

**REQUEST FOR PROPOSAL
DEPOSITORY AND BANKING SERVICES
FOR THE CITY OF MERRIAM, KANSAS**

Introduction:

The City of Merriam is requesting competitive proposals from eligible financial institutions to act as the City's depository institution for an initial period of twelve months. The depository agreement shall contain an automatic renewal clause, which may be used for the following four twelve-month periods, thereby providing for sixty months of depository and banking services.

The agreement may be cancelled at the end of each twelve-month period, upon 90 days written notice by either party, prior to the close of the twelve-month period.

Objectives:

The intent of this request for proposal is to provide all qualified local financial institutions an opportunity to submit proposals to handle the City's accounts. Banking services offered but not requested in this proposal may be negotiated between the City and the bank, if required, at a later date.

General:

All proposals will be formally opened in accordance with the City's purchasing policy. The proposals will then be evaluated. The proposal must be accurate and complete, providing all the information requested in the request for proposal; however, the City reserves the right to waive any minor or technical defects or irregularities. The City reserves the right to reject any or all bids.

<i>Proposed Schedule:</i>	
<i>3-15-2000</i>	Request for Proposal issued.
<i>3-22-2000</i>	Pre-proposal conference. The City will have a meeting at City Hall in the Judges Chambers at 1:00 p.m. for all interested banks. This will allow financial institutions to ask questions about the RFP. Attendance is optional.
<i>4-12-2000</i>	Sealed proposals must be received in the City Clerk's office, 9000 W. 62 nd Terrace by 10:00 am. These proposals will be formally opened in accordance with the City's purchasing policy. Pricing data shall be submitted as required in Attachment A. Bank should submit three (3) copies of their proposal. Proposals shall be clearly marked "Bank Proposal" on the exterior of the package.
<i>5-8-2000</i>	Staff recommendation to Finance and Administration Committee.
<i>5-22-2000</i>	Governing Body designates "Official Depository" and approves contract.
<i>9-1-2000</i>	Effective date of opening new accounts and transfer of banking operations and funds.

Effective period of the proposals:

All proposals must remain in effect for 90 days after the proposal due date.

Inquiries:

Additional information concerning this RFP may be obtained by contacting:

- Kevin Hiskey, Finance Director
913-722-7700 ext. 127
kevinh@merriam.org
- Maureen Rogers, Accountant
913-722-7700 ext. 176
maureenr@merriam.org

Oral Presentations:

Selected financial institutions may be requested to provide oral presentations and participate in an interview with City staff.

Definitions and Statutory Provisions:

For purposes of this request for proposal, the terms "bank" and "financial institution" shall have the same meaning as the terms "bank," "savings and loan association," and "savings bank," as defined in K.S.A. 1997 Supp. 9-1408(a), (b) and (c), respectively.

The term "main office" means the place of business specified in the articles of association, certificate of authority or similar document, where the business of the institution is carried on and which is not a branch. K.S.A. 1997 Supp. 9-1408(f).

The term "branch" means any office, agency or other place of business within this state, other than the main office, at which deposits are received, checks paid or money lent with approval of the appropriate regulatory authorities. Branch does not include an automated teller machine, remote service unit or similar device. K.S.A. 1997 Supp. 9-1408(g).

As provided by K.S.A. 1997 Supp. 9-1408, if an acceptable bid is not received from a bank that has a main office within the state, the City may elect to designate a bank whose main office is outside the state as its depository.

Contract:

After a review of the proposals, and possible oral presentations and interviews, the City intends to enter into contract negotiations with the selected financial institution. These negotiations could include any aspect of services and fees. If a contract is not finalized in a reasonable period of time, the City will open negotiations with the next ranked firm. The bank designated by the City as its official depository shall be expected to execute a contract in substantially the same form as the sample contract submitted with the bank's proposal. The contents of this Request For Proposal and the proposal submitted by the successful respondent may become part of any contract. The contract must be in a form approved by the legal counsel of the City.

