

City of Poulsbo Banking Services Request for Proposal

I. Introduction

The City of Poulsbo (City) invites commercial banking institutions (Bank) who possess the capability and expertise to provide depository and various other banking services, to submit proposals for the provision of those services according to the requirement set forth in this document. The purpose of this process is to identify the banking institution that can provide maximum services and competitive pricing to the City.

II. Conditions Qualifying a Bank to Propose

A. Location within the city limits

1. Bank must be a Federal or State of Washington chartered banking institution with branch banking facilities located within the city limits of the City of Poulsbo. If the headquarters of the proposing bank is not located within the city limits, a branch of the bank located within the city must offer the full range of banking services required by this Request of Proposal (RFP)

B. Mandatory Requirements

1. Bank must be approved by the Washington Public Deposit Protection Commission as a qualified public depository. The qualified designation must remain in effect for the duration of the Banking Services Contract
2. The Bank must be insured by the Federal Deposit Insurance Corporation (FDIC)
3. The Bank must have a minimum of 2 years experience providing municipal banking services.

C. Other Qualifying Conditions

1. All banks submitting proposals must be full-service banking institutions capable of providing at least those services identified in pages 6-8 as follows.
2. The City of Poulsbo may find that at various times it may be in need of additional funds, which may be borrowed from various banks in the form of short-term notes. These loans may be backed by anticipated specific City revenues or sales of General Obligation, Revenue, or Local Improvement District Bonds. The successful Bank agrees to bid on all legally acceptable interim financing loans requests by the City on a prompt and competitive basis.
3. The investment activities of the City will in no way be affected by the appointment of a Bank to handle the City's regular checking account. All

investment activities will be handled at the direction of the City in accordance with state laws and adopted City policies.

4. The City of Poulsbo reserves the right to schedule a tour of the facilities of any or all Banks that submit proposals to this RFP.
5. The Bank must provide copies of all documents required by State law (Public Fund Protection Act of 1969, chapter 193) as a part of the submittal to the City. The Bank must meet or exceed the requirements outlined therein.

III. Time Schedule

Event	Time	Date
Issue of RFP		July 25, 2008
Mandatory Pre-Submittal Conference	11 AM (PDT)	August 5, 2008
Proposal Responses Due	4 PM (PDT)	August 29, 2008
Interview with Banks		September 25, 2008
Preliminary Selection of Firm		October 3, 2008
Recommendation to City Finance Committee		October 8, 2008
Council Approval		November 5, 2008
Notify Bank Chosen		November 7, 2008
Transition and Testing period (no compensation)		December 1, 2008
Effective Date of New Contract		January 1, 2009

These dates are estimates and subject to change by the City

IV. Submittal Instructions

A. Proposal Form

Submittals shall use the attached Forms included herein and shall also attach any require financial reports and documents that are requested. The proposal must include a copy of the Banks latest financial report.

B. No Proposal

If a Bank cannot meet a service requirement, then the term "No Proposal" should be entered on the Proposal Form for that specific requirement. In the case of a "No proposal" remark, the Bank may offer an equivalent alternative service. Failure to substantially propose on all basic services may result in bid rejection.

C. Multiple Banks

A Bank may submit equivalent alternative proposals for any and all of the optional banking services.

D. Mandatory Pre-Bid Conference

Bank questions will be addressed at a pre-bid conference held August 5th, 2008 at 11:00 a.m., in the City Hall Council Room. Driving directions to City Hall are available on the City Web Site (www.cityofpoulsbo.com) or by calling 360-779-3901. No questions will be answered via the telephone or in person other than during the pre-bid conference. It is required that Banks have a representative in attendance, as this will be the only opportunity to have questions answered.

E. Addendum

Any additional information or addendum to this solicitation document will be issued by the City prior to the Submittal deadline. Interested Banks are solely responsible for obtaining any additional information or addendum issued by the City. The City shall post such information onto the City Web Site (www.cityofpoulsbo.com) and may additionally mail such information directly to known interested Banks.

