

# CITY OF MOLALLA



## REQUEST FOR PROPOSALS FOR BANKING SERVICES

December 4, 2024

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## **1: Introduction**

### **Announcement**

The City of Molalla (City) has contracted with Wells Fargo for banking services for many years. However, review of government financial services contracts every five years using a competitive process is considered best practice. The City is therefore seeking proposals for general banking services from qualified financial institutions with demonstrated experience providing banking services to public agencies of comparable size, scope, and complexity to Molalla.

Proposers must offer a full array of banking services and products so that as the needs of the City change, services will be available. Current service needs are depository account and services, disbursement services, online account and reporting, purchasing cards, and other banking services. A complete description of services currently utilized is provided under Section 2 of this proposal request.

The contract resulting from this RFP shall be for an initial period of five (5) years. The City reserves the right to extend the term of the contract for two (2) additional renewal periods – the first renewal will be for an additional five (5) years after the initial period, and the second renewal will be for an additional two (2) years after the first extension. This RFP will not preclude the City from utilizing the services of other financial institutions to complement this agreement.

Proposals must be received by 4:00 p.m. PST on Thursday, January 23, 2025, according to the bidding instructions provided in Section 3.

Any amendments to this RFP will be in writing and will be issued to all parties that have indicated an interest to receive RFP addenda or have obtained the proposal materials. The addenda will be posted on the City website [www.cityofmolalla.com](http://www.cityofmolalla.com) and issued by email to the address furnished by those responding to this announcement. No proposal will be considered that is not responsive to any issued addenda.

Please direct any questions to [finance@cityofmolalla.com](mailto:finance@cityofmolalla.com) no later than January 10, 2025.

### **City of Molalla General Information**

The City of Molalla is located in Clackamas County, Oregon, halfway between Portland and Salem, and about 15 minutes from Interstate 5. The population is 10,489.

The City maintains all authority granted to municipal corporations under Oregon state statute and operates under an elected mayor and council with an appointed manager. The City's banking relationships are managed centrally through the finance department under the oversight of the city manager.

The City has an operational checking account with an average collected balance of approximately \$800,000. In addition, the City is a member of the State of Oregon Local Government Investment Pool, which is the primary depository of intergovernmental funds and property tax revenues. Funds in this account are transferred to the operational bank account as needed.

RFP Banking Services  
City of Molalla

The City currently employs 70 full- and part-time personnel, all of whom are paid by direct deposit.

The City of Molalla's budget and annual financial reports are available on the City's web page at [www.cityofmolalla.com](http://www.cityofmolalla.com).

### **Timeline for the Procurement Process**

The City anticipates the following timeline for receiving and evaluating the proposals and selecting a financial institution for general banking services. This schedule is subject to change if it is in the City's best interest to do so. Any change to the submission deadline will be done by an addendum to this RFP.

- |  |                           |
|--|---------------------------|
| • Request for Proposal release                 | December 4, 2024          |
| • Deadline for clarifications and questions    | January 10, 2025          |
| • Proposals due                                | January 23, 2025, 4:00 pm |
| • Proposal review                              | January 24 & 27, 2025     |
| • Interviews/demonstrations, if necessary      | February 3, 2025          |
| • Notification of tentative selection          | February 5, 2025          |
| • Completion of scope and fee negotiations     | February 6-12, 2025       |
| • Notice of award to City Council for approval | February 18, 2025         |
| • City Council meeting                         | February 26, 2025         |
| • Implementation date                          | March 31, 2025            |

### **Minimum Bank Qualifications**

Any financial institution submitting a proposal must meet the following minimum requirements:

- Must be a banking corporation that is a qualified depository for public funds as prescribed in ORS 295 and as identified by the Oregon State Treasurer's [List of Qualified Depositories](#).
- Must have relevant banking services experience with other public sector clients of similar scope and complexity.
- Must agree to execute a contract with the City, if awarded.
- The City's expectation of any vendor the City contracts with is that the vendor's values align with the City's values of highly ethical conduct, fiscal responsibility, and responsiveness to customers.