Evaluation Criteria:

A review committee will evaluate the proposals received. Although fees and compensation will be a vital factor in the evaluation of proposals, acceptance of a proposal will be based on the total package of services, qualifications, fees and compensation offered by the banking institution. The criteria to be used will include, but are not limited to, the following considerations:

- Completeness of the proposal.
- Capacity to perform the contract.
- Aggregate banking service cost, per identified activity.
- Scope of services offered.
- Ability to provide an institution Account Executive with whom the City can work to expedite various banking issues and contracts.
- Relevant experience managing similar accounts and services with public sector and/or large commercial clients.
- Understanding of the needs and operational requirements of the City of Merriam.
- Participation in the community and/or Chamber of Commerce.
- Financial strength of the proposing institution.
- Financial institution's proximity to various City facilities.

Definition of Services:

Required Services - Services that must be provided by the selected financial institution. Except for non-substantial deviation or acceptable alternatives, all services listed in this section are mandatory. The City intends to maintain all specified banking services at one institution in order to maximize cash flow and minimize administrative costs. The City will not consider proposals for partial services.

Additional Services - Services not otherwise identified in this Request for Proposal that the bank may desire to offer to the City. Additional services may be offered to the City for free or at the cost specified by the bank. Proposals are not required to offer any additional services in order to be considered acceptable. However, final selection of the successful bank may be based on the desirability and price of additional services offered.

I. Banking Services:

The City currently maintains three accounts for various needs. Banking services for all accounts are included in this RFP.

The following services will be applicable to **all** accounts unless otherwise specified in individual account descriptions.

1. Interest will be credited to each interest bearing account monthly based upon the account's daily balance. The rate of interest earned on each account and balance upon which interest is calculated must be specified for each account (Attachment A). A statement each month showing how the interest rate was calculated will be required.
2. Charges for services and supplies provided by the bank will be invoiced and will not be directly deducted from the City's bank accounts. The City requires a monthly account analysis for each account. The City will consider the analysis an invoice, therefore it must provide a comprehensive, detailed recap of services performed. All charges for services will be shown for each account (Attachment A). These costs will be fixed during the period of the contract. The banking institution may pass along costs which increase due to federally mandated regulations upon submitting written notice of such increase to the Finance Director and by demonstration of such mandate.
3. Research services, such as microfilming and other balance inquiries, will be performed at the request of the Finance Director or other City staff. Such charges for those services will be included in the monthly billing.
4. The statement date will be the last calendar day of the month, and statements for all accounts will be delivered to City Hall within seven working days after the end of the month. In addition, the City desires access to the bank statement in electronic format. Statements will include all items clearing the account. Cleared checks must be delivered to City Hall within 12 working days after the end of the month. Checks must be sorted in numerical order, and other debit/credit items separated from deposit slips. If it is discovered after delivery of the statement that an item has been omitted from such statement, the bank shall notify the City immediately and make arrangements for delivery to the City instead of holding it until the next statement date.
5. The financial institution will provide the City, within 12 working days after the end of a calendar month, an analysis of the City's account activity, showing the number of the various types of transactions listed on Attachment A, and the unit and total costs associated with each item.
6. The City transfers funds by wire to other banks. This service will be provided on the request (either by telephone or written notice) of the Finance Director or his designee.
7. Automated balance reporting services are to be provided for all City accounts. Available information should include: closing ledger, closing collected, opening ledger, opening collected, float, previous day debits and credits, and ACH credit and debit detail.
8. Software allowing the City to manage its accounts via computer is strongly preferred. Specify hardware, software requirements, as well as functionality and costs (Attachment A).
9. The funds in all accounts will be 100% collateralized by securities that conform to K.S.A. 12-1675 and K.S.A. 9-1402, et seq. at all times. Collateral for the accounts will be held on a permanent basis by an independent, third-party financial institution approved by the City (preferably the Federal

Reserve Bank). The banking institution agrees to check this on a daily basis, and provide increased security as needed. A monthly report of collateral pledged and its market value at that time shall be furnished to the City within ten days of the close of each month. Text of the above statutes can be found at <http://www.ink.org/public/legislative/statutes/statutes.cgi> .

