



CITY OF MEMPHIS, TN

REQUEST FOR PROPOSAL #28259

BANKING SERVICES

**Proposal Submission Deadline:
February 17, 2017**

**CITY OF MEMPHIS, TN
REQUEST FOR PROPOSAL
BANKING SERVICES**

Table of Contents:

- I. Introduction**
- II. Collateral for Deposits**
- III. RFP Process**
 - A. Submission of Proposals**
 - B. Submission Deadline**
 - C. Questions about the RFP**
 - D. Duration of Offer**
 - E. RFP Schedule**
 - F. Interviews**
 - G. Award of Contract**
 - H. Term of Contract**
 - I. Insurance Requirements**
 - J. Site Visit**
- IV. Minimum Banking Services Required**
- V. Selection Criteria**
- VI. Pricing and Compensating Balance**
- VII. Intent to Bid**
- VIII. RFP Questionnaire**
- IX. RFP Terms and Conditions**
- X. Exhibits**
 - A. Eligible Collateral**
 - B. Pricing Analysis**

**CITY OF MEMPHIS, TN
REQUEST FOR PROPOSAL
BANKING SERVICES**

I. INTRODUCTION

The City of Memphis, TN (City) is currently accepting proposals from qualified financial institutions to provide comprehensive banking services as described in this Request for Proposal (RFP). The City shall select a financial institution to provide comprehensive banking services after issuing an RFP and evaluating the adequacy of capital or net worth of the financial institutions as well as pricing for individual services. The City will enter into a contract with the selected financial institution. The contract for banking services will be renewable on an annual basis for up to four years. Thereafter, another selection process will be implemented. The selected financial institution (Bank) shall send updated financial information to the City on a quarterly basis.

The City utilizes depository services for its internal and external customers. The City of Memphis Treasury Department (City Treasurer) utilizes lockbox services. The City actively manages its idle cash in-house. The City will award to a financial institution a contract for banking services on the basis of selection criteria as described in this RFP.

II. COLLATERAL FOR DEPOSITS

Collateralization is required on all deposits of City funds. The selected Bank shall provide collateral on all deposits of City funds (see Exhibit A). All funds belonging to the City which remain on deposit at a bank in excess of any amounts insured by the Federal Deposit Insurance Corporation (FDIC) must be fully collateralized.

III. RFP PROCESS

Submission of Proposals

The RFP is available online at www.cityofmemphis.org which is the City's website. A notice of Intent to Bid form, RFP Questionnaire, and Pricing Analysis is included with this RFP for your convenience in providing the requested information. The pricing analysis is available in an Excel electronic spreadsheet format upon request. Information presented should be concise yet complete. Please submit one copy of the Notice of Intent to Bid form and seven (7) original hard copies of both the RFP Questionnaire and your firm's proposal. Supporting schedules can be included to help answer questions in the RFP Questionnaire. Also, submit seven copies of all other hard copy documentation your firm provides in reply to this RFP.

Submission Deadline

Proposals must be received prior to 2:00 p.m. on February 17, 2017. Any proposal received after the submission deadline will not be considered.

Questions about the RFP

Questions about the RFP must be submitted in writing to the principal contact, Eric Mayse, at e-mail address (Eric.Mayse@memphistn.gov). Questions and the answers to questions will be made available on the City's website. Please refer to the RFP schedule for additional information.

Duration of Offer

All proposals submitted in response to the RFP must state the period for which the proposals are irrevocable. The period of irrevocability shall be for at least 120 days after the RFP due date.

RFP Schedule

The following schedule pertains to the RFP. There are two main deadlines in the RFP schedule: the Notice of Intent to Bid deadline and the Proposals/RFP Questionnaire deadline. **The deadlines for the Notice of Intent to Bid and Proposals Due Date are January 25, 2017 and February 17, 2017 respectively.**

| <u>Description:</u> | <u>Date:</u> |
|--|-----------------------|
| RFP Released | January 17, 2017 |
| Deadline for Notice of Intent to Bid | January 25, 2017 |
| Deadline for Questions about the RFP | February 3, 2017 |
| Q&A Posted to City website | February 10, 2017 |
| Proposal Due Date | February 17, 2017 |
| Interviews (tentative date) | end of February, 2017 |
| Notice of Intent to Award (tentative date) | early March, 2017 |

Interviews

The City will interview each firm that submits a proposal. The tentative date for interviews is toward the end of February, 2017. The interview will allow each firm an opportunity to make a formal presentation or demonstration as to why it should provide banking services to the City.

Award of Contract

The Bank to which the City awards its contract for banking services shall be required to enter into a written contract with the City. The contract shall be in a form approved by the City's legal counsel. The City reserves the right to negotiate the terms and conditions of the contract. The City reserves the right to award this contract to the Bank that best meets the requirements of the RFP and not necessarily to the lowest bidder. The City furthermore reserves the right to reject any or all proposals prior to the execution of the contract with no penalty to the City. This RFP and the proposal, or any part thereof, may be incorporated into and made a part of the final contract.

Term of Contract

The contract will be renewable on an annual basis for up to four years by mutual consent of both parties. Either party may revoke the contract at any time with ninety days written notice to the other party. Without notice of termination or renewal, the contract will be in effect on a month-to-month basis until a new contract is signed.