F. Proposal Deadline and Submittal instructions

All proposals and/or questions should be directed to:

Debbie Booher, Finance Director
City of Poulsbo
19050 Jensen Way NE
PO Box 98
Poulsbo, WA 98370
(360) 779-3901

All proposals must be in a sealed envelope and clearly marked in the lower left-hand corner: "RFP-Banking Services".

All proposals must be received by August 29, 2008 at 4:00 pm. Five (5) copies of the RFP must be presented. No Faxed or telephone proposals will be accepted.

G. Late Proposals and Modifications

Any modifications or late submittal received after the time of opening will not be accepted. Late proposals shall be returned unopened.

H. Public Information

Submittals are considered public information once a proposal is opened by the City. Only under limited circumstances can submittal information be considered proprietary and not subject to disclosure. In no case can a Bank indicate that their entire submittals is proprietary, and the City shall make the sole determination of what information may be considered proprietary based upon the City interpretation of the Public Disclosure laws.

I. Contact Office

The Finance Department shall be the only contact office for any or all aspects of this RFP. No communications, additional materials or questions will be allowed following submittal deadline. After the August 29, 2008 (4:00 pm) deadline, those respondents that contact the City may be rejected from further consideration, unless such contact is in direct response to a specific inquiry initiated by the City.

J. Right to Reject Proposals and Waive Informalities

The city reserves the right to reject any or all proposals, to waive any non-material irregularities or informalities in any proposal, and to accept or reject any item or combination of items.

K. Execution of Agreement

If a Bank does not execute an agreement within fifteen (15) days of notification of award by person or by mail, the City may give notice to the Bank of the City's

intent to select the next most qualified “proposing Bank” or call for new proposals, whichever the Finance Director deems most appropriate.

V. Selection Process

A. Qualifications and Criteria for Selection

1. Vendors must demonstrate an ability, knowledge and background in successfully providing banking services. Experience in municipal banking services is required.
2. Proposals for this project must be accompanied by at least three (3) references of recent successful banking relationships (municipal preferred).
3. The chosen proposal under this project will be determined by a number of factors, with emphasis on the overall quality of banking services to be provided. Other evaluation factors will include:
 - **Proper Submission of Proposal:** Receipt of proposal by due date (August 29, 2008) as outlined in this proposal according to our specifications. Late submissions or delivery via facsimile will not be considered.
 - **Comprehensiveness of Services Provided:** Overall capabilities of the bank to meet the required service levels described in this RFP.
 - **Public Sector Experience and Resources:** The Bank’s experience in providing services to the public sector, as well as dedicated resources and personnel.
 - **Strength and Stability of Bank:** The bank’s financial standing among its peers and the associated credit quality ratings.
 - **Charges for Services:** The amount of proposed charges and pricing increases in subsequent years.
 - **Cost of Transition:** The total cost of changing banks.
 - **Service Enhancements:** The bank’s efforts to understand our banking needs and goals, and the creativity the bank shows in introducing new technologies and efficiencies to improve our current practices and procedures.
 - **Assigned Relationship Manager/Team:** The credentials and experience of the person(s) assigned to our relationship.
 - **Community Involvement:** The City of Poulsbo is interested in all proposing banks’ community involvement specifically through their Community Reinvestment Act (CRA) policies and performance under each of the Lending, Investment and Service tests in the Poulsbo/Kitsap County area.
 - **Other Factors:** Any other factors that we believe would be in our best interest to consider which were not previously described.

B. Responsiveness to Criteria

Services will be evaluated on availability, time schedules, reporting, and in the case of interest bearing demand account; services will be evaluated on interest rates.

All proposals from qualified public depositories that pass the completeness test and financial strength/capacity tests and provide a satisfactory service level will

then be ranked based upon least total cost to the City. Total cost to the City is defined as the lowest combination of projected monthly service costs, highest earnings factor specified in the Bank's proposal and the resulting compensating direct fee. However, the City reserves the right to select the Bank which, in its opinion, provides the best combination of service quality and costs to the City.

