit of the range?
11. Can stop payments be submitted manually?
- a. What is the deadline for same day action?
 - b. Will the system verify if a check has been paid before accepting the stop?
 - c. How much history is examined in the verification process?
 - d. How long will the stops remain in effect?
 - e. Can the period be extended?
 - f. Can stop payments be requested for a range of checks? What is the limit of the range?
12. What other reconciliation features does the bank/vendor offer that distinguish it from other vendors?

B. POSITIVE PAY

The City currently uses positive pay on all of its checking accounts. FTP files are transmitted to the bank the evening of the check run. When a check needs to be removed from the register during the month, the procedure is done online with dual verification. Voided checks are removed from the active register, usually, on the last check run of the month. Stale dated checks are removed from the register after 6 months using the same method as other voided checks. The City Treasurer downloads an Image Positive Pay (IPP) exception report daily.

In addition to answering the following questions, please indicate whether you can match or exceed the current service that the City is receiving, and if you have products or services that you believe would be an improvement over the current methods used by the City:

1. Does the bank/vendor offer a daily service whereby it can provide the customer with a daily notification of all Image Positive Pay (IPP) exceptions? If no, skip to Depository Services, page 20.
2. If the customer is able to provide the vendor with a file of all checks issued and voided prior to the checks being distributed, does the vendor have the ability to accept and read the file? If so, please describe the transmission requirements, the file layout requirements, or other appropriate technical documentation.
3. Manual issues or deletes can be communicated to the bank via which form of communication?

Fax _____ Telephone _____

Balance Reporting System _____

Secure Internet _____

Other (describe) _____

4. Are cashed checks verified against the issue file at the point of encashment, i.e., by your bank/vendor's teller?

Yes _____ No _____ Checks may not be cashed _____

If no, what is the process for dealing with cashed checks?

5. How are IPP Exception reports delivered?

Fax _____ PC _____ Secure Internet _____

Other (describe) _____

- a. Is this report integrated with the bank/vendor's balance reporting system/software?
- b. Are MICR errors/misreads deleted from the IPP Exception report prior to the report being sent/transmitted?
- c. Can check copies be integrated with the IPP Exception report?
- d. If yes, how are check copies delivered?

Fax _____ Image via a PC _____ Image via secure internet _____

Other (describe) _____

- e. If no, can check copies be delivered separately from the IPP Exception report? If yes, describe.
6. Does the vendor offer a daily service to compare checks paid against a check issue file and provide the customer with a daily notification of all IPP exception checks (prior day Positive Pay)? If yes, number of years offered _____

- a. What is the bank/vendor's delivery deadline for notifying the customer of IPP exception checks?

_____ AM/PM Time Zone _____

- b. What is the response deadline for the customer's pay decisions?

_____ AM/PM Time Zone _____

- c. Are approved IPP exception checks automatically added to the issue file for account reconciliation purposes?
- d. What is the deadline for the transmission of check issuance files to the bank/vendor?

_____ AM/PM Time Zone _____

7. Does the bank/vendor offer a daily service to transmit checks paid data to the customer and accept a file of IPP exception checks (Reverse Positive Pay)? If yes, number of years offered _____

- a. What is the bank/vendor's deadline for transmitting paid check data?

_____ AM/PM Time Zone _____

- b. What is the deadline for receiving an exception file?

_____ AM/PM Time Zone _____

- c. What is the delivery deadline for notifying the customer of actual (non-MICR error/misread) IPP checks?

_____ AM/PM Time Zone _____

- d. What is the response deadline for the customer's pay decisions?

_____ AM/PM Time Zone _____

8. Does the bank/vendor offer a daily service to compare same day checks presented against a check issue file and provide the customer with a daily notification of all IPP exception checks in conjunction with controlled disbursement (same day Positive Pay)? If yes, number of years offered _____

- a. What is the bank/vendor's delivery deadline for notifying the customer of IPP exception checks?

_____ AM/PM Time Zone _____

- b. What is the response deadline for pay decisions?

Same day _____ AM/PM Time Zone _____

Next day _____ AM/PM Time Zone _____

- c. Are approved IPP exception checks automatically added to the issue file for account reconciliation purposes?

- d. What is the deadline for the transmission of the customer's check issuance files to the bank?

_____ AM/PM Time Zone _____

9. Does the bank/vendor offer a daily service to transmit same day check presentment data to the customer and do customers have the ability to respond with a file of IPP exception checks in conjunction with controlled disbursement (same day reverse Positive Pay)? If yes, number of years offered _____

- a. What is the bank/vendor's deadline for transmitting same day check data?

_____ AM/PM Time Zone _____

- b. What is the deadline for receiving an exception file?

Same day _____AM/PM Time Zone _____

Next day _____AM/PM Time Zone _____

- c. What is the delivery deadline for notifying the customer of actual (non-MICR error/misread) IPP exception checks?

Same day _____AM/PM Time Zone _____

Next day _____AM/PM Time Zone _____

- d. What is the response deadline for the customer's pay decisions?

Same day _____AM/PM Time Zone _____

Next day _____AM/PM Time Zone _____

10. What other review criteria are available for Positive Pay services?

11. Does the bank/vendor have the ability to provide electronic confirmation of receipt of the Positive Pay file?

12. In the event that the bank/vendor does not receive the customer's pay decision response by the stated deadline, what is the default disposition?

Pay _____ Return _____ Optional _____

- a. May a dollar threshold be applied to the default disposition, e.g., return all checks over \$500?

13. Can you provide intra-day and/or next day recap of checks paid?

- a. If so, does the customer have the ability to download an electronic listing of outstanding checks as of the end of any given business day?

i. If so, what formats are available?

ii. Is there an additional cost for this service?

IMPLEMENTATION

14. Provide a copy of all agreements that will be required to initiate Account Reconciliation services.

15. Provide a detailed description of the implementation process, including testing and a sample implementation schedule. Is check testing required? If yes, how many checks must be tested?

16. Describe support provided during implementation including training, technical assistance, user manuals and on-site visits. Does the bank/vendor assign an implementation team?
17. Are there special requirements the customer must meet in order to utilize Account Reconciliation services at the bank? Describe.

CUSTOMER SERVICE

18. Indicate the organizational structure of your bank for customer service (choose one):
 - a. _____ Separate department for Account Reconciliation customer service
 - b. _____ Centralized customer service department for all cash management services
 - c. _____ Customer service function contained within a general operating unit
19. Will a specific customer service representative be assigned to handle this business? Describe the responsibilities of customer service personnel, including the chain of command for problem resolution.
20. What are the hours of operation of the customer service unit? [Specify time zone]
21. How are inquiries requiring research and adjustments handled by the bank/vendor?
22. Are there established turn-around times for research and adjustment items? If yes, specify.
23. What is the bank/vendor's record on meeting established response times?
24. Does the bank/vendor provide technical customer support for computer hardware, software and communications problems?

QUALITY

25. Does the bank/vendor have a formal quality improvement program for this service? If yes, describe.
26. Does your bank monitor performance measures? If so, what key performance measures do you track? What is the reporting frequency and period covered for each measure? What are your last two performance levels for each measure?

C. DEPOSITORY SERVICES

The City receipts funds at various locations throughout the Redding area. Checks received by the Utility Customer Service group are scanned the same day for deposit. Checks that will not scan and other cash and checks are remitted to the City Treasurer's Department. The checks received by the Treasurer are scanned the next day. The City receives same-day credit for all scanned checks. Cash from all sources is deposited the day after being received by the Treasurer's Department. The City sends a cash deposit to the bank each working day and sends a check deposit whenever there are checks that cannot be scanned. Change orders are processed as needed (generally 1-2x per week). Change orders are picked up at the bank by the armored car service that receives deposits and delivered to the City when the deposits are picked up. The City receives credit for the cash and checks sent to the bank both for deposits and for change orders the same day as deposits are processed at a local branch and not at the Sacramento vault. Change orders requested by 8:30am are processed the same day so the debit and credit cancel each other the same day, or are not recorded.

Cash deposits have traditionally been prepared using standard strapping. Recently the City has been sending deposits banded only by currency denomination as it was determined that the banding was not useful to the depository bank. Coin deposits in small amounts (usually no more than \$15 unless large amounts of rolled coin are received) are included with the daily cash deposits. RABA and Parking have separate deposits with large volumes of coin. Parking coin deposits are made 2-4 times a month with approximately \$3,000-\$4,000 a month being deposited. RABA also makes 2-4 coin deposits per month with about \$7,000-\$8,000 of coin deposited. Both deposits have seasonal fluctuations. Both deposits are taken by our current bank to the Sacramento vault for processing. Credit is given for an estimated deposit amount, with adjustments being made once processed by the vault.

Checks and ACH deposits returned nsf (insufficient funds) are automatically re-deposited. The City has access to a report which identifies checks being re-cleared or returned due to nsf. The City also has access to an electronic image of the rejected checks. This report is accessed daily. The City receives e-mail notification of ACH deposits that have failed (usually due to nsf).

City utility customers have the option of paying their utility bills through their bank's electronic payment options. Customers and their account numbers are matched to a master file that the City's bank has access to, which is updated by City personnel. Mismatched payments are electronically available to City personnel so that information can be corrected, when possible, and payments applied. When a match is found, future payments can be applied immediately when received (without an error notice) even without corrections being made by the customer to his/her electronic banking information.

In addition to answering the following questions, please indicate whether you can match or exceed the current service that the City is receiving, and if you have products or services that you believe would be an improvement over the current methods used by the City:

EXPERIENCE

1. How long has your bank offered the depository services being requested in this RFP?
2. Specify the number of corporate/business/government customers using this service.
3. What has been your average monthly volume (items and dollars) of checks cleared during the past 12 months? Volume of return items?
4. List the number and location of your branches, cash vaults and affiliated banks. Identify locations near the City and specify proximity.

DEPOSITORY SERVICE OPTIONS

5. Are vault and branch service options available?
 - a. Is pricing different for utilizing these different deposit options?
 - b. Are any processing applications outsourced to a third party? If so, name the vendor(s) and describe the application(s).
6. What is the cut-off time to ensure same day ledger credit?
 - a. Is it the same for vault, and branch services?
 - b. Is it the same for cash as for checks, drafts, etc.?
 - c. Are there any options that might affect this cut-off time (e.g., provisional credit, delayed verification)?
7. What type of deposit bags do you allow/require?
 - a. Do you provide these bags?
 - b. Do you charge a fee for these bags?
8. Are there any restrictions on deposit bags provided by the customer?
9. Are there any benefits to separating cash and checks in two deposit bags?
10. Do you require that checks and currency be on separate deposit tickets?
11. Do you limit the number of deposit tickets that can be included in one deposit bag?
12. Are the deposit tickets that you provide available in multiple part forms? How many copies does the bank require?
13. Can the deposit tickets contain an auxiliary MICR field for our location and/or transaction information?
14. Can the deposit ticket be pre-encoded for sub-accounts? If so, what method/(s) are available to identify sub-accounts on bank documentation?

15. Would you accept deposit tickets from a third-party printer? List any limitations.
16. Do you require that cash be deposited in standard straps only? Is there a penalty for depositing non-standard straps?
17. Do you accept loose and/or rolled coin for deposit at vault and branch locations?
 - a. Is there a fee for depositing loose or rolled coin?
 - b. Are you able to handle estimated coin deposits? If so, when are amounts credited and how are adjustments made, if any, to estimated deposit amounts?
18. How do you determine and calculate availability of deposited items? Does your bank policy differ from the Federal Reserve Bank availability schedule? If so, identify the differences.
 - a. Do you give immediate availability for on-us items, wires, U.S. obligation security maturities and coupon flow?
 - b. Do you calculate availability by item or formula?
 - c. Do you use a standard schedule? Accelerated schedule? How often is it updated?
 - d. Can you provide intra-day and/or next day recap of our deposit availability?
19. Attach an availability schedule. Include weekends and holidays, if applicable. Is the schedule flexible? For example, can accommodations be made for high volume accounts or pre-encoded checks?
20. What are the requirements for depositing checks (e.g. pack size, audit tapes)?
21. Do you accept pre-encoded checks?
 - a. Provide a copy of the bank's instructions for pre-encoded checks.
 - b. Is there a discount for pre-encoded checks?
 - c. Describe your encoding quality monitoring process.
22. What courier services are provided by the bank, if any, for pick-up and delivery of check deposits? If not provided by the bank, what third-party couriers are available and/or recommended? What is the cut-off time for same day credit?
 - a. Do you offer armored car service for deposits and change orders as part of a banking services contract?

DEPOSIT VERIFICATION

23. How many bank employees are present when deposit bags are opened? What specific security measures are employed?
24. How will you return the validated deposit receipts to us? Within what time frame?

25. Is provisional credit given? When does verification and credit take place? In 24 hours? 48 hours?
26. Does the bank identify and adjust all discrepancies?
 - a. If no, at what dollar amount do you write off discrepancies?
 - b. Do you adjust the deposit amount or process an adjusting debit or credit?
 - c. What is the standard procedure for reporting deposit adjustments? What additional options are available (e.g., copies to multiple locations)?
27. What is the bank's policy on receipt of tampered bags?
28. When counterfeit bills are discovered, what is your notification and adjustment process?

VAULT SERVICES

29. Does the bank have an automated vault service? Describe the deposit and change order procedures, cut-off times and other features of this system. Where is the vault located?
30. How much advance notice is required for coin and currency orders?
 - a. Lobby pickup _____
 - b. Armored or courier pickup _____
31. Are there minimum purchase requirements (e.g., standard straps of currency and full boxes of coin)? Is a discount offered for purchasing standard amounts of cash? What settlement options are available for change orders (e.g., cash, check, debit to account, wire)?
32. Describe security at the cash vault center. What fraud prevention procedures are in place?

RETURN ITEM PROCESSING

33. Can return items be automatically re-deposited? If so, how many times?
 - a. Is this service optional by location?
 - b. Can all return items be provided to the depositing location or a central office? If so, within what time frame?
34. Provide the bank's standard return item and re-clear processing instructions. List any non-standard options that are available.
35. The City of Redding requires that all returned items be automatically re-deposited. Can you fulfill these requirements?

36. Can you provide a detailed return item transmission to depository customers? If not, when will the service be available?
- a. Does the transmission include both returns and re-clears?
 - b. Is there a separate record for each returned item?
 - c. Can these records identify the depositing location and the type of item being returned (e.g., personal check, traveler's check, money order)?
 - d. Indicate which of the following details the bank can report:
 - i. Check number _____
 - ii. Check date _____
 - iii. Check amount _____
 - iv. Reason code _____
 - v. Check account and ABA number _____
 - vi. Full name on check _____
 - vii. Original deposit date _____
37. Is it bank policy to refuse return items not sent through the system in a timely manner?
38. Do you assign float to return items?
39. Do you have the ability to interface with third-party providers of negative databases?