Insurance Requirement

The Company shall not commence any work under this contract until it has obtained and caused its subcontractors to procure and keep in force all insurance required. The Company shall require all subcontractors to carry insurance as outlined below, in case they are not protected by the policies carried by the Company. The Company is required to provide copies of the insurance policies upon request. The Company shall furnish the Risk Manager a Certificate of Insurance and/or policies attested by a duly authorized representative of the insurance carrier evidencing that the insurance required hereunder is in effect. All insurance companies must be acceptable to the City of Memphis and licensed in the state of Tennessee with a Best Insurance Rating of A and Class VII or better and authorized to do business in the state where the work is performed.

If any of the Insurance Requirements are non-renewed at the expiration dates, payment to the company may be withheld until those requirements have been met, or at the option of the City. The City may pay the renewal premiums and withhold such payments from any monies due the Company.

The Company shall indemnify, defend, save and hold harmless the City, its officers, employees, and agents, from and against any and all claims, demands, suits, actions, penalties, damages, settlements, costs, expenses, or other liabilities of any kind and character arising out of or in connection with the breach of this Agreement by Company, its employees, subcontractors, or agents, or any negligent act or omission of Company, its

employees, subcontractors, or agents, which occurs pursuant to the performance of this Agreement, and this indemnification shall survive the expiration or earlier termination of this Agreement. The provisions of this paragraph shall not apply to any loss or damage caused solely by the acts, errors, or omissions of the City, its officers, employees and agents. Contracts for third party service providers should include indemnity provisions that protect the City from any liability arising out of the Company's loss of City's sensitive information.

Each certificate or policy shall require and state in writing the following clauses:

Company shall provide notice to the City within three (3) business days following receipt of any notice of cancellation or material change in Company's insurance policy from Company's insurer. Such notice shall be provided to City by registered mail, to the following addresses:

City of Memphis
Attn: Risk Management
2714 Union Extended, Suite 200
Memphis, TN 38112

City of Memphis
Attn: Purchasing Agent
125 North Main, Room 354
Memphis, TN 38103

The Certificate of Insurance shall state the following: "The City of Memphis, its officials, agents, employees and representatives shall be named as additional insured on all liability policies." The additional insured endorsements shall be attached to the Certificate of Insurance and the Certificate of Insurance shall also state: "The additional insured endorsement is attached to the Certificate of Insurance."

WORKERS COMPENSATION:

The Company shall maintain in force Workers' Compensation coverage in accordance with the Statutory Requirements and MINIMUM LIMITS of the State of Tennessee and shall require all subcontractors to do likewise.

| | | |
|----------------------|-----------|-----------------------|
| Employer's Liability | \$500,000 | Each Accident |
| | \$500,000 | Disease-Policy Limit |
| | \$500,000 | Disease-Each Employee |

AUTOMOBILE LIABILITY:

Covering owned, non-owned, and hired vehicles with MINIMUM LIMITS of:

\$1,000,000 Each Occurrence – Combined Single Limits

COMMERCIAL GENERAL LIABILITY:

Comprehensive General Liability Insurance, including Premises and Operations, Contractual Liability, Independent Contractor’s Liability, and Broad Form Property Damage Liability Coverage with MINIMUM LIMITS of:

| | |
|-------------|---|
| \$2,000,000 | General Aggregate |
| \$1,000,000 | Products-Completed Operations |
| \$1,000,000 | Personal and Advertising Injury |
| \$1,000,000 | Each Occurrence (Bodily Injury & Property Damage) |
| \$ 50,000 | Fire Damage any One Fire |
| \$ 5,000 | Medical Expense any One Person |

BANKER’S PROFESSIONAL LIABILITY:

For losses caused by errors and omissions made in banking professional roles. The Company shall maintain such coverage for at least three (3) years from the termination or expiration of this agreement with MINIMUM LIMITS of:

\$50,000,000 Each Claim / Aggregate

ERRORS AND OMISSIONS LIABILITY:

The Company shall maintain such coverage for at least three (3) years from the termination or expiration of this agreement with MINIMUM LIMITS of:

\$5,000,000 Each Claim / Aggregate

“NETWORK SECURITY AND PRIVACY” LIABILITY: (CYBER):

For losses arising out of the following areas:

- Privacy Liability
- Network Security Liability
- Media Liability
- Cyber Extortion
- Privacy Breach Response
 - Customer Notification Expense
 - Credit Monitoring Expense
- Business Interruption
- Regulatory Defense and Penalties including PCI Fines/Penalties if applicable
- Social Engineering

The Company shall maintain such coverage for at least three (3) years from the termination or expiration of this agreement with MINIMUM LIMITS of:

\$ 10,000,000 Each Claim/\$10,000,000 Aggregate

CRIME: MONEY & SECURITIES:

For loss or destruction of money and securities from any cause other than employee dishonesty and forgery, with MINIMUM LIMITS of:

\$50,000,000 Each Occurrence

FIDELITY BOND / EMPLOYEE DISHONESTY:

For losses arising out of or in connection with computer fraud, forgery, fraudulent or dishonest acts committed by the employees of Company, acting alone or in collusion with others, including the property and funds of others in their care, custody or control with MINIMUM LIMITS of:

\$10,000,000 Each Occurrence

UMBRELLA LIABILITY with MINIMUM LIMITS of:

\$5,000,000 Each Occurrence / Aggregate

PROPERTY INSURANCE:

The Company shall be responsible for maintaining any and all property insurance on their own equipment and shall require all subcontractors to do likewise. The Company shall require all sub-contractors to carry insurance as outlined above, in case they are not protected by the policies carried by the Company.

