

CITY OF HOT SPRINGS ARKANSAS

REQUEST FOR PROPOSALS

FOR

BANKING SERVICES - ANNUAL CONTRACT

HOT SPRINGS ARKANSAS

MARCH 2009

TABLE OF CONTENTS

TABLE OF CONTENTS

ADVERTISEMENT AND NOTICE

I.	INTRODUCTION.....	4
II.	DEFINITIONS.....	4
III.	INSTRUCTIONS TO RESPONDENTS	5
IV.	MINIMUM QUALIFICATIONS	8
V.	SCOPE OF SERVICES	8
VI.	PROPOSAL REQUIREMENTS / EVALUATION	12
VII.	EVALUATION CRITERIA	14
	A. Fees	
	B. Rate of Return	
	C. Lending/Investment/Service	
	D. Direct Investment	
	E. Experience / Availability / Staffing	
	F. DBE/WBE/MBE Certification	
VIII.	AWARD OF CONTRACT	15

EXHIBIT A (TAB 1) PROPOSAL FORM

EXHIBIT B (TAB 2) CONSOLIDATED COST OF SERVICES FORM

EXHIBIT C (TAB 3) SAMPLE AVERAGE COLLECTED BALANCES

EXHIBIT D (TAB 4) COMMUNITY REINVESTMENT ACT

EXHIBIT E (TAB 5) DIRECT INVESTMENT IN HOT SPRINGS

EXHIBIT F (TAB 6) EVALUATION OF BANK PERSONNEL

EXHIBIT G (TABS 7,8,9) ADDITIONAL INFORMATION REQUESTED

EXHIBIT H (TAB 10) EXCEPTION NOTED

EXHIBIT I (TAB 11) OTHER ATTACHMENTS

EXHIBIT J (TAB 12) SAMPLE COLLATERAL AGREEMENT

EXHIBIT K (TAB 13) SAMPLE DEPOSITORY AGREEMENT

APPENDIX A CALENDAR OF BANKING CONTRACT

APPENDIX B HISTORICAL BANKING ACTIVITY

APPENDIX C CITY ACCOUNTS

APPENDIX D COLLATERIZATION POLICY

ACKNOWLEDGEMENT (to be returned upon receipt of this proposal package)

ADVERTISEMENT & NOTICE

REQUEST FOR PROPOSALS (RFP)

BANKING SERVICES – ANNUAL CONTRACT

City of Hot Springs, Arkansas

The City of Hot Springs, Arkansas is hereby soliciting sealed proposals to provide **Banking Services - Annual Contract**. Sealed proposals will be received by the Office of Purchasing until **2:00 PM CT, APRIL 06, 2009**. Proposals will be received only at the Purchasing Office address shown below.

THE “RFP” IS AVAILABLE ON THE CITY WEB SITE – www.cityhs.net – CLICK ON “BUSINESS”; THEN “BID/RFP POSTINGS”.

All proposals must be submitted in accordance with the RFP specifications which may be obtained during normal business hours from:

Purchasing Office
Post Office Box 6300
517 Airport Road, Ste C
Hot Springs, Arkansas 71902
(501) 321-6830

Proposals will be evaluated in accordance with the specifications.

The City reserves the right to accept part or all of any specific proposal(s). The City further reserves the right to reject all proposals or part or all of any specific proposal, to hold all proposals in force and effect for sixty (60) calendar days after date of opening, to waive any informalities in the proposal(s) and to postpone or cancel the proposal opening date for cause or convenience.

The City of Hot Springs, Arkansas is an Equal Opportunity/Affirmative Action Employer.

INTRODUCTION

The City of Hot Springs, Arkansas, is seeking proposals for the annual contract for Banking Services. This Request for Proposals (RFP) contains all the information necessary to prepare and submit a proposal. Prospective proposers are advised to study this RFP completely and follow the instructions exactly.

II. DEFINITIONS

Throughout this request for proposals, the following definitions shall apply:

1. "RFP" means Request for Proposals.
2. "CITY" means the City of Hot Springs, Arkansas.
3. "Proposer" means the individual, firm, partnership, joint venture, or corporation which submits a proposal to the City in response to this RFP.
4. "Contractor" means the proposer chosen by the City to perform the services outlined in the RFP.
5. "Project" or "Plan" means the **BANKING SERVICES – ANNUAL CONTRACT** to be provided in accordance with the scope of services / specifications and the contract.

III. INSTRUCTIONS TO RESPONDENTS

1. All proposals must be received at the Office of Purchasing, City of Hot Springs, Arkansas, by 2:00 P.M. CT, **APRIL 06, 2009** regardless of delivery method.
2. The envelope or container transmitting the proposals must be sealed, labeled and addressed as follows:

Purchasing Office City of Hot Springs P. O. Box 6300 517 Airport Road, Ste C Hot Springs AR 71913 Banking Services - Annual Contract TO BE OPENED: 2:00 PM CT April 06, 2009
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3. **Six (6) copies** of each proposal must be submitted together with **one unbound original** (for reproduction by the City Staff). However, only one (1) set of financial statements needs to be submitted. Any proposal not submitted in compliance with the instructions contained in this section and/or not containing the information requested by Section VI may be declared "non-responsive" and may not be considered.
4. Any person, firm or corporation able to meet the requirements of this RFP is invited to respond to this RFP. Each proposer shall submit only one proposal. Supporting material and use of the standard proposal form format is **required** in the decision of selecting the most responsive proposer. Please place tabs before each scoring section. Proposals will be bound by the provisions contained in this RFP, unless an amendment or deviation is formally approved and distributed by the City.
5. This RFP represents in writing to all proposers the most comprehensive and definite statement that the City is able to make as to the requirements, terms, and conditions for this proposal process and performance of the project. Information and understandings, verbal or written, which are not contained either in this RFP or in subsequent written addenda to this RFP will not be considered in evaluating proposals. Any conditions or expectations on the part of the proposer for performance by the City must be set forth in the proposal. The City is not obligated to consider the proposer's post submittal terms and conditions.
6. The specifications /scope of work / services listed are to be interpreted as meaning the minimum acceptable by the City.
7. Proposals must include all Federal, State and City taxes, as applicable, but they (or the applicable tax rate) must be shown separately. Any such levies shall be the responsibility of the contractor.
8. As part of the public negotiation process leading to the selection of a contractor, the City may request additions or modifications to any proposal. It is the present intent of the City not to negotiate substantive portions of a proposer's proposal and to rely on the information submitted in these proposals in awarding a contract.

