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General Banking Services RFP #17-10

ADDENDUM NO. 1

August 14, 2017

Request for Proposal No.: RFP #17-10
Proposal Deadline: August 31, 2017 by 4:00 p.m.

The following changes, clarifications, and or additions are hereby made to the General Banking Services RFP #17-10.

Revise the following:
FEE AND COMPENSATION BALANCE SCHEDULE

FEE AND COMPENSATION BALANCE SCHEDULE

City of Fairbanks

General Banking Services

RFP #17-10

ADDENDUM NO. 1

Failure to complete this form shall result in your Offer being deemed non-responsive and rejected without any further explanation.

	Annual Volume Estimated	Charge Per Item	Annual Service Charges
General Account Services			
Basic Maintenance	<u>9 Accounts</u>	_____	_____
Concentration Account	<u>1 Account</u>	_____	_____
ZBA Subsidiary Accounts	<u>3 Accounts</u>	_____	_____
Depository Services			
Cash Deposited (Average \$)	<u>790,837</u>	_____	_____
Returned Items	<u>14</u>	_____	_____
Paper Disbursement Services			
Debits Paid Checks	<u>4,320</u>	_____	_____
General ACH Services			
ACH Originated Paid	<u>4,372</u>	_____	_____
ACH Originated Received	<u>3,168</u>	_____	_____
Wire and Other Funds transfer Services			
Wire Outgoing	<u>0</u>	_____	_____
Wire Incoming	<u>12</u>	_____	_____
Stop Payments	<u>6</u>	_____	_____
Other Service Fees Not Listed			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Research Items	<u>(Minimal)</u>	_____	_____
Ambulance Lockbox Services	<u>581</u>	_____	_____
Garbage Lockbox Services	<u>5,070</u>	_____	_____
Total Annual Cost			\$ _____
Average monthly charges			\$ _____
Required Compensating Balance per Month			\$ _____

NOTE: Include all anticipated fees, even if they do not specifically appear on this list. We are also aware that some of the listed items may not be subject to fees.

Please provide the fee schedule and incremental compensating balance increases for adding each of the optional services listed below.

Financial Institution: _____

Optional Banking Services / Other Available Services

	Estimated Volume	Charge Per Item	Annual Service Charges
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Additional Estimated Annual Cost \$ _____

Additional Average Monthly Charges \$ _____

Additional Required Compensating Balance per Month \$ _____

The proposer shall state prices in the units of issue on this RFP. Prices quoted for commodities or services must be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized, or the services can be provided, without further cost. Prices quoted in this RFP must be exclusive of federal, state and local taxes. If the proposer believes that certain taxes are payable by the City, the proposer may list such taxes separately, directly below the RFP price for the affected item. The price indicated is subject to review by the City for any subsequent renewal.

CITY OF FAIRBANKS

RFP17-10

General Banking Services

The City of Fairbanks (City) is responding to questions regarding RFP17-10 General Banking Services as follows:

Q1. Section 1 Number 4 - Is there a schedule or deadline for any updates?

The City does not intend to have any other updates to this RFP.

Q2. Section 1 Number 6 - Our pricing is Proprietary Information that we would like to keep confidential. How will the City of Fairbanks handle that?

City Code Section 54-165 states: (a) The purchasing agent shall open bids at the time and place designated in the invitation for bid. All bid openings are open to the public. The amount of each bid and other essential information required by this article, together with the name of each bidder, shall be recorded. (b) The information recorded under subsection (a) of this section is open to public inspection as soon as practicable following bid opening. To the extent the bidder designates and the purchasing agent concurs, trade secrets and other proprietary data contained in a bid document are confidential.

Q3. Section 2 Minimum Requirements - Our bonds used for collateralization are held with all other bonds owned by the bank. There is a tri-party agreement that would assign the bonds to the City of Fairbanks but the Scope of Work requires "All pledged collateral shall be held in the collateral custodial account of the City of Fairbanks under a formal tri-party agreement." We are not certain this is the same thing, please clarify.

