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## **City of Santa Fe Springs**

### **REQUEST FOR PROPOSALS**

### **FOR**

### **Banking Services**

#### **KEY RFP DATES:**

*The schedule below is tentative and subject to change at the discretion of the City, with appropriate notice to prospective firms.*

<b>Issue Date:</b>	<b>October 12, 2023</b>
<b>Deadline for Questions:</b>	<b>October 26, 2023</b>
<b>City Response to Questions:</b>	<b>November 9, 2023</b>
<b>Due date for Proposals:</b>	<b>November 30, 2023</b>

**REQUEST FOR PROPOSALS (RFP)  
Banking Services**

**I. INTRODUCTION**

**A. General Information**

The City of Santa Fe Springs (hereinafter referred to as “City”), incorporated in 1957 under the general laws of the State of California and is a commercial center and residential city located within the southeast area of Los Angeles County. The City provides a full range of municipal services including public safety (police services contracted with the City of Whittier), street construction and maintenance, water services, community and recreational programs, public infrastructure improvements, planning & zoning, and general administrative and support services. The City occupies a land area of 8.9 square miles and serves a population of 18,260.

**B. Background**

The City’s Finance Department (“Finance”) is seeking proposals from qualified financial institutions for Banking Services for its bank accounts and related cash management services. The City is seeking comprehensive high-quality banking services, competitive pricing, and a strong working relationship with its banking partner.

The City has had a long-term relationship with a local branch of a major bank; however, in keeping up with best practices and in order to test the market, the City has determined to solicit proposals from interested banking institutions to ensure the City receives the best available services to meet the needs of the City.

**Electronic submittal of proposals must be emailed to Lana Dich, Director of Finance & Administrative Services at [LanaDich@santafesprings.org](mailto:LanaDich@santafesprings.org) by 5:00 p.m. on November 30, 2023. Please see Exhibit A for a summary of key dates for this RFP. The City reserves the right to reject any or all proposals submitted.**

During the evaluation process, the City reserves the right, where it may serve the City’s best interest, to request additional information or clarifications from interested vendors, or to allow corrections of errors or omissions. The City reserves the right to retain all proposals submitted. Submission of a proposal indicates acceptance by the banking institutions of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the banking institution selected. There is no expressed or implied obligation for the City to reimburse responding banks for any expenses incurred in preparing bids in response to this invitation. The City reserves the right without prejudice to reject any or all bids.

All questions, concerns, comments regarding this RFP should be emailed to Oscar Jimenez, Finance Analyst, at [OscarJimenez@santafesprings.org](mailto:OscarJimenez@santafesprings.org) by **Thursday, October 26, 2023**. Answers to inquiries shall be emailed out to all bidders.

## II. GENERAL TERMS AND CONDITIONS

### A. Proposal Requirements

1. **Requirement to Meet All Provisions.** Each institution submitting a proposal shall meet all of the terms and conditions of the RFP specifications. By virtue of its proposal submittal, the institution acknowledges agreement with and acceptance of all provisions of the RFP specifications.
2. **Proposal Submittal.** Each proposal must include responses to the service requirements under the Scope of Work section and shall be accompanied by any other required submittals or supplemental materials. **Proposals must be submitted by email (in PDF file format) to [LanaDich@santafesprings.org](mailto:LanaDich@santafesprings.org) and received no later than 5:00 p.m. on November 30, 2023.** It is the banking institution's responsibility to confirm receipt. Proposals received after the above date and time will not be considered. Please see Exhibit A for a summary of key dates for this RFP.
3. **Proposal Withdrawal.** An institution may withdraw its proposal prior to the deadline submission, by submitting a written request to the Director of Finance and Administrative Services for its withdrawal.
4. **Submittal of One Proposal Only.** No individual or banking institution of any kind shall be allowed to make or file, or to be interested in more than one proposal, except an alternative proposal when specifically requested.
5. **Proposal Retention and Award.** The City reserves the right to retain all proposals for a period of 90 days for examination and comparison. The City also reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, to reject or delete one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations.
6. **Proposal Evaluation and Selection.** Proposals will be evaluated based on the following criteria:
  - a. **Institution Qualifications** – In order to be considered in the selection process for banking services, the proposing institution must have the following minimum qualifications:
    - i. Demonstrate financial strength and ability to protect and collateralize City deposits;
    - ii. **Qualified Depository.** Institution must be a qualified State or National public depository, as defined as defined in California Government Code Section 53630.5 and must perform its obligations under this proposal in compliance with all applicable federal and California state laws and regulations, statutes and policies.