TRANSACTION RESEARCH

40. What documentation is provided with deposit correction adjustments? What delivery methods are available? Within what time frame?
41. Within what time frame can you provide requested copies or documentation? What delivery options are available?

DISASTER RECOVERY

42. Describe the bank's disaster recovery plan in detail.
43. Do you have off-site facilities and if so what is the proximity of the off-site location with respect to the primary data storage?
44. How quickly can the "hot" site be implemented in the event of an emergency?

DEPOSIT REPORTING

45. What type of deposit reporting services do you provide for consolidated account customers? Are these services optional?
46. What, if any, are the special requirements of the customer in order for the bank to provide location reporting on a consolidated account?
47. What type of output media is available for deposit reporting, *e.g.*, mailed paper report, CD-ROM, electronic transmission, secure internet?
48. Is a summary report totaling deposits for the period by location available at period end? Does this vary with type of output?
49. Indicate the bank's capability to provide the specified detailed information for each transaction listed:

Transaction Type	Account Number	Location Number	Transaction Date	Transaction Amount	BAI Transaction
Deposits					
Return Items					
Deposit Correction - Teller					
Deposit Correction - Vault					
Deposit Correction - Proof					
Coin and Currency Orders					
Misc. Debits and Credits					

50. Is the detail indicated above available for all types of output? If not, what variations are applicable?
51. Does deposit reporting indicate location name as well as depositing location number? Does this vary with type of output?
52. Does your deposit reporting service report electronic transactions (*e.g.*, merchant card deposits, ATM deposits, ACH, wire), as well as paper documents?

DEPOSIT RECONCILIATION PAPER REPORT

53. Does the bank offer a Deposit Reconciliation paper report service for consolidated deposit accounts?
54. Is deposit activity for all depositing locations reported individually or are they summarized?
55. What, if any, activity is reported as miscellaneous transactions?
56. What is the bank's standard cut-off for statements and/or paper reports?

57. Can the customer specify a cut-off date for statements and/or paper reports?
58. How soon after the cut-off date will the following be sent?
 - a. Bank Statements
 - b. Deposit Tickets
 - c. Reconciliation Information
59. Does the bank correct deposit location numbers if there is a serial number misread? If not, how are they reported?

ELECTRONIC DEPOSIT REPORTING

60. Can you provide electronic reporting of deposit detail activity? On what frequency is the information available, *e.g.*, daily, weekly, monthly?
61. Can the information be accessed by multiple users from multiple locations? If so, can the bank restrict users to accessing only portions of the information? Do users have the flexibility to access only portions of the information?
62. Is the transmission a BAI formatted file? If not, what type of format can you provide?
63. Can your file be downloaded in BAI format to some of the popular software packages available on the market? Provide specifications for your file format and transmission requirements.
64. Can you provide a list of customers that use the package that the City uses?
65. For daily reporting, what time each day is the data available Pacific Standard time zone?
66. Does bank support SFTP with SSH keys for electronic file transfers?
67. Describe the technical support available to aid in electronic data transmissions.

ACCOUNT REPORTING

68. Will the detailed account reporting system provide beginning and ending ledger (book) balances, collected balances, available balances, and float assignment?
69. What current-day reporting is available through the reporting system?
70. What cross product reporting is available (*e.g.*, ACH, wire)?
71. Do Zero Balance Account (ZBA) reports include float?
72. What time each day is the data available in Pacific Standard Time?
73. How many business days is data stored on the reporting system and available for customer access?

- 74. What technical specifications will be required for our system?
- 75. Is specific software required to communicate with the bank's system? Can communication occur via secure internet?
- 76. Describe the bank's security procedures for its information reporting system, both for access and information protection.

ELECTRONIC CHECK PRESENTMENT

- 77. Describe the bank's current process for Electronic Check Presentment (ECP) or other electronic check initiatives.
 - a. Can you currently receive electronic check files directly from the customer?
 - b. What are the hardware and software requirements for the customer?
 - i. In addition to computer requirements, what scanner equipment and software is compatible or necessary for implementation?
 - A. Is the equipment available through a third party or only through you?
 - B. Is there a lease option?
- 78. The City currently scans the majority of the checks that it receives. Our current bank gives same day credit for truncated checks.
 - a. Do you have the ability to accept back office truncated checks?
 - b. Do you give same-day credit for scanned checks?
 - i. If so, what is your deadline for same day credit?
 - ii. If not, when is credit given for scanned checks?
 - A. Can we receive same day credit for a fee? If so, how much do you charge?

IMAGE PROCESSING

- 79. Describe the bank's current or planned image processing capabilities.
 - a. Do they include on-line customer access to return and adjustment images?
 - b. If not currently available, when do you plan to implement image services?
 - c. Are you currently using image for internal bank purposes? If not, what are your plans?
 - d. What are the hardware and software requirements for the customer?
- 80. Include information on any other cash management services currently provided or planned by the bank that may benefit the customer.

IMPLEMENTATION

81. Provide a copy of all agreements that will be required to initiate Depository Services.
82. Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.
83. What is the average lead-time required for implementation, including but not limited to the following services? What are the critical factors that may impact that lead-time?
 - a. Deposit ticket orders/endorsement stamps
 - b. Account opening
 - c. Information reporting/detail transmission
 - d. Deposit reconciliation
 - e. Other
84. Describe materials available and/or any on-site training provided by the bank in the areas listed below.
 - a. Site deposit preparation
 - b. Change order procedures/systems
 - c. Information reporting/detail transmission systems
 - d. Technical support
85. Does the bank assign an implementation team? (Please identify)

CUSTOMER SERVICE

86. Indicate your bank's customer service organizational structure (choose one):
 - a. _____ Separate customer service department for depository services
 - b. _____ Centralized customer service department for all cash management services
 - c. _____ Customer service function contained within depository services operating unit(s)
87. Will a specific customer service representative be assigned to handle this business?
 - a. Describe the responsibilities of customer service personnel, including the chain of command for problem resolution.
 - b. Is local customer service support available for the customer's depositing locations?
88. What are the hours of operation of the customer service unit? [Specify time zone]

89. How are inquiries requiring research and adjustments handled by the bank?
90. Are there established turn-around times for research and adjustment items? If yes, specify.
91. What is the bank's record on meeting established response times?
92. Does the bank provide technical customer support for computer hardware, software and communications problems?

QUALITY

93. Does the bank have a formal quality improvement program for this service? If yes, describe.
94. Does your bank monitor performance measures? If so, what key performance measures do you track? What is the reporting frequency and period covered for each measure? What are your last two performance levels for each measure?

D. WIRE TRANSFER

The City initiates and approves wires online through the bank's website. Security for authorization to initiate and approve requires the use of a sign-on, password and a secure token. Wires can be processed same-day if necessary as long as initiated and approved before 2:00pm. The City has the ability to create and save templates on the bank's website for use with vendors who receive repeat payments. The City's current daily wire limit is \$30 million.

In addition to answering the following questions, please indicate whether you can match or exceed the current service that the City is receiving, and if you have products or services that you believe would be an improvement over the current methods used by the City:

1. Specify the number of corporate/business customers using wire transfer services.
2. What was your average monthly volume (items and dollars) of outgoing wires during the past 12 months? Distinguish between Fedwire, CHIPS, and SWIFT, between corporate and correspondent bank transactions.
 - a. How does current volume compare to capacity levels?
 - b. What resources would be required to expand the bank's capacity and within what time frame?
3. How many wire transfer operations centers does the bank have? In which Federal Reserve districts are they located?
4. Is the bank a member of CHIPS and SWIFT?
5. List the holidays that the bank observes.

INITIATION

6. Does the bank offer the following methods of initiation? If so, describe each method's process of initiation, approval and release. Also provide the number of customers using each method of transfer.
 - a. Voice
 - b. Secure internet
 - c. Scheduled, automated, electronic file transmission
 - d. Web services
 - e. Other, (describe)
7. Do any of the methods listed above provide for remote user initiation or release, (*e.g.*, if departments wish to input, but the Treasurer wants the control of release)? If so, describe by method.
8. Does the bank's system offer batch input of wires? If so, what is the maximum volume of transfers allowed in each batch? Can repetitive and free form wires be in the same batch?
9. Is there any manual processing involved in executing either a repetitive or free-form wire transfer that has been initiated via one of the automated input vehicles? If so, describe.
10. What provisions are in place to allow the customer to initiate a priority wire transfer requiring special handling and immediate release? Is there an additional charge for this service?
11. For free-form wire transfers, does the bank offer an on-line name/ABA/CHIPS search file to facilitate processing? How is this file updated? Can the bank download current data to this file to update it? Can the file be downloaded to the City via a scheduled, automated, electronic file transmission?
12. Can the system handle file imports of transactions from treasury workstations?
13. Can ACH payments be initiated through the wire transfer initiation screens?

CUT-OFF TIMES

14. What are the opening hours and the cut-off times in Pacific Standard Time for initiating wire transfers to ensure same-day execution? List by type of transfer and method of communication.

Type of Transfer	Input Method			
	Voice	Secure Internet	Electronic File Transmission	Other
Intradistrict (within Fed district)				
Interdistrict (between Fed districts)				
Book transfer/Internal				
Drawdown				
International				

15. What is the cut-off time for incoming domestic wire transfers to receive same day credit?
16. Does the bank provide end of daytime extensions for processing if Fedwire hours are extended? If so, how would the City be advised?

CONFIRMATION

17. How soon after wire execution would an internal bank confirmation/sequence number (not the Fed Reference number) be available? Explain any delays.
18. How long does it take for the Fed Reference numbers to be assigned to a wire assuming no repairs are needed and there are sufficient funds in the account? Explain any delays.
19. Have there been interruptions in the processing of wire transfers due to the bank managing its net debit cap? What steps are you taking to ensure uninterrupted service?
20. When and how can a wire transfer be canceled after the City releases it to the system? What is the latest time in the day to cancel? Is there a charge for cancellation?
21. How is the status of transfers tracked by the customer once the transfer is in the system (input, approved, released)? How does this differ for telephone initiated wire transfers?
22. At what point does the bank assume legal liability for executing a wire transfer? How is that event identified?

23. What is the bank's policy in the event of a wire transfer failure for which receipt of instructions has been confirmed to the customer?
24. How and when is the customer notified of a failed wire transfer?

WAREHOUSING

25. Does the bank's wire transfer system have the capability of warehousing instructions for future value dated wire transactions? If so, what are the limitations? How many days/months in advance? Is the warehouse function limited to certain types of wire transfers? Explain.
26. Can the wires be input, approved and released so they will be executed automatically on value day? Will the wire transfer system provide a tickler report of warehoused transfers that are pending current day release?
27. Is it possible to cancel a previously warehoused wire transfer request before value day? On value day?
28. At what time on the value date are future value dated wires automatically executed?

REPETITIVE LINESHEETS (WIRE TEMPLATES)

29. Does the bank have an on-line repetitive wire template setup function? If no, skip to Question 34.
 - a. Can the customer structure a new repetitive wire template number on-line without relying on an exchange of paper documents with the bank?
 - b. Can the customer assign its own template numbers?
 - c. Describe the on-line repetitive wire template setup function.
30. How much time is required to set up a new repetitive wire using the on-line function? Can this be done in real-time? How long before we receive confirmation from the bank?
31. How long does it take to set up templates via written request?
32. To avoid re-keying, can a repetitive template be created when inputting a free form wire transfer?
33. Are templates stored on the customer's PC or the bank's system? Can the templates be stored on both? Explain. Does the bank charge for template storage on its system?

PROCESSING ERRORS

34. What are the bank's procedures and time frames for repairing incoming and outgoing wires?
35. When and how is the customer notified of wire transfer repairs?

36. What efforts are being made to increase the rate of incoming and outgoing wires going straight through without exception handling?
37. Does the bank require the customer to submit written inquiries for resolution of wire transfer discrepancies? Does the bank have an on-line customer service/inquiry facility? Describe inquiry options.
38. If either the originating or receiving bank makes an error, how are back value adjustments handled:
 - a. Between banks
 - b. On the customer's account analysis
 - c. When notifying the customerHow would the adjustment be calculated?
39. Is the customer charged for wire transfer investigations? If so, how?

SPECIAL SERVICES

40. Can the bank receive an electronic transmission of all EFT payments from the customer and pay via wire, ACH and SWIFT?
41. Can the bank accept an electronic payment order/remittance advice? If so, indicate which types of payments the bank can create - ACH, wire, check.
42. What methods are available for receiving high volume free form wire initiation instructions? For each, provide complete information regarding the technology used, the input procedures and the technology needed by the customer.
43. Can the bank provide a matched/expected reconciliation service, whereby received funds are matched by amount and reference to a file of the customer's anticipated receipts? If so, can the bank provide the following reports: matched receipts, expected funds that are not received, and receipts that do not match the file information?
44. Does the bank have any other special wire transfer services not mentioned in this RFP? If so, explain.
45. Can the bank provide "real time" on-line reporting of incoming wires and ACHs?

SYSTEMS

46. Does the bank operate its own wire transfer system in-house? If not, is the system purchased and customized? Who is the vendor? Do all of the bank's branches and affiliates utilize the same system?
47. Describe the most recent major hardware and/or software upgrade.

48. Does the wire transfer system reside on the bank's central computer system? Do customers interact with that system? If so, how do customers interact with the wire system?
49. Is the customer system an internet based system? If so, is it a stand-alone product or part of a family of information products?
50. Is the bank's automated money transfer system on-line with Fedwire? CHIPS? SWIFT?

SECURITY

51. Describe the method for granting bank employees physical access to the wire transfer department. By what means do employees gain access to the department (*e.g.*, security cards)?
52. Does the system require the segregation of duties so that the same wire transfer operator cannot both enter and release a payment?
 - a. What levels and types of security safeguards exist when initiating and releasing wires via secure internet?
53. How is the customer's access to the bank's wire transfer systems controlled?
54. Does the bank offer its customers dual control release options (intermediary approval level) for electronically initiated transfers? If so, describe.
55. Is security the same for repetitive and free form wires initiated by all of the methods listed above? If not, how does it differ?
56. If a test key capability is offered, is it a manual or automated process?
57. Are electronic transmissions to the bank encrypted or authenticated? At what level and on what fields? Describe procedures in the event a violated transmission arrives at the bank.
58. What protocols are available and recommended for communicating electronically?
59. Secure internet-initiated wires:
 - a. Describe the security measures for the Master User/Security Administrator. Can the system require dual Security Administrators? What functions does the Security Administrator perform?
 - b. Are security access codes (passwords) encrypted or authenticated? Is a Log-on Report available showing all log-ons over a given period, including User ID, date and time?
 - c. Describe procedures when security codes are violated.