City acknowledges that this practice meets City code as the bonds are assigned to the City of Fairbanks.

Q4. Section 3 Sample Reports – Do all bidders, including the current provider of services, have to include sample reports?

Yes, the proposer must provide all required components to be considered responsive.

Q5. Section 5 Standard Terms and Conditions Number 6 - Is it the intent of the City of Fairbanks that this section applies to the monthly fee?

This section may not be applicable for the most responsive proposer.

Q6. May we use your logo on the cover page of our proposal?

No, the City logo may not be used on your proposal.

Q7. Do you have a procurement card program today? If so, what are you currently spending and do you earn a revenue share?

The City currently does not have a procurement card program but uses a Bank of America credit card for some purchases.

Additional Response: City has **7** Bank of America cards and processes approximately \$80,000 per month. Please refer to additional statistical information on page 9 for recent transactions.

Q8. Can you tell us the balance that you would like to be sweeping out overnight?

The City will work with the selected financial institution to determine a baseline amount. All amounts in excess of the baseline amount should be swept overnight.

Q9. How many printed copies does the City require? And should electronic copies be submitted?

Proposers must submit one master (identified) and four copies, page 14 of proposal. Electronic copies should not be submitted.

Q10. Can the City provide a recent analysis statement?

City cannot provide an analysis statement as they are proprietary.

Q11. Deposit Balances: Please provide balances in analyzed (non-interest bearing) accounts. Please provide balances in non-analyzed (interest bearing) accounts.

Please refer to additional statistical information on **page 9**.

Q12. Page 11, average deposits appears to match the same volume number on page 27 for cash deposited. Does client require vault or branch? Please specify cash orders if any? How are they placed?

City does not have a preference but will need a local facility to deposit funds. Cash orders are usually handled in person by City staff. Please also see response to Q24.

Q13. Page 12, Collateral requirements - Does the City require an overnight Sweep? Is it possible to provide additional recommendations?

Please see response to Q8.

Q14. Page 27, Lockboxes - Is Lockbox used today? If so, how many lockboxes? Ambulance (581 assuming deposit items) Garbage (5,070 assuming deposit items) Garbage is not an account on page 10. Should this fall under Parking Garage? Volumes don't line up on page 11.

City currently has two lockboxes. Garbage transactions are deposited in the General Fund account and ambulance transactions are deposited in the Ambulance account. The volumes listed are the number of deposits for the lockboxes which does not include all deposits listed on page 11.

Q15. Page 11 they show under General Fund account 10,676 items deposited. This number is not on page 27. What service vault, branch, lockbox, etc.?

The General Fund deposit number is not listed on page 27. The 10,676 is made up of 5,070 through lockbox and 5,606 through the branch.

Q16. Is Fraud Protection being used today? If so, for what accounts?

City has fraud protection on our ACH transactions as well as our daily deposits and check transactions. We do not have positive pay or remote deposit capture.

Additional Response: Other services such as ACH Fraud Filters can be addressed under Optional Services and Other Information. Pricing for this service and other services should be listed as other services.

Q17. Is Remote Deposit being used today? If so, for what accounts? And how many items?

City currently does not have this service.

Additional Response: Pricing for this service should be listed as other services.

Q18. Online Reporting? What are all of the reports / modules does the City require? Previous Day / Current Day

Please refer to Page 11, Daily Balance Report.

Q19. How is the City currently sending ACH payments for payroll?

City prepares a csv/xls file from the financial system to upload online.

Q20. How are the payments for AP via ACH being initiated?

Please see response to Q19.

Q21. Is the City utilizing Wires? If so there was not volume listed? Is there an average? Domestic or International?

City only receives incoming domestic wires. Please refer to page 11 for wire transfer information.

Q22. Is the City utilizing a current corporate card program today? If so are AP payments made on this card? If so, how many cards are distributed?

Please see response to Q7.

Q23. Merchant services was not listed as part of the RFP, is the City considering this as part of the proposal?