The basic required service proposal will be evaluated separately from any optional service proposal. Please make each proposal separate so that each can be evaluated on its individual completeness and cost criteria.

VI. Terms and Conditions

A. Cancellation of Contract

The Banking Services Contract shall provide that either the City or the selected Bank reserves the right to cancel any agreement at any time upon ninety (90) days written notice of its intent to terminate any agreement. A decision to terminate the depository contract during the initial three years of the contract may NOT be as a result of profitability or non-profitability by either party.

B. Awarding of Contract

The City of Poulsbo Banking Services Contract is expected to be awarded at the City Council Meeting (November 5, 2008) at 7:00 p.m. in the City Council Chambers, City Hall 19050 Jensen Way NE, Poulsbo, Washington.

C. Contract Form

The contract form is attached. This form is supplied by the City and shall be used for this agreement. All submittals agree to the use of this City contract form. No additional form or agreement supplied by the Submitter shall be utilized. The City reserves the right to modify the contract form as required prior to award.

D. Contract Duration

The awarded Bank shall enter a three-year contract with the City. Prior to expiration of the three-year term, the City and the Institution may mutually agree to one additional year at fees not to exceed an increase based on 90 percent of the Consumer Price Index All Urban Consumers, Seattle-Tacoma-Bremerton Area (CPI-U), issued for the June to June period. This is the CPI-U published by the U.S. Department of Labor, Bureau of Labor Statistics, P.O. Box 192766, San Francisco, California 94119-3766.

VII. Scope of Services

A. General Information

The City is soliciting proposals for a primary banking relationship with a Bank or Firm which operates an office within the city limits. The City will be contracting for the following general services for a three year period beginning January 1, 2009 and ending December 31, 2011. At the City's option, an extension, no longer than one year, will be permitted with the same terms and conditions of the original contract and as it is amended.

City of Poulsbo utilizes a check system, as opposed to warrants. The City anticipates that proposed banking services will be compensated by the credit earned on average collected balances, but is also willing to consider other options.

City of Poulsbo is interested in internet services including but not limited to: account reconciliation, check image retrieval, account analysis, on-line transactions and e-commerce. Details of internet services information requested are identified in this RFP.

B. Services Required

1. **Checking Accounts:** The City currently utilizes two checking accounts: 1) the primary checking account, which includes accounts payable & payroll check processing; and 2) an advanced travel account. The city is considering utilizing a third account for the Municipal Court. The institution will furnish the City with additional checking accounts as needed. Currently, City staff picks up from several locations and delivers the deposit to the institution's branch once each workday, for processing and credit to the City's account that day. NSF checks must be processed twice before being returned to the City. The basic checking account services should at least consist of:
 - a) Provide month-end statements by the 10th day of the following month and provide statements to various auditors upon request;
 - b) Electronic check image retrieval on cd monthly including necessary software;
 - c) Provide individual and consolidated monthly account analysis for all accounts by the 10th day of the following month;
 - d) Provide an automated wire transfer system for transferring money to other institutions, along with appropriate security levels for wire transfer initiations and approvals;
 - e) Provide computer balance reporting system, with information on collected, available and closing balances, as well as details of all debits and credits posted to the account for the previous day, by 8:00 a.m. each business day;
 - f) Provide a reporting system that shows current day ACH credits, by 8:00 a.m. each business day;
 - g) Provide support in answering questions, trouble shooting problems and resolving issues in a prompt manner;
 - h) Provide means to inquire about canceled checks and stop payment on checks upon proper authorization.
2. **Overdraft protection:** Although the City will attempt to minimize daylight and overnight overdraft situations, it recognizes that there are times these situations will occur. It is anticipated these overdraft situations will not exceed \$100,000, if and when they do occur.
3. **Trust and Escrow Agent Services:** The City requires multiple trust accounts be made available and may require escrow agent services to hold letters of credit and other third party commercial documents.
4. **Banking Supplies:** The institution will be required to provide a supply of coin rollers, security bank bags, deposit slips, advance travel and other

miscellaneous checks, and endorsement stamps for each location. The cost of such supplies shall be charged to the City's account.

