



369 West 18th Street
Merced, CA 95340
Phone: (209) 723-3153
Fax: (209) 723-0322

Issue Date: October 21, 2011

REQUEST FOR PROPOSALS FOR PAYROLL BANKING SERVICES

Notice is hereby given that proposals will be received at the Merced County Association of Governments (MCAG) for performing all work necessary in accordance with the requirements specified herein. Please carefully read and follow the instructions provided. Responders are responsible for making certain that their proposal is complete and is received by MCAG on or before the closing deadline.

Proposals shall be mailed or delivered to:

*Merced County Association of Governments
Attn: Christina Smith, Administrative Services Manager
369 West 18th Street
Merced, CA 95340*

Proposals shall be clearly marked as follows:

Proposal for Payroll Banking Services – Submission Deadline November 14, 2011

PROPOSALS THAT ARE INCOMPLETE OR ARE RECEIVED AFTER THE DEADLINE WILL BE REJECTED AND RETURNED TO THE RESPONDER UNOPENED.

CLOSING DEADLINE DATE: 4:00 P.M., Monday, November 14, 2011

PROPOSALS WILL BE CONSIDERED LATE WHEN MCAG'S CLOCK READS 4:01 P.M.

MCAG is not liable for any costs incurred by responders in replying to this Request for Proposals.

Inquiries may be directed to Jeanette Garcia, Grant Analyst II, MCAG at (209) 723-3153 x324 or via email at jeanette.garcia@mcagov.org.

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RESPONDER'S SUBMITTAL CHECKLIST

All items are required. This checklist is provided to assist Responders with submitting a complete proposal.

1. _____ Certification (Attachment A)
2. _____ Cover Letter
3. _____ Table of Contents
4. _____ Qualifications/Assurances
5. _____ Scope of Banking Services
6. _____ General Information
7. _____ Fee Summary
8. _____ Reference List (Attachment B)
9. _____ Most Recent Audited Financial Statements and Annual Report

Non-submittal is considered non-responsive and cause for rejection of proposal.

SECTION ONE - INTENT OF THE REQUEST FOR PROPOSALS

A. INTRODUCTION

The Merced County Association of Governments (MCAG) is inviting proposals from qualified banking institutions for the purposes of providing payroll related banking services. MCAG is a government joint powers authority. Presently, 70 employees are paid wages and benefits from MCAG or its agencies, with obligations of more than five million dollars annually.

Purpose

MCAG currently contracts with another government agency for its banking and payroll services and intends to shift these services to independent banking and payroll service providers. Separate requests are being issued for payroll processing and payroll banking services. A single provider may be considered for combined services. However, if a provider is capable of providing both services, a separate proposal for each service type is required.

B. SERVICES

This RFP is for banking services related to the agency's payroll accounts, which will allow for transactions related to employee wages and benefits.

C. START DATE AND DURATION OF SERVICES

Start Date

The anticipated start date for this service is January 1, 2012.

Duration

Although a service agreement may not be necessary, MCAG will consider proposals offering a single year initial service contract. Following the initial contract term, only annual renewals will be considered.

D. SERVICE AREA

MCAG is located in Merced, California.

E. CONTRACT

If the banking institution requires a service agreement, the initial term shall be for a period of twelve months. The start date will tentatively commence January 1, 2012, with a scheduled completion date of December 31, 2012. The institution's sample agreement may be submitted as part of the proposal package and will be reviewed by MCAG's attorney prior to acceptance.

If a service agreement is not required, this must be specified in writing as part of the proposal. If necessary, MCAG will execute an Agreement with the approval of the MCAG Governing Board.

If a service agreement is not required, it is requested that fees be guaranteed, in writing, for a period of 12 months. If service fees cannot be guaranteed, the institution must also specify this in writing as part of the submitted proposal.

D. INTERVIEWS

Following review of the proposals, MCAG staff may choose to interview selected banking institutions. This will provide an opportunity for questions and further discussion. Selected Responders will be asked to limit the number of representatives in attendance to either one or two persons.

Tentative interviews will be scheduled the week of November 18, 2011 at a time mutually agreeable to MCAG and the Responder.

E. SCHEDULED ACTIVITIES

To the extent achievable, the following schedule shall govern the review, evaluation and award of the proposal. MCAG reserves the right to modify the dates below in accordance with its review process.