10. The City may request other services not specifically mentioned in this document, with a reasonable, mutually agreeable fee to be charged by the institution.
11. The banking institution shall provide the following supplies as needed:
 - printed duplicate deposit slips
 - locked money bags - The City currently uses 20 (11" x 9") locked money bags.
12. The banking institution will provide a safety deposit box for safekeeping of the City's investments and other documents as needed. The box should be 3" X 10" or equivalent.
13. The bank must be able to accept cash deposits at branch locations. An estimated \$1,000 to \$3,000 is collected daily. During the summer months (Memorial Day to Labor Day), the pool will also deposit an *additional* \$500 to \$1,500 daily. Deposits will be dropped off each day. The bank will be responsible for verifying the deposit and returning the deposit receipts to the City. In addition, the availability of making after-hours deposits at the main or branch bank is required.
14. Deposit discrepancies, should any occur, will be brought to the attention of the Finance Director or his designee on the same day the discrepancy is found.
15. Availability of funds will be as follows: 1) items on the depository institution, same day 2) items on local institutions, next day 3) other items in accordance with Federal Reserve availability schedule.
16. Investments will continue to be bid outside of this depository contract. The depository institution may bid on such investments provided they can properly secure the funds as required by law. The City reserves the right to purchase investments through other financial institutions if such action is to the benefit of the City.
17. Any cost of FDIC insurance (mandatory during the term of the contract) should be included in the overall cost of the contract. The proposal should include an itemization of any amounts charged for FDIC insurance premiums and an explanation of the method of calculating such charges.
18. The City will require stop payment issuance and confirmation upon receipt of written request. Unless renewed, each stop payment will remain in place for a minimum of six months.
19. Unless otherwise directed, the Bank will automatically redeposit return items a second time. Items returned a second time would be charged to the appropriate account and returned promptly to the City.
20. The bank must be a "sending" bank on the Automated Clearing House System.
21. The bank must be current on all City of Merriam taxes, fees, and licenses, if applicable.

Additional Services:

Any additional services available to the City pertaining to E-commerce or additional internet access related to banking services should be provided in a supplemental attachment providing detailed information and costs, if any, for these services.

The bank may desire to offer the City additional services not otherwise specified in this Request for Proposal. In that event, a supplemental attachment should be included which describes the service in detail and indicates the cost, if any.

If the City develops a need for additional accounts or services, the accounts or services should be provided with the same conditions that apply to existing similar accounts or services at the time.

The following are unique aspects of each account and any specific services required for the individual accounts:

A. General Operating Account. This account is used for the deposit of nearly all of the City’s receipts, and the disbursement of accounts payable and payroll payments.

The City will require this to be an interest bearing checking account. This account will have daily deposits and withdrawals. The City will provide the checks. This account must have the ability to process electronic transactions such as wire transfers and ACH transactions. The City’s payroll provider (PayData) initiates the direct deposit (via ACH) of employee paychecks and the ACH payment of Federal and State taxes through this account. Incoming wire transfers for deposits of tax payments from the County and State as well as for investment transactions are also received. Outgoing wire transfers for payment of insurance premiums and other bills as well as for investment transactions are also processed.

The City desires on-line (modem or internet) access to information on this account. The information should include current month’s activity for all transactions (deposits, checks cleared, other debits and credits, monthly bank statements, etc.). If the information is not available on-line, the financial institution should provide an account representative that can provide the same information by phone. The City also desires the ability to process transactions on this account on-line (modem or internet) such as wire transfers; ACH initiations; stop payments on checks; etc. The City also desires that the bank provide a listing of cleared checks in electronic format on a monthly basis.

The City anticipates, but does not guarantee, that the daily balance in the checking account will not fall below \$100,000. Low, high, and average daily balances per month are listed below for 1999.