- i. How many log-on attempts does the system allow before disabling a user? Is this number per dial-in or cumulative per user?
 - ii. Does the software automatically log-off an inactive user? If so, when?
- d. Can passwords be assigned an expiration date? Does the bank or the Security Administrator assign the date?
- e. Are passwords user-defined or bank provided?
- f. Can user passwords be restricted to certain functions, such as:
 - i. _____ Debit Account
 - ii. _____ Repetitive Only
 - iii. _____ Data Entry Only
 - iv. _____ Approve Only
 - v. _____ Inquiry Only
 - vi. _____ Other (Describe)
- 60. Can dollar limits by user and function be established for single transaction amounts and daily aggregate amounts?
- 61. What controls has the bank put in place to prevent wire transfer fraud? What has been the bank's experience with fraud in the wire transfer area?

DISASTER RECOVERY

- 62. Is the bank's wire transfer system exclusively dedicated to the wire transfer function? What contingency plans does the bank have for backup in the event of equipment (hardware) or system (software) failure? How frequently is this plan tested? Indicate the date of the most recent test.
- 63. Does the bank have off-site backup capability? Does the bank or a third party provider manage this site?
- 64. Describe your recommendations for disaster recovery for the *customer* that is unable to access the bank's system in the usual manner.
 - a. Would you accept phone or fax wires as a substitute for electronic initiation during a disaster? If so, how would security be provided?
- 65. What is the uptime percentage of the bank's wire transfer system? What is the date of this statistic? What is the uptime percentage between 7am and 6pm EST?
- 66. How often in the last 12 months has the bank's wire transfer system had unscheduled downtime for a total of more than 30 minutes in a single day? What are the most common causes of unscheduled downtime?

LAIF TRANSFERS

67. What is the charge per transfer to and from LAIF?
68. Does the bank have an office in Sacramento that maintains a direct DDA banking relationship with the State Treasurer's Office and the State Controller's Office?
69. Please describe the LAIF transfer process.

INFORMATION REPORTING

70. What methods of wire transfer information reporting are available to customers? Describe each reporting method available.
71. Is current day information real-time or batch?
 - a. If real-time, what information is available via which delivery system?
 - b. If batch, how frequently is the information updated?
72. What detailed information is provided on incoming and outgoing wire transfers on a *current* day basis, (e.g., amount, payer, comment field, date received, time received, Fed Reference number)? Provide sample reports.
73. Does the reporting system have the ability to report current day wire activity since the customer's last access?
74. What detailed information is provided on incoming and outgoing wire transfers on a *previous* day basis, (e.g., amount, payer, comment field, date received, time received, Fed Reference number)? Provide sample reports.
75. Does the bank provide wire transfer inquiry by status, (e.g., warehoused wires, pending wires, confirmed wires), amount, and dollar ranges? Provide sample reports.
76. Is incoming and outgoing electronic funds transfer information provided on the same report or on separate reports? Provide sample reports.
77. Is historical information available on the system? How many days of history are available? Provide sample reports.
 - a. Does the system provide for history query by date ranges?
 - b. Does the system allow history retention to be determined by the customer?
 - c. Does the bank have the ability to provide the customer with a download of historical data?
78. Is a debit or credit advice mailed, faxed or electronically sent for each transfer? Is the advice sent automatically? If so, does the customer have the option of stopping the advice generation? Is there an explicit charge for advices? Does the bank offer optional summary advices for debits and credits?

79. Can the system export reports in various file formats to the customer's other management systems? If so, what formats are available?

IMPLEMENTATION

80. Do you require separate agreements for different modes of wire transfer initiation? Provide a copy of your agreement(s) with any ancillary exhibits. Will the bank accept the customer's standard wire transfer agreement? List all documentation required to implement wire transfer service with your bank.
81. Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.
82. What is the average lead-time required for implementation of the following? What are the critical factors that may impact that lead-time?
- a. Account set-up
 - b. Processing of standard contracts/non-standard contracts
 - c. Installation of software
 - d. Repetitive wire template set-up
 - e. Staff training
 - f. Establishment of overdraft facilities
83. Describe support provided during implementation, including training, technical assistance, user manuals and on-site visits. Does the bank assign an implementation team?
84. What options does the bank offer for the establishment of repetitive wire templates?
- a. Mail _____
 - b. Electronic transmission _____
 - c. Other (describe) _____

CUSTOMER SERVICE

85. Indicate your bank's customer service organizational structure for wire transfer:
- a. _____ Separate customer service department for wire transfer
 - b. _____ Centralized customer service department for all cash management services
 - c. _____ Customer service function contained with wire transfer operating unit

86. Will a specific customer service representative be assigned to handle this business? Describe the responsibilities of customer service personnel, including the chain of command for problem resolution.
87. What are the hours of operation of the wire transfer customer service unit? [Specify time zone] How do domestic and international customer service hours differ?
88. How are inquiries requiring research and adjustments handled by the bank?
89. Are there established turn-around times for research and adjustment items? If yes, specify.
90. What is the bank's record on meeting established response times?
91. Does the bank provide technical customer support for computer hardware, software and communications problems?

QUALITY

92. Does the bank have a formal quality improvement program for this service? If yes, describe.
93. Do you monitor performance indicators? If so, what key performance measures do you track? What is the reporting frequency and period covered for each measure? What are your last two performance levels for each measure?

DAYLIGHT OVERDRAFTS

94. On what basis does the bank calculate daylight overdraft positions?
95. Does the bank currently track all account activity or only wire transfer activity?
96. Can the bank accurately measure in real-time a customer's daylight overdraft in a single account? Can the daylight overdraft be measured across all accounts in the relationship? Can the customer have access to this real-time information?
97. Does the bank establish an intra-day limit per account or per customer? Is wire transfer processing stopped when the intra-day limit is reached? Explain procedures.
98. If the bank incurs a daylight overdraft charge from the Fed, will it pass this charge on to its customers? If so, how (*e.g.* intra-day loan, daylight overdraft facility fees)? How is the charge allocated among customers?
99. If the bank charges its customers for an intra-day loan to cover daylight overdrafts, on what basis does the bank charge: on average daylight overdraft, peak daylight overdraft, or other? Does the bank charge for all daylight overdrafts or only Fed overdrafts? Does the bank charge all customers or only significant users? Does the bank net all of a customer's accounts or treat them separately? What is the loan rate?
100. If there is no explicit overdraft activity charge, does the bank manage the release of outgoing payments? What reasonable assurance does the customer have that its wire

transfers will not be delayed due to the bank's management of its daylight overdraft position?

101. Will the bank apply a deductible before the customer is charged?

102. Describe measures to assure that the customer will not be charged for overdrafts due to bank delays in posting investment income, incoming wires and other credits.

E. ACH SERVICES

The City initiates and approves ACHs internally. The files are then sent to the bank via secure FTP files. ACHs are processed by the bank within as little as two days of approval by the City.

EXPERIENCE

1. Specify the number of corporate/business customers using ACH services.
2. What has been your average monthly ACH origination volume (items and dollars) during the past 12 months? Distinguish between consumer and corporate transactions, debit and credit volume. What is the bank's NACHA ranking?

PROCESSING

3. Does the bank offer the following methods of initiation? If so, describe each method's process of initiation, approval and release. Also provide the number of customers using each method of transfer.
 - a. Voice
 - b. Secure internet
 - c. Scheduled, automated, electronic file transmission
 - d. Web services
 - e. Other, (describe)
4. Describe the service delivery method that you recommend based on the business case that the City has outlined.
 - a. Include any alternative methods that might meet our City's needs.
 - b. How many customers use this method of ACH origination at the bank? What percentage of your customer base does this represent?
5. Does the bank use transaction or file dollar limits? If so, is the customer informed of its limit? What procedures are followed when the customer submits a file that exceeds the limit?

6. What are the hours of operation of the ACH unit?
7. What are the bank's cut-off times for customer initiation of ACH transactions? Specify by input method for day cycle, night cycle, and same day book transfers.

Customer Input Method	Cut-off Time (Pacific Standard Time)		
	Day Cycle	Night Cycle	Same Day Book Transfer
Secure Internet			
Electronic File Transmission			
Other (describe)			

8. Does the bank offer Sunday (weekend) processing of items for Monday effective date? What is the deadline for receipt of customer instructions for initiating transactions?
9. Describe the procedures used to verify accurate and secure receipt of transmissions. Describe the procedures used for receipt of tapes.
10. What are the bank's recommendations regarding pre-notifications for the service being requested?
11. Can the bank automatically redeposit items returned for insufficient or uncollected funds? When items are re-deposited, are any entries posted to the customer's account?
12. What is the bank's maximum retention period for future dated transactions? How long are transactions maintained for on-line reporting after the effective date?
13. Can the bank modify a transaction that the City has originated prior to releasing the transaction to the ACH operator? What modifications can be made? If modifications are permissible, what is the deadline for receiving instructions to modify a transaction?
14. How does the bank handle file, batch and item reversals and deletions?
 - a. What are the deadlines for reversing or deleting a file? Batch? Item?
 - b. Describe your bank's process for reversing and deleting files, batches and items.
 - c. What security procedures are used?
 - d. How is the customer notified?
15. Does the bank accept both debits and credits on the same file? If so, are there any additional requirements?

16. Does the bank provide a database of ACH member institutions? Describe.
17. Can the bank create paper drafts for endpoints that cannot accept electronic transactions?
 - a. How do you determine which banks require paper drafts?
 - b. Must those transactions be identified on the incoming file?
 - c. Is a separate file of draft items required, or can one file contain both electronic and paper items?
18. Describe the bank's ACH return process. When will returned funds be posted to the customer's account? Describe reporting methods in the Information Reporting section of this section (beginning at #26).
19. How do you advise customers of NACHA rule changes and their impact?

TECHNICAL CAPABILITIES

20. What disaster recovery plans does the bank have to avoid interruptions in service? Describe specific occasions in the past year when these plans were implemented.
21. Based on our preferred method of transmission, provide a full and complete description of the bank's technical requirements.
22. What security procedures are in place to minimize the risk of unauthorized transactions (*e.g.*, encryption/authentication)?
23. What controls are in place to protect against lost files and duplication of transmissions?
24. Does the bank provide automatic file receipt acknowledgments? If so, how?
25. Describe the role of any third-party processor used by the bank to provide this service.

INFORMATION REPORTING

26. What methods are available for reporting incoming and outgoing ACH transactions? Describe the reporting method you recommend based on the City's requirements.
27. Specify the data provided on current and previous day reports. Provide sample reports.
28. By what methods can the customer receive notification of change and returned item advices? When will this information be available to use, *e.g.*, posting day, morning after? What information is provided, *e.g.*, date of origination, date submitted, date of return? Provide sample reports.
29. Do you provide notification of re-deposited items?
30. By what methods do you provide confirmation of deletions and reversals?

31. Can returns and incoming transactions be list-posted to the bank statement? What supporting information can the bank provide to reconcile the transactions? How will this information be made available to us?
32. How often is same-day information updated?
33. Is historical information available on the system? How many days of history are available? Provide sample reports.
34. Can the system export reports in various file formats to the City's other management systems? If so, what formats are available?
35. Provide requirements for communication with your balance reporting system.

SETTLEMENT

36. What time and day must the customer fund disbursements?
37. What time and day will the customer receive availability for ACH collections?
38. Can same-day ACH book transfers be made? If so, by what time must the file be received in order for funds to be available in receiving accounts the same day?
39. When will settlements for this service be reported and/or posted?

RECEIVING ACH TRANSACTIONS

40. What time will we be informed of items being charged/credited to our account?
41. What information do you provide and how do you report incoming ACH transactions?
42. Do you provide CCD+ addenda information (*e.g.*, Vendor Express)?

DEBIT AUTHORIZATION SERVICE

43. Does the bank offer any service to protect our account from unauthorized ACH debits?
44. Can you block all ACH debits to our account?
45. Can you selectively accept ACH debits only from originators authorized by us?
 - a. How are such authorizations set up?
 - b. Can you ensure that originators do not charge our account for more than we have authorized?
46. How do you handle receipt of entries from unauthorized entities?
47. Can you stop payment of individual transactions? Describe procedure.

48. By what methods does the bank notify the customer of the receipt of unauthorized ACH debits?

IMPLEMENTATION

49. Provide a copy of all agreements that will be required to initiate ACH service.
50. Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.
51. What is the average lead-time for implementation? What are the critical factors that may impact that lead-time?
52. Describe support provided during implementation, including training, technical assistance, user manuals and on-site visits. Does the bank assign an implementation team?
53. What expertise can the bank provide in developing an authorization agreement and marketing and promotional material to increase acceptance rates? Provide sample copies, if applicable.

CUSTOMER SERVICE

54. Indicate your bank's customer service organizational structure for ACH services.
- a. _____ Separate customer service department for ACH
 - b. _____ Centralized customer service department for all cash management services
 - c. _____ Customer service contained within ACH operating unit
55. Will a specific customer service representative be assigned to handle this business? Describe the responsibilities of customer service personnel, including the process and chain of command for problem resolution.
56. What are the hours of operation of the ACH customer service unit? [Specify time zone]
57. How are inquiries requiring research and adjustments handled by the bank?
58. Are there established turn-around times for research and adjustment items? If so, specify.
59. What is the bank's record on meeting established response times?
60. Does the bank provide technical customer support for computer hardware, software and communications problems? If yes, during what hours is technical support available?

QUALITY

61. Does the bank have a formal quality improvement program for this service? If yes, describe.
62. Do you monitor other performance indicators? If so, what other key performance measures do you track? What is the reporting frequency and period covered for each measure? What are your last two performance levels for each measure?

F. INFORMATION REPORTING

The City has access to most of its banking information online. The City uses previous day and intra day reports to track transactions that have processed and to monitor and project cash flows for the immediate term. These reports are also used to try to identify incoming wires and ACHs, cleared checks, and returned items for proper posting to the City accounts. These reports include ledger and available balances and all transactions posted up until the download time. In addition, the City uses the previously mentioned IPP and NSF reports.

In addition to answering the following questions, please indicate whether you can match or exceed the current service that the City is receiving, and if you have products or services that you believe would be an improvement over the current methods used by the City:

EXPERIENCE

1. How long has your bank offered information reporting services?
2. Specify the number of corporate/business/government customers using this service.

PROCESSING

3. At what time is previous day information available for access by the customer? If information is delayed, how and when will the customer be notified?
4. What are the hours of access of the information reporting system?
5. Does the bank provide current day information? How frequently is this information updated throughout the day? Provide a list of transaction types available on your current day reports.
6. Describe the level of detail provided in previous and current day reports and provide examples of balance and transaction reports.
7. Discuss the features of your inquiry capabilities. Does the bank's system offer the ability to inquire about specific transaction types?
8. How many days of history can be accessed through the system? Provide sample reports.

