



Date: September 30, 2009

TO: PROSPECTIVE FINANCIAL INSTITUTIONS

The City of Olathe is requesting competitive proposals from firms qualified to provide BANKING SERVICES.

Proposals must be received no later than

2:00 PM, WEDNESDAY, OCTOBER 28, 2009

Submit one (1) original signed proposal to:

City of Olathe
1st Floor, City Hall
100 East Santa Fe
Olathe KS 66061
or
PO Box 768
Olathe KS 66051-0768

Said proposals must conform to the instructions as outlined in the attached request.

Proposals should be clearly labeled – RFP No. 3305-0-2009/JM – BANKING SERVICES

Questions concerning this RFP should be directed to Judy Meisel, 913-971-8720, jmeisel@olatheks.org.

Late proposals will be rejected and returned unopened.

Sincerely,

Judy Meisel, CPPO
Purchasing Manager

AFFIDAVIT

STATE OF _____)
)
COUNTY OF _____)

SS.

_____ of the City of _____, (Name of Individual)

County of _____, State of _____,
being duly sworn on her or his oath, deposes and says;

- 1. That I am the _____ (Title) of _____ (Firm Name),

and have been authorized by said firm to make this affidavit on its behalf;

- 2. No officer, agent or employee of the City of Olathe, Kansas is financially interested, directly or indirectly, in what firm is offering to sell to the City pursuant to this Request for Proposals;

or

The following officer(s), agent(s), or employee(s) of the City of Olathe would be financially interested in or receive a benefit from the profit or payments of any contract, job work, or service provided to the City of Olathe: (list all such officers, agents, or City employees on a separate sheet);

(Affiant shall line through the statement which does not apply; failure to line through one statement shall disqualify the proposal).

- 3. If firm were awarded any contract, job work, or service for the City of Olathe, Kansas, no officer, agent or employee of the City would be financially interested in or receive any benefit from the profit or payments of such;

or

The following officer(s), agent(s), or employee(s) of the City of Olathe would be financially interested in or receive a benefit from the profit or payments of any contract, job work, or service provided to the City of Olathe: (list all such officers, agents, or City employees on a separate sheet);

(Affiant shall line through the statement which does not apply; failure to line through one statement shall disqualify the proposal).

- 4. Firm has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to this Request for Proposals.

_____ (Firm Name)

By: _____ (Signature)

(Printed Name) _____

(Title) _____

Mailing Address

City, State, Zip

Code: _____

Phone _____ FAX _____

E-mail Address:

Federal Tax I.D. # _____

Subscribed and sworn to before me this _____ day of _____, 2009.

NOTARY PUBLIC in and for the County of _____

State of _____

(SEAL)

My commission expires:

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The City of Olathe (City) is requesting competitive proposals from eligible financial institutions to act as the City's depository institution for the period of four years, effective on the date of award to the successful institution, with additional one-year renewal options. Eligible institutions must meet the requirements of K.S.A. 12-1675 and the City's Investment & Cash Management Policy (Attachment A), and meet the minimum qualifications as stated within this Request for Proposals. Bank services and charges will be reviewed on an annual basis to ensure the equity of the agreement for both parties. It is the intent of the City to have one financial institution provide the banking needs for the General Operating Account, Court Bond Account and four imprest accounts to handle health, payroll net pay, workers compensation and the City's 125 plan activity.

The intent of this Request for Proposal is to provide qualified financial institutions an equal opportunity to submit proposals to handle the City's bank accounts and services. Banking services not requested in this proposal will be negotiated between the City and the selected bank if required at a later date.

MINIMUM QUALIFICATIONS

The following indicates the minimum qualifications and criteria for a bank's proposal to be eligible for consideration and evaluation. Specific responses to each requirement must be provided in your proposal.

- Be insured by the Federal Deposit Insurance Corporation (FDIC).
- Be eligible to be a depository of City funds pursuant to K.S.A. 9-1401 and 9-1408, et.seq., as amended with full service branch in or near Olathe. All responding banks must complete Attachment B.
- Be an online cash and securities member of the Federal Reserve.
- Be able to provide 105% collateralization of all City deposits with collateral.
- Provide credit information from a nationally recognized rating organization such as Moody's, Standard & Poor's, etc. Also, responding banks must discuss their current Highline rating published effective June 30, 2009, and provide pertinent information regarding financial strength and stability expected during the term of the proposed banking services contract. Eligible institutions must have a current minimum Highline rating of 20 or greater in all three categories, and shall have maintained this rating for a minimum of the past two (2) quarters.
- Have the capacity to provide all "Required Services" internally. The City prefers that the responding bank provide services without the use of joint ventures, consortiums, or contract service providers because of control issues. The City will determine the acceptability of any arrangements with the objective of the RFP being a "total solution."
- Maintain a financial institution bond, Form 24 or equivalent, with a limit of not less than \$3,000,000, banker's professional liability in the amount of \$2,000,000 per occurrence/annual aggregate and valuable paper coverage.