GENERAL OPERATING ACCOUNT BALANCES BY MONTH (1999):

MONTH	AVG. FOR MONTH	HIGH FOR MONTH	LOW FOR MONTH
January	\$1,713,273	\$3,001,826	\$1,277,033
February	2,620,276	3,102,710	2,267,483
March	2,583,702	4,546,965	1,641,728
April	1,865,289	2,274,601	1,685,247
May	1,717,030	2,231,273	1,221,746
June	1,889,802	4,420,359	1,236,202
July	1,461,948	2,543,944	891,753
August	1,462,659	1,903,694	1,066,749
September	1,757,074	2,163,736	1,631,567
October	1,106,067	1,631,567	759,573
November	967,912	1,796,707	491,260
December	676,247	1,120,411	401,111

B. Section 125 Account

The City will require an interest bearing checking account for the City’s Section 125 plan. This account will have deposits and withdrawals. The City will provide checks. This account must have the ability to process electronic transactions such as wire transfers and ACH transactions.

The City contracts with MHM Business Services to provide administration of the City’s Section 125 plan. At each bi-weekly payroll, withholdings from employee’s paychecks are transferred from the

General Operating Account to this account. MHM issues checks from this account to reimburse employees for qualified Section 125 expenses.

The City anticipates, but does not guarantee, that the daily balance in this account will not fall below \$1,000. The average daily balance in this account is \$3,200.

C. Sunshine Account

The City will require an interest bearing checking account for the City's Sunshine Fund. This account will have deposits and withdrawals. The Bank must provide checks. This account must have the ability to process electronic transactions such as wire transfers and ACH transactions. This account receives voluntary payroll deductions from employees. The funds in this account are then used to purchase gifts for employees in time of need or celebration (e.g. flowers for funerals, new baby gifts, etc.).

The City anticipates, but does not guarantee, that the daily balance in this account will not fall below \$500. The average daily balance in this account is \$800.

II. Electronic Credit Card Payment Services

Pertinent Information

The City currently accepts MasterCard and Visa credit and debit cards. If your institution provides such a service, please specify the cost to the City on either a fee amount or percentage basis for all costs associated with the use of the credit cards. The Bank shall provide Visa/Mastercard processing services for all City locations that accept credit cards.. Provided below is information that should help your financial institution to develop its proposal:

Annual transaction sales are estimated to be:

Municipal Court	\$21,000
Parks & Recreation	\$45,000
Administration	\$10,500

Average per sale transactions are estimated to be:

Municipal Court	\$107
Parks & Recreation	\$55
Administration	\$150

Annual number of transactions is estimated to be:

Municipal Court	196
Parks & Recreation	869
Administration	70

Three terminals/printers will be required.

III. Required Information in Proposal:

The following information must be furnished as part of the Proposal:


1. Assurance that the financial institution is insured by the FDIC.
2. Itemize and describe the financial institution's ability to provide the banking services described above, and to what extent, if any, those services are automated.
3. Assurance that the financial institution is audited by an independent CPA firm. Provide a copy of the most recent audit report.
4. A copy of the bank's most recent Call Report.
5. The bank's "Capital Ratio" and "Risk Based Capital Ratio" for the three most recent annual fiscal periods.
6. A summary of any significant changes in management and/or ownership during the past five years.
7. Resumes or brief summaries of qualifications of key personnel to be assigned to the account.
8. A list of previous and current customers who had or have accounts which are similar in nature to those proposed herein, with particular attention given to public agency accounts. Please include phone numbers.
9. What security policies and procedures does the bank have in place to protect the City's assets? Provide details regarding the bank's services or products that will protect the City from fraud (e.g. forged checks, phone transfers, etc.).
10. Provide details regarding any electronic service options, including the charges for these services. Also provide a description of the bank's balance reporting system and its features and a statement whether the system can be accessed through a PC modem.
11. List the location of your institution's main office and the locations of any branch offices in Johnson County. Provide the address of the office location that will service the City's accounts.
12. Does your bank provide a courier to pick up deposits from the City on a daily (M-F) basis? If so, please provide the costs associated with the courier service if any.
13. What is the ledger cutoff time for deposits?
14. Provide a list of the bank's holidays.
15. Completion of charges for banking services listed on Attachment A. Be sure to include an itemized list of any additional charges that would apply to these accounts that is not listed. Include a sample invoice for the City's account.
16. Completion of how interest will be calculated and credited on all accounts. Be specific.
17. Describe how the bank will collateralize the City's deposits.
18. Describe the frequency and format of reports that you would provide to the City. What reports would be available in electronic format? Describe what format electronic reports would be in and

how the City would receive these reports. Detail any costs associated with electronic reporting, including hardware and software. Provide sample reports and records.