9. The City reserves the right to award the contract without further discussion on the proposals submitted. The City and its designees also reserve the right to reject and/or accept any and all proposals received or parts thereof. The City retains the right to waive any minor irregularities in any proposal submitted. The City may make such investigations it deems necessary to determine the ability of the proposer to provide/perform as sought by the City and the proposer shall provide relevant information as requested.
10. All proposals will become part of the official file on this matter without obligation to the City. In addition, respondents are hereby advised that proposals, once the City has made its selection, are subject to the Arkansas Freedom of Information Act and, therefore, available for viewing or copying by anyone upon request.
11. This solicitation does not commit the City to pay any costs incurred in preparing and submitting the proposal or to contract for the services specified.
12. Acceptance by the successful proposer of an award from this proposal indicates that the successful candidate is in no way currently indebted to the City, Garland County or the State of Arkansas. Indebtedness to any of the above shall be basis for non-award and/or cancellation of any award.
13. It is the City's policy to encourage the involvement of Disadvantaged Business Enterprises (minority-owned and women-owned businesses) in contracts awarded. DBE's are particularly invited to submit proposals to perform work outlined in this RFP, either as a prime contractor, subcontractor, or as part of a joint venture. Non-DBE firms are encouraged to arrange subcontracts or joint ventures with DBE's prior to submission of their proposal.
14. ANY QUESTIONS CONCERNING PROPOSAL RESULTS SHOULD BE DIRECTED TO **Mary Burks, Purchasing Agent**, City of Hot Springs, AR. 71901 (501) 321-6830.
15. Requests for clarification of any items, requirements or specifications contained herein must be received by the City, **IN WRITING**, (fax permissible) no later than the close of business on March 13, 2008. Upon receipt of a request for clarification, the City shall respond in writing no later than March 20, 2009 and shall furnish a copy of said response to all prospective respondents who have obtained copies of the "Request for Proposals" at the time the City's response is mailed if the response materially changes the RFP or is deemed significant. The procedure outlined above shall be followed in order to ensure competitive fairness by providing all prospective respondents with the same information. Except when in the City's best interest, the names of prospective proposers will not be divulged.
16. Proposals must be signed by a corporate officer authorized to commit the submitting firm and shall remain in full force and effect for sixty (60) calendar days following the date of opening. Proposals may be withdrawn prior to opening only. Negligence on the part of the proposer shall not constitute a right to withdraw the proposal after it is opened.
17. Respondents should also be available for oral presentations if such presentations are deemed necessary to determine the most qualified firm. Any such oral presentation will be scheduled at a mutually convenient time.

18. Any contract resulting from this “Request for Proposal” may be terminated by either party to the contract upon thirty (30) days written notice.

Protest procedures.

Protest of bidding procedures, specifications or bid/contract awards shall be made in accordance with the following procedures. Such protests may only be initiated by an authorized representative of a person, firm or corporation who has a direct economic interest in the particular procurement in question.

A. *Protest filing.* Any protest must be filed with the purchasing agent at the address specified in the bid specifications or quotation request for the receipt of bids or quotes. The protest must be in writing and describe in full detail the basis for the protest and the particular bid or quote in controversy. In order to meet the time frames enumerated hereinafter, a protest may be received in person, by U.S. mail, facsimile or electronic means; provided, however, that facsimile or electronic filing shall be followed with documents bearing original signatures as soon as practical thereafter.

B. *Bid specifications (pre-award).* Protest of bid specifications or bidding procedures must be received by the Purchasing Office no later than five (5) business days prior to the scheduled bid opening or quotation closure period. Protests received the day of bid opening or quotation closure will not be considered.

C. *Awards less than \$20,000.* Protest of procurement decisions valued at less than \$20,000 shall be filed by the protestant within five (5) business days of the purchasing agent’s award decision. The purchasing agent, in consultation with the city attorney and city manager, shall have authority, prior to the commencement of an action in a court concerning the controversy, to settle and resolve the protest. If the protest is not resolved by mutual agreement, the purchasing agent shall issue a decision in writing to the protestant within ten (10) business days after receipt of the protest stating the reasons for the action taken.

D. *Awards \$20,000 or greater.* Protest of award recommendations valued at \$20,000 or greater shall be filed by the protestant within five (5) business days of the purchasing agent’s recommendation for award and prior to the scheduled consideration by the board of directors. The board of directors shall hear all parties concerned and shall render a decision regarding the protest and the bid/contract award.

E. *Stay of procurement award.* In the event of a timely protest pursuant to this section, the city shall not proceed with the solicitation or procurement until protest is resolved by mutual agreement, the purchasing agent issues a final decision (under \$20,000), the board of directors approves the procurement in controversy (\$20,000 or greater) or court decision is rendered if the controversy is filed in court. Provided, however, that the city may proceed with a procurement in controversy if a written determination is made by the purchasing agent, in consultation with the city attorney, that the items to be purchased are urgently required, the delivery or performance will be unduly delayed by failure to make the award promptly, or failure to make award will otherwise cause undue harm to the city.

F. *Award notification.* Notification of procurement decisions shall be available in the purchasing division as soon as such decisions are final. Bid or contract award recommendations to be considered by the board of directors shall, whenever possible, also be available in the office of the city clerk seven (7) calendar days prior to the board of directors meeting at which the bid or contract award is scheduled for consideration. It is the responsibility of all bidders to make inquiry of the purchasing division regarding procurement decisions for the purpose of rendering protests.

G. *Federal grants.* Protest of any procurement funded in whole or in part with federal grant funds may also be filed concurrently with the funding agency. The purchasing manual shall include necessary instructions for filing of such protests with the appropriate agency.

IV. MINIMUM QUALIFICATIONS

This section lists the minimum qualifications and criteria for a bank's proposal to be eligible for consideration and evaluation. The City's policy is to place the majority of funds controlled by the City's Board of Directors with one bank. A Depository Agreement and Collateral Agreement will be executed for one year, renewable annually for up to four additional years, with the successful contractor.