City is not seeking merchant services and does not consider this as part of the proposal.

Q24. Page 11 of 28: Account Statistical Information: Is the Transaction "Average Deposits" actually "Cash Deposited", as indicated on your FEE AND COMPENSATION BALANCE SCHEDULE (Page 27 of 28)?

~~Average Deposits and Cash Deposited are the same. Average deposits are comprised of cash, checks, credit card payments, EFT payments, ACH payments, and wire transfers. Please also see response to Q35.~~

Additional Response: Average Deposits are comprised of cash, checks, credit card payments, EFT payments, ACH payments, and wire transfers. Average Deposits was listed on the Fee and Compensation Balance Schedule; this form has been revised to reflect Average Cash Deposited. Average Cash Deposited for the General account is \$738,099, Ambulance account is \$38,750, and Parking Garage is \$13,988 for a total of \$790,837. Please see additional statistical information on Page 9 for recent Cash Deposited.

Q25: Page 11 of 28: Account Statistical Information: Please define ACH Incoming Received and ACH Incoming Paid transactions.

ACH Incoming transactions are processed by customers or vendors.

Q26. Page 12 of 28: Monthly Account Analysis: Would the City hold us non-responsive if we offer a month to month accumulate analysis per each calendar year versus the life of the contract and if there are remaining earnings at the end of each year we do not pay them in hard dollars to the City?

City would not consider the proposal non-responsive.

Q27. Page 13 of 28: Other Banking Services/Conditions: Will you please explain the complete process for your current lockbox service?

Please see response to Q28 for Garbage Lockbox Services and Q29 for Ambulance Lockbox Services.

Additional Response: Other options for providing lockbox services can be addressed under Optional Services and Other Information. The City would not consider other methods non-responsive. The items deposited are indicated on the Fee and Compensation Balance Schedule.

Q28. Page 13 of 28: Other Banking Services/Conditions: Are coupons provided with the billing statements, for the customer to provide with their check for payment to the Garbage Lockbox Service? If so, do you have a breakdown of the amount of payments that are received that are single (1 check and 1 coupon) or multiple (more than 1 check and/or more than 1 coupon)? Please describe in more detail how the garbage payments are recorded in your financial system. What type of report/file is the City receiving for the garbage lockbox? What information is included in the reports/files?

Garbage Lockbox Services involve processing payment through the City's financial system. Training and setup will be provided by the City. The payments are usually accompanied by a coupon with account information. The number of checks related to multiple accounts is unknown. The deposit slip and coupon forms are delivered to the City.

Additional Response: Garbage coupons are scanned into our system and amounts are recorded through an online portal.

Q29. Page 13 of 28: Other Banking Services/Conditions: Are coupons provided with the billing statements, for the patient to provide with their check for payment to the Ambulance Lockbox Service? Does the Ambulance Lockbox receive payments from insurance company with EOBs? If so, do you have a breakdown of how many payments are from patients and how many are from insurance companies? Are the electronic transmitted reports for the ambulance received through secure FTP? How does the billing contractor receive their reports? Is the City and billing contractor receiving an image report and/or data file for the Ambulance Lockbox? What information is included in the reports/files? Does the city want online viewing and/or CD-ROMs of lockbox images?

Ambulance Lockbox Services do not require processing information through the City's financial system. The payments are usually deposited and all information received from the lockbox including copies of checks and coupons are scanned and securely emailed to the City and the billing company. The city will accept other methods of providing the information.

Additional Response: The number of documents ranged from as high as 42 and as low as 3.

Q30. Are the ACH files from your customers uploaded to your financial institution in an automated way or manually by the City?

Please see response to Q19.

Q31. Are you currently making your ACH vendor payments using a CTX format? If not, would this be of interest to the city?

City prepares a csv/xls file to upload the information online and would be interested in other methods if they are compatible to the City's financial software.