19. What, if any, of your services can be accessed through the Internet?
20. Describe your financial institution's expertise in relation to Electronic Commerce.
21. Explain the financial institution's overdraft protection and list any charges.
22. Completion of all items not listed above that are included in Attachment A.

Compliance with all Government Laws

The bank shall remain informed of, and shall comply with, all applicable laws, ordinances, rules, regulations, and orders of the City, County, State, Federal, or any other public bodies, which apply to work performed under this proposal. The bank shall provide all necessary safeguards and protections as set forth by the United State Department of Labor, Occupational Safety, and Health Administration.



**ATTACHMENT A
CITY OF MERRIAM BANKING SERVICES
CONSOLIDATED BID FORM**

The bank may submit the information below on these forms or on an attachment in a similar format.

<i>Bank Submitting</i>	
<i>Official Submitting Proposal</i>	
<i>Title</i>	
<i>Signature of Bank Official</i>	
<i>Phone Number</i>	

<i>Address of office servicing this account:</i>				
<i>Key personnel assigned to this account (please attach resumes):</i>				
<i>Who will be the City's primary contact at the bank:</i>				
<i>References:</i>	<i>Attach a list of at least four customers who have accounts similar in nature to those proposed. Include customer name, phone numbers, contacts, length of time as your customer, and type of business.</i>			
<i>How will the bank collateralize the City's deposits?</i>				
<i>Is the bank able to provide collateral for the City's highest balances (approximately \$5 million)?:</i>				
<i>How is the bank chartered?:</i>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><u><i>Federal</i></u></td> <td style="text-align: center;"><u><i>State of Kansas</i></u></td> <td style="text-align: center;"><u><i>Both</i></u></td> </tr> </table>	<u><i>Federal</i></u>	<u><i>State of Kansas</i></u>	<u><i>Both</i></u>
<u><i>Federal</i></u>	<u><i>State of Kansas</i></u>	<u><i>Both</i></u>		

Automation: The City would prefer to have computer access to accounts for report retrieval and the initiation of certain transactions and services. Please describe, in an attachment, what system you have, if any, to provide for electronic banking, and any flat charges associated with the system.

Are the following services and reports available electronically?

Service/Report	Yes/No	Fee
<i>Wire Transfers</i>		
<i>Check Inquiry</i>		
<i>Stop Payments</i>		
<i>ACH Initiation</i>		
<i>Account Inquiries</i>		
<i>Monthly Bank Statements</i>		
<i>Prior Day Information:</i>		
<i> Closing Ledger</i>		
<i> Opening Available</i>		
<i> Closing Available</i>		
<i> Transaction Detail</i>		
<i> Total Credits</i>		
<i> Total Debits</i>		

In an attachment, detail the hardware and associated costs the City would need to perform electronic banking.

In an attachment, detail the software, if any, the City would need to purchase to perform electronic banking.

Financial Information:			
As of Quarter End Date:			
FDIC Insurance Coverage:	Yes	No	
CRA Rating:			
Total Assets:			
Total Equity:			
Ratio-Equity divided by the assets in % form:			
Current Net Profit(Loss) for Quarter:			
Profit(Loss) as a percent of Total Assets:			
Profit(Loss) as a percent of Equity:			
Total Deposits:			
Total Time Deposits of \$100,000 or more:			
Total Loans:			
Total Loans 90 Days or More Past Due:			
Total Troubled Debt:			
Total Troubled Debt that has been Renegotiated:			
Allowances for Losses on Non Real Estate Loans:			
Capital Ratio (three most recent years):			
Risk Based Capital Ratio (three most recent years):			
Enclose a copy of the most recent audited financial statement, the most recent Call Report, and the most recent Sheshunoff report with this proposal.			