5. **ACH Debit Services:** The City just began processing direct debit payments for utility bills. An estimate of the amount of transactions is not available. As noted below, the city also processes direct deposits of payroll twice a month. Other miscellaneous ACH transactions such as debt service, Department of Retirement, deferred compensation and federal tax payments flow through the account each month.

6. **Direct Deposit for Payroll:** The City offers and encourages direct payroll deposit for its employees. The City pays its employees semi-monthly on the 6th and 21st. On an average payroll, 85 employees receive direct deposit, which generates approximately 130 transactions per pay period due to many employees having multiple bank account transfers.

Currently, the City transmits the payroll data to the institution via internet one working day prior to payday. Deposits must be made into the employees' account by 8:00 a.m. on payday. Any deviation from these time limits must be stated in the proposal.

7. **Credit/Debit Card Services:** The institution will provide the City with the ability to accept payment through the use of credit/debit cards. The City currently accepts MasterCard, Visa and Discover credit cards for collection at two sites. The City also currently uses a PC for on-line e-commerce transactions, for processing re-occurring credit card transactions. On average we have approximately 250 accounts we process each month. The software would need to be provided to complete this process or be compatible with the software currently being used. The City will be credited daily for the gross amount of the bank card transactions. Any sales discount fee or percentage proposed will be billed at the end of each month as part of the activity charges.
8. **Positive Pay:** The City has instituted positive pay for disbursements to improve internal controls and deterrence of check fraud.
9. **Night Depository Services:** The Bank will provide the City with the ability to make "night drop" deposits after hours. City staff will prepare a deposit slip and "night drop" the deposit after hours, for deposit the next day. We currently use the tamper resistant locked bags for this purpose.
10. **Armored Depository Delivery Services:** City staff presently delivers daily deposits to the bank. Information is desired as to services and/or partnerships the Bank can provide in providing deposit delivery services for the City.
11. **Data Equipment Compatibility:** The City heavily relies on on-line transactions and wishes to ensure equipment and data compatibility and therefore requests the specifications needed for an automated wire transfer, ACH debit & credit, credit card, balance reporting and any other automated systems be included in this proposal.

12. **Miscellaneous Services:** In addition to the requirements listed above, the proposal shall identify proposed fees for the following services:
- Safe deposit box facilities;
 - Other services provided by your institution that would be beneficial to the City of Poulsbo, but has not specifically been addressed.
13. **Services Not Provided:** In the event that the primary proposing institution does not provide all requested services included in this RFP, the institution will submit as part of its proposal additional partners/providers whom do provide these services. It is the sole responsibility of the primary Bank to secure and maintain the relationship with any additional providers. The primary Bank at the time of bid submittal will identify all secondary providers.

VIII. Banking Services Questions/Statements

- A. **Provide the names** of individuals, with phone numbers and email addresses, who will be working on the proposed services and their areas of responsibility including their specific experience relative to the request for proposal requirements.
- B. **Submit at least five (5) references** (preferably from current local government customers) who can attest to the Bank's experience as it relates to providing banking services. The references must include contact name, title, address, e-mail address, telephone number and services used.
- C. **Community:** Describe your institution's community participation/reinvestment program including your community Reinvestment Act (CRA) rating.
- D. **Customer Service:** Describe your institution's customer service philosophy and organizational structure and provide meaningful examples to illustrate.
- E. **Statements:** Please provide the following sample reports:
1. Monthly checking account statement.
 2. Monthly account analysis.
 3. Monthly Merchant Services report.
 4. Most recent Financial Statement
 5. SEC and/or Moody's credit rating or comparable rating
- F. **Funds Available:** provide a funds availability schedule. Describe one day, two day availability and wire requirements.
- G. **Balance Reporting:**
1. What hardware/software does the bank use to deliver balance and transaction detail information?
 2. What time is previous day information available for access by the customer?
 3. What are the hours of access of the balance reporting system?
 4. Does the bank provide current day information?
 - a) How frequently is this information updated throughout the day?
 - b) What transaction types are available on current day reports?
 5. Describe the level of detail provided in previous and current day reports?