	<u>Scheduled Activities</u>	<u>Date</u>
a.	Availability of the Request for Proposals	October 21, 2011
b.	Closing Date for the Request for Proposals	November 14, 2011
	<i>List of respondents will be posted to the MCAG website following close of RFP</i>	
c.	Commencement of review of Request for Proposals by MCAG Staff	November 15, 2011
d.	Interviews (Tentative – Staff Option)	November 18, 2011
e.	Staff Recommendation	November 28, 2011
f.	MCAG Governing Board	December 15, 2011
g.	Notice of Intent to Award	December 15, 2011
h.	Services Commence	January 1, 2012

SECTION TWO - REQUIREMENTS
QUALIFICATIONS/ASSURANCES AND SCOPE OF BANKING SERVICES

I. QUALIFICATIONS/ASSURANCES

Proposals will only be considered from banking institutions that meet the following qualifications.

- A. Authorized to do business in the State of California
- B. Offers branch services within Merced City Limits that will remain operational
- C. Must be a qualified depository of public funds
- D. Deposits must be insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation
- E. Must be a member of the Automated Clearing House Association
- F. Must have employee dishonesty and securities coverage
- G. Must have access to the Fed Wire System
- H. Must allow reasonable access to bank records by MCAG internal and external auditors for examination of MCAG accounts

II. SCOPE OF BANKING SERVICES

Qualified banking institutions must be able to provide the services listed below. Please provide a summary of fees associated with the services.

Any additional services available should also be noted in the proposal. Responders are encouraged to describe any products or services that might be beneficial to MCAG. Please include a summary of fees for additional services not included in the summary below.

A. Wire Transfer Services

Describe specifications of this service, including, but not limited to:

- 1. Policy on daylight overdrafts
- 2. Wire deadlines
- 3. Ability of customer to initiate and monitor wire transfers online
- 4. Security measures for wire initiation and approval

B. Automated Clearing House (ACH)

For the proposed account, it is anticipated that an estimated 200 debit and credit transactions will occur monthly. Transactions will include, but are not limited to, wire transfers, direct deposits, payroll disbursements, payments to vendors, and other anticipated or unanticipated payments. Please describe:

- 1. Method by which MCAG can submit ACH files or initiate ACH via bank software
- 2. Pre-notification policy and cost
- 3. Re-presentation of checks (RCK) through ACH on a targeted
- 4. Security measures for ACH initiation/origination and ACH reception (filters/blocks)

C. Availability of Funds

Same day availability of funds will be necessary for the proposed account. Please confirm:

1. Policies are consistent with Federal Reserve Bank
2. Policies allow for same day credit for deposits. Describe policies regarding credit for same day deposits.

D. Monthly Statements and Account Analysis

Submit a sample copy of the banking institution's monthly statement and account analysis. Please describe:

1. When reports are available and how they are made available (mail, online, etc.)
2. How long report images are maintained online
3. Dispute resolution process

E. Collection and Deposit Services

Please describe:

1. Deadlines and requirements by local branch, telephone, etc.
2. Change order processing
3. Deposit reconciliation services availability

F. Online Banking Services

Provide a detailed description of available online banking service and capabilities, including the following:

1. Reporting - daily summary and detail
2. Execution of transactions
3. Transactions between accounts
4. Initiation of wire transfers
5. Initiation of stop payment orders
6. Initiation of ACH transactions
7. Maintenance of wire transfer templates
8. Online cleared check information/images
9. Security administration

G. Overdraft Processing

In the event of overdraft, please describe:

1. Fees associated with overdraft services
2. Policy on daylight overdrafts

H. Stop Payment Services

Provide a detailed description of Stop Payment Services, including:

1. Online stop payment services (initiation and renewal)
2. Confirmation requirements
3. Duration of stop payment and renewal options

I. Describe how and when training would be provided for online services.

SECTION THREE – PROPOSAL SUBMITTALS

Responders shall submit the following information as part of their proposal package:

- I. Qualifications/Assurances – Section Two, Part I
- II. Scope of Payroll Services – Section Two, Part II
- III. General Information
 - A. Financial Strength
 - 1. Capital ratios, asset quality, earnings, liquidity, sensitivity to market risk, deposits and loans (past two years)
 - 2. Most recent audited financial statement and annual report
 - 3. Rating information from a recognized bank rating agency
 - 4. Confirmation that the bank will communicate any changes in credit rating or bank rating to MCAG while banking services are rendered
 - B. Proof of current standing as an eligible public depository.
 - C. Community Reinvestment Act (CRA) rating and rating authority. Provide information on activity within Merced County.
 - D. Description of industry standard index and spread upon which available balances earn interest.
 - E. Copy of the bank’s proposed custodial agreement for the collateral pledged to secure government’s account.
 - F. Bank’s disaster recovery plan (back-up sites and system back-up process)
 - G. Description of bank’s dispute resolution and customer service/feedback process
 - H. Account Servicing
 - 1. Designated account representative(s)
 - 2. Bios of assigned personnel
 - I. Transition plan and implementation timeline
- IV. Three References (at least one government agency preferred)
- V. Fees for required and optional services (See Section Two)

Please refer to the Responder’s Submittal Checklist on page three of this document.