In order for a bank to be considered a qualified proposer, the bank must be: properly licensed and a participant in the Federal Deposit Insurance Corporation.

Have at least four (4) full service staffed locations within the city limits of Hot Springs and be capable of and agree to provide the City full banking services.

Be able to provide collateralization of all City deposits with collateral in compliance with the City's Investment Policy (see Appendix D). The collateral should be held by a third party trustee in the name of the City of Hot Springs.

Provide the bank's latest Community Reinvestment Act rating for within the Hot Springs/Garland County area.

The City prefers that the proposing bank provide services without the use of joint ventures. The City **will determine the acceptability of any arrangements with the objective of the RFP to be totally inclusive.**

V. SCOPE OF SERVICES

All proposals must include the following services, which will be required in the City's Depository and Collateral Agreements. Each bank's response to this request for proposals must include a statement agreeing to provide the services stated below. Please use the attached Proposal for Banking Services format. Also, each proposal shall include a sample bank statement based on the criteria stated.

The City's goal is to operate with a maximum of 20 accounts (See Exhibit C) with daily deposits and checks drawn with the awarded bank. The City expects annual receipts and expenditures to exceed \$75,000,000. Approximately 82,800 payroll and bill paying checks and 175 EFT files will be processed.

A. Term of Agreement

The banking services detailed in this section will be performed for the City of Hot Springs, on a contractual basis for one (1) year, with an option to renew for four additional years. Fees specified in this proposal will remain fixed for the initial one (1) year period and the first optional year. Banking service charges for the remaining optional (3) three years will be negotiated.

B. Required Banking Services

Cash the checks made payable to the City of Hot Springs' employees and vendors and drawn on an account held by the City at that bank's branches within the Hot Springs/Garland County area, provided the employee and/or vendor presents proper identification. Such service will not be contingent on the employee having an account with the bank, nor will the employee be charged for that service.

Be able to provide electronic processing of monthly information to complete monthly reconciliation. This process shall be compatible with New World Systems financial software. The City is not currently reconciling in this manner, but plans to migrate to this in the future.

The City of Hot Springs collects parking meter deposits. The successful contractor shall be able to receive and process those deposits at a Hot Springs location.

C. Availability of Funds

Accept deposits and process checks. Deposits will be made periodically during the business day to some of the branches within the area. The City of Hot Springs will be given credit as collected funds on all items which are cleared by your bank on the same day on which the deposit is made. Items deposited which clear at institutions located within the appropriate Federal Reserve Region shall be considered collected funds within one business day. All other items deposited shall be given credit as collected funds within two business day. The bank will also credit the City of Hot Springs' accounts for incoming wire transfers on the day received regardless of the time of receipt during the day. **AH proposing banks are required to attach a copy of their current "availability schedule" to the proposal.**

D. Collateralization of Account Balances

All City funds on deposit **must** be collateralized at all times according to the terms in a separate collateral agreement. This agreement shall be in compliance with the City's collateralization policy. Monthly reports detailing the adequacy of collateral must be supplied by the bank within five (5) business days of the close of each month via fax, email or mail. A sample agreement should be attached to the response.

E. Account Structure

All accounts will be set up as interest bearing checking accounts unless otherwise directed in writing. Interest will be paid on the Average Collected Balance of these accounts based on the previous month's average. Proposers should provide detailed explanation on how interest will be calculated. The benchmark rate should be easily obtainable and well recognized as a benchmark rate. If there are charges, they shall be reported on a monthly account analysis statement rather than being debited directly against City of Hot Springs' deposits. The monthly account analysis report shall be delivered to the City of Hot Springs within 10 business days of the last day of each month and shall contain a detailed itemization of charges by types and volume. The monthly account analysis statement must detail daily account balances, the interest rate paid on deposits, and the dollar amount of interest credited to City of Hot Springs' accounts.

Proposers shall provide descriptions of their detailed monthly reconciliation reporting capabilities in EXHIBIT G.

F. PC/Internet Banking Services

The City requires the successful proposer to provide PC "On-Line" banking services and software via a web browser (e.g. Internet Explorer). Please provide a description of the bank's PC based software products and services available in EXHIBIT G. Proposers must also provide the related technical specifications. The software should be internet-based and include what security measures are in place to ensure protection of the City's assets. At a minimum, the City wishes to use PC-based banking for the following:

- Daily Balance Reporting (ledger, available and collected).
- Detailed debit and credit postings (cleared checks, deposits, chargebacks, wire transfers in and out, interest payments, etc.) with ability to download data into Microsoft Excel spreadsheet format on a daily basis.
- Initiation of internal account to account transfers.

- Initiation of regular recurring wire transfers.
- Initiation of Automated Clearing House debit and credit transactions. Ability to create saved "instructions" for recurring ACH debit (collection) or credit (direct deposit) type transactions.
- Placement of stop payment orders.
- Cancelled payments (for reconciliation purposes)
- Multi-level security for various City of Hot Springs staff (e.g. inquiry only vs. full system administrator rights).
- Positive pay on major disbursement accounts.
- Statements must be delivered on business day following the end of the month.

On a regular basis, the City will make transfers between the various accounts listed to it. Any transfers between these accounts will be charged to the City of Hot Springs only as transfers and not also as items deposited and checks paid. All transfers will be done electronically via the PC by the City. Credit for any transfers must be given on the same day that the transfer is made, no matter what time of day the transfer occurs.

G. ACH

The bank must be both a "sending" and "receiving" bank on the Automated Clearing House system to accommodate a payroll direct deposit program. Presently, the City's payroll and corresponding ACH direct deposit files, along with other disbursement ACH account files are transmitted to the bank's processing center electronically. Proposers must also provide ACH "blocks" for preventing unauthorized debits of City bank accounts. Proposers shall include their security or fraud prevention measures related to ACH transactions and costs.

The City processes payroll on a biweekly basis and currently has approximately 430 direct deposits per payroll; there are also ACH vendor files weekly. In addition, the city processes direct debits against utility customer accounts on a daily basis. These total approximately 3,500 per month.