6. How many days of history can be accessed through the system?
7. In what format is information available?
8. Sample printout of the daily on-line balance information.

H. ACH Services:

1. What is the recommended service delivery method (i.e. direct transmission, on-line, or other.)?
 - a) What are the hardware/software requirements?
 - b) What training does the bank provide?
 - c) Does the software offer the ability to manage security and access levels by user?
 - d) What report options are available?
 - e) What controls are in place to protect against lost files and duplications of transmissions?
 - f) Does the bank provide automatic file receipt acknowledgements? If so, how?
 - g) Describe the role of any third-party processor used by the bank to provide this service?
2. What are the hours of operation of the ACH unit?
3. What are the bank's cut-off times for customer initiation of ACH transactions?
4. Describe the procedures used to verify accurate and secure receipt of transmissions.
5. Can the bank automatically redeposit items returned for insufficient or uncollected funds?
6. How does the bank handle file, batch and item reversals and deletions?

I. Positive Pay:

1. What controls are in place to protect against lost files and duplications of transmissions?
2. Does the bank provide automatic file receipt acknowledgements? If so, how?
3. Describe the role of any third-party processor used by the bank to provide this service?
4. What is the recommended service delivery method (i.e. direct transmission, on-line, or other.)?
 - a) What are the hardware/software requirements?
5. What is the bank's deadline for transmitting files/data?
6. What is the process for notifying the bank of a single check or small check run outside of the regular batch file?
7. How does the city notify the bank of voided and stop payment checks?
8. Does your bank have payee verification?
9. Is the positive pay service fully implemented at all bank branches?
10. How does the bank handle exception ("paid not issued") items?
11. Does the bank offer a daily listing of exception items?
12. Are there defaults available for each account to either automatically return or pay on exception items?
13. What is the timeline for reporting exceptions to the city?
14. How are exceptions reported to the city? Will an image be available?
15. What is the timeline for the city to act on any exceptions?
16. What are the hours of operation of this service unit?

J. Merchant Card Services:

1. Provide a funds availability schedule by card type. Is it negotiable?
2. What is the settlement deadline?
3. What daily and/or monthly reconciliation reports are available?
4. Do you offer recurring billing processing?

K. Payment of Fees: Respondents will need to provide information on the following:

1. The effective rate and formula used to calculate the service charge credit for collected fund balances;
2. The proposed method for setting rates on a compensating certificate of deposit;
3. A time frame proposed to pay any additional fees not offset by the service charge credit;
4. whether a service charge credit/debit can be carried forward to the next period; and
5. The formula for any fees in the event of an overdraft.

L. Errors and Adjustments

1. Describe your adjustment process for resolving deposit discrepancies.
2. At what dollar amount do you write off discrepancies?
3. Do you adjust the deposit amount or process an adjusting debit or credit?
4. Describe how inquiries requiring research and adjustment are handled by the institution. Are there established turn-around times for research and adjustment items? If yes, specify.

M. NSF/Returned Items:

1. Describe processing procedures
2. What are the fees?
3. Are there any other related services available?

N. Security/Protection Measures: What security features are in place to minimize the risk of unauthorized transactions?

O. Service Enhancements: Describe any enhancements, technological or otherwise, that we should consider to improve operational or cash management efficiencies.

P. On-Line Banking: Discuss your use of the internet in providing services to your municipal/business customers

Q. New Services: Provide information on how your institution plans to keep your product line competitive. Describe what approach the bank is taking in the development of new services and what new services and/or features the bank plans to offer and within what time frame.

R. Implementation: Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.

S. Security/Protection Measures: What security features are in place to minimize the risk of unauthorized transactions?

T. Disaster Recovery:

1. What disaster recovery plans does the bank have to avoid interruptions in service?
2. How quickly can back-up facilities be activated?
3. What disaster recovery services can the bank provide to the city if we are unable to operate from our own facilities?

U. Operation: List the address and hours of operation at your nearest branch office and also the hours of operation for non-branch services.