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COLLATERAL

Pursuant to K.S.A. 9-1402, and amendments thereto, the bank is required to collateralize City deposits. The City requires that pledged securities have a market value equal to at least 105% of the amount of the total deposits of public funds, including accrued interest earned. Under the City's investment policy, the following items are considered acceptable collateral:

- A. Direct obligations of, or obligations insured as to principal and interest by, the United States Government or any agency thereof, and obligations and securities of United States sponsored organizations, which under federal law may be accepted as security for public funds. No mortgage securities are permitted.
- B. Surety bonds issued by an AAA rated Insurance Corporation licensed to do business in the State of Kansas as determined by a nationally recognized insurance rating agency. Surety bonds are subject to review and approval by the City's Director of Resource Management.
- C. Letters of Credit issued by the Federal Home Loan Bank.
- D. Bonds of the State of Kansas.

If the bank chooses to pledge securities as collateral, the bank will be required to pledge the securities at the Federal Reserve Bank or at the Federal Home Loan Bank and execute a Security Agreement with the City giving control of the securities to the City.

Safekeeping Accounts

The City maintains an investment portfolio of approximately \$185 million dollars that requires safekeeping of directly owned securities and collateral from depository banks. The City will need two different types of safekeeping accounts. These safekeeping accounts are considered to be 02-classification accounts, distinguishing them from "trust" accounts, which are generally not desired because of cost considerations.

- A. Directly purchased securities. The City has an investment portfolio, which holds government and other marketable securities purchased through banks and brokers. These securities, when purchased, must be delivered to the safekeeping agent on a delivery versus payment (DVP) basis, and the safekeeping agent for the City must title all securities in the name of the City. Sales of securities owned by the City and held by the safekeeping agent are also delivered on a DVP basis. Same day funds settlement should be available for all transactions.

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- B. Securities deposited by banks as collateral for City deposits. The City intends to hold in safekeeping securities required as collateral from all banks with which the City maintains deposits. Each bank will require a sub-custodial account where securities are held in joint custody between the collateralizing bank and the City. The safekeeping agent will accept confirming instructions from both the City and the bank involved when any change is required in the collateral securities held in safekeeping. The safekeeping agent shall return cash from interest payments on securities and maturities with permission from the City. There may be a need for approximately three sub-custodial accounts. The City requires a tri-party agreement be executed between each depository bank, the City and the safekeeping agent. Each depository bank that deposits collateral with the safekeeping agent will pay for their services. **Provide a copy of your proposed tri-party agreement with the response to the RFP.**

Other services required of the safekeeping agent include:

Mark to Market Valuation

The safekeeping bank will be required to value all securities in the City investment account and all securities in the banks' collateral accounts monthly. The City is responsible for monitoring collateral value against deposits in banks. Security pricing procedures should be described in the response.

Computer Access to Information

The City desires access to information using personal computers. Account information should be accessed from the Internet with appropriate password protection. The City will need access to transaction and holdings information for all accounts referred to above. Access should be available on a daily basis to "live" current data, but limited access to information (no less frequently than weekly) will be considered. Information shall be available on a historical basis for research if necessary. Proposing banks must provide information on how this requirement will be accomplished, as well as what safeguards exist to restrict information to only those persons authorized by the City.

Please describe any technical requirements for access to computerized information such as internet browser specifications, computer type needed etc. Also describe the training offered by the bank to City personnel for computer access to information.

Monthly Reports

The safekeeping bank shall prepare monthly summary reports for each account showing at a minimum the holdings at month-end, a schedule of daily sweep investments, and a schedule of transactions for the month. Reports should be available within seven (7) working days of month-end.

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Portfolio Performance Reporting

The City requires the safekeeping agent provide accounting and performance reporting with regard to the City's investment portfolios. The City estimates that it could have up to 2 portfolios. The City uses fund accounting to account for various City operations. The City desires a reporting system that can facilitate accounting for the multiple investment portfolios the City manages as a result of fund accounting, including interest accruals, premium amortizations, discount accretions, and unrealized gains and losses.

These reports should include information related to marketable and non-marketable securities (CDs) held in the City's portfolios. Please describe the types of reports that are available, including the frequency of the reports. Also describe whether or not the reports are available via computer access. Include copies of reports for evaluation by the City.

Other Required Information

Daylight Overdrafts

Please provide details on any daylight overdraft issues that may concern your bank. It is likely that in managing the investment program of the City that payment for an investment purchase may occur before the receipt of funds from an investment sold or matured or from other sources. This could cause an occasional daylight overdraft that will be cured before the end of the banking day.

Designated Account Liaison

The City will require the selected bank to designate a senior officer as a liaison. This officer must be capable of coordination of all City activities with the bank and be able to resolve any problems or issues that may arise.

Record Retention

The bank should maintain records for the City for a minimum of seven (7) years after the completion of the contract.

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SCOPE OF SERVICES

DEFINITIONS

Required Services – Services that must be provided by the selected financial institution. Except for non-substantial deviations or acceptable alternatives, all services listed in the section are mandatory.

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 a cost specified in the proposal. The City will have the option of choosing which, if any, additional services it may want. Proposals are not required to address any additional services in order to be considered an acceptable proposal. However, final selection of the successful financial institution may be partly based on the desirability and cost of the additional services offered.