H. Wire Transfers

Incoming Wires

The City intends to consider all wire transfers received by the bank prior to the end of the business day, as "available for investment", regardless of the time of actual receipt by the bank. Should a wire transfer not be received by the bank, then the wire transfer will be traced from origin to destination to ascertain the party responsible for delaying the transfer. If necessary, adjustments will be made as soon as possible for any lost interest.

In the event that the incoming wire transfer does not arrive in the City's account by the end of the business day through delay of the bank, the City shall not be charged an overdraft fee. The City will not accept any exceptions to this specification.

Outgoing Wires

The contractor agrees to execute any wire transfer order within one (1) hour after notification by the Finance Department through the computer terminal, or by telephone, or by FAX, if necessary. Wire transfers ordered and not received by the destination party by 5:00 p.m. will be traced by the bank 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. Any deadlines associated with outgoing wires should be disclosed by the awarded bank.

The contractor shall provide copies of the wire transfer confirmation evidencing the amount, date and time, as well as the wire transfer number for all outgoing wires on a daily basis to the City Finance Department via

fax transmission. The City desires to enter into a "Wire Transfer Agreement", with the awarded bank for all wire transfers, incoming and outgoing.

I. Statement and Advice Frequency

Statements must be delivered one business day following the end of the month via internet. The bank will provide the City electronic notifications (debit/credit advises) included with the monthly account statements for all account adjustments made during the month. Statements must list the checks in numerical sequence. Checks for all accounts must be sorted in numerical sequence. Deposit codes are required for each deposit listed on a statement to help identify specific deposits.

A CD-ROM retrieval process is acceptable in place of returning checks, if a cumulative index is provided each month that indicates on which CD each check is located and if it provides a copy of the front and back of each check. The City is also interested in the use of remote deposit involving deposits of checks which contain no cash. These features, along with the replacement of other requirements with specific electronic banking services, may be negotiated. The City will only accept proposals that state the fees charged to the City for services rendered.

Proposers shall comment on the technical support provided by the bank, whether in person or via phone, including hours of availability. All technical support shall be included as part of the banking services contract as well as any implementation of new technologies and explained in EXHIBIT G. Exceptions must be noted in EXHIBIT H.

J. Designated Account Executive

The City requests that the proposing banks provide the names of a designated account executive, as well as an alternate. The designated account executives **must** have the authority to make timely decisions in the normal course of business on their own.

Resumes must be provided for all key account executives designated to service this account.

K. Other Banking Services and Conditions

1. All returned checks due to insufficient funds will be automatically redeposited a second time. Please include your charge (if any) for this item in EXHIBIT B with the other costs.

All checks that are returned a second time **must** be debited to the issuing account.

2. All debit and credit memos required to adjust errors caused by the bank will not be charged to the City. All deposit errors must be accompanied by a copy of the particular deposit slip. All bank errors must be corrected within five (5) business days of notification by the City.
3. The bank agrees to provide MICR (MAGNETIC INK CHARACTER RECOGNITION) check specifications to the City for check printing purposes.
4. The City requests the proposing banks to offer any optional services or make any recommendation it believes would enhance the traditional cash management abilities of the City. The City, in the evaluation of the proposals, will consider these additional services if their economic benefit can be quantified. Proposers are encouraged to consider technological changes or other improvements in traditional banking services to customers, and to propose any new services that would benefit the City. Optional services should be summarized on an attached EXHIBIT G, but can be accompanied and supported by other material.

L. Non-Traditional Banking Services

The City issues separate RFP proposals apart from this banking services contract for credit card services and other non-traditional banking services such as purchasing and/or smart cards

M. References

Please include the following references (if applicable).

Provide a list of three or more client references of similar sized and /or municipal accounts which the bank has served over the past two years and is currently serving. Provide a contact person and telephone number for each customer. (See EXHIBIT G).

Provide two (2) references of similar sized and/or municipal accounts which have recently left (within the past year) the bank. Provide a contact person and a telephone number for each organization. (See EXHIBIT G).

N. Community Reinvestment Act

It is important to the City that the contractor demonstrates its commitment to provide banking services to the community. The bank's rating under the Community Reinvestment Act (CRA) is a measure of this commitment.

All proposers are required to submit their latest CRA rating as it relates to the City of Hot Springs community with its proposals. All proposers are required to furnish their bank's community involvement and investment programs. The City will use this rating and any supporting documentation in the evaluation process. (EXHIBIT D).

O. Counting Change

Proposers shall provide information on their bank's stipulations for counting change. The City generates a significant amount of change thru the parking meter program and the transit operation receipts. The contractor must be able to receive and process these deposits at a Hot Springs location.

VI. PROPOSAL REQUIREMENTS / EVALUATION

A. Explanation of Proposal Forms (Important)

It is a **requirement** to use the Proposal Forms format. It is a **requirement** that you organize the information with TABS according to the order of the Proposal Forms. No proposal will be considered without amounts or information being placed on these forms or addressing the information in the order of the TABS. If the bank is unable to meet or exceed the requirements specified, then the phrase "No Proposal" should be entered for that particular item.

The Finance Director reserves the right to eliminate any individual service contained in the proposal, if based on analysis, the fees for providing the service are excessive, or if the service proposed can be performed in an alternative manner.

B. Completion of Proposal Forms

Each bank should review the proposal forms and price each service specified on EXHIBIT B. If the bank does not wish to charge for a particular item, please indicate so by including "no charge" under the appropriate service in "Cost Per Item" column of EXHIBIT B. If the bank cannot provide the specific service requested, please indicate so by including "no proposal" under the appropriate service in the "Cost Per Item" column of

EXHIBIT B. If there are charges which are not listed on EXHIBIT B, please list those charges. This listing will be incorporated in the final contract for services.

Proposers should also be aware that incomplete responses - those not providing all requested information according to the format of the proposal forms - will not receive consideration.

C. **Monthly Service Charge Calculations**

The contractor will prepare a monthly account analysis for services rendered. The analysis should be able to be reconciled (using similar terms, formats, etc.) to the proposal form (Exhibit A) in this Request for Proposal. Total service charges will be calculated based on the actual number of transactions for a month multiplied by the fixed charge per item.