## **2: Scope of Banking Services**

Listed below are specifics of the City's current utilization of banking services in order to provide a framework for proposers to respond effectively to the proposal questions in Attachments 1 through 4. This is not intended to indicate a limitation to the City's usage.

If the City develops a need for additional banking services during the life of the agreement, those services shall be provided with the same conditions applied to existing accounts at the time. If the selected financial institution develops other services, the City is to be furnished with any information the City may use to consider these services.

### **A. Payments and Disbursements**

#### **1. Check Processing**

The City's checks are laser printed on pre-printed stock with enhanced security features. The City processes an average of 135 checks per month for an average total dollar amount of \$775,000.

#### **2. Wire Transfers**

Occasionally the City submits time sensitive payments to third parties via wire transfers.

#### **3. Automated Clearinghouse Payments (ACH)**

##### **a. Local Government Investment Pool**

The City utilizes ACH to transfer funds between the State of Oregon Local Government Investment Pool account and the bank.

##### **b. Accounts Payable**

The City issues approximately 38 electronic payments for general accounts payable each month from the general checking account for an average total dollar amount of \$180,000.

##### **c. Payroll**

All city employees (70) utilize ACH direct deposit for their semi-monthly payroll. Deferred compensation and retirement contributions, medical premiums, union agreements, elected official stipends, and federal and state taxes are also paid by ACH.

### **B. Purchasing Cards**

The City has a purchasing card program in place to expedite purchasing of materials and supplies, as well as managing business-related travel and training expenses. The current card program has 38 active cards with total average monthly spending of \$16,600, and a total limit of \$150,000.

### **C. Online Banking Management**

The City currently uses the following online banking services:

#### **1. Reporting**

a. Daily balance reporting – summary

b. Daily activity reporting – detail including check clearing detail

2. **Execution of transactions**
  - a. Initiation of wire transfers
  - b. Initiation of stop payment orders
  - c. Initiation of ACH transactions
  - d. Initiation of positive pay file upload
  - e. Manual positive pay issue and cancel
  - f. Maintenance of ACH recurring templates
3. **Internal controls**
  - a. Online cleared check information
  - b. Multi-level security for various finance staff
  - c. Positive pay reports
  - d. Online transaction search capabilities
  - e. Check and deposit record accessibility of 42 months
4. **Reconciliation**
  - a. Electronic bank statement available in pdf and exportable formats
5. **Enhanced controls on disbursement fraud**
  - a. Decisioning on positive pay accounts and ACH transactions that initiate outside the City
  - b. Pre-approval of recurring ACH vendors
  - c. View positive pay check exception images
  - d. Research and view check images for 42 months
6. **Positive Pay**
  - a. Positive pay with payee verification
7. **Notifications**
  - a. Email, phone and/or text notification of returns, pending decisions, exceptions, and report availability

**D. Depository Services**

1. **Desktop Deposit**

An average of approximately 450 check payments are processed through a desktop scanner monthly.
2. **Cash Deposits**

Cash deposits, which may occasionally include checks, are generally made through night drop due to lack of a local branch.
3. **Third Party Deposits**
  - a. Customer credit/debit payments are received via a third-party payment service that settles payments to the checking account daily.
  - b. Customer electronic check payments are received by a third-party payment service and transferred to the bank weekly.