Q32. Page 14 of 28: Submittal Requirement: Maximum Pages - If we use less than the maximum of pages for one section (i.e. Banking Services), will you allow us to increase the number of pages to other sections accordingly, if needed? If not, will you increase the maximum pages allowed from 2 to 4 for Fee and Compensation Balance Schedule and from 2 to 4 for Optional Services and Other Information?

All proposers are required to adhere to the maximum pages provided on page 14 of the RFP.

Q33. Page 15 of 28: Optional Services and Other Information: Purchasing Cards: What was the total annual spent for 2016? What types of payments are made with the Credit Card? What is the Total Credit \$ limit? How many cards are issued?

Please see response to Q7.

Q34. Page 15 of 28: Optional Services and Other Information: Would you like Merchant Services information and cost included in this proposal?

Please see response to Q23.

Q35. Page 27 of 28: Fee and Compensation Balance Schedule: Is the Cash Deposited amount of \$6,608,782.00 listed under Annual Volume Estimated actual dollars (not broken down into units)?

~~Please see response to Q24 for information regarding the “Cash Deposited”. Please note that this information is the average deposit for the General Fund account and should be an average deposit of \$6,732,461 for all accounts.~~

Additional Response: Please see response to Q24.

Q36. The Fee and Compensation Balance Schedule does not include volumes for Number of Deposits or Items Deposited. Will you amend the Schedule to add these volumes?

Please provide your response on additional lines as the schedule will not be amended.

Q37. Are the ACH Electronic Paid Checks, ACH payments originated by the City? Are the ACH Electronic Deposits, ACH originated by the City?

ACH Electronic is ACH originated by the City.

Q38. Can you please provide a copy of an analysis statement for better visibility of the current services and activities?

Please see response to Q10; however, the City provided additional statistical information on [Page 9](#).

Q39. Will the City of Fairbanks provide 2-3 months of analysis statements for the City General Fund, the City Payroll account, the City Attorney account and the City Section 125 account – to include average collected and average ledger balances? Will the City of Fairbanks provide 1-2 months of transaction statements for the City Grants account, the City Asset Forfeiture Treasury account, the City Asset Forfeiture Justice account, the City Ambulance account and the City Parking Garage account – to included average collected and/or average ledger balances? Will the City provide 1-2 months of Lockbox statements?

Please see response to Q10; however, the City provided additional statistical information on [Page 9](#).

Q40. Will the City of Fairbanks provide further clarification regarding the 5 year contract terms on page 9, with regards to the fee and compensating balance requirements? It appears that the City of Fairbanks intends for all fees and compensating balances to remain in effect for 5 years, however, it also reads as “the financial institution may approach the City to propose changes in fees or compensating balance requirements.” Or “the City reserves the right to negotiate specific fees or compensating balances during the course of the contract.”

City anticipates that the fee will remain for 5 years of the contract but understands that there are additional services or changes in services that may result in changes of fees.

Q41. Will the City of Fairbanks accept investor related information and/or SEC filings as a replacement for the IDL Financial Publishing Inc. ranking, as referenced on page 9 of the RFP #17-10?

Please note that the City will acquire this information and the Proposer does not need to provide this information.

Q42. Is the City of Fairbanks currently utilizing a combination of a Repurchase agreement and a Tri-party arrangement for collateralization in reference to the minimum requirements on page 9 of the request?

City is currently utilizing a tri-party arrangement for collateralization.

Q43. Does the City of Fairbanks currently utilize online banking to transfer between accounts with different Tax Identification numbers in reference to page 10 of the request?

All accounts listed on page 10 are under the same tax identification number as the City of Fairbanks. The City currently transfers between these accounts online.

Q44. Will the City of Fairbanks provide further clarification with regards to “float,” as referenced on page 11? How does the City use this information? How is this information provided and/or displayed via online banking? Are you able to provide a screenshot of what you see online now?

City currently does not have a float as funds are available as deposited.