- iii. **Federal Reserve Member.** Bank must be a member of the Federal Reserve System and have access to all Federal Reserve System services (e.g. check processing including check 21 Act, electronic funds transfer, safekeeping, delivery and custodial services, etc.)
- iv. **Federally Insured.** Bank must be insured by the Federal Deposit Insurance Corporation and be in good standing.
- v. **Capitalization.** Bank must be adequately capitalized to accommodate the City's cash and investment management needs.
- vi. **Ratings.** Bank must provide their most current long-term debt rating (Moody's, Standard and Poor's, and/or Fitch).
- vii. **Community Reinvestment Act (CRA).** Bank must be in compliance and in good standing with the Community Reinvestment Act. Provide the Bank's CRA rating.

Other information concerning the qualifications of the institution may also be included at the institution's discretion and will be reviewed and considered during the selection process.

- b. **Experience** – The Bank's related experience in providing services comparable to the City's needs. Does the Bank currently have active municipal government clients in Southern California?
- c. **Client References** – The references obtained from current and past Bank's client cities. Please list at least three (3) California public agency references that are comparable to the City's size and financial needs.
- d. **Proposed Scope of Services and Time of Performance** – Proposals must address all items set forth in Section IV of this RFP.
- e. **Proposed Fees**

The contract award will not be based solely on fees, but on a combination of factors as determined to be in the best interest of the City. After evaluating the proposals and discussing them further with the finalists or the tentatively selected vendor, the City reserves the right to further negotiate the proposed work and/or method and amount of compensation.

7. **Questions and Communications.** All questions, concerns or comments regarding this RFP must be emailed to **Oscar Jimenez, Finance Analyst, (OscarJimenez@santafesprings.org) by Thursday, October 26, 2023.** Answers to such inquiries, as well as any revisions to the RFP, will be emailed out to all firms. Any addenda shall become a part of this RFP.
8. **Contract Requirement.** The selected banking institution to whom the award is made shall execute a written contract with the City within thirty (30) calendar days after notice of the award has been sent by mail to the address given in its proposal. The contract shall be made in the form adopted by the City and shall incorporate the proposal and these specifications.
9. **Insurance Requirements.** The selected banking institution shall maintain professional liability, workers' compensation and any other insurance coverage required by the City. The institution shall provide proof of insurance in the form, coverages and amounts specified in the contract within thirty (30) calendar days after notice of contract award as a precondition to the contract execution.

### **III. PROPOSAL REQUIREMENTS**

#### **General Requirements**

The purpose of the proposal is to demonstrate the banking institution's qualifications, competence and capacity in carrying out the requested services. Therefore, the substance of the proposals will carry more weight than the form or manner in which they are presented.

The proposal should address all points outlined in the RFP. The proposal should be prepared simply, providing a straightforward and concise description of the bank's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following items must be included:

#### **A. Cover Letter**

A letter of introduction to include: the name and address of the respondent; name, address, and telephone number of the person or persons to contact; and, the name of the person authorized to represent the banking institution. This letter must be signed by an officer of the responding institution authorized to bind the banking institution to all commitments made in the proposal.

#### **B. Table of Contents**

List all materials included in the proposal identified by sequential page number and section reference number.

#### **C. Similar Engagements with other Government Entities**

List at least three (3) of the most significant engagements performed in the last three years that are similar to the engagement described in this RFP. Indicate the scope of work, date and the name and telephone number of the principal client contact.

**D. Proposed Fees**

The proposal should contain all pricing information essential to implementing the service requested by the City and any additional services proposed by the banks. The total maximum price needs to contain all direct and indirect costs including all out-of-pocket expenses and presented as a not-to-exceed amount. These include costs associated with account services, disbursement services, banking center services, depository services, reconciliation services, automated clearing house network fees, funds transfer services, online account maintenance, and any other relevant costs. Also, the proposal should include any items noted as “optional” by the bank under the service requirement section of the scope of work.