PROCEDURES AND NUMBER OF COPIES TO BE SUBMITTED

Three originals of the proposal, signed by an officer of the banking institution must be received at the Merced County Association of Governments no later than 4:00 p.m. on Monday, November 14, 2011. Proposals must be complete and submitted in a **SEALED ENVELOPE OR CARTON CLEARLY**

IDENTIFIED ON THE OUTSIDE AS FOLLOWS: Proposal for Payroll Banking Services –
Submission Deadline November 14, 2011.

No late, telephone, fax, or e-mail proposals will be accepted. Late submissions will be returned to sender, unopened.

SECTION FOUR - EVALUATION CRITERIA

MCAG staff will evaluate proposals. Qualified banking institutions may be invited to interview. Please review Section One, Part E - Scheduled Activities.

Proposals may be evaluated on:

1. Financial strength
2. Ability to meet MCAG's current and projected service requirements
3. Range and price of service requirements
4. Capacity of electronic banking services
5. Experience with government entities
6. Quality of references
7. Completeness of responses to items requested in the RFP.

MCAG reserves the right to reject any or all proposals, and to select the best proposal based on the review and opinion of MCAG staff.

DEFINITIONS

Agreement - Comprises the Request for Proposal (RFP), any addenda thereto, the bid proposal, requirements and the purchase order if appropriate. The Agreement constitutes the entire contract between the MCAG and the awarded Provider. Term may be used interchangeably with Contract.

Closing Date/Time - The day and time the Request for Proposal must be received in the office of MCAG for acceptance.

Contract - The Contract constitutes the agreement between MCAG and the awarded Provider. Term may be used interchangeably with Agreement.

May – Indicates something that is not mandatory but permissible.

MCAG – Merced County Association of Governments

Must/Shall – Indicates a mandatory requirement. A proposal that fails to meet a mandatory requirement will be deemed non-responsive and not be considered for award.

Notice of Intent to Award - Letter sent by MCAG to all participating Responders advising them of the date MCAG will hear and possibly take action in awarding the Contract to the apparent successful Responder as recommended by MCAG Staff.

Proposal Deadline - The closing date associated with this proposal.

Proprietary – The information provided that is considered exempt from public disclosure defined as Trade Secrets under Civil Code Section 3426.1, pursuant to Public Records Act.

Provider - A person, partnership, firm, corporation, or joint venture submitting a proposal. Term may be used interchangeably with Responder.

Responder - A person, partnership, firm, corporation, or joint venture submitting a proposal. Term may be used interchangeably with Provider.

ATTACHMENT A

CERTIFICATION - RESPONDER TO COMPLETE AND PLACE IN FRONT OF PROPOSAL

INDIVIDUAL/COMPANY _____

ADDRESS _____
(P.O. Box/Street) (City) (State) (Zip)

CONTACT PERSON: _____

TITLE: _____

TELEPHONE NO. _____ FAX NO. _____

E-MAIL ADDRESS _____

The undersigned hereby certifies that he/she is a duly authorized official of their organization and has the authority to sign on behalf of the organization. Undersigned assures that all statements made in the proposal are true, agrees to furnish the item(s) and/or service(s) stipulated in this Request for Proposal at the price stated herein, and will comply with all terms and conditions set forth, unless otherwise stipulated.

Authorized Representative - Name Title

Signature Date

Business License No.: Merced City _____

(If Applicable)

Merced County _____

Taxpayer Identification No.: _____

ATTACHMENT B

REFERENCE LIST - BIDDER TO COMPLETE AND RETURN WITH PROPOSAL

Provide three references (at least one government agency preferred) with similar Scope of Services.

REFERENCE NO. 1 - COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TITLE: _____

E-MAIL: _____ TELEPHONE NUMBER: _____

AMT. OF CONTRACT: _____ DATE AND TYPE OF SERVICE _____

REFERENCE NO. 2 - COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TITLE: _____

E-MAIL: _____ TELEPHONE NUMBER: _____

AMT. OF CONTRACT: _____ DATE AND TYPE OF SERVICE _____

REFERENCE NO. 3 - COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____ TITLE: _____

E-MAIL: _____ TELEPHONE NUMBER: _____

AMT. OF CONTRACT: _____ DATE AND TYPE OF SERVICE _____