The Company is required to provide copies of the insurance policies upon request.

Site Visit

City representatives might request to tour certain banking operational areas prior to selection of a Bank to provide the services being requested in this RFP. A likely banking operational area for such a site visit is lockbox processing.

IV. MINIMUM BANKING SERVICES REQUIRED

- A. Deposits
- B. Lockbox
- C. Controlled Disbursement
- D. Wire Transfers
- E. Payroll

- F. Accounts and Account Maintenance
- G. Account Reconciliation Services
- H. Information Reporting
- I. Online Banking for Businesses/
Municipalities
- J. Check Clearing
- K. Automated Clearing House (ACH)
- L. Account Analysis
- M. Check Imaging (CD-ROM)
- N. Positive Pay

Deposits

1. Deposits are made almost daily by the City Treasurer's office and by other City departments. The Bank shall furnish deposit tickets and master keyed night deposit bags to the City. The appropriate deposit slips provided by the Bank will accompany each deposit.
2. Deposits will consist of currency, coin, or checks. Currency will be bundled and wrapped (with the exception of parking meter coin collection). Parking meter coin collections will be bagged in standard bags, sealed and tagged for counting by the Bank, and deposited by the Bank.
3. The City deposits an average of approximately 3,200 checks per month to be credited to the proper accounts. About half of these deposits were made electronically.
4. The Bank shall also be able to process MasterCard/Visa payments for any City services as needed.
5. The Bank shall supply bank deposit slips and other banking supplies, and cash handling equipment as needed by the City.
6. The Bank must provide an availability schedule for funds deposited via cash deposit, wire transfer, checks, and ACH credit.

Lockbox

1. The City Treasurer's office will utilize the Bank's lockbox services.
2. Property tax payments from city taxpayers will be mailed directly to the Bank by using the Bank's remittance address for lockbox payments on City tax bills.
3. Lockbox deposits will be input online daily as applicable by the Bank for verification by the City.
4. The Bank must deposit funds at least once a day as applicable and provide at least next day availability on all items deposited.
5. All items must be deposited on the same day they are received.

Controlled Disbursement

The Bank must be able to provide controlled disbursement services as part of a zero balance account (ZBA) structure.

Wire Transfers

1. The City requires online outgoing Fed wire transfers and confirmations to be provided. The City will input repetitive and non-repetitive wires (with same day or future date capability) and execute internal bi-level security for approval of wires sent to the Bank. Wire transfers ordered by the City and not received by the destination party will be traced from origin to destination to ascertain the party responsible for delaying the transfer. If necessary, adjustments will be made for any lost interest or charges resulting from a “fail” to consummate an investment transaction.
2. The Bank will enter into a separate Funds Transfer Agreement with the City. This agreement will be included as part of the Depository Contract

Payroll Services

1. The Bank must have the ability to process direct deposit for active and retired City employees.
2. The Bank must have the ability to process electronic file transmission of direct deposit payroll. Electronic file transmission occurs bi-weekly for active City employees and twice a month for retired City employees.
3. The Bank must have the ability to timely process ACH recalls pertaining to direct deposit.

Accounts and Account Maintenance

1. The City maintains sixteen (16) active bank accounts. These include a concentration account, a zero-balance account, stand-alone accounts, and controlled disbursement accounts. The controlled disbursement accounts are funded from the concentration account and by the retirement funding account. Balances in the controlled disbursement accounts will be transferred daily through the zero-balance account, and funded from the appropriate account, concentration or retirement funding, to affect a zero balance in these accounts. All bank accounts of the City are included in this RFP.
2. Transfers between accounts will be charged to the City only as transfers and not also as items deposited and checks paid.
3. The Bank agrees to credit accounts for all checks in accordance with the Bank’s availability schedule. The Bank agrees to notify the City in writing, of any changes

- to the schedule.
4. Bank encoding errors are to be corrected within 72 hours after notification by the City at no cost to the City. An account analysis adjustment will be made for any bank error with a copy going to the City's Office of Investment Management.

Account Reconciliation Services

1. The Bank will provide reconciliation service for all accounts specified in the RFP. Reconciliation services include the following minimum requirements:
 - a.) The Bank will provide the City, on a monthly basis, an electronic file of all checks paid by the Bank sorted by check number, date, and amount paid. This file will contain a full reconciliation for the City's healthcare claims and on-the-job injury accounts. Partial reconciliation files will be provided for the City's payables account and for all monthly deposits. A partial reconciliation file shall also be provided bi-weekly for the City's general payroll and bi-monthly for the City's retirement payroll accounts.
 - b.) All cancelled checks (all accounts) are to be stored on one (1) CD-ROM, sorted in check number order and delivered to the City on a monthly basis.
 - c.) The Bank must have the ability to provide Positive Pay services. The Bank will be provided (via online transmission) a listing of all checks issued by the City each day. The Bank will notify the City within 24 hours of any "suspect" items.
 - d.) All other items will be delivered to the City such as debit and credit memos, deposit tickets, etc. in a timely manner.