- a. Does the system provide for history inquiry by date ranges?
 - b. Does the system allow history retention to be determined by the customer?
 - c. Does the bank have the ability to provide the customer with a download of historical data?
9. What other bank services are available through the system? For example, does the system support funds transfer initiation?
 10. In what electronic formats is information available for retrieval?
 11. Does the bank provide all of the services associated with this product, or does a third party provide any of the services? If third parties are used, describe which services the vendors (s) provide and the name(s) of the vendor(s).
 12. Describe your international reporting capabilities.
 13. Can access to account information be segregated by user?
 14. Can the bank's information reporting system report information from other banks? If so, what levels of detail are available?

TECHNICAL CAPABILITIES

15. What hardware/software does the bank use to deliver balance and transaction detail information to customers?
16. Can balance information be received via secure internet?
17. What security procedures does the bank use to protect access to customer data (hardware/software, physical)?
 - a. Does the bank use and support any authentication and encryption methodology for communicating with customers? If so, explain.
18. Does the bank maintain any linkages to Value Added Networks (VANs) to deliver information to customers? If yes, who are the vendors, describe the bank's relationship with the vendors and any additional cost to the City.
19. What are the hours of technical support? Nights, weekends, across multiple time zones?
20. What support can the bank provide to recreate files and reports that may have been corrupted, destroyed, or not accessed?
21. What disaster recovery services can the bank provide to the customer if the customer cannot operate from its own facilities?
22. What are the bank's disaster recovery procedures? How quickly can back-up facilities be activated?
23. What type of information technology consulting does the bank offer?

24. Can the bank interface with treasury workstations? If so, how?
25. What major enhancements, if any, is the bank expecting to implement in the next five years?

IMPLEMENTATION

26. Provide a copy of all agreements that will be required to initiate information-reporting service.
27. Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.
28. What is the average lead-time for implementation? What are the critical factors that may impact that lead-time?
29. Describe support provided during implementation, including training, technical assistance, user manuals and on-site visits. Does the bank assign an implementation team?

CUSTOMER SERVICE

30. Indicate your bank's customer service organizational structure (choose one):
 - a. _____ Separate customer service department for information reporting.
 - b. _____ Centralized customer service department for all cash management services
 - c. _____ Customer service function contained within information reporting operating unit
31. Will a specific customer service representative be assigned to handle this business? Describe the responsibilities of customer service personnel, including the chain of command for problem resolution.
32. What are the hours of operation of the information reporting customer service unit? [Specify time zone]
33. How are inquiries requiring research handled by the bank?
34. Are there established turn-around times for responses? If so, specify.
35. What is the bank's record on meeting established response times?
36. Does the bank provide technical customer support for computer hardware, software and communications problems?

QUALITY

37. Does the bank have a formal quality improvement program for this service? If so, describe.
38. Do you monitor performance indicators? If so, what key performance measures do you track? What is the reporting frequency and period covered for each measure? What are your last two performance levels for each measure?

G.ACCOUNT ANALYSIS

1. Does the bank accept compensation in fees, balances or a combination of the two? If fees are accepted, is there a surcharge or a different price schedule for fee compensation? Describe.
2. What fee payment options does the bank offer, *e.g.*, direct debit, ACH?
3. Describe the method used to calculate the earnings credit rate (ECR)? Is the reserve requirement deducted from the available balance before the ECR is calculated? If not, explain. List the bank's ECR for the most recent six months.
4. Is there a fee or other assessment for FDIC insurance? If so, how does the bank calculate the charge?
5. Can the customer decide how the balances in its accounts will be grouped for purposes of compensation, *e.g.*, assessed individually, by division, or at the relationship level?
6. When calculating average balances, are positive and negative balances netted?
7. How does the bank charge for overdrafts? Does the bank charge for use of uncollected funds? If so, how is the charge calculated?
8. What billing period options do you offer? How and when will the City be billed for deficiencies?
9. How long can excess balances be carried forward to apply to charges in future billing periods?
10. How soon after the close of the billing period is the account analysis available to the customer?
11. How are adjustments reflected on the account analysis?
12. How is the bank's account analysis available electronically?

SAFEKEEPING AND CUSTODIAL SERVICES

The City entrusts the majority of its investments to the trust and custodial services of its banking provider. As noted in the introduction, the City is allowing for the possibility of either keeping these services bundled with its banking services or separately awarding the trust and custodial services depending upon the level of services available and the benefits (including cost savings) available to the City with each option. With its current provider, the City receives a monthly statement detailing transactions that have occurred during the month. In addition, the City has access to reports that provide updated bond ratings (weekly) and estimated fair market values (daily) of its holdings. Proceeds from investment calls/maturities and interest are transferred into the City's general account when received and receive same day posting. Funds necessary for investment purchases are automatically wired from the general account without a separate wire transaction, as part of the trade authorization. E-mail notifications are sent confirming all investment activity including notice of upcoming calls, interest received and fees charged.

For each of the following bullet-points, please answer the questions and/or indicate whether you are able to provide the services, as outlined. If you believe that you offer an alternative to a current process that is superior to the current process, please describe.

1. Refer to the insurance requirements in Appendix B. Does your company meet or exceed these requirements? If not, are you willing to as a condition of contracting with the City?
2. The City will require safekeeping services for securities such as investments in notes and bills of the U.S. government or its agencies, commercial paper, bonds, or banker's acceptances.
3. The City will require its safekeeping agent to keep security documents in a secure vault, safe from destruction, damage and embezzlement. The agent will be required to keep an accurate, current inventory of all such securities. This inventory will contain precise identification of each security, the face value of the security, the date the security was purchased, the original cost of the security and the date it matures.
4. The City only trades using DVP.
5. Daily notification on receivable interest earnings, purchases, calls and maturities must be sent to the City Treasurer. Interest and call/maturity receipts should be transferred same day to the City's general account.
6. The Treasurer must have access to information on daily market values and bond ratings. This information should be available electronically.
 - a. What formats do you have available for this type of portfolio information?
7. A month-end report/statement listing the above information, credit rating and current market value must be submitted to the City Treasurer by the fifth working day of the following month.
8. City personnel will maintain all security transactions and record keeping except as otherwise stated above.

9. Please provide a breakdown of other security information services that you offer (investment accounting software, Bloomberg style market information, etc...) and the costs associated with each.

MERCHANT CARD SERVICES

Please indicate whether your company meets or exceeds the insurance requirements as outlined in Appendix B. If not, are you willing to meet them as a condition of service?

Please provide information on the following items relating to Merchant Card Services:

SETTLEMENT PROCESS

1. Do you support the TSYS processing network to authorize and settle credit/debit card transactions? If not, please indicated which processing networks you do support.

REPORTING:

2. Do you provide electronic access to Merchant Services reports?
 - a. Please indicate which formats these reports are available in.
 - b. What information is available in these reports?
3. Are “drill downs” to transaction detail available on-line?
4. Can transaction detail be sorted by merchant ID, transaction dates, etc.?

TECHNICAL SERVICES:

5. What are the hours and numbers of staff available for technical assistance?

NETWORK DESCRIPTION:

6. On-Line Debit Card Processing:
7. Do you require proprietary credit card swipe equipment?
 - a. If so, what are the options for obtaining the equipment and the costs related to each (purchase, lease, e.g.)?
 - b. Does your company have a timetable/plan for implementation of EMV (Europay MasterCard Visa smart chip cards) type card readers? If so, briefly describe and indicate expected costs for equipment upgrades.
8. Under what circumstances does your company require a reserve account? What are the deciding factors?
9. Charge Back System:
10. What is the time frame between batch receipt by the vendor and customer credit?

- a. Is individual credit given by merchant ID?
- 11. What are the assessment fees for each type of credit/debit card (VISA, MasterCard, Discover, American Express)?
- 12. What are the discount rates for each type of credit/debit card (VISA, MasterCard, Discover, American Express)?
- 13. Please discuss any other fees or charges related to credit/debit card processing and settlement.

PCI COMPLIANCE:

- 14. Describe tools or services available to assist the customer/merchant with PCI compliance.
- 15. How often is a network security scan required of the merchant?
 - a. Does your company provide network security scan services?
 - b. If so, what is the cost?
- 16. Do you provide online self assessment questionnaire's (SAQ) or other tools to help the merchant in evaluation of status? If so, please describe.

SECURE TRANSPORTATION

SERVICES:

1. Indicate whether you can meet the pickup and delivery parameters outlined on page 6.
 - a. Please provide an approximate schedule outlining when you would anticipate pickups and deliveries to be made.
 - b. Please provide an alternate schedule and an alternate quote, if applicable, for delivery to a Sacramento or San Francisco Bay Area vault instead of the local branch.
2. Indicate whether you are capable of providing same-day deposits of funds to whatever local branch is selected in this RFP process.
3. Confirm that you can meet the City's insurance requirements and that your company is willing to provide an 'Additional Insured Endorsement' as required by the City's Risk Management policy (see Appendix B).
4. Is your company considering subcontracting any portion of the service requested? If yes, please provide details. (Services may not be subcontracted without prior approval by the City.)
5. What distinguishes your company's equipment and services from that of your competition?
6. Are there any additional costs for same day guaranteed banking service? If so, is it a flat fee or percentage?
7. If a deposit does not make it to the bank or vault by close of business, what plans are made to ensure same day credit?
8. How many trucks service Redding?
9. Please include a copy of your company's standard, boiler plate agreement that includes terms, conditions and procedures for losses.

COMPANY:

10. Provide the names and contact information for the primary and alternates who would be responsible for this account.
11. Provide a statement of your company's alcohol, substance abuse and firearms policy.
12. Provide in detail your company's hiring standards (include background checks, drug testing, etc...).

13. Provide copies of all licenses, permits and registrations required by federal, state, and local regulations, rules and statutes.

EMPLOYEES:

14. Describe possible labor relations issues that may affect your company's ability to provide armored car service.
15. What is the average tenure of employees by classifications (management, drivers/guards).
16. Describe standard industry training required and special/additional training your company provides/contracts for your guards (include firearms training).

V. PRICING

1. All proposers:
 - a. **Fees in this proposal should cover and be guaranteed for five (5) years.**
 - b. Please specifically identify the time period for which your bid is guaranteed.
2. Banking Services:
 - a. Submit one (1) set of the pricing table and the pro-forma analysis together in a separate, sealed envelope.
 - b. Provide a price schedule utilizing the attached table (Appendix A) for all banking services requested in this RFP using AFP Service Codes. Include any one-time or set-up charges, research fees, and all other fees that will be charged. The enclosed table is based upon actual service volumes charged over a recent 1 year period. Be sure to add lines for any non-included fees (be they one-time or per item) that you intend to charge. As with the rest of this RFP, the table (in excel) is available electronically upon request.
 - c. Provide a pro forma analysis based on the attached list of volumes and services required (customer to provide), using AFP Service Codes.
3. Trust & Custody
 - a. Please provide a breakdown of your fee structure. Please include not only costs at the City's historical trade volume and custodial balances, but also within a reasonable range above and below historical. Also, please indicate what additional costs are associated with a typical custodial account (do you absorb wire fees, what 'additional' services you charge fees for, etc...).
4. Merchant Card Services:
 - a. Identify your processing rate.
 - b. Specifically itemize any/all authorization/return/AVS/gateway/etc... fees that will be charged to or passed on to the City.
5. Secure Transportation Services:
 - a. Please provide a breakdown of the costs for each of the routes (City Hall, Electric Customer Service, and Aquatic Center). Indicate any additional fees that might be assessed (including fees for excess volume, wait times, etc...). Identify fuel surcharges, if any, and how they are determined. If applicable, provide an alternate cost schedule in case deposits are required to be made to a Sacramento or San Francisco Bay Area vault.

VI. MISCELLANEOUS

A. Community Reinvestment Act Activity (CRA)

1. Please provide a copy of your most recent CRA Report.
2. Do you currently participate in any financial literacy programs in place in the Redding community?
3. What is your ratio of low to moderate income residential loans to total residential loans?
4. What is your ratio of low to moderate income commercial loans to total commercial loans?
5. Have you partnered with any non-profit organizations to provide banking information or services to the low or moderate income community?
6. Do you currently have any branches established in low to moderate income areas within Redding?

B. General Information

1. Banking Services:
 - a. Does the customer order deposit tickets and other supplies through the bank or directly from a vendor? How are the charges handled?
 - b. Will the bank cash the City's payroll checks without charge? If not, what is the charge? Is a check cashing agreement required? If yes, include a copy. What controls are in place to minimize check fraud?
 - c. How and when is the customer notified of a price increase after the initial 5 year period?

**APPENDIX A
PRICING TABLE
CITY OF REDDING BANKING SERVICES**

Description	AFP CODE*	Average Monthly Volume**	Unit Price	One- Time/Misc. Fees	Estimated Monthly Cost
RECOUPMENT MONTHLY	00 0230	608.59			
ONLINE TAX PAYMENT RECEIPT	01 0000	0.08			
ONLINE TAX PAYMENT ACCESS CODE MONTHLY BASE	01 0000a	0.17			
ACCOUNT MAINTENANCE-CHEXSTOR	01 0000b	6.25			
ONLINE TAX PAYMENT QUARTERLY STATEMENT	01 0000c	0.08			
SUBACCOUNT MAINTENANCE	01 0021	3.00			
ZERO BALANCE MONTHLY BASE	01 0021a	2.00			
ONLINE TAX PAYMENT SUBSCRIPTION PER ACCT	01 0099	0.83			
DEBITS POSTED	01 0100	168.83			
ONLINE TAX PAYMENT	01 0100a	0.08			
DESKTOP DEPOSIT CREDIT POSTED	01 0101	19.25			
CREDITS POSTED	01 0101a	87.08			
BANK CONFIRMATION AUDIT REQUEST	01 0630	0.08			
CREDIT RATING AUDIT REQUEST	01 0640	0.08			
UTILITY ACCOUNT ACH PAYMENT POSITIVE FILE MONTHLY BASE	05 0030	1.00			
UTILITY ACCOUNT ACH PAYMENT MONTHLY MAINT (W/CROSS REF)	05 0030a	1.00			
COIN DEPOSITED FULL BAGS	10 0014	8.92			
CASH DEP/\$1 VER AT TELLER WINDOW	10 0015	654,198.97			
CURRENCY ORDERED/\$1 - BRANCH/STORE	10 0048	66.67			
CHANGE ORDER CHARGE- BRANCH/STORE	10 0140	0.83			
ROLLED COIN ORDERED - BRANCH/STORE	10 0144	0.33			
ELECTRONIC DEPOSIT - CHECK ON-US	10 0220	531.83			
DESKTOP DEPOSIT-ON-US DEPOSIT ITEM	10 0220a	211.00			
DEPOSITED CHECKS	10 0223	66.25			
ELECTRONIC DEPOSIT - CHECK NON ON- US	10 0224	4,507.17			
DESKTOP DEPOSIT-NON ON-US DEP ITEM	10 0224a	1,797.75			
ELECTRONIC DEPOSIT - DEP ADJUSTMENT	10 0230	2.00			
RETURN ITEM SPECIAL INSTRUCTIONS	10 0400	24.42			
RETURN ITEM CONVERTED CHK CHGBK IRD	10 0400a	17.67			
ADMIN RETURN ITEM - CHARGEBACK	10 0400b	0.33			
ADMIN RETURN ITEM-REPAIRED ACH ITEM	10 0400c	1.92			
ADMIN RETURN ITEM-REPAIRED AS CHECK	10 0400d	7.25			