The City will not be responsible for expenses incurred in preparing and submitting proposals. Such costs should not be included in the proposal.

**F. Rates for Additional Professional Services**

If it should become necessary for the City to request the bank to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of specific recommendations presented by the bank, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the institution. Any such additional work agreed to between the City and the bank shall be performed at the same rates set forth in the proposed fees.

**IV. Scope of Services**

The City seeks a qualified institution/bank to provide the services as outlined below. Best industry practices and/or technical requirements may require additional services not explicitly detailed. The bank should identify any additional services required, price them, and explain them in their proposals. Moreover, if there are other services not explicitly stated in the Scope of Services that the bank considers necessary or an enhancement to what is requested, the provider should also identify them, price them and explain them in their proposals.

**A. Overview**

Detailed services to be provided to the City have segregated into the following two categories:

- **Required Services:** These services are mandatory and must be provided to the City by the selected institution. The only exceptions are acceptable alternative or

non-material deviations. The City retains the option in the case of certain services to elect not to use them. This is based on changes in the City's capability to handle these internally.

- **Optional Services:** These are services that the City may wish to use depending on the cost, quality and availability of the services offered. If there is a cost for these services, it must be specified in the bid. Optional services do not have to be addressed in order to be considered an acceptable bid, however, selection of an institution may be based on the ability to provide these optional services at a reasonable cost. In addition, any other services that the institution may wish to offer to the City may be included with the submission package. Again, this does not have to be addressed in order to be considered an acceptable bid, but, the final selection may be based on these services.

## **1. Required Services**

### **a. General Operating Account**

- General checking account
- Payroll Sweep account
- Athletic Officials
- Petty cash account
- Successor Agency account

### **b. Deposit Services**

- Guarantee same day credit for wire transfers and ACH deposits on the day received regardless of the time of receipt during the day. Send via email incoming wire/ACH deposits.
- Redeposit returned items due to "non-sufficient funds". Items returned a second time should be forwarded to the City daily. Send via email returned item notification as well.
- Provide cutoff time for deposits to ensure same day ledger credit
- Describe how the bank handles any deposit discrepancies, including check deposited to the City by mistake and how the City will be notified on deposit adjustments.
- Include a list of all the bank's deposit locations within the City's surrounding area and branch hours (exclude ATM deposits).
- Must have the ability to offer Check Scanner and Lockbox services.

### **c. Billing**

Direct fees method provide the unit charge for each required service, monthly and annual charges. Any earnings credit occurring in the account will be used to offset fees. Earnings credit on collected balances in excess of those required to pay charges incurred in any month shall be carried forward to offset future bank charges. Interest earnings rate will be computed in accordance with the negotiated rate agreed upon.

- d. Daily cash balance reports for the previous day activity through direct access by 6:00 am each day. The following information needs to be provided for the checking account:
- Cash balance
  - Type, number, and amount of debits
  - Type, number and amount of credits
  - Collected and available balance.
- e. Secured online access to authorized City employees.
- Ability to run resolution/settlement reports online
  - Ability to provide a BAI file format for bank reconciliation with the City's financial system (Tyler Munis)
  - Ability to offer stop payments notices, cancellations, exceptions notification and other account maintenance or confirmation assistance online
- f. Transaction reports for current day activity to be provided for the checking account:
- Type, number and amount of debits
  - Type, number and amounts of credits
- g. Monthly statements for all accounts within 7 working days. These statements must provide:
- Listing of warrants and amounts cleared sorted by check number
  - Date warrant cleared
  - Date and amount of deposits
  - Summary of beginning cash balance, deposits/credits, warrants/debits and ending cash for each day.
- h. Monthly account analysis report for active checking accounts and a summary providing the following information:
- Average daily cash balances (investable balance, excess/(deficit) balance, balance required to cover all analyzed charges)
  - Average daily float
  - Average daily collected balances
  - Overdraft charges
  - Detailed transaction volume description and prices
  - Basis of earnings allowance
- i. Annual/Fiscal Statements for all accounts on or before August 1<sup>st</sup> of each year or as needed. The bank shall provide comparative data by month and by major service cost category to be identified by the City. This information shall be "actual" data and shall include columns for units processed and collected, and ledger balances. The annual statement detailed analysis shall be prepared on



a fiscal year basis (July 1-June 30). This report shall be provided at no additional cost to the City.