Information Reporting Requirements

1. The Bank will provide daily balance reports online to the City by account, in summary and by transaction each morning as early as 7:00 a.m. for the prior day. The City monitors sixteen (16) active accounts. In addition, intraday reports will be available online by account, for all transactions, wires, safekeeping deposits, transfers, and in summary form.
2. Provide automated balance reporting services for all City accounts. Available information should include closing ledger, closing collected, opening ledger, opening collected float, ACH credit detail, ACH debit detail and previous day debit and credit detail.
3. Provide access to information on cleared checks and automated stop payments facilities.
4. Accept and send ACH transactions and provide detailed written notification of ACH deposits within 24 hours.
5. Provide an overnight sweep facility for excess cash balances.
6. Maintain separate custody accounts for securities pledged as collateral on City deposits by other financial institutions.
7. Calculate the market value of all collateral securities pledged on City accounts and

report this information, along with a detailed report listing the accounts and deposit balances so secured, to the City each month where applicable. This report must verify the adequacy of collateral as specified in City's Deposit Collateralization Requirements in Exhibit A.

8. Provide monthly account activity statements and reports for all direct deposit accounts. The statement cutoff should be the last day of the month. A listing of all account activity must be received no later than the 5th business day of the following month.

V. Selection Criteria

1. Proposals submitted in reply to the RFP will be evaluated by a City selection committee. The selection committee is comprised mainly of personnel in the City's finance division.
2. Proposals will be evaluated based upon the following criteria:
 - A. Comprehensive ability to provide the services described in the RFP (10%)
 - B. Experience of providing the services described in the RFP (10%)
 - C. Pricing for services (10%)
 - D. Use of technology/internet to deliver services (5%)
 - E. Financial strength of the organization (10%)
 - F. Disaster recovery plan (5%)
 - G. Lockbox capability (10%)
 - H. Wire transfer capability (10%)
 - I. Collateral for deposits (10%)
 - J. Information reporting (10%)
 - K. Account reconciliation services (10%)

Each criterion is evenly weighted (10%) except "D" and "F" above which are weighted half as much (5%).

VI. Pricing and Compensating Balances

1. The proposal will be on a variable cost basis. Under the variable cost method, actual monthly services as provided will be counted and the volume of the transactions will be computed to determine the appropriate compensating balance required to support the account activity. Exhibit B is to be used to compile and compute the account activity and the calculation of compensating balances. Exhibit B is also used to estimate the annual volume of transactions and the resulting fees there from.
2. The City will elect to use the monthly activity service charges for direct payment or compensating balances, whichever it decides is most appropriate. There will be a one month time lag in implementing either method of payment to allow the City an opportunity to review the services charges, earnings credit allowance, and required reserves during the calculation month before they are implemented.
3. The per item charges shall remain fixed over the life of the initial contract, unless an

adjustment is allowed. An allowable adjustment would be changes in the monthly volume of transactions or changes in the earnings credit allowance (the formula should remain constant). Increases or decreases should be netted against the initial per item charge. Such adjustments will be allowed as determined by the City.

VII. INTENT TO BID FORM

The following is a suggested format on your firm's letterhead:

Notice of Intent to Bid

Date

Eric Mayse
Purchasing Agent
City of Memphis
125 N. Main Street, Room 354
Memphis, TN 38103

Dear Eric:

This letter is to confirm that Name of Financial Institution has received the City of Memphis' Request for Proposal (RFP) for Banking Services. The authorized representative of Name of Financial Institution whose signature is affixed below has read this RFP and will submit a proposal.

Name of Financial Institution hereby submits this notice of intent to bid for the City of Memphis' banking services contract.

Sincerely,

Signature of Authorized Representative

Name of Authorized Representative

Title

Date

**CITY OF MEMPHIS, TN
REQUEST FOR PROPOSAL
BANKING SERVICES**

VIII. RFP QUESTIONNAIRE

Name of Financial Institution

A. The Organization

1. Describe the organization, its major lines of business, changes in ownership, and any major organizational changes pending.
2. Indicate the experience the Bank has in providing services similar to those in the RFP.
3. Include a representative client list of governmental and/or corporate customers for whom the Bank currently or has provided services similar to those in the RFP.
4. Include three years of the Bank's audited financial statements.
5. Include three years of the Bank's "Community Reinvestment Act Performance Evaluation."
6. Indicate the Bank's credit rating history for the last five years as indicated by at least two nationally recognized rating agencies.
7. Describe the Bank's overall disaster recovery plan as applicable to the services described in the RFP.

B. Service Personnel

1. Provide basic biographical information on key bank officers that will be directly involved in the management of the City's account; primary contact persons name, title, address, phone and fax number, email address, and experience these officers have in working with municipal customers.
2. Provide an organizational chart for the personnel who will be associated with the City's account, including the roles of each person, and illustrating the relationship among the personnel.

C. Banking Locations

1. Provide the address of the office location that will service the City's account.
2. List the address of all branch offices in Shelby County. A map showing the locations is suitable but also indicate the number of branches which are full service branches, in-store branches, etc.

D. Banking Services (General)

1. Describe the availability of online services the Bank offers as applicable to the services in the RFP.
2. Describe the Bank's ability to provide automated banking services and to what extent, if any, of the services listed on the official proposal forms are automated. Please be specific about the level of automation and also provide information on the daily volume processed by the Bank for at least three of your largest clients, where applicable.
3. Provide a list of the Bank's holidays.
4. Does the Bank have any changes planned for service methodology as it applies to services in the RFP? If yes, please explain.
5. If selected, can the Bank provide a two year written price guarantee for

services listed on Exhibit B (attached)? If no, please explain.