**APPENDIX A
PRICING TABLE
CITY OF REDDING BANKING SERVICES**

Description	AFP CODE*	Average Monthly Volume**	Unit Price	One- Time/Misc. Fees	Estimated Monthly Cost
RETURN ITEM CONVERTED CHK REDEPOSIT	10 0400e	30.33			
RETURN ITEM - CHARGEBACK	10 0400f	6.42			
RETURN ITEM SPECIAL INST MTHLY BASE	10 0401	3.50			
RETURN ITEM REDEPOSITED	10 0402	10.17			
ONLINE RETURN ITEM SERVICE MTHLY BASE	10 0414	3.00			
ONLINE RETURN ITEM RETRIEVAL- IMAGE	10 0414a	33.00			
CASH VAULT DEPOSIT ADJUSTMENT	10 0501	3.50			
CASH VAULT ADJ ADVICE - US MAIL	10 0520	0.92			
DEPOSIT LOCATION REPORTING - ITEM	10 0610	173.17			
SMART DECISION ELEC CHECK ACH ONUS	10 9999	1,564.67			
SMART DECISION ELEC CHK ACH TRANSIT	10 9999a	10,956.75			
POSITIVE PAY MONTHLY BASE	15 0030	3.50			
ARP CHECKS PAID - FULL RECON	15 0100	13.17			
ARP CHECKS PAID - PARTIAL RECON	15 0100a	1,262.92			
POSITIVE PAY EXCEPTION CHECKS RETND	15 0129	0.67			
PYMT AUTH MAX CHECK MTHLY BASE	15 0240	2.00			
MICR CHECK REJECTS >1% THROUGH 2%	15 0300	5.58			
MICR CHECK REJECTS OVER 2%	15 0300a	32.83			
ONLINE SEARCH	15 0400	97.08			
POSITIVE PAY EXCEPTION - ONLINE IMAGE	15 0723	0.25			
ALL CHECKS PAID CHECK MONTHLY BASE	15 1350	1.00			
ONLINE IMAGE VIEW < 90 DAYS - ITEM	15 1352	4.83			
ONLINE IMAGE VIEW > 90 DAYS - ITEM	15 1352a	2.17			
ALL CHECKS PAID CHECK PER CD	15 1353	1.00			
ALL CHECKS PAID CHECK PER ITEM	15 1399	1,232.42			
ARP MONTHLY BASE - FULL	20 0010	1.00			
ARP MONTHLY BASE - PARTIAL	20 0020	2.50			
OUTGOING TRANSMISSION - PER ITEM	20 0100	1,270.50			
ARP REGISTER INPUT ONLINE - ITEM	20 0200	32.42			
ARP PART POSITIVE PAY ISSUE - ITEM	20 0201	1,386.67			
ARP FULL RECON-ITEM	20 0201a	15.00			
ARP OUTPUT - TRANSMISSION	20 0301	1.00			
ARP STATEMENT MONTHLY BASE ONLINE	20 0305	4.00			
ARP OPTIONAL REPORTS	20 0310	2.50			
ARP PARTIAL RECONCILIATION - ITEM	20 0310a	1,262.92			
POSITIVE PAY EXCEPTIONS - ITEM	20 0399	1.25			

**APPENDIX A
PRICING TABLE
CITY OF REDDING BANKING SERVICES**

Description	AFP CODE*	Average Monthly Volume**	Unit Price	One- Time/Misc. Fees	Estimated Monthly Cost
ARP AGED ISSUE RECORDS ON FILE- ITEM	20 9999	8,403.75			
ACH MONTHLY BASE	25 0000	4.00			
ACH TWO DAY ITEM	25 0102	1,569.92			
ACH ONE DAY ITEM	25 0102a	4,490.42			
SMART DECISION ACH TRANSIT	25 0102b	11.67			
ACH ORIGINATED - ADDENDA REC	25 0120	351.42			
ELECTRONIC CREDITS POSTED	25 0201	883.33			
ACH RECEIVED ITEM	25 0202	50.42			
ACH NOC - TRANSMISSION ADVICE	25 0302	3.25			
ACH RETURN ITEM-TRANSMISSION ADVICE	25 0302a	11.83			
ACH TRANSMISSION CHARGE	25 0501	53.08			
ACH DELETE - ITEM	25 0620	0.08			
ACH SPECIAL INVESTIGATION	25 1010	0.17			
ACH ONLINE FRAUD FILTER STOP MTHLYBASE	25 1050	0.75			
ACH FRAUD FILTER STOP MTHLYBASE- FAX	25 1050a	7.00			
ACH ONLINE FRAUD FILTER STOP MTHLYBASE	25 1050b	0.75			
ACH FRAUD FILTER STOP - ITEM FAX	25 1052	0.08			
ACH NOC - TRANS ADVICE	25 1070	0.25			
RECEIVABLES MANAGER MONTHLY BASE	30 0010	1.00			
UTILITY ACCOUNT ACH PAYMENT PAYMENT	30 0099	3,531.17			
RECEIVABLES MANAGER OUTGOING TRANS	30 0200	25.25			
EC BILLPAY ON US ITEMS	30 0599	883.50			
WIRE-OUTGOING DOMESTIC-ONLINE	35 0104	14.42			
WIRE - BOOK TRANSFER - ONLINE	35 0124	1.00			
WIRE IN DOMESTIC	35 0300	17.75			
WIRE IN - INTERNATIONAL	35 0310	0.08			
WIRE SECURITY MONTHLY BASE	35 9999	3.75			
WIRE OUT REPAIR SURCHARGE	35 9999a	0.08			
ONLINE PREV DAY SUBSCRIPTION MTHLYBASE	40 0000	5.00			
ONLINE PREV DAY SUBSCRIPTION MTHLYBASE	40 0000a	5.00			
ONLINE PREV DAY SUBSCRIPTION DETL ITEM	40 0001	2,161.25			
ONLINE INTRADAY SUBSCRIPTION MTHLYBASE	40 0003	1.00			
ONLINE INTRADAY SUBSCRIPTION MTHLYBASE	40 0003a	1.00			
ONLINE INTRADAY SUBSCRIPTION - ITEM	40 0224	625.17			

APPENDIX A PRICING TABLE CITY OF REDDING BANKING SERVICES

Description	AFP CODE*	Average Monthly Volume**	Unit Price	One- Time/Misc. Fees	Estimated Monthly Cost
ONLINE EVENT MESSAGING SERVICE - EMAIL	40 02ZZ	279.17			
ONLINE WIRE INQUIRY DETAIL - PER ITEM	40 0340	0.17			
SWEEP ACCOUNT INVEST MTHLY BASE	45 0020	3.25			
SWEEP ACCOUNT INVEST ELECTRONIC	45 0403	52.08			
UTILITY ACCOUNT ACH PAYMENT PAYMENT RETURN	99 9999	5.92			

* Suffix (a,b,c,etc... added to differentiate)

** Actual average volume September 2012-
August 2013

<p>Printed Name _____</p> <p>Title _____</p> <p>Authorized Signature _____</p> <p>Date _____</p>	
--	--

APPENDIX A PRICING TABLE CITY OF REDDING TRUST AND CUSTODY

Description	Unit Price	Volume Range for Quote/Bid	Estimated Monthly Cost
PORTFOLIO BALANCE			
TRANSACTION FEES			
WIRE FEES			
OTHER			
OTHER			
OTHER			
OTHER			

HISTORICAL			
	2012-13	2011-12	2010-11
Average Portfolio \$\$\$ in T & C	\$ 116,590,000	\$ 103,635,000	\$ 103,930,000
# of Transactions (Purchases/Calls/Maturities)	96	102	84
* additional information available in introduction of RFP			

Printed Name _____
Title _____
Authorized Signature _____
Date _____

APPENDIX A PRICING TABLE CITY OF REDDING MERCHANT CARD SERVICES

Description	Unit Price	Volume Range for Quote/Bid	Estimated Monthly Cost
PROCESSING RATE			
AUTHORIZATION FEES			
RETURN FEES			
AVS FEES			
GATEWAY FEES			
OTHER			
OTHER			

HISTORICAL*			
	2012-13	2011-12	2010-11
Annual Utility Transactions	166,508	155,046	137,876
Annual 'Other' Transactions	34,635	42,947	41,810
Annual Utility Dollar Volume	37,072,439.03	35,918,080.60	27,489,240.25
Annual 'Other' Dollar Volume	3,864,676.23	3,185,980.52	4,052,528.67
* additional information available in introduction of RFP			

Printed Name _____
Title _____
Authorized Signature _____
Date _____

APPENDIX A PRICING TABLE CITY OF REDDING SECURE TRANSPORTATION SERVICES

Description	Unit Price	Volume Range for Quote/Bid	Estimated Monthly Cost
CITY HALL ROUTE			
AQUATIC CENTER ROUTE			
REU BUILDING ROUTE			
FUEL SURCHARGES			
OTHER			
OTHER			

Printed Name _____ Title _____ Authorized Signature _____ Date _____

APPENDIX B

INSURANCE REQUIREMENTS FOR CITY OF REDDING CONTRACTORS/VENDORS GL, AL, WC, and CRIME

The Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid. Certificates of Insurance meeting the following requirements shall be provided to the City of Redding within fifteen (15) working days from the City's written notification of approval to award the contract/purchase order. Failure to provide the insurance certificates meeting the City's requirements within fifteen (15) working days may cause the bid to be rejected and the contract awarded to the next low bidder. In addition to the Certificates of Insurance the contractor must obtain an Additional Insured Endorsement. This is separate from the Certificate and must have the policy number on it linking it to the policy.

INSURANCE REQUIREMENTS:

- A. Unless modified in writing by City's Risk Manager, Consultant shall maintain the following noted insurance during the duration of the Contract:

Coverage	Required	Not Required
Commercial General Liability	X	
Comprehensive Vehicle Liability	X	
Workers' Compensation and Employers' Liability	X	
Professional Liability (Errors and Omissions)		X

- B. Coverage shall be at least as broad as:

1. Insurance Services Office form number CG-0001, Commercial General Liability Insurance, in an amount not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate for bodily injury, personal injury and property damage. **In the case of a vendor who is awarded the Secure Transportation Services contract (Armored Car), the requirement is increased to \$5,000,000 per occurrence and must include crime coverage. If Commercial General Liability insurance or other form with**

a general aggregate limit is used, the general aggregate limit shall be twice the required per occurrence limit;

2. Insurance Services Office form number CA-0001 (Ed. 1/87), Comprehensive Automobile Liability Insurance, which provides for total limits of not less than \$1,000,000 combined single limits per accident applicable to all owned, non-owned and hired vehicles;
 3. Statutory Workers' Compensation required by the Labor Code of the State of California and Employers' Liability Insurance in an amount not less than \$1,000,000 per occurrence. Both the Workers' Compensation and Employers' Liability policies shall contain the insurer's waiver of subrogation in favor of City, its elected officials, officers, employees, agents and volunteers;
 4. The City does not accept insurance certificates or endorsements with the wording "but only in the event of a named insured's sole negligence" or any other verbiage limiting the insured's insurance responsibility.
- C. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its elected officials, officers, employees, agents and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
- D. The General Liability shall contain or be endorsed to contain the following provisions:
1. City, its elected officials, officers, employees, and agents are to be covered as additional insured as respects liability arising out of work or operations performed by or on behalf of Consultant; premises owned, leased or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its elected officials, officers, employees, agents and volunteers.
 2. The insurance coverage of Consultant shall be primary insurance as respects City, its elected officials, officers,

employees, agents and volunteers. Any insurance or self-insurance maintained by City, its elected officials, officers, employees, agents and volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

3. Coverage shall state that the insurance of Consultant shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 4. Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be canceled except after thirty (30) calendar days' prior written notice has been given to City. In addition, Consultant agrees that it shall not reduce its coverage or limits on any such policy except after thirty (30) calendar days' prior written notice has been given to City.
- E. Insurance is to be placed with insurers with a current A.M.Best's rating of no less than A-VII.
- F. Consultant shall designate the City of Redding as a Certificate Holder of the insurance. Consultant shall furnish City with certificates of insurance and original endorsements effecting the coverages required by this clause. Certificates and endorsements shall be furnished to: Risk Management Department, City of Redding, 777 Cypress Avenue, Redding, CA 96001. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City's Risk Manager prior to the commencement of contracted services. City may withhold payments to Consultant if adequate certificates of insurance and endorsements required have not been provided, or not been provided in a timely manner.
- G. The requirements as to the types and limits of insurance coverage to be maintained by Consultant as required by Section 5 of this Contract, and any approval of said insurance by City, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by Consultant pursuant to this Contract, including, without limitation, provisions concerning indemnification.
- H. If any policy of insurance required by this Section is a "claims made" policy, pursuant to Code of Civil Procedure § 342 and Government

Code § 945.6, Consultant shall keep said insurance in effect for a period of eighteen (18) months after the termination of this Contract.

- I. If any damage, including death, personal injury or property damage, occurs in connection with the performance of this Contract, Consultant shall immediately notify City's Risk Manager by telephone at (530) 225-4387. No later than three (3) calendar days after the event, Consultant shall submit a written report to City's Risk Manager containing the following information, as applicable: 1) name and address of injured or deceased person(s); 2) name and address of witnesses; 3) name and address of Consultant's insurance company; and 4) a detailed description of the damage and whether any City property was involved.



CITY OF REDDING

SUPPORT SERVICES DEPARTMENT

PURCHASING DIVISION

777 Cypress Avenue, Redding, CA 96001-2718

P.O. Box 496071, Redding, CA 96049-6071

530.225.4138 FAX 530.225.4434

Date: March 17, 2014

Code: B-050-100-000

CITY OF REDDING, CALIFORNIA REQUEST FOR PROPOSAL FOR BANKING, MERCHANT CARD TRUST & CUSTODY, AND SECURE TRANSPORT SERVICES

(Schedule Number 4622)

Addendum No. 1

The following questions and answers, clarifications, and additions and deletions are being shared with all known interested parties. The contents of this addendum, including the attachments, are incorporated into the Request for Proposal (RFP) in the same manner as if provided in the original release of the document. We are sharing numerous questions and answers, an outline of the pre-proposal teleconference, and various attachments.

You will see some issues duplicated as well as duplicated references to spreadsheets provided to more than one person who asked essentially the same or closely related question. If requesting the information at different times they may have received different information simply by the fact that the figures would be updated. We have attached herein the version/date representing the most recent occurrence of any particular spreadsheet that was provided.