BANK DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL CHARGE
<i>General Operating Account</i>			
Ledger Debits	734		
Ledger Credits	1,261		
Checks	5,809		
Stop Payments	6		
Deposited Items – Local	5,838		
Deposited Items – Non-Local	2,600		
Monthly Statements/Account Maintenance	12		
Account Monitoring/Balance Reporting	Daily		
Incoming wire	14		
Outgoing wire	82		
Deposited Items Re-cleared	30		
Deposited Items Returned	42		
Account Reconciliation	12		
Check Sorting	5,809		
Courier Service	Daily (M-F)		
<i>On an attachment, itemize and describe any other fees that would be associated with this account.</i>			

BANK DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL CHARGE
<i>Section 125 Account</i>			
Ledger Debits	1		
Ledger Credits	28		
Checks	228		
Stop Payments	0		
Deposited Items – Local	0		
Deposited Items – Non-Local	0		
Monthly Statements/Account Maintenance	12		
Account Monitoring/Balance Reporting	Daily		
Incoming wire	0		
Outgoing wire	0		
Deposited Items Re-cleared	0		
Deposited Items Returned	0		
Account Reconciliation	0		
Check Sorting	228		
<i>On an attachment, itemize and describe any other fees that would be associated with this account.</i>			

BANK DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL CHARGE
<i>Sunshine Account</i>			
Ledger Debits	10		
Ledger Credits	272		
Checks	26		
Stop Payments	0		
Deposited Items – Local	0		
Deposited Items – Non-Local	0		
Monthly Statements/Account Maintenance	12		
Account Monitoring/Balance Reporting	Daily		
Incoming wire	0		
Outgoing wire	0		
Deposited Items Re-cleared	0		
Deposited Items Returned	0		
Account Reconciliation	0		
Check Sorting	26		
<i>On an attachment, itemize and describe any other fees that would be associated with this account.</i>			

SUBTOTAL BANK DEPOSITORY SERVICES	-----	-----	
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CREDIT CARD PAYMENT SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL CHARGE
Sales volume	\$76,500	-----	-----
Number of transactions	1135	-----	-----
<i>Transaction Fee</i>			
Discount Rate	\$76,500	%	
Transaction Fee	1135		
<i>Other Fees</i>			
Statement Fees	12		
Maintenance fee on equipment (monthly)	12		
Authorization Fees	---		
Deposit Fees	---		
Adjustment Fees	---		
Chargeback Fees	---		
SUBTOTAL CREDIT CARD PAYMENT SERVICES	-----	-----	

TOTAL BID (BANK DEPOSITORY AND CREDIT CARD PAYMENT SERVICES)	-----	-----	
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ONE TIME EXPENSES	CHARGE PER ITEM
<i>Electronic Credit Payment Services</i>	
Point of Sale Terminal	
Printer	
<i>Banking Services</i>	
Locked Bags	
Endorsement Stamps - Self Inking	
Deposit Slips (two part)	

Interest Calculation: The financial institution will pay the City interest on the daily collected balance in the City's account at the rate named below. The rate may be a fixed or variable rate. Such rate may be tied to the 91-day T-bill rate. If the rate is tied to the 91 day T-bill rate, state the number of basis points above or below the T-bill rate stated. If some other index is used, state the index and provide a one year history of how the index compared to the 91-day T-bill rate.

General Operating Account:	
Fixed %:	_____ %
Variable:	
Tied to T-bill rate	_____ Basis Points Above
Tied to T-bill rate	_____ Basis Points Below
Other Index*	_____ % Rate Only *State index to be used
Section 125 Account:	
Fixed %:	_____ %
Variable:	
Tied to T-bill rate	_____ Basis Points Above
Tied to T-bill rate	_____ Basis Points Below
Other Index*	_____ % Rate Only *State index to be used
Sunshine Account:	
Fixed %:	
Variable:	
Tied to T-bill rate	_____ Basis Points Above
Tied to T-bill rate	_____ Basis Points Below
Other Index*	_____ % Rate Only *State index to be used