E. Depository Services

1. Attach a copy of the Bank's availability schedule that would apply to deposits into City accounts. Include the Bank's policy on receiving same day credit for deposits. Be specific as to the crediting cut-off time of checks deposited with the Bank's system, other local banks, regional banks, etc.
2. What is the Bank's procedure for the processing of returned deposit items?
3. Describe the Bank's overnight investment program for deposits it receives.
4. Provide the average monthly interest rate on the Bank's overnight sweep program for each month from January 1, 2014 through December 31, 2016.
5. Describe the Bank's ability to accept for deposit property tax payments from walk in taxpayers of the City. Does the Bank have the ability for City taxpayers to make property tax payments in the Bank's branches?
6. When is an item considered "received" for purposes of determining availability (e.g. in bank, at central processing facility, initial processing)?
7. Describe the Bank's ability to meet the City's collateral requirements for funds on deposit.
8. Does the Bank offer remote deposit services (i.e. electronic depositing of checks via scanned images of checks)?
9. Describe the Bank's remote deposit services system including applicable deadlines for same day credit of deposits.

F. Compensating Balance

1. Describe the Bank's method (i.e. formula) for calculating compensating balance requirements as payment for banking services.
2. What is the Bank's policy for treating unused earnings credits?
3. What was the Bank's earnings credit allowance for deposits for each month from January 1, 2014 through December 31, 2016?

G. Controlled Disbursement Services

1. Describe the Bank's controlled disbursement process as part of a zero balance account (ZBA) system.
2. What are the Bank's published first and second presentment times?
3. Do the Bank's first and second presentments combined represent all checks that will clear the respective account on day of the presentments?
4. By what time does the Bank provide notification of exception items and what time must the customer inform the Bank of how to handle?
5. How does the Bank notify customer of exception items?

H. Other Services

1. For what intervals does the Bank offer stop payments (six months, twelve months, twenty-four months, etc.)? The Bank must provide an online stop

payment service through an online system. System should be capable of confirming stop payment in a timely manner after the stop payment has been initiated.

2. Does the Bank offer online inquiry for cleared checks, deposits, withdrawals, and the ability to view supporting images?

I. Lockbox Services

1. What is the Bank's availability schedule for lockbox deposits? Provide a copy of this schedule.
2. Describe the Bank's retail and wholesale lockbox service to include:
 - a. Processing capability for equipment used to process lockbox payments.
 - b. Mail pick-up schedules.
 - c. Processing schedule.
 - d. Frequency of deposit for lockbox payments.
 - e. Use of technology.
 - f. Lockbox data transmission.
2. Describe the Bank's quality control practices for lockbox.
3. Where is the Bank's lockbox processing center that would service the City located?

J. Wire transfers

1. What methods of wire transfer does the Bank have available to customers

(i.e. voice initiated, online, dial-in, etc.)?

2. What are the applicable cut-off times and deadlines for the Bank's wire transfer system(s)?
3. Does the Bank have the ability to establish repetitive wires?
4. Does the Bank have the ability to establish future dated wires?
5. Describe the policies, procedures or methods the Bank has implemented to make wire transfer transactions secure.

K. ACH Services

1. What, if any, is the Bank's affiliation with the National Automated Clearing House Association (NACHA)?
4. What is the guaranteed settlement time for ACH transactions processed through the Bank?
5. What software does the Bank have available for its customers to submit ACH files or initiate ACH transactions?
6. What policies, procedures or methods has the Bank implemented to make ACH transactions secure?

IX. RFP Terms and Conditions

RFP Terms

REQUEST FOR PROPOSAL TERMS

The City of Memphis seeks proposals from firms who have the expertise to provide the products and/or services as in accordance with this RFP document. This is a Request for Proposal that may be modified by the City in the selection process.

THE CITY OF MEMPHIS ENCOURAGES THE PARTICIPATION OF SMALL, MINORITY AND WOMEN-OWNED BUSINESSES IN THE PURCHASING PROCESS.

The City of Memphis is an Equal Opportunity Employer and does not discriminate on the basis of race, color, national origin, sex, religion, age or handicap status in employment or in the provision of services.

This procurement may be subject to the requirements of Ordinance No. 5114 which establishes a local preference for local businesses located within the City of Memphis. A copy of your current Memphis and Shelby County Tennessee Business Tax Receipt must accompany the proposal for consideration of this ordinance.

Any protest of award must be filed in writing with the Purchasing Agent within five (5) calendar days of the intent to award announcement at the following address: City of Memphis Purchasing Agent; 125 North Main, Room 354; Memphis, Tennessee 38103. Notice of Intent to Award will be emailed to vendors who have submitted a proposal to the above stated address by or before the due date and time of the RFP. The Intent to Award notification shall be deemed publicly announced on the date specified on the notice.

Only proposals submitted on the provided form(s) with no changes, additions or deletions to the terms and conditions will be considered. Proposals containing terms and conditions other than those contained herein may be considered nonconforming.

No objections with regard to the application, meaning, or interpretation of the specifications will be considered after the opening of the subject proposals. If there are questions or concerns regarding any part of plans, terms, specifications or other proposed documents, a written request for interpretation thereof may be submitted to the City Purchasing Agent prior to the deadline date. The organization submitting the request shall be responsible for the prompt delivery of the request. Any interpretation in response to the written request will be made only by addendum duly issued, and a copy of such addendum will be mailed or delivered to each organization receiving a set of such

documents and/or posted on the City's website. The City of Memphis will not be responsible for any other explanation or interpretation of the proposed documents. By submission of its proposal, a vendor shall be deemed to have understood fully the contents and meaning of the RFP.

All proposals must be signed by an authorized representative of your organization. Unsigned proposals will be considered nonconforming.