It is the intention of the City that all per item charges remain fixed over the first two years of the contract. However, the City recognizes that an adjustment in a per-item charge may be necessary based on price changes by the Federal Reserve System. Adjustments in per item charges will only be allowed by complying with the following conditions:

- The per-item charge (or portion thereof) will change only for corresponding adjustments in the Federal Reserve System's Fee Schedules, on or after the effective date of the adjustments.
- Changes in the Federal Reserve Fee Schedules must be final, and not proposed.
- Awarded bank will provide the Treasury Services Manager a copy of the Federal Reserve System's notification supporting the adjustment, with the monthly account analysis statement.

D. **Summary**

All banks are required to complete the proposal using the format outlined in the "Proposal for Banking Services" using TABS for each section. Attach all requested forms, reports, statements, and exhibits in accordance to the format specified and return the package (6 copies) to the City in accordance with the instructions in Section I (B).

Proposer shall have no exclusive meetings, conversations, or communications with an individual evaluation panel member on any aspect of the RFP, after submittal. Any violation of this policy can be subjected to disqualification.

The City intends to enter into a formal Banking Services Contract with the contractor which will incorporate all provisions of the Request for Proposal. Additional terms and conditions will not be included in the contract unless mutually agreed to by both parties.

E. **DBE / WBE / MBE**

Proposers who are **certified** disadvantaged business enterprises (DBE) or women owned business enterprises (WBE) or minority owned business enterprises (MBE) may qualify for five (5) points as a DBE/WBE/MBE. To claim these points proposers must include a copy of a current DEB/WBE/MBE certification issued by a governmental agency with their proposal. For assistance in determining DBE/WBE/MBE status or in completing the certification process contact Mary Burks, Purchasing Office, City of Hot Springs, PO Box 6300, Hot Springs AR. 71902, telephone 501-321-6830, fax 501-321-6833, e-mail mburks@cithys.net.

VII. EVALUATION CRITERIA

Proposals will be reviewed by a selection committee using the above criteria. Each reviewer will evaluate the six sections of each proposal based on the proposal's content. Reviewers will then assign a point score between zero and the criteria's maximum possible points for each section. Points for each proposal will then be totaled and proposals ranked from the highest to the lowest total point score. The City reserves the right to invite two or more of the highest rated firms to make oral presentations (short list). Firms invited to make oral presentations will be reevaluated using the above criteria based on their oral presentation. The firm selected for a contract will be expected to incorporate, in the contract their assurances, offers or guarantees made in their oral presentation. Negotiations will be conducted initially with the firm adjudged to be the best qualified firm, following the rating and ranking process. If a mutually satisfactory contract cannot be negotiated with the selected firm, the firm will be requested to submit a best and final offer in writing, and, if not approved, negotiations with that firm will be terminated. Negotiations will then be initiated with the subsequently qualified firm, and this procedure will be continued until a mutually satisfactory contract has been negotiated. The objective of negotiations will be to reach an agreement on the plans for the services to be provided and an acceptable cost proposal that outlines the cost for each task and final products.

<u>CRITERIA</u>	<u>POINTS</u>
A. Lowest cost of fees for level of services requested in EXHIBIT B.	<u>maximum 40 points</u>
B. Highest rate of return on overnight accounts.	<u>maximum 20 points</u>
C. Community Reinvestment Act (Specific to Hot Springs Only)	<u>maximum 15 points</u>
<u>Lending</u> (maximum 5 points) Number of loans, total dollar amount, type of loans & loans by purpose. Small business loans. Direct community development loans. Innovative lending programs for low-to-moderate income persons.	
<u>Investment</u> (maximum 5 points) Investments with primary purpose of community development. Grants with primary purpose to community development.	
<u>Service</u> (maximum 5 points) Accessibility of Delivery Systems Changes in Branch locations & business hours Services in Meeting Needs of Clients Community Development Services	
D. Extra consideration will be awarded for the direct investment in projects related to the City of Hot Springs	<u>maximum 10 points</u>
E. Evaluation of personnel who will work on the City's account.	<u>maximum 10 points</u>

F. MWBE /DBE - Consideration will be give for minority owed businesses

maximum 5 points

Please be specific in your response and provide sufficient information regarding each criteria for the selection committee to make an informed decision.

OTHER

The selection committee may contact contractors submitting proposals to clarify any issues during the evaluation but will not discuss other contractor's proposals with any other contractor. Once the evaluation is completed, the evaluation forms of all proposals will be included with their recommendation to the City Manager and the City's Board of Directors.

VIII. AWARD OF CONTRACT

The Board of Directors will review the selection committee's recommendation and make the final decision regarding contract award. The detailed provisions of the contract may be prepared by the City Attorney. Any significant work alterations or additions during the term of the contract shall be renegotiated by the City and the selected respondent. The selected respondent may be required to obtain a City business license. The City reserves the right to request the modification of any and all proposals and/or to reject all proposals.

Joy Black, Accounting/Purchasing Manager

MARCH 02, 2009

CITY OF HOT SPRINGS BANKING SERVICES PROPOSAL FORM

EXHIBIT A

(TAB1)

Proposal Submitted By:

Bank: _____

Address: _____

Telephone: _____

We have read and fully understand the City's request for proposals on banking services, and are familiar with Hot Springs' fund, bank account structure, volume of daily banking transactions and other relevant information.

Our proposal is submitted in accordance with all the terms and conditions of the request for proposals. We certify that we have adequate personnel, equipment, and facilities to fulfill all the requirements of the request for proposals and agree to provide efficient banking services as required in the request for proposals to the City of Hot Springs.