Regarding Merchant Card Services (RFP pages 52 and 53)

Page 52 is the start of the section dedicated to Merchant Card Services. Near the top of page 53, questions 11, 12, and 13 are not to be addressed in the body of your proposal (if applicable to your proposal), as they relate to cost, but are instead to be included in the one hard-copy set of Pricing provided in a separate, sealed envelope.

Outline/Recap of Pre-Proposal Meeting held March 03, 2014

1. Banks Represented:
 - a. US Bank
 - b. Union Bank

- c. Wells Fargo
 - d. Tri-Counties Bank
 - e. Redding Bank of Commerce
 - f. UMS Bank
 - g. Five-Star Bank
2. Items of clarification from questions that have been received and from errors that we have found in our RFP:
- a. Loomis is our current armored car/secure transportation provider
 - b. The move of the Electric Utility has been moved back; likely at least until 2015. This should affect the bids for armored car.
 - c. The minimum distance from City Hall to the new electric facility is 7.2 miles. Its location is 3611 Avtech Pkwy.
 - d. Merchant card services:
 - i. We indicated on page 8 of the RFP that we required TSYS. This is an overstatement. Vendors should look at the Curbstone.com website and possibly contact the company. If curbstone supports the authorization network for a C2 type customer (this is emphasized in case some networks are only available for C3 customers), then we should be able to work with the authorization network.
 - ii. We included pinless debit transaction activity in our credit card activity. From questions that we have been receiving, this may be an issue for those bidding these services. We do not have pin pads for any of our locations. For the month of October 2013 the percentage of credit/debit transactions was 27/73 for utilities and 40/60 for all others (debit transactions exceed credit).
 - e. Account Analysis Statements
 - i. We have had several requests for statements. We attempted to provide consolidated data that was detailed enough to allow for proposers to gain an understanding of activity levels and make an educated bid. A recent question indicated that having the detail broken out by account would be helpful. If we separate the detail out by account in the same excel format that we have already provided, will this provide sufficient information?
 - ii. As a response to this we will be providing the account analysis breakout by account in excel.
3. INFORMATION: ALL QUESTIONS/ANSWERS PREVIOUSLY PROVIDED AND THOSE FROM THIS CONFERENCE WILL BE PROVIDED TO ALL PROPOSERS AS AN ADDENDUM TO THE RFP.
4. Questions from Attendees:
- a. We reviewed the question regarding the account analysis statements in 2e, above along with several of the questions provided by Union Bank. These will be addressed separately in a document addressing all of Union Bank's questions.

b. US Bank had a question regarding armored car services: Is the cash coming into the City from other sites verified before leaving for the bank. Answer: The City verifies all cash at the City Treasurer's Office, including amounts from other departments that are brought in whether by armored transport or other means.

c. Tri-Counties Bank had a question concerning whether the sweep accounts are collateralized. Answer: The sweep accounts have the same collateralization requirements as the rest of the City deposit accounts. We have several options through Wells Fargo for our sweep, including Commercial Paper, Repurchase Agreements, and Money Market Funds.

Questions and Answers

Q1: What are the average daily balances in the accounts?

A1: See spreadsheet detailing average balances for the 6 months June-November 2013.

Q2: How many deposit accounts are you looking to open?

A2: I believe that the six accounts that are referred to in the spreadsheet for 1A, above are what you are considering deposit accounts. However, please refer to page 4 of the RFP for information regarding sub-accounts and ZBA accounts.

Q3: Can we get a copy of your current bank statement?

A3: We believe that the detail provided in the RFP is sufficient for obtaining an understanding of our account activity. For detailed transaction volume, please refer to the pricing section and Appendix A, which breaks out activity compiled from actual account analysis statements, by AFP Code.

Q4: What are the highest and lowest collaterals?

A4: I am reading the question to be: what are the highest and lowest balances that have been kept, requiring collateralization? Attached is a copy of the investment policy. You can find collateralization requirements on page 4. As for the highest and lowest balances, we don't have specific information on that. I can tell you that, under the current City Treasurer we try to move idle cash to LAIF, at a minimum, and into investments if we believe our cash flow allows. As such, in the general account we seldom leave more than \$1-2 million in our account unless we are expecting to need the cash flows. However, we have days with large cash receipts and large cash outflows which is why our average balances are much higher (as shown in the previously requested schedule – 1A). In addition, we commonly run between \$1-2 million in outstanding checks which we leave cash to cover. Due to this activity there are times when we may have \$10 million in the account temporarily.

The prior City Treasurer left \$10-20 million in the account on a regular basis. She has been gone for more than a year, but a change in personnel could result in a change in practice.

- Q5:** Please provide deposit account statements (all) for the most recent 3 monthly statement cycles.
- A5:** We are not providing copies of actual statements or analysis statements to any requestors. However, I am attaching a few spreadsheets that seem to address the most common questions that responders are concerned with in the RFP. One spreadsheet provides average daily balances for the various accounts and their associated sweeps, if applicable. Another spreadsheet breaks out the pricing spreadsheet (Appendix A) by account. That worksheet is prepared from an actual 12 months of activity. In case you are most interested in the last three months, I added a tab with activity levels for December-February. The third spreadsheet was initially prepared on the 2013 calendar year activity for merchant card services, by location. I am updating the spreadsheet to include January and February of 2014, since you are asking for the most recent 3 months, but I caution you to make note of the seasonal nature of our receipts and not make too much of any 3 month period without the context of seasonal fluctuations.
- Q6:** Please provide the approved list of broker dealers that you currently buy and sell securities through.
- A6:** A spreadsheet is attached.
- Q7:** Is your employee payroll processing 100% in-house or partially/completely outsourced to a third party vendor (such as Paychex, ADP)?
- A7:** The City's payroll is completely processed in-house.
- Q8:** Where does the City currently obtain its blank check stock? What is the average purchase volume annually?
- A8:** The City gets its check stock from R. R. Donnelley. We use 8 ½ by 11 safety paper that is pre-printed with the basic info (check number, routing etc...). The checks are duplex and serve as the check and stub. Between payroll, accounts payable, RABA, the Housing Authority, SHASCOM (we print checks for SHASCOM, as the City processes their payroll) we run through around 20,000 checks per year.
- Q9:** Does your current bank provide you Remote Deposit Capture (RDC) services? If so, how many machines do they provide and where are they located?
- A9:** The City uses Remote Deposit Capture services provided by our current bank. We own the equipment that we use for scanning (our bank does not provide the equipment). The Utilities use a Remittance Processor (high volume) for checks received for utility payments. It is a Unisys Model 21201-C 12-pocket with a sit-down console. Items that are rejected by their processor are now rescanned by the Treasurer on our check scanner, so recently we have actually deposited almost 100% of Treasurer and Utility (not RABA and Housing Authority) checks using RDC services. The Treasurer's Department scans most non-utility checks that are received (not RABA or Housing Authority). The Treasurer's Department has a Panini Vision X check scanner

(low volume). We have the Utility and Treasurer sub-accounts within the General DDA account that are used to help segregate Utility activity, so the Treasurer has the ability to choose the sub-account to which the checks in our office are scanned. All checks process by the Unisys are credited to the Utility sub-account.

Q10: Can you more fully describe your current account reconciliation process? Specifically, what frequency and file format do you receive reconciling information?

A10: We have one account, the Cafeteria account that is full reconciliation. I do not know the history behind why this one is full reconciliation. Our Accounting Specialist still performs a reconciliation of the account, but she has our bank's work to fall back on.

The rest of our accounts are partial reconciliation. At the end of the month we receive a file for each of these accounts which lists out checks paid out. Since we send files with checks for our positive pay, it is an easy matter for our IT Department to provide us with a listing of outstanding checks for each account. We maintain internal ledgers of activity which, in addition to what we receive from our bank are used to reconcile at month-end.

The most difficult accounts for reconciliation are, of course, the credit cards. For these we have internally generated reports that list what was sent to Curbstone, Inc., and through them to our Merchant Services provider for settlement. There is then, of course, an additional lag-time between when the Merchant Services provider receives the records for settlement and when the proceeds net of fees are transmitted to our DDA account. We have access to downloads and statements from our Merchant Services provider and from American Express (as they are not cleared through our provider). These are used to reconcile our credit card activity.

Q11: How do you now segregate bundled payments from customers using their online banking BILL PAYMENT service to make payments to the City of Redding? Can you provide an example of the file reports? PLEASE CLARIFY THE CURRENT BANK'S ROLE IN THIS PROCESS.

A11: The City uses this service only with Customer Service (Utility) payments. We do not use this for regular accounts receivable activity. All customers have a utility account with the City. The bank receives and uses a positive file that is updated by the City with customer name and account information. This file is used to match payments received by our bank from customer's online bill-payment sites to customer accounts. We then receive a file with payment/account information. When customers set up payment they have to enter their utility account information. They often enter incorrect or incorrectly formatted information. When this happens the City receives exception/error reports that the Customer Service staff review. If the staff member is able to determine the correct information, they can provide the changes to our bank and the corrected information is used for future payments without the customer having to 'fix' their bill-payment.

The bank's role is data validation and consolidation. The bank makes sure the customer account fits the account mask and uses the positive file updates to fix errors. It also, apparently, is able to update data for changes on the customer side (mergers, acquisitions, etc...). The bank then consolidates the payments from various sources into a single file that interfaces with our utility billing software.

I believe the actual file that we receive from the bank may be proprietary, but I can tell you that it is a flat file that is delimited with fixed and variable length strings.

Q12: Does the City have any pain points with its current financial institution that we should be aware of?

A12: No.

Q13: What are the expected average daily balances in the 8 accounts on page 4 of the RFP?

A13: There are really 6 accounts with distinguishable balances. These would be the General, Cafeteria, FSS Escrow, Housing Authority, RABA, and Successor Agency to Redding Redevelopment. The Sub-Accounts (Treasurer, Utility and Parking) are essentially tracking tools within the General Account, and the Credit Card Accounts are zero-balance accounts whose activity sweeps daily to the General Account. I prepared a spreadsheet for another bank earlier in this process which is still relevant. I've updated portions for recent months. See the accompanying spreadsheet detailing average balances for the months June 2013 – February 2014. I would anticipate that the averages for the Housing Authority, FSS Escrow and the Cafeteria plan are a reasonable predictor of balances in the near-term. I would throw out the July sweep balance for RABA and anticipate that otherwise there will not be any major changes. The Successor Agency account should continue to dwindle. There will be some spikes as funds pass through for debt service. We have improved our methods of daily balancing, so for the General Account, I believe that we will be able to maintain average balances below \$3,000,000 in the sweep and \$400,000 in the DDA.

Q14: Please provide a copy of the City's detailed account analysis statements. We would like to see the services and associated volumes at the account level to aid in our analysis and recommendations.

A14: Per discussion at the pre-proposal conference we will be providing an excel document similar to the bid sheet already provided for banking services that is broken out by account. This is also included as an attachment.

Q15: Does the City have any pain-points with their current payables process?

A15: No.

- Q16:** We notice that some of the City's accounts are set up on Partial Reconciliation with Positive Pay. Is there a reason for not utilizing Full Reconciliation on all accounts with Positive Pay service?
- A16:** We currently use partial reconciliation and receive files from the bank with cleared checks which we use to do our own reconciliation. We do this for cost savings only.
- Q17:** Is check printing conducted in house? If so, is the City interested in learning more about outsourcing capabilities?
- A17:** Yes check printing is conducted in house. No we are not interested in outsourcing that function at this time.
- Q18:** Does the City have any pain-points with their current receivables/cash application process?
- A18:** No.
- Q19:** The Bank's deposit reporting is available online through information reporting as a part of a green initiative. Will this suffice for the City's needs instead of a mailed paper report?
- A19:** Yes, especially if the reports can be obtained in multiple formats: pdf, excel...
- Q20:** What equipment is the City presently using to transmit deposit images to the bank?
- A20:** The City uses a Panini desktop scanner for non-utility checks (and just started recently using it for checks that were rejected by the utility processor) and uses a remittance processor for utility scanned checks.
- Q21:** The average monthly volumes are showing as fractions of a whole number. Does the City plan to round these numbers to the nearest whole number to get a better estimate of fees?
- A21:** No. These are averages that are calculated by taking the entire year and dividing by 12. Most of the numbers will result in a whole number when multiplied by 12. Those that don't are a result of us being charged a fractional volume (very rare).
- Q22:** What is Utility Account ACH Payment Positive File Monthly Base?
- A22:** This is the base fee paid for Wells Fargo's E-Box service which is used for acceptance of online bill-pay for utility payments. Bill payers can use their own online payment service. Wells Fargo keeps a positive file of account numbers and names which are matched to utility accounts for payment.
- Q23:** What is Utility Account ACH Payment Monthly Maintenance (with Cross Reference)?
- A23:** This is a monthly fee for maintenance of positive file referenced in question 22, above
- Q24:** What is All Checks Paid Monthly Base?
- A24:** This is what Wells Fargo calls WellsImage. It is the base fee we pay for check imaging.

Q25: What is Utility Account ACH Payment Return?

A25: This is the charge paid for returned ACH's under the E-Box service referenced in questions 22 and 23, above.

Q26: What would be the desired daily pick-up time for armored car services at City Hall? What is the average daily deposits at City Hall? What is the average delivery of change orders to City Hall?

A26: We currently have pickup between 11:00am and 2:00pm. Our deposits are ready for pickup any time after opening, preferably after 8:15am. We are averaging \$25,000 to \$35,000 per deposit picked up at City Hall. Our change orders run \$400 to \$1,200, probably \$600 on average and at this point are only about 1x/week. Please refer to page 6 of the RFP for more detail.

Q27: Please confirm if the daily pickup of cash/check deposits at the Aquatic Center will be June-August? What would be the desired pick-up time for the Aquatic Center?

A27: The Aquatic Center pickups are during the school break for summer which should never exceed the June-August time-frame. We do not specify a time for pickup with our current carrier, just during open hours, as the pickup is for prior day receipts. Our current carrier picks up prior to coming to City Hall.

Q28: Does the City want carrier bids for Redding Electric Utility office? If so, what will be the frequency, time, and average deposits?

A28: Please see page 6 of the RFP. We would need daily pickup/delivery. The volumes listed in the RFP are based on current cash activity levels. Until REU actually moves, we do not know what affect the change in location will have on payment methods, though it is likely to reduce cash payments. **If that cash volume is reduced, then the volume being picked up at City Hall will also be reduced, as the majority of our cash deposits are from utility payments.** What is going to be picked up at REU is prior day cash collections, to be delivered to the City Treasurer's office for verification/posting.

Q29: The City will require its safekeeping agent to keep security documents in a secure vault...How many and how much does the City of Redding have in physical securities that will need safekeeping in our vault?

A29: The City does not have any physical securities and does not anticipate the need for this service, but has kept the wording in the RFP.