### 3: Bidding Instructions

#### Proposal Submission

As stated in Section 1, proposals must be received no later than January 24, 2025, at 4:00 pm. Responses should be emailed (preferred) or mailed to one of the following addresses:

Email: [finance@cityofmolalla.com](mailto:finance@cityofmolalla.com)

Postal mail: City of Molalla  
Attn: Finance  
PO Box 248  
Molalla, OR 97013

Delivery service: City of Molalla  
Attn: Finance  
117 N Molalla Ave  
Molalla, OR 97013

Faxed materials will not be accepted. Postmarks are not considered proof of delivery. Emailed proposals shall not be deemed received until a confirmation email sent by the City is received in reply to the submitted proposal, confirming that the emailed proposal was received, and the format was readable by the City. If the proposal is hand delivered, it must be delivered to and stamped by personnel at Molalla City Hall, 117 N Molalla Ave, Molalla.

#### Proposal Requirements

Proposers are required to submit the following, as part of their proposal:

- a. Cover Letter including the following:
  1. Proposer's legal name, address, and phone number
  2. Name and contact information of the authorized representative
  3. Federal tax identification number
  4. Website address
- b. Responses must address in detail the items in the following attachments:
  1. Bank Credentials and Client Support
  2. General Banking Services
  3. Fees
  4. Purchasing Cards
- c. A person who is authorized to make such a commitment on behalf of the proposing financial institution must sign the proposal.

## **Proposal Evaluation**

### **General**

Each proposal will be judged on the completeness and quality of its content. The City reserves the right to reject any and all proposals or to negotiate individually with one or more financial institutions, and to select one or more financial institutions if determined to be in the best interest of the City. The City is not liable for any cost the proposer incurs while preparing or presenting the proposal. All proposals will become part of the public file, without obligation to the City. Upon completion of the evaluations and interviews, the City intends to negotiate a banking contract with the proposer whose proposal is deemed to be most advantageous to the City.

Proposals will be reviewed to ensure that submittals meet the minimum requirements. Proposals that fail to meet all minimum requirements will be deemed non-responsive. The City reserves the right to waive non-material deviations if they do not affect the overall quality and cohesiveness of the proposal.

The intent of the City is to enter into a formal banking services contract with the awarded bank that will incorporate all provisions of the RFP and bank response. The contract will also incorporate the City's standard contract for professional services.

### **Selection Panel**

The selection panel shall be comprised of the Finance Director and any other persons designated by the Finance Director. If additional information is deemed necessary as part of the evaluations, such information will be solicited to allow the selection panel to complete the evaluation process. This may include interviews and demonstrations of on-line banking services.

### **Evaluation Criteria**

The criteria listed below will be used to evaluate proposals. Proposals will be scored and ranked by the selection panel as follows:

- a. Responsive and thoroughness of proposal (10 points)
- b. Ability to meet current and projected service requirements over the term of the agreement, including banking transition (20 points)
- c. Experience and governmental knowledge of bank team, financial strength, and references (any past experiences with the bank will be taken into consideration) (20 points)
- d. Online portal accessibility and functionality, and client support (20 points)
- e. Fee structure, earnings credit rate, and deposit availability (20 points)
- f. Proximity of a full-service branch to the City of Molalla, or advantageous alternative (10 points)

## **Attachment 1: Bank Credentials and Client Support**

### **BANK CREDENTIALS:**

1. Please discuss the following aspects of the institution:
  - a. Organizational and financial stability
  - b. Experience with governmental agencies
  - c. Disaster recovery plans

### **CLIENT SUPPORT:**

2. Transition:
  - a. If applicable, how will a transition plan be created and implemented?
  - b. Will a mock online portal be available for training and testing?
  - c. How is administrator and staff training handled?
  - d. Will we have assistance in acquiring any required equipment and supplies?
3. Customer Service access:
  - a. Will we have direct access to a client services manager?
  - b. How will staff directly contact the relationship manager or other designee who will be able to coordinate error corrections, research, and other needs in a timely fashion?
  - c. Is there a general customer service line if the previously designated contacts are not available?
  - d. What response times can we expect?
4. On-going Training and Technical Assistance
  - a. Over time, what training options would be available for inexperienced staff?
  - b. What assistance can we expect for managing the online portal, bank signer changes, system updates, and managing new legal requirements or banking industry changes?