This Proposal follows the format layout that is specified in Section IV and according to the Exhibits below:

- EXHIBIT B - Cost of Services Form
- EXHIBIT C - Sample Avg. Collected Balances/Interest Rate
- EXHIBIT D - Community Reinvestment Form
- EXHIBIT E - Direct Investment in Hot Springs/Garland County
- EXHIBIT F - Bank Personnel
- EXHIBIT G - Additional Information Requested
- EXHIBIT H - Exceptions
- EXHIBIT I - Attachments
- EXHIBIT J - Sample Collateral Agreement
- EXHIBIT K - Sample Depository Agreement

Signature

(As the Designated Account Executive I am authorized to submit this RFP)

Title

Date

CITY OF HOT SPRINGS BANKING SERVICES PROPOSAL FORM

EXHIBIT B

(TAB 2)

CONSOLIDATED COST OF SERVICES FORM

Bank: _____

Bank Depository Services	Estimated Monthly Volume	Cost Per Item	Monthly Cost
Account Maintenance (20 accounts)	20		
Checks Paid	1250		
Deposits Made	200		
Transit Items			
On-Us	3600		
Other	13000		
Returned Items	50		
Wire Transfers In	1		
Wire Transfers Out	2		
ACH Direct Deposit of Bi-Weekly Payroll	2		
Weekly ACH file transfer	10		
CD Rom of All Transactions	1		
Electronic Transmission of Recon Data	2		
Deposit Bags	40		
Deposit Slips	200		
Coin Counting Services (days)	20		
Positive Pay (2 Accounts)			
Internet Access (8 Employees)			
Online Stop Payment			
ACH Filter Fee			
Other Costs (itemize on separate attachment if			

TOTAL MONTHLY COST OF CHECKING ACCOUNT SERVICES \$ _____

CITY OF HOT SPRINGS BANKING SERVICES
PROPOSAL FORM

EXHIBIT C

(TAB 3)
Average Collected Balances

Rate of Return on Collected Balances

<u>ACCOUNT</u>	<u>AVG. COLLECTED BALANCE</u>
----------------	-------------------------------

See Appendix C

Interest Rate Driver

Provide rate (with source of information) that would have been used February 2008 thru January 2009

CITY OF HOT SPRINGS BANKING SERVICES PROPOSAL FORM

EXHIBIT D

(TAB 4)

COMMUNITY REINVESTMENT ACT INFORMATION

1. Please provide your CRA report of last examination including rating of the three classifications below and the period of time the rating occurs. Please answer each request in detail. The answers need to be specific to Hot Springs. Please attach any bank policies associated with this Act.

a. Lending

Number of Loans

Total Dollar Amount of Those Loans

Type of Loans

Loans by Purpose

Loans received by Race and Income Group

Small Business Loans

Direct Community Development Loans

Innovative Lending Programs for Low-to-Moderate Income Persons

b. Investment

Investments with Primary Purpose of Community Development

Grants with Primary Purpose to Community Development

c. Service

Accessibility of Delivery Systems

Changes in Branch Locations & Business Hours

Services in Meeting Needs of Clients

Community Development Services

CITY OF HOT SPRINGS BANKING SERVICES PROPOSAL FORM

EXHIBIT E

(TAB 5)

DIRECT INVESTMENT IN HOT SPRINGS MAIN HEADQUARTERS

1. Describe in detail the investments your bank has in projects directly related to the City of Hot Springs. Please include current projects and/or projects within the past year.
2. Please indicate the city and state in which your main headquarters is located.

CITY OF HOT SPRINGS BANKING SERVICES PROPOSAL FORM

EXHIBIT F

(TAB 6)

EVALUATION OF BANK PERSONNEL

1. Please provide the names of the designated account executive as well as the alternate that will be assigned to the City of Hot Springs account.
2. Please provide the names of other key personnel that will be assisting on the account.
3. Resumes must be provided for all key account executives designated to service this account.

CITY OF HOT SPRINGS BANKING SERVICES PROPOSAL FORM

EXHIBIT G

(TABS 7, 8, & 9)

ADDITIONAL INFORMATION REQUESTED

MINIMUM QUALIFICATIONS (Tab 7)

1. Proof of license and a participant in the Federal Deposit Insurance Corporation.
2. List at least four (4) full service staffed locations within the city limits of Hot Springs and agree to provide the City full banking services at those locations.
3. Agree to provide collateralization of all City deposits with collateral in compliance with the City's Investment Policy and to meet the trustee requirements explained in Section II.
4. Provide all anticipated joint venture arrangements.

SCOPE OF BANKING SERVICES (Tab 8)

1. Agree that during the term of the agreement, the fees will remain fixed for the first two (2) years of the contract. Banking service charges for the optional years will be negotiated.
2. Agree to cash checks made payable to the City of Hot Springs' employees and vendors and drawn on an account held by the City at that bank's branches within the Hot Springs/Garland County area. See Section III (B).
3. Be able to provide electronic processing of monthly information to complete monthly reconciliation. This process shall be compatible with New World System's financial software. Please give a detailed description of the bank's reconciliation capabilities.
4. Agree to accept deposits and process checks. See Section III (C).
5. Agree that all accounts will be set up as interest bearing checking accounts and that interest will be paid on the Average Collected Balance of these accounts. Agree to other considerations in Section 111(E).
6. Agree to provide all On-Line Banking Services described in Section III (F). Provide a detailed description of the bank's PC based banking software products available. Please include common features and functionality along with security features which will ensure protection of City of Hot Springs assets.
7. Agree that your institution is a "sending" and "receiving" bank on the Automated Clearing House system and can accommodate a direct deposit program along with ACH blocks. See Section III (G).

8. Agree to the Wire Transfers requirements in Section III (H).
9. Agree to offer the requirements regarding Statements and Notifications in Section III (I).
10. Agree that all insufficient funds will be automatically deposited a second time. Agree that the bank will provide MICR check specifications to the City's check printer, which uses MHC Software and other requirements in Section III (K).
11. Provide detailed information on the process your bank will use to assist us in processing the change deposits for our parking meters and transit operation. See Section III (O).

PROPOSALS (Tab 9)

1. Agree to provide a monthly account analysis statement according to Section IV (C).
3. Provide a detailed description of the bank's reporting capabilities.
4. Describe the bank's ability to provide technical support as it relates to the traditional banking services.
5. Describe the bank's new technology as it relates to the traditional banking services, i.e. remote deposit, etc.
6. Please list any optional services or recommendations you believe would enhance the traditional cash management abilities of the City.
7. List the bank's total dollar amount of deposits for 2008.
8. List the bank's total loan to assets ratio for 2008.
9. Describe the bank's process for providing investment information required by Governmental Accounting Standards Board (GASB) statement number 40, *Deposit and Investment Risk Disclosures*.
10. Provide a list of three or more client references of similar sized and /or municipal accounts which the bank has served over the past two years and is currently serving. Provide a contact person and telephone number for each customer.
11. Provide two (2) references of similar sized and/or municipal accounts which have recently left (within the past year) the bank. Provide a contact person and a telephone number for each organization.