Any contract resulting from the proposals received in response to this solicitation shall be construed in accordance with and governed by the laws of the State of Tennessee. All actions, whether sounding in contract or in tort, relating to the validity, construction, interpretation and enforcement of this Agreement shall be instituted and litigated in the courts of the State of Tennessee, located in Shelby County, Tennessee without regard to conflicts of laws principles.

By order of the Mayor of the City of Memphis, Tennessee.

JIM STRICKLAND, MAYOR

Eric S. Mayse, City Purchasing Agent

INSTRUCTIONS TO PROPOSERS

Proposers shall submit their signed proposal in a sealed envelope **INDICATING ON THE OUTSIDE: THE COMPANY NAME and THE REQUEST FOR PROPOSAL NUMBER.**

Proposers must comply with all applicable licensing requirements. Pursuant to the City of Memphis Charter, Article 71, Section 777 et seq., it is unlawful to operate a business within the limits of the city of Memphis without possessing a Memphis and Shelby County business license, excepting non-profit organizations that qualify as tax exempt under Sec. 501(c)(3) of the Internal Revenue Code. Upon award notification and prior to the City issuing a properly executed purchase order or entering into a contract with the vendor, the successful vendor, whose principal business address is located within the limits of the city of Memphis, will be required to submit, along with the required insurance and other required documentation, a copy of (1) the tax-exempt ruling or determination letter from the Internal Revenue Services; or (2) its current Memphis and Shelby County Business Tax Receipt/License.

Issuance of this RFP does not obligate the City to contract, in whole or in part, for services specified herein. The City of Memphis reserves the right to cancel this solicitation, in whole or in part, or to reject, in whole or in part, any and all

proposals. Cancellation of this RFP or any subsequent award will be posted on the City's website: www.memphistn.gov under the section titled "Government News."

Any firm receiving a mailed solicitation on the above subject and not bidding will be electronically removed from the City's mailing list used for the above-referenced subject after 3 consecutive non-responses or no bids.

For additional information concerning this solicitation, please contact:

Eric Mayse, Purchasing Agent
eric.mayse@memphistn.gov

This solicitation shall be in accordance with the City of Memphis Purchasing Policies and Procedures, which may be amended from time to time.

All materials submitted pursuant to this RFP shall become the property of the City of Memphis.

To the extent permitted by law, all proposals submitted in response to this RFP shall be kept confidential until the proposals have been evaluated and the intent to award is announced. Until the intent to award is announced, no information regarding any proposal will be released to anyone, except members of the Evaluation Committee who are responsible for evaluating the proposals and other appropriate City staff. All information provided by the Vendor in response to this RFP will be considered by the Evaluation Committee in evaluating the proposal and making an award recommendation to the City.

The Mayor of the City of Memphis is the only individual who can legally sign contracts on behalf of the City. Costs chargeable to the proposed contract shall not be incurred before receipt of a fully executed contract.

RFP TERMS AND CONDITIONS

Offerors shall not, under any circumstances, contact any other City official, employee or agent (including senior City management or City employees with whom Offeror has an existing business or personal relationship) to discuss this RFP. Utmost discretion is expected from Offerors and all RFP recipients. Any Offeror attempting to circumvent this process may be subject to elimination from further participation in the proposal process.

Proposal Submission

To be considered for selection, your sealed proposal must be delivered before the due date/time listed and to the address listed in this RFP.

LATE PROPOSALS WILL BE CONSIDERED NON-CONFORMING AND WILL NOT BE CONSIDERED IN THE EVALUATION PROCESS.

Incomplete proposals will not be considered for selection if the omission(s) are determined, in the City's sole discretion, to be significant.

Each proposal shall be submitted in a sealed envelope or package. Offerors shall note "**Request for Proposal enclosed**" on the outside of the envelope or package. Proposals submitted and accepted by the City become the property of the City of Memphis and will not be returned. **The City has the right to reject any and all proposals, in whole or in part.**

The proposal must set forth accurate and complete information as required in this RFP. Unclear, incomplete, and/or inaccurate documentation may not be considered for a contract award. Falsification of any information may result in disqualification.

RFP Inquiries

Offerors shall submit all questions or concerns related to this RFP by e-mail to the address as specified above by the deadline listed in this RFP. No oral requests for clarification or information will be accepted.

To ensure the fair and consistent distribution of information, all questions will be answered by a Question-and-Answer (Q&A) document, which will be posted on the City's website (www.memphistn.gov). No individual answers will be given. The only official answer or position of the City will be the one posted via the City's website.

Any revisions to the solicitation will be made only by an addendum issued by the City, which will be posted on the City's website (www.memphistn.gov).

General Guidelines for Proposal Preparation

Proposal Format: The format in which proposals are to be submitted is included in this RFP. Proposals that do not conform to this format will be declared non-responsive and will not be considered for an award from the City.

Amendments to RFP: The City reserves the right to re-issue or change any portion of this RFP, in its sole discretion. In the event it is necessary to revise any part of the RFP after the initial issue date, the City will make modifications by issuing a written amendment, which will be posted on the City's website (www.memphistn.gov).

Withdrawing RFP: The City reserves the right to withdraw this solicitation at any time prior to making an award based on this solicitation.