## **Attachment 2: General Banking Services**

### **DEPOSITORY SERVICES:**

1. Depository Service Options: Please comment on the availability, set-up requirements, operation, and costs of each of the following service options. Also address equipment, bag types, keys, loose coin, rolled coin, and availability timeframe of deposited items.
  - a. Desktop Deposits
  - b. Branch Deposits during business hours nearest to Molalla (provide locations)
  - c. Night Drop Deposits nearest to Molalla (provide locations)
  - d. In lieu of local branch access, discuss creative alternatives and/or armored courier services.
2. Deposit Verification:
  - a. How will you return the validated deposit receipts to us and within what timeframe?
  - b. How are discrepancies handled?
  - c. Do you adjust the deposit amount or process an adjusting debit or credit?
  - d. What is the standard procedure for reporting deposit adjustments?
3. Returned Item Processing:
  - a. Please provide your financial institution's returned item process.
  - b. What is the timeframe and notification process?
4. Availability of Funds
  - a. What is your availability schedule for deposited items?
  - b. How is availability determined and calculated?

### **DISBURSEMENT SERVICES:**

5. Disbursement Service Options: Please comment on the availability, set-up requirements, operation, and costs of each of the following service options. Also address authorizations, timeframes, tokens, etc.
  - a. ACH initiation
  - b. Wire Transfer
  - c. Direct Deposit (payroll)
  - d. Positive Pay
  - e. Overdraft Protection
  - f. Stop payment

### **REPORTING:**

6. Online reporting: Please comment on the availability, set-up requirements, operation, formats, and costs of each of the following reporting areas:
  - a. Previous day transactions
  - b. Current day transactions
  - c. Collected and available balances

- d. Calendar month statement formats
  - e. Calendar month itemized analysis statements
  - f. Cleared checks images and retention
  - g. Length of time data is accessible
  - h. Data export options
  - i. Transaction search
7. Online setup, access, and alerts: Please comment on the availability, set-up requirements, operation, and costs of each of the following areas:
- a. Security/fraud monitoring
  - b. Varying levels of access to personnel controlled by administrator
  - c. Ability to select screen view and/or default to preferred items
  - d. Email and/or text alert system
  - e. Any software installation requirements

## **IMPLEMENTATION**

8. Provide a sample banking services contract.
9. Provide a complete description of your implementation process
- a. Include a sample timeline and description of various implementation tasks for both the bank and the City.
  - b. Describe the support provided during implementation, including technical assistance, user manuals, instructional and/or educational materials, on-site visits, or other assistance.
  - c. What initial and ongoing training do you provide for program administrators and users?

## **CUSTOMER SERVICE**

10. Describe your customer service capabilities, including the following:
- a. Hours of coverage
  - b. Toll-free number access
  - c. Dedicated representative for our account
  - d. Quality measures for response time
  - e. Research inquiries

## **REFERENCES**

11. Provide names, phone numbers and email addresses of three references, preferably government entities with comparable transaction volumes. Both long-standing and recent customers' references are encouraged.

### **Attachment 3: Fees**

#### **FEE SCHEDULE:**

1. Please utilize the Banking Services Bid Sheet (Exhibit A) or reasonable facsimile to support the cost responses submitted for Attachment 2. An excel version is available on request.

#### **COST ESTIMATES:**

2. Set up/initial fees and costs: If applicable, please supply a cost estimate for the initial transition costs based on obtaining the services proposed. Include equipment and/or supply costs.
3. Monthly costs: Please supply a copy estimate for ongoing monthly charges based on the services and volume estimates provided.

#### **CUSTOMER ANALYSIS STATEMENT:**

4. Describe the method used to calculate the earnings credit on collected balances to offset fees.
5. Are there any fees or charges that cannot be offset by the earnings credit?
6. Can excess balances be carried forward to apply to charges in future billing periods?