V. Other: Details on services provided but not listed that may be beneficial to the city.

IX. Statement of Bank Qualifications

Each Bank submitting a proposal for items included in this document shall prepare and submit the following data along with their proposal:

- A. Name of Bank _____
- B. Business Address _____
- C. Business phone _____
- D. Business Fax _____
- E. E-mail address _____
- F. How many years have you been in business under the present name? _____
- G. General character of services provided by your institution: _____

- H. City of Poulsbo Business License Number: _____
- I. State of Washington sales Tax Registration Number: _____
- J. Federal IRS Identification number: _____
- K. I certify that the institution:
- is capable of providing the service as outlined in this proposal,
 - will comply with the rules and regulations outlined by the Revised Code of Washington, Poulsbo Municipal Code, and the Washington Public Deposit Protection Commission, and other applicable laws and regulations.

City of Poulsbo
Banking Services

Institution Name

Authorized Signature

Sworn before me, this _____ day of, _____ 2008.

Notary Public
In and for the State of Washington

X. Non-Collusion Affidavit Certificate

State of Washington)
)ss
County of)

The undersigned, being duly sworn, deposes and say that the person, firm, association, co-partnership, or corporation herein named has not either directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in the preparation and submission of a proposal to the Owner for consideration in the award of a contract on the improvement described as follows:

City of Poulsbo
Banking Services

Institution Name	Authorized Signature
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Sworn before me, this _____ day of, _____ 2008.

Notary Public
In and for the State of Washington

Attachment A Bid Sheet

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Explanation
Ongoing Current Services:				
Account Maintenance		3		
Deposits		22		
Paper Credits		3		
Electronic Credits		75		
Paper Debits		23		
Electronic Debits		12		
Deposited Items – On-US		230		
Deposited Item – Transit		2545		
Deposited Items Returned		3		
Re-deposited Return Item		5		
Endorsement Stamps		.17		
Secured Bank bags		.10		
Deposit Slip Orders		.17		
Positive Pay Maintenance		1		
Positive Pay per item		300		
Positive Pay – Exception Items		1		
ARP Manual Input				
File Confirmation				
On Line Banking		1		
Customer Initiated Stop Payment		4		
Wires Monthly Client Maint.				
Wire Transfers Outgoing		2		
Wire Monthly Maintenance				
Incoming Domestic Wire		3		
Domestic Repetitive				
Monthly Statements		3		
Image Per Item				
Image CD-ROM		1		
ACH Service		1		
ACH Monthly Maintenance		1		
ACH Process Run		3		
ACH Originated Fed Item		500		
ACH Originated on-US Item				
ACH Received Item				
PC ACH Direct Monthly Maint		5		
ACH Originated on-US Item				
ACH Received Item				
PC ACH Direct Monthly Maint				

Notes or Item Description:

A. Formulas:

Daylight Overdraft Formula

Overnight Overdraft Formula

Short-Term Financing Formula

FDIC Insurance Formula

Service Charge Credit Formula

The undersigned, an institution or firm maintaining branch/office operations within the city limits of Poulsbo, Washington, submits the following proposal for the City's banking services for the period January 1, 2009 through December 31, 2011:

Authorization:

Institution Name

Date

Mailing Address

Phone Number

City, State, Zip

Fax Number

By

Title

Contact Name (if different from above)

Contact Phone Number

Attachment B

Banking Services Agreement

BANKING SERVICES AGREEMENT PROVISIONS FOR THE CITY OF POULSBO

The City of Poulsbo, Washington, a municipal corporation (hereinafter the "City") and _____, whose address is _____, (hereinafter the "Bank", agree and contract as follows:

1. SERVICES BY BANK

- A. The Bank agrees to perform the services described in this proposal, which attachment is incorporated herein by reference.
- B. All services, and all duties incidental or necessary thereto, shall be conducted and performed diligently and completely and in accordance with professional standards of conduct and performance.

2. COMPENSATION

- A. The total compensation to be paid to the Bank shall be detailed in Attachment A.