**CITY OF HOT SPRINGS BANKING SERVICES
PROPOSAL FORM**

EXHIBIT H

(TAB 10)

EXCEPTIONS NOTED

CITY OF HOT SPRINGS BANKING SERVICES PROPOSAL FORM

EXHIBIT I

(TAB 11)

OTHER ATTACHMENTS

1. Attach a sample bank statement.
2. Attach resumes of designated executive, alternate, and other key personnel
3. Attach a copy of the bank's Community Reinvestment Act.
4. Attach one copy of the bank's audited financial statements for the previous year.
5. Attach a copy of the bank's Availability Schedule as it relates to deposits.
6. Proof of license and a participant in the Federal Deposit Insurance Corporation

CITY OF HOT SPRINGS BANKING SERVICES
PROPOSAL FORM

EXHIBIT J

(TAB 12)

Provide a sample collateral agreement.

CITY OF HOT SPRINGS BANKING SERVICES
PROPOSAL FORM

EXHIBIT K

(TAB 13)

Provide a sample depository agreement.

Appendix A
City of Hot Springs
Calendar for Banking Contract

	Mon	Tues	Wed	Thurs	Friday
M A R C H	Issue RFP (COHS) 2	 3	 4	 5	 6
	 9	 10	 11	 12	Deadline for questions to the city (Responders) 13
	Board Action Form to extend Regions Contract 16	Answers due back to responders (COHS) 17	 18	 19	Deadline to get responses back to City (Responders) 20
	 23	Contract extension heard by Board 24	 25	 26	 27
	Evaluations 30	Evaluations 31			
A P R I L			Evaluations 1	Evaluations 2	Determination of contract award by panel 3
	Notification to Responders 6	 7	 8	 9	 10
	Board Action Form Due (COHS) 13	 14	 15	 16	 17
	 20	Goes to Board 21	Contract Awarded 22	 23	 24

Contract would be signed and banking with the awarded bank would be effective June 1, 2009.

Appendix B

City of Hot Springs - Historical Banking Activity

SERVICE	DESCRIPTION	2007 ANNUAL ACTIVITY	JAN 2007 ACTIVITY	FEB 2007 ACTIVITY	MAR 2007 ACTIVITY	APR 2007 ACTIVITY	MAY 2007 ACTIVITY	JUN 2007 ACTIVITY	JUL 2007 ACTIVITY	AUG 2007 ACTIVITY	SEP 2007 ACTIVITY	OCT 2007 ACTIVITY	NOV 2007 ACTIVITY	DEC 2007 ACTIVITY
010000	ACCOUNT MAINTENANCE	279	24	24	24	25	23	25	25	25	22	22	23	17
000230	F01C INSURANCE FEE	116,171	10,365	10,764	10,294	8,777	9,277	8,948	10,386	11,116	11,915	12,244	12,085	-
NEW	ELECTRONIC DEBITS	266	-	-	-	-	-	-	-	-	-	-	-	266
010100	CHECKS AND OTHER DEBITS	14,732	1,171	1,159	1,402	1,213	1,243	1,269	1,234	1,368	1,212	1,384	1,174	903
NEW	ELECTRONIC CREDITS	134	-	-	-	-	-	-	-	-	-	-	-	134
010 101	DEPOSITS AND OTHER CREDITS	2,330	189	177	219	192	201	207	217	243	194	227	193	71
100 220	DEPOSITED ITEMS ON US	49,424	3,631	3,340	4,823	4,316	4,700	3,721	4,523	4,435	3,657	4,395	3,801	4,082
100 224	DEPOSITED ITEMS TRANSIT	149,241	10,785	10,122	14,621	13,152	14,116	11,365	13,486	13,635	11,241	13,324	11,580	11,814
150340	INSUFFICIENT DEBITS	3	1	-	-	-	-	-	-	-	-	1	1	-
100400	RETURNED DEPOSIT ITEMS	695	73	44	48	58	55	53	57	76	52	72	52	55
150420	STOP PAYMENTS	3	-	-	-	-	-	-	-	-	-	1	1	1
NEW	WIRE OUTGOING/INCOMING	6	-	-	-	-	-	-	-	-	-	-	-	6
NEW	BRANCH DEP PER \$100	2,899	-	-	-	-	-	-	-	-	-	-	-	2,899
250501	ACH FILES PROCESSED	223	16	21	19	16	20	18	25	21	15	19	16	17
250102	ACH TRANSACTIONS ORIGINATED	79,866	7,265	6,719	6,420	6,117	6,743	6,247	8,175	7,089	6,081	7,078	6,682	5,250
250102	ACH ITEMS - ON US	25,176	2,380	2,126	2,060	1,940	2,137	1,936	2,258	2,235	1,862	2,227	2,059	1,936
250102	ACH ITEMS - OUT OF DISTRICT	51,376	4,905	4,593	4,360	4,177	4,606	4,311	5,917	4,834	4,199	4,851	4,623	-
250302	RETURNED ACH ITEMS	627	126	62	47	43	32	40	57	48	45	43	45	39
250 220	ACH ADDENDA RECEIVED	603	85	65	51	50	37	44	60	41	65	56	36	13
400052	INTERACT ACCOUNT FEE	406	33	33	33	34	34	34	34	34	34	34	34	35
400052	ACH SAME DAY DETAIL REPORT	12	1	1	1	1	1	1	1	1	1	1	1	1
250 505	INTERACT ACH MODULE FEE	12	1	1	1	1	1	1	1	1	1	1	1	1
400052	INTERACT BALANCE RPT MODULE	12	1	1	1	1	1	1	1	1	1	1	1	1
400052	INTERACT BOOK TRANSFER MODULE	11	1	1	1	1	1	1	1	1	1	1	1	-
400210	INTERACT POSITIVE PAY ACCOUNTS	36	3	3	3	3	3	3	3	3	3	3	3	3
400052	INTERACT RTN DEP ITEM REPORT	12	1	1	1	1	1	1	1	1	1	1	1	1
400052	INTERACT STOP PAYMENT MODULE	11	1	1	1	1	1	1	1	1	1	1	1	-
400271	INTERACT DETAIL	17,181	1,435	1,460	1,587	1,705	1,493	1,529	1,501	1,673	1,455	1,658	1,416	269
150410	INTERACT STOP PAY REQUESTS	2	-	-	1	1	-	-	-	-	-	-	-	-
151030	POSITIVE PAY OPTION	36	3	3	3	3	3	3	3	3	3	3	3	3
151350	IMAGE LIBRARY ACCOUNTS ON CD	12	1	1	1	1	1	1	1	1	1	1	1	1
151350	AODI IMAGE ACCOUNTS ON CD	250	23	23	23	23	22	22	22	22	19	19	19	13
151 351	CO ROM ITEM DETAIL	14,933	1,171	1,159	1,402	1,213	1,243	1,269	1,234	1,368	1,212	1,384	1,174	1,104
TOTALS														
AVERAGE LEDGER BALANCE		10,666,390 (Sum)												
LESS CREDIT EARNED														