Preparation and Presentation Costs: The Offeror shall bear the total costs for any and all appearances and the costs associated with preparing the proposal or responding to the RFP. **The City shall not, in any event, be liable for any expenses incurred by Offerors during the proposal process, including the preparation and/or submission of the proposals. Proposals shall not include any such expenses as part of the proposed budget.**

Deadline Extension: The City reserves the right to extend the submission deadline, if such action is considered necessary by the City. In the event the deadline is extended, Offerors will have the right to retrieve and revise their proposals.

Ambiguity, Conflict, or other Errors in the RFP: If an Offeror discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, it shall immediately notify, in writing via fax or e-mail, the City of such error request modification or clarification of the document. The Offeror shall include the RFP number, page number and the applicable paragraph title. The City will issue/post any revisions to the RFP on the City's website (www.memphistn.gov). The Offeror is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in the Request for Proposals prior to submitting the proposal or any ambiguity, conflict, discrepancy, etc. shall be waived.

Failed Competition: The City reserves the right to reject any or all proposals which are not responsive to the specifications of this Request for Proposal (RFP). Competitive negotiation requires that at least two responsive proposals for the same scope of work and service area be received in response to the RFP. A competition is considered failed if only one responsive proposal is received. If a competition has been declared failed, the City then has the option to reopen the procurement or enter into a non-competitive procurement.

Withdrawing or Amending a Proposal: At any time prior to the scheduled deadline for receipt of proposals, the Offeror may withdraw or amend its proposal by submitting a written request from the authorized representative whose name and signature appears on the proposal. A written request to withdraw or amend the proposal must be submitted to the individual and address to whom/which the proposal was submitted in accordance with the section above titled "Response Submission."

Acceptance/Rejection of Proposals: The City reserves the right to accept or reject, in whole or in part, any or all proposals submitted. The City shall reject the proposal of any Offeror that is determined to be non-responsive.

Informalities/Minor Irregularities: The City reserves the right to waive minor irregularities or informalities in an Offeror's proposal when the City determines that it will be in City's best interest to do so. Any such waiver shall not modify any remaining RFP specifications or excuse the Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.

Oral Presentations: Offerors may be required to give an oral presentation of their proposal to City representatives for the purpose of clarification to assure the City's full understanding of the proposal. Oral presentations are an option of the City, at the City's sole discretion; however, no proposal may be altered or enhanced during an oral presentation.

Offeror indebted to the City: No contract will be knowingly awarded to any organization which, in the City's sole discretion, is in arrears to the City of Memphis upon any debt or contract, or which is a defaulter as surety or otherwise under any obligations to the City of Memphis, or which has failed to perform faithfully on any previous contract with the City of Memphis.

Validity of Proposals: All proposals shall be valid for a minimum period of 120 days from the opening date of the RFP.

Public Records: Any proposal submitted to the City may be subject to the Tennessee Public Records laws.

Brand Names or Trade Names: Brand names or trade names are given as a quality reference and aid vendors in offering the right quality for this solicitation. Except where said quality reference is followed by the word "ONLY", any proposal will be considered if, in the option of the City, the products are equal to those specified. PLEASE INDICATE BRAND AND MODEL PROPOSED.

Tax Payments: The City of Memphis exempt from federal excise, state and local taxes on all purchases and will issue tax exemption certificates, upon request.

Compliance with the RFP: The submission of a proposal shall be taken as prima facie evidence that the Offeror has familiarized itself with the contents of the RFP and with these terms and conditions, in particular. The failure or omission by the Offeror to receive or examine this RFP shall in no way relieve the Offeror of any obligation with respect to its submission or of any term or condition of this RFP and may result in disqualification. In order to be deemed responsive, Offerors must provide responses to address all items in the RFP.

Lengthy Proposals: The City discourages overly lengthy and costly proposals; however, in order for the City to evaluate proposals fairly and completely, Offerors should follow the format set out herein and provide all information requested. Proposals shall be as thorough and detailed as possible, but prepared simply providing a straightforward, concise description of the Offeror's capabilities to provide the services and satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

Contract Award: The award of contract will be made on the basis of the best proposal, as determined by the City, which meets the requirements and criteria set forth in the solicitation. The City may fund all or any part of a proposal, and the City will only

accept proposals for the services requested. The proposal submitted in response to this solicitation is not a legally binding document; however, the contract, which will be based on information provided in the proposal, becomes legally binding once all parties have signed it. Any contract resulting from this RFP shall be subject to the City of Memphis General Terms and Conditions set forth in this solicitation. The successful Contractor shall be required to execute the contract originated by the City of Memphis and satisfy all contract requirements as specified by the City. One or more contracts may be awarded under this RFP, and any contract awards and amounts are subject to the availability and appropriation of funds.

Insurance: If awarded a contract pursuant to this RFP, the Contractor will be required to have and maintain the insurance specified in the RFP. The successful Contractor will be required to furnish the City, on or before the effective date of the Agreement, a Certificate of Insurance and/or policies attested by a duly authorized representative of the insurance carrier evidencing that the insurance required is in effect. All insurance companies must be acceptable to the City of Memphis and be licensed in the State of Tennessee.