Q30: Since the City currently processes credit cards, do any of the Departments/locations require manual close capability?

A30: No.

Q31: Do you have a need to close a batch more than once a day? If so, please explain.

- A31:** The City settles batches once a day, approximately at 8:00 p.m. Transactions are authorized in real time when the card is swiped/keyed, etc.
- Q32:** If using credit card terminals to process transactions, please identify the terminal type.
- A32:** The City has different POS type software for different locations throughout the City. All software, however, interfaces with the City I-Series/AS 400 proprietary software. The City uses Curbstone Inc., in turn, to interface between the AS 400 and authorization networks. I am attaching a spreadsheet that someone else requested which lists the number of swipe stations and activity by Merchant ID.
- Q33:** If using credit card terminals; do you own, rent, or lease the equipment?
- A33:** Currently all of our software works off of card swipe and/or PC based software. All of the equipment is owned.
- Q34:** Do you accept PIN-based Debit card transactions? If so, how many locations accept this type of transaction?
- A34:** No, we do not have any locations that have PIN-pads for PIN-based transactions.
- Q35:** Do you process GSA/Government Procurement Cards, Corporate Cards that require Data Rate I, II or Commercial Cards that require Level II or Level III reporting?
- A35:** We accept any cards that have the VISA/MasterCard logo for all transactions; we accept Discover and American Express transactions for utility payments only. We are considering adding Discover for non-utility transactions in the future. We may not actually get any/many GSA etc..., but they can be used under our current Merchant Card agreement.
- Q36:** Do you process large ticket Visa/MasterCard transactions? i.e. sales amounts in excess of \$5,000 per transaction?
- A36:** Yes, we have some payments in excess of \$5,000, both for utility payments and other services (building permits/TOT payments, etc...).
- Q37:** Do you process credit card activity via a website, if so what secure payment gateway provider do you use? i.e., Authorize.net, Cybersource, PayPal, etc...
- A37:** Curbstone Inc. is, essentially, our gateway provider.
- Q38:** If you are processing via a website, are the transactions processed in Real-time or Non-Real time?
- A38:** Transactions are in Real-time, through Curbstone Inc., through the internet. By this I mean that authorizations are real-time. Settlements take place 1x/day as noted previously.

- Q39:** Do you accept transactions via an Interactive Voice Response (IVR) telephone-based system? If so, what is the name of the vendor that provides the service and the name of the software system used to process the transactions? i.e. Tender Retail MCM, PC Charge, etc. Would the City be interested in receiving information about this service?
- A39:** We had an Interactive Voice Response system in the past, which is currently not functioning. The utilities are upgrading their customer service software at this time. Expected go-live is in July of this year. At that time they expect to re-implement the IVR system. The IVR system functions through the Software provider (Vertex). All transactions are still processed through our AS400 and the Curbstone, Inc. 'gateway'.
- Q40:** The RFP indicates that the City is using an integrated Point-of-Sale (POS) system Curbstone Card provided by Curbstone, Inc. How many Departments use the POS system to process transactions?
- A40:** All of our Departments use the Curbstone site indirectly. As noted previously, internal AS400 software interfaces between whatever storefront software (sometimes internally generated software, sometimes vendor software) is used and the Curbstone site. In the future, as mentioned in the RFP, we anticipate that the Recreation Department will not be going through Curbstone when their new online class software is implemented. The software is going to allow users to sign up and pay for classes online. As part of the contract with the software vendor, these transactions will be processed through their Merchant Card Services vendor. This is not the way the City generally operates, but in this case that is what was determined to be the best solution. This system is not yet online, but we hope to have it in service by this fall.
- Q41:** If using traditional credit card terminals to process transactions, the unit(s) must have a dedicated line to dial out for approvals. Does your telecommunication system require a '9' or other check digit to access an outside line?
- A41:** Our telecommunication system does require a '9' to dial out. However, our credit card system is communicating entirely via the internet.
- Q42:** Is the dedicated line analog or digital?
- A42:** Not applicable.
- Q43:** Wells Fargo provides the Banking Services; does this vendor also handle the Merchant Card processing too?
- A43:** Wells Fargo provides the Banking Services; does this vendor also handle the Merchant Card processing too?
- Q44:** The RFP indicates that the Recreation Department began online services for class registrations and payments back in November 2013 and this activity is not part of this RFP. However, when

do you anticipate the City will be ready to include the Recreation Department online activity with the other department's activity covered by this RFP?

A44: The software that is going to be used for this service will actually be 'hosted' by a third party. It is my understanding that, as long as Recreation uses this software, they will be required to use the software company's merchant card services vendor.

Q45: Would the City be willing to provide analysis statements from current financial institution?

A45: The City has provided a table with actual activity levels, taken from 12 months of account analysis statements. We will try to identify any ambiguous descriptions, but do not consider it prudent to provide actual statements.

Q46: Please explain the following price descriptions:

A46:

1. Utility Account: The Utility Account is one of the Sub-Accounts of the General Account (see page 4 of RFP). It is used to track deposits from the customer service of the City of Redding Utilities.
2. Smart Decision: This is a proprietary term used by Wells Fargo for their check conversion service; converting data from scanned checks for the Utilities into ACH/Check.
3. Receivables Manager: The name given the service which provides a file containing payee account name and account number for utility payments made via online billpay through each customers banking institution. We are charged a fee for this service which is necessary for matching payments with utility accounts.
4. Payment Auth Max Check: Please disregard this item. We are not using this service.

Q47: Is the City currently charged for transfers to and from LAIF?

A47: Yes, the City currently pays wire fees for transfers in and out of LAIF, so the activity level stated includes LAIF transactions.

Secured Transportation Services

Q48: Which armored vendor does the City currently use?

A48: Loomis Armored US

Q49: Does the City currently receive same day credit on deposits?

A49: Yes.

Q50: What is the earliest time available for pick up at City Hall?

A50: 8:15 a.m.

Merchant Card Services

Q51: Could the City please expand on the current processing environment, to include:

A51:

- i. Number of terminals or acceptance points per each of the 9 merchant IDs.
 - a. Response: See table A that follows the written responses.
- ii. Type of gateway/terminal software by department.
 - a. Response: The departments use various software interfaces, however all of the different departments are run through the City's custom centralized software and processed through Curbstone Card Inc. out of Georgia.
- iii. Communication method – IP or Dial-up
 - a. Response: IP
- iv. Dollar volume processed and transaction count detail for each location.
 - a. Response: See table B that follows the written responses.

Q52: The City has asked that bidders support the TSYS processing network to authorize and settle credit/debit card transactions. Could the City please expand on this requirement and provide more detail regarding the City's current solutions that are processing on TSYS today?

A52: The City does not require support of the TSYS network, necessarily. The City uses Curbstone Card, Inc. Curbstone specializes in Companies/Governments that use the IBM I-Series/AS 400. The City has, in place, centralized software that interfaces with Curbstone and with the various gateway's that are being used by the City's Departments. Curbstone indicates that they support all major authorization networks. The City will consider alternate methods of credit card settlement, but due to the unique requirements of the AS 400 system, our IT Department would be heavily involved in any decisions to bypass Curbstone Card, Inc. Please see the website of Curbstone for more information on what they support; <http://www.curbstone.com/products>. The City is currently using version C2.

Q53: Regarding the previous question; would the City consider alternatives if a direct certification or more cost-effective gateway were available for use with the current software solutions(s)?

A53: The City is not 'married' to its current system. However, due to the potential programming that accompanies any change, the alternate solution would have to be examined as a whole; considering both the implementation costs (in terms of both dollars and limited IT staff availability) and the potential for ongoing savings. Please refer to the previous question and the curbstone website.

Q54: The City has indicated a desire for "On-Line Debit Card Processing": Could the City please advise if this item refers to PINless Debit Transaction Processing? If so, is the City processing PINless debit transactions today?

A54: The City only processes debit card transactions for cards with a VISA or MasterCard logo. The City does not have pin pads for debit cards. The City does however accept Debit Card payments

(by swipe and online entry) and we are charged interchange fees based on debit transactions when this payment method is used. If this is a PINless Debit Transaction, then yes.

Trust and Custody Service

Q55: Do you keep un-invested cash in the custody account Sweep? Or do you require the custodial account to transfer un-invested cash to your DDA operating account?

A55: Proceeds from all transactions (interest received, receipts from calls, sales) are transferred to the DDA operating account same day.

Q56: If you use the custody sweep account, what are the average balances kept in a custody STIF?

A56: Not applicable.

Q57: Do you use outside money managers to direct your investments held in custody?

A57: The City Treasurer makes all investment decisions. Trades are transacted with approved brokers and settlement instructions/authorizations are faxed to the Trust & Custody representative prior to the settlement date.

The City appreciates the level of effort people have put forth in their review of the RFP. If following through with the offer of a proposal to the City, please make it clear in your cover letter whether you are addressing all the requested services or a specific portion. In addition, it is critical that you acknowledge receipt of Addendum 1 in your cover letter.

The following page lists Attachments; large files are available separately in Excel format for ease of review. Those documents have the additional notation of “(.xlxs)” and are available by contacting me directly.

As a suggestion, please have a copy of your original cover letter included in the one (1) extra hard copy of your proposal (i.e., in addition to the unbound original) as well as part of the electronic file to be submitted to me no sooner than 3:00 p.m. on April 01, 2014 and no later than 12:00 p.m. on April 02, 2014. Please remember that the PDF copy of your proposal shall not contain a file with your pricing.

CITY OF REDDING

Purchasing Division



Elizabeth B. Peer, C.P.M.

Purchasing Officer

(530)225-4137

bpeer@ci.redding.ca.us

Attachments

- Deposit Account Average Balances and Ave. Dailey Balances in Sweep Accounts
- Merchant ID Locations and Terminals (“Table A”)
- Credit Card Transactions (“Table B”)
- Approved List of Broker Dealers (01/14/14)
- Resolution 2013-049 and City of Redding Investment Policy
- RFP4622 Addndm1 Banking Services Activity Volume by Account (.xlsx)
 - Worksheet two in that file is: # Month Activity by AFP
- Appendix A - Pricing Table (.xlsx)

RFP 4622
Addendum 1

Deposit Account Average Balances

Average Ledger Balances - Deposit Accounts (per account analysis statements)

	General*	RABA*	Successor Agency to RRA*	Housing*	Housing FSS Escrow	Cafeteria
Jun-13	346,288.57	92,932.73	7,825.69	47,257.97	97,639.37	57,008.56
Jul-13	543,805.23	57,183.53	540.91	50,026.84	100,913.65	59,616.88
Aug-13	506,894.65	52,637.82	2,184.41	50,135.23	103,387.16	62,337.94
Sep-13	622,737.33	64,781.91	2,098.05	50,033.47	106,165.16	63,284.14
Oct-13	416,976.74	74,809.94	594.26	44,343.58	107,124.68	62,660.61
Nov-13	434,357.23	108,837.20	21,090.25	50,267.64	108,735.99	64,044.25
Dec-13	338,621.45	57,730.00	5,573.30	42,767.29		63,582.65
Jan-14	365,365.13	53,805.54	1,932.13	41,311.51		67,555.98
Feb-14						
Average:	446,880.79	70,339.83	5,229.88	47,017.94	103,994.34	62,511.38

*Sweep accounts associated with these accounts

Average Daily Balances in Sweep accounts (per Sympro accounting software)

	General	RABA	Successor Agency to RRA**	Housing
Jun-13	4,776,172.51	537,499.73	416,440.15	400,697.06
Jul-13	3,982,404.74	377,373.20	-	471,689.43
Aug-13	4,536,620.73	181,357.28	100,338.52	405,881.54
Sep-13	3,907,894.92	208,403.68	-	497,771.57
Oct-13	3,435,361.21	198,468.14	-	341,787.13
Nov-13	3,243,048.16	202,816.09	21,106.39	431,850.35
Dec-13	3,247,412.72			
Jan-14	2,711,578.01			
Feb-14	2,934,754.25			
Average:	3,641,694.14	284,319.69	89,647.51	424,946.18

**As Redevelopment has been 'discontinued', expect these balances to continue to dwindle.

City of Redding

Merchant ID locations and terminals

TABLE A

	# of locations	# of 'swipe machines'***
Treasurer	1	1
Permit Center	1	7
Utilities*	2	6
Clerk	1	2
Police**	1	2-3
Recreation & Aquatic Center	2	7
Transfer Station	2	3
West Central Landfill	1	3
Airport	1	0

*The Utilities have a call-center located out of State which processes credit card transactions, all of which are hand keyed.

The Utilities also intend to start taking credit card payments by phone (Voice Response).

**Police currently has 2, but anticipates having three when the Police administration moves into City Hall

***In addition to swipes, most departments will hand-key if necessary. In addition, certain payments can be made via internet.

TABLE B

Number of Transactions by Merchant ID

	January	February	Total
Treasurer	51	64	115
Permit Center	221	142	363
Utilities	15404	14378	29782
Clerk	101	85	186
Police	66	63	129
Recreation & Aquatic Center	244	323	567
Transfer Station	1321	1004	2325
West Central Landfill	406	342	748
Airport	0	0	0
	17814	16401	34215

Transaction Amount by Merchant ID

	January	February	Total
Treasurer	93,524.60	61,824.50	155,349.10
Permit Center	230,851.19	155,693.99	386,545.18
Utilities	3,452,688.26	3,192,275.94	6,644,964.20
Clerk	8,995.60	6,299.20	15,294.80
Police	3,244.75	3,489.25	6,734.00
Recreation & Aquatic Center	17,070.25	23,233.00	40,303.25
Transfer Station	33,824.41	26,905.58	60,729.99
West Central Landfill	10,827.78	15,869.80	26,697.58
Airport	-	-	-
	3,851,026.84	3,485,591.26	7,336,618.10

Revised 1/14/14	APPROVED LIST OF BROKER DEALERS				
NAME	BROKER	INFORMATION COMPLETE	ORIGINALLY APPROVED FOR TRADING	Reviewed for Compliance	Broker Check
Citigroup	Bill Blackwill	YES	3/6/2000	5/1/2013	5/1/2013
DA Davidson	Les Wells	YES	7/30/2005	5/1/2013	5/1/2013
Foothill Securities	Doug Robinson	YES	8/23/2013	8/1/2013	8/1/2013
Great Pacific Securities	Peter Li	YES	8/20/2013	8/1/2013	8/1/2013
Raymond James	George Wilson	YES	5/30/2000	5/1/2013	5/1/2013
Multi-Bank Securities	Emily Jones	YES	5/29/2013	5/1/2013	5/1/2013
Stifel, Nicolaus & Co	Joe Brazil	YES	1/30/2002	5/1/2013	5/1/2013
SunTrust	Brad Harriman	YES	8/20/2013	8/1/2013	8/1/2013
Vining Sparks	Timothy Hoopes	YES	12/20/2000	5/1/2013	5/1/2013
Wells Fargo	Patty Wagner	YES	2/8/2000	7/17/2013	7/17/2013

RESOLUTION NO. 2013-049

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF REDDING AMENDING COUNCIL POLICY NO. 408
ENTITLED INVESTMENT POLICY**

WHEREAS, on April 2, 1991, the City Council adopted Policy No. 408 to provide guidelines for the prudent investment of the City's idle funds, which policy has been amended from time-to-time; and

WHEREAS, the City Council wishes to further amend its Policy No. 408 relating to investments, as recommended by the City Treasurer and the Investment Advisory Committee;

NOW, THEREFORE, IT IS RESOLVED by the City Council that the Council Policy No. 408 relating to investments be amended as set forth in the attached update, made a part hereof by this reference.