#### **PRICE CHANGES:**

7. How long are the fees quoted guaranteed? How and when is the City notified of price changes?

## **Attachment 4: Purchasing Cards**

### **PRODUCT FEATURES**

#### **Program Design**

1. What card platform(s) does your program employ?
2. What third-party processor, if any, is used for authorizations and transaction posting?
3. Discuss settlement terms.
  - a. What billing cycles are available?
  - b. How will we receive billing statements?
  - c. What are payment terms from “statement date”?
  - d. What options are available for the company to make payment?
4. Describe any unique features provided by the issuer’s product that we should consider.

#### **Controls**

5. Describe the card controls and usage restrictions supported by the issuer’s program:
  - a. Company level restrictions
  - b. Cardholder level restrictions
  - c. Department level restrictions
  - d. Merchant Category Code/Standard Industry Classification (MCC/SIC) restrictions
  - e. Cash advance restrictions
  - f. Dollar limits
6. What are the liabilities of the City and employees in the event of fraud, abuse, or loss of a card?
7. Does your program screen transaction activity for fraud patterns? Provide statistics on fraud associated with your purchasing card program.
8. Can the issuer reproduce lost charge slips? Is there a charge for reproduction? What is the typical turnaround time for the issuer to provide copies of charge slips?
9. Describe the issuer’s card management process including:
  - a. New card issuance – what employee information is required?
  - b. Deletion of cards
  - c. Removal of invalid cards
  - d. Handling of lost/stolen cards
  - e. Replacing cards (including “emergency” situations)
  - f. Modifying a cardholder’s profile
  - g. Online access for administrators and cardholders

### **REPORTING CAPABILITIES**

10. Provide a general description of the reporting packages you offer.
11. What reports are available in the reporting packages? Provide samples of available reports.
12. Can reports be generated for various timeframes, accounting periods or users?
  - a. Is historical information available? If so, how far back is the information available?
  - b. What are the inquiry and ad hoc reporting capabilities of your reporting package?
  - c. Are data downloads available?
13. Can you produce customized reports and statements? If so, are there additional costs for customized report programming?

### **IMPLEMENTATION**

14. Provide a sample purchasing card contract.
15. Provide a complete description of your implementation process, including a sample timeline and description of various implementation tasks for both the issuer and the City.
16. Describe the support provided during implementation, including technical assistance, user manuals, instructional and/or educational materials, on-site visits, or other assistance.
17. What initial and ongoing training do you provide for program administrators and cardholders?
18. Do you provide sample policies and procedures as part of the implementation process?

### **CUSTOMER SERVICE**

19. Describe your customer service capabilities, including the following:
  - a. Hours of coverage
  - b. Toll-free number access
  - c. Dedicated representative for our account
  - d. Cardholder account management
  - e. Cardholder complaints
  - f. Quality measures for response time
20. Define the dispute resolution process including timeframe and responsibilities of the parties involved. Are disputed items removed from the invoice while under investigation?

### **PRICING**

21. Provide a price schedule for all fees for this service. Include all one-time and ongoing fees, including minimums.
22. Describe incentives or price breaks offered based on timeliness of payment, rebates, or other measures.
23. How long are the fees in this proposal guaranteed?
24. How and when is the customer notified of a price increase?