X. EXHIBITS

**CITY OF MEMPHIS, TN
REQUEST FOR PROPOSAL
BANKING SERVICES**

Exhibit A

Eligible Collateral

Eligible collateral means:

- (1) Bonds of the United States or any of its agencies;
- (2) Obligations guaranteed by the United States or any of its agencies, the payments of which are fully guaranteed both as to principal and interest by the United States;
- (3) Obligations guaranteed by the Tennessee industrial development authority not to exceed the amount of the guarantee;
- (4) Bonds of the state of Tennessee, including any revenue bond issued by any agency of the state specifically including institutions under the control of the state board of regents, the board of trustees of the University of Tennessee and bond issued in the name of the state school board authority;
- (5) Bonds of any utility district, county or municipal corporation of the state of Tennessee, including bonds payable from revenues (expressly excluding bonds of any road, levee or drainage district) upon which such bonds there has been no default in payment of interest more than thirty (30) days upon any one (1) installment of interest, for the five (5) years next preceding the deposit of such bonds;
- (6) Loans to students guaranteed one hundred percent (100%) by the Tennessee Student Assistance Corporation during the dormant period of such loan;
- (7) Bonds issued under the provisions of title 7, chapters 37 and 53, or under title 48, chapter 101, part 3, that are rated "A" or higher by any nationally recognized rating service;
- (8) The State of Tennessee Collateral Pool;
- (9) Any other collateral security which is acceptable to the Secretary of the Treasury to secure the United States for deposits of public money in tax and/or loan accounts; provided, that such collateral shall not include state or municipal bonds from other states or from municipalities in other states.

CITY OF MEMPHIS, TN
REQUEST FOR PROPOSAL
BANKING SERVICES

Exhibit B

Pricing Analysis

| (Financial Institution) | | | |
|---|-------------------------------|----------------------|-----------------------------|
| Date of Offer | | | |
| | Estimated Annual Volume | Price Per Unit | Estimated Annual Cost |
| Bank Depository Services | | | |
| ACH | | | |
| ACH Transmission -Per File | 347 | \$0.00 | \$0.00 |
| ACH Originated Credit | 307,829 | 0.00 | 0.00 |
| Deposits | | | |
| Branch Deposited Coin-Currency | 1,799 | 0.00 | 0.00 |
| Deposit | 22,337 | 0.00 | 0.00 |
| Deposit Assessment | 153 | 0.00 | 0.00 |
| Demand Deposit Acct. Maint. | 108 | 0.00 | 0.00 |
| Electronic Deposit | 16,079 | 0.00 | 0.00 |
| Transit Items | 170,428 | 0.00 | 0.00 |
| Vault Dep Coin & Currency | 10,831 | 0.00 | 0.00 |
| Remote Deposit Capture | | | |
| Remote Capture Maintenance | 24 | 0.00 | 0.00 |
| RDC Items-Software | 17,417 | 0.00 | 0.00 |
| Check Clearing | | | |
| Checks/Items Paid - Cont. Disb. | 68,569 | 0.00 | 0.00 |
| Check Image Capture | 59,574 | 0.00 | 0.00 |
| Check Image-CD-Rom | 12 | 0.00 | 0.00 |
| Check Paid-Positive Pay | 9,030 | 0.00 | 0.00 |
| Check Issued Items | 71,598 | 0.00 | 0.00 |
| Wire Transfer | | | |
| Funds TRNSF | 1,685 | 0.00 | 0.00 |
| Incoming Fedwire TRNSF | 187 | 0.00 | 0.00 |
| On-U's | 39,003 | 0.00 | 0.00 |
| Overdraft/ NSF Items/Return Item Special Hand | 321 | 0.00 | 0.00 |
| Return Item Process-Reclear | 262 | 0.00 | 0.00 |
| On-line Banking | | | |
| File Handling Transmission | 778 | 0.00 | 0.00 |
| Web Stop Pay-24 Months | 426 | 0.00 | 0.00 |
| Web Stop Pay 6 Months | 1 | 0.00 | 0.00 |
| PPR Disb Recon RPT PD/Outstand | 58,520 | 0.00 | 0.00 |
| PPR Disb Maint -Cont Disb | 48 | 0.00 | 0.00 |
| PPR Recon Reports-Deposit List | 33,382 | 0.00 | 0.00 |
| PPR Disb Recon Full Pospay Maint | 36 | 0.00 | 0.00 |
| Pos Pay Maint-Monthly | 12 | 0.00 | 0.00 |
| Positive Pay W/Recon | 9,687 | 0.00 | 0.00 |
| Lock-box | | | |
| Retail LB Remit Unmatched Item | 93,084 | 0.00 | 0.00 |
| Retail Lockbox Correspondence | 27,699 | 0.00 | 0.00 |
| Retail Lockbox Images | 206,961 | 0.00 | 0.00 |
| Retail Lockbox CD-ROM | 44 | 0.00 | 0.00 |
| Retail LB Checks or Doc | 14,197 | 0.00 | 0.00 |
| Retail LB Exceptions | 3,132 | 0.00 | 0.00 |
| Retail LB Cash Payment Process | 29 | 0.00 | 0.00 |
| Retail LB Maintenance | 24 | 0.00 | 0.00 |
| Wholesale LB Correspondence | 5,888 | 0.00 | 0.00 |
| Wholesale LB Document Reassociation | 20,102 | 0.00 | 0.00 |
| Wholesale LB Images | 66,723 | 0.00 | 0.00 |
| Wholesale LB Images Archives | 43 | 0.00 | 0.00 |
| Wholesale Lockbox Maintenance | 43 | 0.00 | 0.00 |
| Wholesale Lockbox REMIT Processing | 20,102 | 0.00 | 0.00 |
| Account Maintenance | | | |
| Zero Balance Account Maintenance | 36 | 0.00 | 0.00 |
| Estimated Total Annual Cost | | | <u>\$0.00</u> |
| Estimated Average Monthly Cost | | | \$0.00 |