- j. The bank shall provide online services for the City to initiate wire transfers, ACH transactions, transfers between accounts, and to create and store repetitive money transfer templates as well as create future dated money transfers. Please provide the cut off time for setting up EFTs for same day execution.
- k. Web based online services shall include services such as image inquiry information reporting, business statements, stop payments, positive pay, account balance inquiry, transaction inquiry, deposit history, and other online web applications that can provide added convenience and cost savings.
- l. Stop payments that are initiated by direct access to the bank by authorized City employees will be done the same day. The bank shall provide online confirmations of stop payments.
- m. Positive pay to include such services as payment of matching checks by check number, vendor name, check amount, exception reports, return instruction, and holdover exceptions and must have multiple positive pay file formats available (text file preferred).
  - Please describe the procedure and timeline for paying or returning exception items and default disposition if a decision response is not received.
- n. Direct access to the bank to view images of paid checks for payroll and accounts payable per month. In addition, a bank file on cancelled checks shall be available to the City for upload to Tyler Munis for automatic clearing of cancelled checks on a monthly basis.
- o. Assure that proper City signature authorizations are on all paid items.
- p. The bank shall guarantee not to return unpaid because of insufficient or uncollected funds any item drawn on the City's account. Any fees for overdraft will be charged to the City through account analysis.
- q. Direct deposit of City employee's payroll and benefit checks into their own bank accounts with a 24 hour turnaround. Online confirmation of the receipt of the payroll file transferred to the bank will be available to the City. The bank must guarantee direct deposit amounts are available in individual personal bank accounts on the City's biweekly pay date on Thursdays. All payroll deposit must be available at the start of business on pay day.

- Describe the procedure and timeline for paying or returning exception items and default disposition if a decision response is not received.
- q. The bank shall provide support for all products and/or services provided to the City. Training manuals and on-going support are to be supplied by the bank for all services provided.
- r. Ability to set up EFTs to make vendor payments such that an accounts payable filed can be submitted electronically to the bank to process payments.
- s. Other standard banking documentation and services not specified in this RFP will be provided to the City at a reasonable cost.

## 2. Optional Services

- Partner with armored courier service to pick up the deposit from City Hall on a daily basis before noon to ensure same day deposit.
- Credit/Debit card processing
- There may be additional services not otherwise specified in the RFP that a proposing institution may wish to offer to the City, whether for free or at a cost specified by the bidder. Proposals are not required to address any additional services in order to be considered an acceptable bid. However, the desirability and price of any additional services offered may be a factor in the final selection of the successful bidder.

## B. Conversion Plan

As part of any conversion period and as necessary thereafter, the Bank must provide on-site training to City personnel for the operation and use of the Bank's services and automated systems for all areas of service. The training must be sufficient to ensure that City personnel are proficient with all systems and procedures prior to the conversion date, and anytime thereafter. Training, operating manuals, and on-going support are to be supplied by the Bank for all services provided.

1. Describe the overall plan your Bank would coordinate to ensure a smooth and error-free transition from a current Banking Provider.
2. How long does a typical conversion to your Bank take?
3. Provide a detailed implementation schedule, including assigned responsibilities.
4. Provide all costs and the responsible party (Bank or City) that are involved in an implementation.

5. Describe the Bank's hardware, software, and personnel utilized for technical applications of banking processes and procedures. Include a description of portals, transmissions and downloads of information, electronic funds transfers, and e-Banking.
  
6. Describe the Bank's technical personnel who will be available to support the City's technical staff in implementing new processes and procedures to perform the City's banking functions. Training, operating manuals, and technical support shall be supplied by the Bank as appropriate for all services provided.

**EXHIBIT A**

**Banking and Merchant Services Schedule**

Issuance of Request for Proposals	October 12, 2023
Deadline for Questions	October 26, 2023
City Response to Questions	November 9, 2023
<b>Due date for Proposals</b>	<b>November 30, 2023</b>
Interviews	December 11-14, 2023
City Council Award of Contract	January 16, 2024

*The above schedule is tentative and subject to change at the discretion of the City, with appropriate notice to prospective providers.*