Q45. Will the City of Fairbanks provide additional information as to the expectation for written notification, as referenced on page 12? Is the City currently receiving all notifications via online delivery within the “3 business days after the adjustment has been posted to the account” and what do those online notices look like? If any notices are mailed, are mailed notices currently being received by the City within 3 business days?

City currently receives all notices either electronically, telephonically, or hand delivered.

Q46. Will the City provide further clarification with regards to the payment of banking services as a direct charge or applying the analysis earnings credit as referenced on page 12? Will this issue be determined between the City and the financial institution when the business is awarded, and then be in place for the 5 year term? Or will that determination be made month-to-month?

City will determine direct charge or applying earnings credit with the successful proposer.

Q47. Will the City provide further clarification with regards to earnings credit and/or debit carryover and the payout of an earnings credit upon termination of the agreement, as referenced on page 12? Is an agreement to this method necessary for the City to accept a proposal?

Please see response to Q26 and Q46.

Q48. With regards to Lockbox services referenced on page 13, does the City of Fairbanks currently pay for Lockbox services through analysis or are the Garage and the Ambulance accounts charged directly?

City currently pay for these services directly.

Q49. Does the City of Fairbanks currently utilize Purchase Cards? If so, will the City of Fairbanks provide 1-2 months of transaction statements for the Purchase Card activity?

Please see response to Q7.

Q50. Does the City of Fairbanks currently utilize Remote Deposit Capture (RDC?) If so, are those fees charged to analysis?

Please see response to Q17.

Q51. Will the City of Fairbanks provide further clarification regarding your request for three (3) current customers that you may contact as a reference? We want to be clear as to how this information might be shared and/or used & want to be certain that, if provided, this information would fall under item 6 on page 5 of the request as confidential.

Please see response to Q2. The City may contact your references to determine the quality of services.

Q52. Will the City of Fairbanks accept a proposal for merchant services and, if so, would the City like us to include that information with our response to RFP #17-10? Would the City of Fairbanks provide 2-3 months of merchant services statements for a response?

Please see response to Q23.

Q53. What is the real cash deposited?

Additional Response: Please see response to Q24 and additional statistical information on page 9 for recent cash deposited.

**CITY OF FAIRBANKS
RFP17-10
General Banking Services
Additional Statistical Information**

<u>Account</u>	<u>Balance April 2017</u>	<u>Balance May 2017</u>	<u>Balance June 2017</u>
General Fund	\$ 3,707,719.22	\$ 3,032,939.98	\$ 2,822,060.07
Payroll	\$ -	\$ -	\$ -
City Attorney	\$ -	\$ -	\$ -
Section 125	\$ -	\$ -	\$ -
Grants	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00
Asset Forfeiture Treasury	\$ 5,102.81	\$ 5,103.13	\$ 5,103.42
Asset Forfeiture Justice	\$ 33,431.14	\$ 33,433.26	\$ 33,435.18
Ambulance	\$ 87,142.45	\$ 108,862.87	\$ 258,634.73
Fairbanks Parking Garage	\$ 16,541.36	\$ 10,142.00	\$ 30,503.63
	<u>\$ 3,858,436.98</u>	<u>\$ 3,198,981.24</u>	<u>\$ 3,158,237.03</u>

	<u>April 2017</u>	<u>May 2017</u>	<u>June 2017</u>
Credit Card Charges	\$ 100,929.95	\$ 100,827.54	\$ 85,049.07

<u>Cash Deposited</u>	<u>General Fund</u>	<u>Ambulance</u>	<u>Parking Garage</u>
January 2017	\$ 928,757.78	\$ 46,158.00	\$ 28,135.00
February 2017	\$ 524,597.26	\$ 24,860.61	\$ 4,975.00
March 2017	\$ 381,234.87	\$ 21,659.04	\$ 11,825.00
April 2017	\$ 400,638.73	\$ 18,882.64	\$ 16,210.00
May 2017	\$ 397,697.89	\$ 39,310.36	\$ 8,890.00
June 2017	\$ 816,864.00	\$ 23,693.86	\$ 19,754.07