**Exhibit A: Banking Services RFP Bid Sheet - City of Molalla**

<b>Service Description</b>	<b>Est Monthly Volume</b>	<b>Price Per Unit</b>	<b>Est Charge</b>	<b>Additional Notes</b>
<b>General Account Services</b>				
Account Maintenance	1		-	
Basic Banking per account	1		-	
Deposit Recoupment (Per \$1,000)	900		-	
Online Stop Payment Request	-		-	
Stop Payment Request - Auto Renewal	1		-	
Checks Paid	133		-	
Debits Posted	74		-	
Online check issues-item	16		-	
Electronic credits posted	96		-	
ACH Received Item	139		-	
ARP aged issue records on file-item	30		-	
ACH Received Addenda	27		-	
Alerts services email	109		-	
Alerts services text	13		-	
			-	
<b>Remote Deposit Capture (RDC)</b>				
RDC Monthly Maintenance	1		-	
RDC - Per Deposit	19		-	
RDC - Per Deposited Check	442		-	
RDC Online Reporting - Monthly Base	1		-	
RDC Online Reporting - Per Image	484		-	
			-	
<b>Branch Services</b>				
Branch - Per Deposit	1		-	
Branch - Per Check Deposited	1		-	
Branch - Currency & Coin Deposited - Per \$100	100		-	
Branch - Currency & Coin Furnished - Per \$100	1		-	
Branch - Cash order fee	1		-	
			-	
<b>Armored Car &amp; Cash Vault Services</b>				
Weekly Armored Courier Service - Monthly Maintenance	1		-	
Vault - Per Deposit	4		-	
Vault - Per Deposited Check	2		-	
Vault - Currency Deposited - Per \$100	12,400		-	
Vault - Coin Deposited - Per Deposit / Roll	200		-	
Vault - Per Change Order	1		-	
Vault - Currency Furnished - Per \$100	1		-	
Vault - Coin Furnished - Per Roll	1		-	
			-	
<b>Returned Item Handling</b>				
Deposited Item Returned	1		-	
Deposited Item Returned - Re-Deposited	1		-	
Returned Items Reporting/Decisioning - Monthly Base	1		-	
Returned Items Decisioning - Per Decision	1		-	
Returned Items Reporting - Per Image Retrieved	1		-	
			-	
<b>Online Banking Services</b>				
Previous Day Detailed Reporting - Per Account	1		-	
Previous Day Reporting - Per Item	344		-	

Current Day Detailed Reporting - Per Account	1		-	
Current Day Reporting - Per Item	145		-	
Analysis Statement Viewing	1		-	
Deposit Statement Viewing	1		-	
Per Online Search	12		-	
Online Search - Per Image Retrieved	2		-	
			-	
<b>Positive Pay Services</b>			-	
Positive Pay Monthly Maintenance - Per Account	1		-	
Positive Pay - Per Issued Item	136		-	
Payee validation standard item	136		-	
Positive Pay - Per Exception	-		-	
Positive Pay - Per Exception Returned			-	
ACH Positive Pay - Monthly Maintenance - Per Account	1		-	
ACH Positive Pay - New Authorization Set-up	-		-	
ACH Positive Pay - Per Exception			-	
ACH Positive Pay - Per Exception Returned			-	
			-	
<b>ACH Services</b>			-	
ACH Origination Monthly Service Fee (File Upload)	1		-	
ACH Online Customer Activity Report - Monthly Maint	1		-	
ACH Originated Items (Credits) - Next Day	176		-	
ACH Total Originated Batches	9		-	
ACH Originated Item - Per Return	-		-	
ACH Originated Item - Per Notification of Change	-		-	
ACH fraud filter review mo. base	1		-	
ACH fraud filter review - item	15		-	
			-	
<b>Wire &amp; Funds Transfer Services</b>			-	
Domestic Outgoing Wire (Manual) - Per Wire Fee	1		-	
Online Wire Module - Monthly Maintenance	1		-	
Online Domestic Outgoing Wire - Per Wire Fee	1		-	
Per Incoming Domestic Wire	-		-	

**Additional Charges** - Based on the RFP and services listed above, please list any additional billing elements we may see assessed by your financial institution. Add additional rows as necessary.

			-	
			-	
			-	
			-	
			-	
			-	
			-	
			-	
			-	
			-	

**Estimated Total Activity Charges:**

**Proposed Earnings Credit Rate:**

**Total Balances Required to Offset Fees\*:**

*\*Adjust formula in cell C91 based on your specific ECR calculation as needed*

\$ \_\_\_\_\_

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