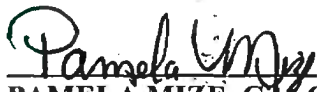
I HEREBY CERTIFY that the foregoing resolution was introduced, read, and adopted at a regular meeting of the City Council on the 21st day of May, 2013, by the following vote:

AYES:	COUNCIL MEMBERS: CADD, JONES, MCARTHUR, SULLIVAN, & BOSETTI
NOES:	COUNCIL MEMBERS: NONE
ABSENT:	COUNCIL MEMBERS: NONE
ABSTAIN:	COUNCIL MEMBERS: NONE



RICK BOSETTI, Mayor

Attest:



PAMELA MIZE, City Clerk

Form Approved:



RICHARD A. DUVERNAY, City Attorney

R-2013-049

**CITY OF REDDING, CALIFORNIA
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
INVESTMENT POLICY	91-148	408	04/02/1991	1

BACKGROUND

The Treasurer or Chief Fiscal Officer shall annually render to the legislative body of the local agency and any oversight committee a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any changes in the policy shall also be considered by the legislative body of the local agency at a public meeting. Government Code §53646(a).

It is in the best interest of the City to have the Treasurer's Investment Policy adopted by resolution in order to have consistent guidelines for reporting and updating procedures relating to the investment of City funds.

PURPOSE

The City Treasurer, who has been given the authority by Council to invest and reinvest City funds, should have clear guidelines in place for reporting this activity to Council.

Therefore, the Investment Policy is designed to provide guidelines for the prudent investment of the City's idle funds and reporting of the same. Reviewing, amending or updating of this policy shall be conducted no less than once a year.

POLICY

The City Treasurer has the fiduciary responsibility to maximize the productive use of assets entrusted to his/her care and to invest and manage those funds with reasonable care, skill, and caution. Therefore, the City must operate its idle cash investment pool under the "prudent investor standard" set forth in California Probate Code §16047. This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California (Government Code §53600 *et seq.*).

The City recognizes that it has an obligation to be aware of the possible social and political impacts of its investments and will act responsibly if issues of this nature arise.

Priority will be given to investments that promote community economic development (*i.e.*, dealing with local financial institutions, *etc.*) provided that the investment selection criteria is met and yield is not significantly impacted. The City Treasurer shall strive, whenever possible, to make investments that benefit the local area.

The City Treasurer shall strive to maintain the level of investment of all idle funds as near 100% as possible. Concurrently, the City Treasurer shall layer investment maturities to meet anticipated cash needs and attempt to maximize investment yields while satisfying the guidelines herein presented.

**CITY OF REDDING, CALIFORNIA
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
INVESTMENT POLICY	91-148	408	04/02/1991	2

ADMINISTRATION/RESPONSIBILITY

The City Treasurer or designee is responsible for idle cash management. Investments shall be made by the individual so directed by the Treasurer. Cash flow projections shall be provided by the Finance Division. Each investment must be authorized by the Treasurer or Deputy Treasurer in Treasurer's absence. The Director of Finance or designee shall review each investment transmittal to determine if it complies with the allowable investments section of the City Investment Policy and for the purpose of financial tracking.

In addition to the City of Redding, Redding Area Bus Authority Bylaws identify the City Treasurer as the designated "Treasurer". Investment of these entity idle funds are directed and administered by the City Treasurer.

The Director of Finance designated as "Treasurer" by resolution for Cityselect Entities, is responsible for cash management of ~~RADA~~, the Successor Agency to the Redding Redevelopment Agency, and Housing Authority. Investment of entity idle funds are directed by the Director of Finance and administered by the City Treasurer.

Trustee accounts, as well as being governed by the Government Code, shall have guidelines included in their contracts as to the strength of financial institutions in which the Trustee may choose to invest City funds. As designated in the long-term debt resolutions, the Director of Finance or designee shall establish guidelines for Trustee contracts. The Director of Finance shall monitor the monthly accounts, and the account balances shall be reported monthly by the City Treasurer to the City Council as part of the Treasurer's Report.

The City Treasurer shall hold an Investment Policy Advisory Committee meeting once a year, or as needed, for the purpose of reviewing and updating this Policy. The Investment Advisory Committee is comprised of a minimum of five persons, identified as follows: the City Treasurer; two members from the following eligible positions: City Manager, Assistant City Manager, Deputy City Manager, or the Director of Finance or designee; plus two community members representing the finance industry.

ALLOWABLE INVESTMENTS

The City complies with Government Code §53600 *et seq.*, which is incorporated herein by this reference.

CRITERIA FOR SELECTING INVESTMENTS IN PRIORITY ORDER

1. Safety - The safety and risk associated with an investment refers to the potential loss of principal and/or interest. There are basically two types of risk in cash investment. The first, credit risk, refers to the financial strength of the entity that is obligated to repay the investment. The second, principal protection, refers to the potential loss of principal due to market fluctuations or due to an early liquidation of the investment. In order for the City to fulfill its public fiduciary responsibility in regard to the funds entrusted to it, the City must invest in only those securities which present no substantial threat to principal

**CITY OF REDDING, CALIFORNIA
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
INVESTMENT POLICY	91-148	408	04/02/1991	3

2. Liquidity - This is the marketability of an investment or the ease with which it can be converted to cash. Generally, the more liquid or marketable the security, the lower the yield. The importance of this factor in investment selection is dependent upon the possibility of the circumstances arising that would necessitate the investment being converted to cash before maturity.

Funds must be available in varying amounts to meet the City's daily cash needs. The City, therefore, shall structure its investments in such a manner as to provide for its daily cash needs while, at the same time, participating in longer term¹ higher yield instruments with cash that is not currently restricted from expenditure or for which there is not an immediate need.

3. Yield - The yield is the earnings an investment provides. It is usually expressed as an annual rate of return (the percentage annual earnings are of the invested principal). Since obtaining investment earnings is the motivation for investing, yield is a significant factor in all investment transactions; however, yield shall become a consideration only after all other investment criteria is satisfied. Whenever possible, interest is to be paid to the City Treasurer monthly.
4. LAIF - When a City LAIF account has reached the maximum deposit and/or to accommodate transfer needs, the City Treasurer, may at his/her discretion, transfer City funds into an Entity LAIF account². In this case, the Treasurer will keep a separate set of books for City and Entity investments and will allocate the interest earnings proportionately.

INVESTMENT LIMITATIONS

Security purchases and holdings shall be maintained within the statutory limits imposed by California Government Code §53600 *et seq.* In addition, the following restrictions are imposed:

- a) Investment securities shall not be purchased by means of leverage; and
- b) If any investment in commercial paper, as defined by California Government Code §53601(h), downgrades below A2 by Moody's Investors Service, Inc., A by Standard & Poor's Corporation or A by Fitch, such commercial paper investment shall be sold within a reasonable amount of time to minimize the possible loss of principal.

¹Government Code §53601 restricts the term remaining to maturity for any investment to five (5) years.

²The term "Entity" refers to those public agencies (*i.e.*, Redding Area Bus Authority, Successor Agency to the Redding Redevelopment Agency, and Redding Housing Authority) related to the City of Redding but separate by law, whose bank accounts and investments the City Treasurer reconciles and reports monthly in the Treasurer's Report provided to City Council. The ~~Director of Finance~~ "Treasurer" of each Entity (see Administration/Responsibility) is responsible for the investment of these Entities' idle cash, in accordance with their respective investment policies.

**CITY OF REDDING, CALIFORNIA
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
INVESTMENT POLICY	91-148	408	04/02/1991	4

COLLATERAL REQUIREMENTS

Pursuant to Government Code §53652, collateral requirements to secure the City of Redding's active or inactive deposits are as follows:

- a) 110% if backed by those eligible securities described by Government Code §53651, excluding those securities set forth in Government Code §53651(m) and §53651(p);
- b) 150% if backed by those eligible securities described by Government Code §53651(m); and
- c) 105% if backed by those eligible securities described by Government Code §53651(p);

Pursuant to Government Code §53653, the City of Redding may waive security for that portion of any deposit that is insured pursuant to federal law.

WITH WHOM TO TRANSACT

The City Treasurer or designee shall make investment transactions only with financial institutions, national firms, or security dealers that are reputable and that exhibit financial stability. In addition, the security dealers must be able to meet the requirements for classification as primary dealers with the New York Federal Reserve Bank or currently licensed by the State of California. The Request For Information ("RFI") shall be utilized as a significant factor in the selection and periodic review of the institutions and/or individuals utilized for investment transactions.

COMPETITIVE OFFERS

The City Treasurer or designee shall obtain at least three (3) offers from investment officers or broker/dealers including the potential yield for each security the City intends to purchase. Each investment officer or broker/dealer shall have on file a current RFI Request For Information ("RFI"). The RFI shall be utilized as a significant factor in the selection and periodic review of the institutions and/or individuals utilized for investment transactions.

DIVERSIFICATION

The portfolio shall contain a variety of security types, issuers, and maturities.

SAFEKEEPING

Investment securities purchased by the City shall be held in the name of the City of Redding, delivered to the City, or delivered to the City's Trust and Custody Officer with offices within the State of California. Investment purchases shall be delivery versus payment.

**CITY OF REDDING, CALIFORNIA
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
INVESTMENT POLICY	91-148	408	04/02/1991	5

SELLING SECURITIES PRIOR TO MATURITY

Losses may be acceptable on a sale and should be taken if the reinvested proceeds will generate earnings (net of the resultant capital loss or early withdrawal penalty) that are greater than the earnings that would be generated if the existing investment were held to maturity. Further, securities may be sold at a loss prior to maturity for liquidity needs.

Gains are acceptable on a sale prior to maturity of the investment and may be taken if the reinvested proceeds and capital gains will generate earnings that are greater than the loss of opportunity should the investment be held to maturity. Further, securities may be sold at a gain prior to maturity for liquidity needs.

REPORTING

The City Treasurer shall provide a monthly report to the City Council and the City Manager. This report shall show how investments have been made and whether the investments are in conformance with the Investment Policy. The monthly report shall include information which demonstrates that the City's expenditure requirements can be met in the following six (6) months and shall provide the investment information required by Government Code §53646.

DEBT PROCEEDS³

Notwithstanding any other provisions to the contrary, the proceeds from a debt issuance shall be invested in "permitted investments" as defined by the trust agreement associated with the debt issue (which may include investment in the State Pool, Local Agency Investment Fund or LAIF), provided that those permitted investments have a rating of no less than A- by Standard & Poor's Corporation or A3 by Moody's Investors Service. The investment of proceeds from a debt issuance shall also be in compliance with the requirements imposed by rating agencies, bond insurers, and federal and state law.

The Investment Policy lists the criteria to be utilized for the selection of investments and priority considerations. For purposes of this section, the term "Treasurer" is that individual defined in the bond documents and amendments of the debt issue. The Treasurer is subject to the applicable provisions of any indenture, trust agreement, or resolution providing for a trustee or other fiscal agent. The individual designated as "Treasurer" by the bond documents or amendments of the debt issue shall have custody of all the money of the issuing authority from whatever source and, if the issuing authority is operated pursuant to a Joint Powers Agreement, then that person shall have the powers, duties, and responsibilities specified by Government Code §6505.5.

³Debt proceeds section added by Resolution No. 91-230 effective June 13, 1991.

**CITY OF REDDING, CALIFORNIA
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
INVESTMENT POLICY	91-148	408	04/02/1991	6

1. Due Diligence – It shall be the responsibility of the Treasurer to structure and monitor the bond proceeds investment process and to verify that fees paid to brokers are reasonable and commensurate with the work performed. The Treasurer shall consult with bond counsel and financial advisors, when applicable, during the development of the bond issue documents and shall be responsible for determining whether the proceeds shall be actively or passively invested as a result of Federal regulations that may govern the issue.
2. Conflicts of Interest – Underwriters and financial advisors may not receive compensation, finder's fees, honoraria or gifts from parties involved in investment transactions. Subject to any restrictions imposed by Federal regulations, the bond underwriter or advisor may bid for investment funds in an openly competitive bidding, but not as sole source broker or intermediary. If a financial advisor or underwriter also acts in an investment capacity, the firm shall certify that its fees (a) do not exceed the fees it customarily charges for investment activity and (b) include no compensation for services provided in the underwriting.
3. Avoidance of Abuses – The City will refrain from abusive practices in the investment of bond proceeds and will obtain market price instruments. For bond issues to which Federal yield or regulatory restrictions apply, the primary objective shall be to prudently obtain satisfactory market yields and to minimize the costs associated with investment of such funds. The Treasurer shall obtain full disclosure of brokerage and other fees associated with investment of bond proceeds and shall require written disclosure of any payments made by investment firms or brokers to third parties associated with the City in the issuance of its bonds.
4. Arbitrage Record Keeping – The Treasurer shall establish systems and procedures to comply with Federal regulations governing the investment of bond proceeds, including investment record keeping system

**CITY OF REDDING, CALIFORNIA
COUNCIL POLICY**

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
INVESTMENT POLICY	91-148	408	04/02/1991	7

Amended June 13, 1991, by Resolution No. 91-230
Amended April 7, 1992, by Resolution No. 92-143
Amended March 16, 1993, by Resolution No. 93-085
Amended April 5, 1994, by Resolution No. 94-080
Amended April 18, 1995, by Resolution No. 95-102
Amended February 4, 1997, by Resolution No. 97-019
Amended December 1, 1998, by Resolution No. 98-170
Amended February 15, 2000, by Resolution No. 2000-37
Amended February 19, 2002, by Resolution No. 2002-32
Amended February 18, 2003, by Resolution No. 2003-21
Amended February 17, 2004, by Resolution No. 2004-23
Amended March 15, 2005, by Resolution No. 2005-34
Amended February 21, 2006, by Resolution No. 2006-21
Amended September 5, 2006, by Resolution No. 2006-168
Amended September 4, 2007, by Resolution No. 2007-186
Amended November 18, 2008, by Resolution No. 2008-179
Reviewed July 28, 2011 and October 27, 2011
Amended November 15, 2011 by Resolution No. 2011-192