Appendix C City of Hot Springs CITY ACCOUNTS

DDA	ACCOUNT NAME	DATE OPENED	RATE FROM 2/16/08 BAL	ACCOUNT TYPE	BALANCE AS OF 2/15/08	AVG 12 MTH BALANCE
814-521-2006	Operating Account	02/09/2000	0.63000%	217 Public Funds Interest Bearing	\$1,270,341.35	\$7,402,904.00
B14-521-2014	Payroll	02/09/2000	0.63000%	217 Public Funds Interest Bearing	\$561,996.81	\$154,818.91
814-521-2162	Downtown Parking Deck	03/28/2000	0.25000%	217 Public Funds Interest Bearing	\$6,557.03	\$6,443.66
814-522-2281	PD - Property & Evidence	02/07/2002	0.15000%	217 Public Funds Interest Bearing	\$91,039.84	\$89,379.33
814-009-5397	Parks Grant Fund	09/25/1991	0.00000%	295 Public Funds Analyzed	\$56,015.52	\$99,352.75
814-514-3209	Electric Fund Transfer Acct.	06/08/1998	0.00000%	295 Public Funds Analyzed	\$3,212.25	\$3,160.16
814-521-9221	CBID Maintenance Svgs	12/01/2000	0.00000%	295 Public Funds Analyzed	\$1,928.00	\$12,776.41
814-521-9302	IT Capital Ckg.	12/04/2000	0.00000%	295 Public Funds Analyzed	\$29,603.20	\$12,248.25
814-522-4063	Cops in School	03/28/2001	0.04999%	295 Public Funds Analyzed	\$148,497.75	\$123,244.75
814-522-5221	H S District Court	07/26/2001	0.00000%	295 Public Funds Analyzed	\$337,642.53	\$352,317.50
814-522-5248	District Court Trust Acct.	07/23/2001	0.00000%	295 Public Funds Analyzed	\$0.00	\$54.66
814-522-6473	Admin of Justice	05/08/2002	0.00000%	295 Public Funds Analyzed	\$105,027.20	\$50,296.83
814-523-0497	AHTD Uti Line Relo Grant	02/18/2003	0.00000%	295 Public Funds Analyzed	\$0.00	\$5,834.25
814-523-1477	THE MPO Grant	03/18/2003	0.00000%	295 Public Funds Analyzed	\$52,748.59	\$8,921.58
814-523-7904	CWRLF Const. Acct. II	12/13/2006	0.00000%	295 Public Funds Analyzed	\$0.81	\$20,609.25
814-523-8013	ADED No EIF 200430	01/08/2007	0.00000%	295 Public Funds Analyzed	\$0.00	\$4,569.83
814-523-8277	Farmers Market Grant	10/05/2006	0.00000%	295 Public Funds Analyzed	\$20,377.53	\$7,647.33
814-524-2258	CWRLF Construction Acct.	11/28/2005	0.00000%	295 Public Funds Analyzed	\$5.47	\$171,164.33
814-521-9132	Water Deprec	12/04/2000	0.75000%	39 Public Funds Money Market Savings	\$60,270.49	\$742,836.08
814-521-9248	CBID Maintenance Svgs	12/01/2000	0.20000%	39 Public Funds Money Market Savings	\$9,130.11	\$9,757.33
814-521-9256	Rental Rehab Savings	12/01/2000	0.20000%	39 Public Funds Money Market Savings	\$15,591.63	\$15,323.33
814-521-9264	Law Enforc. Block Grant	12/01/2000	0.20000%	39 Public Funds Money Market Savings	\$0.00	\$1.33
814-523-0381	Emp. Health Insurance Trust	01/06/2003	0.63000%	39 Public Funds Money Market Savings	\$125,925.60	\$176,773.58
814-523-0403	Waterworks Bond Const.	03/17/2003	2.50000%	933 Public Funds Net Interest	\$503,255.74	\$492,149.50
					\$3,399,167.45	\$9,962,584.93

Appendix D

City of Hot Springs

Collateralization Policy

(c) Collateralization will be maintained as required by state law and procedures established by the city. Demand deposits, time deposits, repurchase agreements, and any other investments requiring collateralization shall be collateralized at a level of 102 percent of the market value of principal and accrued interest, less the amount insured by the FDIC.

ACKNOWLEDGEMENT

ACKNOWLEDGEMENT OF THIS "INVITATION TO BID" (ITB) / "REQUEST FOR PROPOSALS" (RFP) MUST BE RECEIVED BY THE CITY IN ORDER FOR YOU TO RECEIVE ADDENDUMS (ie. Updates or changes to the bid packet).

PLEASE COMPLETE BELOW AND FAX TO 501-321-6833 IMMEDIATELY UPON RECEIPT OF THIS PACKET so that you will receive any changes or updates as they occur. If we do not receive this form from you any updates or changes that you do not receive are not the responsibility of the City.

ITEM/SERVICE SOUGHT BY "ITB" / "RFP": **BANKING SERVICES – ANNUAL CONTRACT**

DATE RECEIVED: _____

RECIPIENT: _____ (NAME)
_____ (ADDRESS)

_____ (PHONE)
_____ (FAX)
_____ (E-MAIL)

PRINTED NAME

SIGNATURE