The above fees include all labor, materials and expenses required for the completion of these services.

- B. Payment to Bank by the City in accordance with the above shall be the total compensation for all work performed under this agreement and supporting documents hereto as well as all subcontractor's fees and expenses, supervision, labor supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Bank shall be paid based on the acceptance of the proposed compensation.
- D. The City shall have the right to withhold payment to the Bank for any service not completed in a satisfactory manner until such time as the Bank modifies such service to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a check is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

3. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving forty-five (45) days notice to the Bank in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Bank pursuant to the Agreement shall be provided to the City. In the event the City terminates this agreement prior to completion without cause, the Bank may complete such analyses and records as may be necessary to place its records in order. The Bank shall be entitled to receive just and equitable compensation of any satisfactory services completed prior to the date of suspension or termination, not to exceed the compensation set forth above. Should the Bank desire to terminate this agreement, written notice of 120 days is required.

4. OWNERSHIP OF WORK PRODUCT

Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this agreement or the project to which it relates, without written concurrence by the Bank will be at the sole risk of the City.

5. GENERAL ADMINISTRATION AND MANAGEMENT

The Finance Director for the City of Poulsbo shall review and approve the Banks charges to the City under this Agreement, shall have the primary responsibility for overseeing and approving services to be performed by the Bank, and shall coordinate all communications with the Bank from the City.

6. CONTRACT PERIOD

The Banking Services Agreement is to extend for a period of three years beginning on January 1, 2009, with the City having an option to renew for one additional year commencing January 1, 2012. The City's option to renew shall be deemed exercised without further action of the City being necessary unless the City notifies the Bank prior to January 1, 2012 that the option will not be exercised. At the expiration of this Agreement, the City may choose to negotiate a contract extension or renewal, or the City may choose to request additional proposals.

7. SUCCESSORS AND ASSIGNS

The Bank shall not assign, transfer, convey, pledge, or otherwise dispose of this agreement or any part of this agreement without prior written consent of the City.

8. NONDISCRIMINATION

The Bank shall, in all hiring or employment made possible or resulting from this agreement, take affirmative action to ensure that there shall be no unlawful discrimination against any employee or applicant for employment because of sex, race, age, color, creed, national origin, marital status or the presence of any sensory, mental or physical handicap, unless based upon a bonafide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

No person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap.

9. HOLD HARMLESS/INDEMNIFICATION

The Bank agrees to indemnify, defend, and save harmless the City and its officers, agents, and employees, from any claim, real or imaginary, filed against the City or its officers, agents, or employees, alleging damage or injury arising out of the subject matter of this Agreement; provided, however, that such provision shall not apply to the extent that the damage or injury results from the fault of the City or its officers, agents, or employees. "Fault" as herein used shall have the same meaning as set forth in RCW 4.22.015.

10. LIABILITY INSURANCE COVERAGE

The Bank will, at the Bank's sole expense, obtain and maintain during the life of this Agreement, policies of comprehensive general liability insurance, each with combined single limits of not less than \$1,000,000 per occurrence. Any policy of required insurance on a claim made basis shall provide coverage as to all claims arising out of the services performed under the contract and filed within three (3) years following completion of the services so to be performed. A failure to obtain and maintain such insurance or to file said certificates shall be a material breach of this Agreement.

11. COMPLIANCE WITH LAWS

The Bank shall comply with all applicable State, Federal and City laws, ordinances, regulations, and codes.

12. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Bank activities except as set forth in this Agreement.

13. INDEPENDENT CONTRACTOR

The Bank is and shall be at all times during the term of this agreement an independent contractor.

14. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties hereto.

15. ADDITIONAL WORK

The City may desire to have the Bank perform other services in connection with the banking relationship other than provided for by the express intent of this contract. Any such services shall be considered as additional work, supplemental to this Agreement. Additional work shall not proceed unless so authorized in writing by the City.

Authorized additional work will be compensated for in accordance with a written supplemental Agreement between the City and the Bank.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

BANK:

CITY OF Poulsbo:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

City Attorney

Date: _____