REQUIRED SERVICES – The following are required for the City’s accounts:

A. General Operating Account:

1. The City requires an interest bearing checking account. This account will have daily deposits and withdrawals. The average balance during the past year was approximately \$24,850,000. The City estimates that the daily balance will not fall below \$250,000. The majority of the City’s operations will flow through this account, including the deposit of revenues, accounts payable payments, deposits from credit card transactions, and investment purchases and maturities. The City will send and receive wire transfers and ACH transfers, write checks and make deposits to this account. All accounts payable disbursements will utilize positive pay. The City requires the ability to access real time detailed information on all incoming wires for this account at no cost to the City. The City desires this account have an automatic sweep investment option.
2. Two-part, prenumbered deposit slips will be required as well as thirty-nine (39) self-inking endorsement stamps. Approximately 195 deposit books are needed per year for the general operating account based on current usage.
3. Processing of card service merchant applications for Visa/MasterCard to allow for the electronic verification and transfer of funds. The City collects monies at various locations and requires that all major credit cards can be accepted at all locations. The City currently uses multiple credit card services in various departments and desires to consolidate services as much as possible.
4. Provide for locked bank bags to be placed in a night drop. The bank will open these bags in some cases and verify and make the deposit and send a copy of the deposit slip to the City.
5. All deposited checks that are returned will routinely be presented twice for payment before they are sent back to the City and processed against the City’s account.

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6. The City requires thirty-five (35) lock-type bags for deposits on an on-going basis with an additional forty-five (45) lock bags for the recreation operation during their summer outdoor activities. The City also requires twenty-five (25) zipper bags on an on-going basis.
7. The City operates a water and sewer utility with approximately 36,000 customers. Customers shall have the opportunity to make direct payments by ACH for their monthly fees, pay by credit card, debit card or check on the phone or through the City's Internet site.
8. The City requires that the successful institution be capable of providing bank courier services when required for various seasonal locations such as swimming pools and ball parks, as well as daily runs to the Police Department, Municipal Court, City Clerk, Municipal Services and the Mahaffie/Heritage Center complex.

B. Court Bond Account:

1. The City requires an interest bearing checking account. This account will have daily deposits and withdrawals. The City will provide the checks for this account. During the past year the average balance in this account was \$140,000.
2. Thirteen (13) two-part deposit books and two (2) self-inking endorsement stamps will be required for this account.

C. Imprest Accounts:

1. The City requires four (4) interest bearing imprest checking accounts.
 - a. Payroll Account – Biweekly, the City will transfer the total amount of the net biweekly payroll from the General Operating Account into this account. Currently, the City transfers approximately \$1,200,000 biweekly. Payments out of the account are made via direct deposit, (ACH) transfers and payroll checks. The City processes about 1,200 ACH transfers and 125 payroll checks biweekly. This account can only be used for the disbursement of employee direct deposits and payroll checks.
 - b. Medical Account – Weekly, the City will transfer an amount from the General Operating Account to the Medical Account equal to the net medical liability payments made from this account. These checks will be processed by a third party administrator for eligible medical and drug payments. The average balance in this account during the past year was \$250,000.
 - c. Flexible Spending (Section 125) Account - Transfers will be made from the General Operating Account as needed to fund payments made by a third party administrator. The average of this account during the past year was \$52,000.

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- d. Worker's Compensation Account - Transfers will be made from the General Operating Account as needed to fund payments made by a third party administrator. The average of this account during the past year was \$95,000.

D. Other Accounts

- 1. Internet Account for Credit Card Deposits - The City requires a separate account for some internet based credit card deposits to simplify account reconciliation. This should be a zero balance account that will find the main operating account.

REQUIRED SERVICES FOR EACH ACCOUNT

A. Statements

The City requires monthly statements on all of its accounts. The cut-off for these statements will be the last day of each month. These statements shall be delivered by bank courier not later than the 3rd working day after the end of the month.

B. Wire Transfer of Funds

The City wire transfers funds to other banks. This service will be provided on the request of the City Treasurer (using both telephonic, email, and/or written requests). Online email communication is preferred - all other methods exist for backup. In order to maintain audit controls, the bank will be provided with written instructions to follow when wire transfers are requested by telephone.

Any money received directly at the financial institution by wire transfer of US Treasury, State of Kansas funds, or other financial institutions will be reported to the City's Accounting Division immediately by telephone or email. The financial institution will then provide the City with a deposit slip or credit advice of the transaction.

C. Collateral

Collateral for these above listed accounts will be held on a permanent basis by an independent third-part financial institution.

Acceptable securities will be provided to meet the requirements of K.S.A. 12-1675 and K.S.A. 9-1402, as amended. A report of the current market value of these securities shall be provided to the City's Accounting Division by the 10th of each month. Sufficient pledging, valued at market, shall be provided to ensure that City deposits are 105 percent secured at all times. The amount of pledging requirements include the balance in each of the City's accounts and all certificates of deposits with the financial institution. The total collateral required, not including investment, needs to be adequately greater than the average balance noted in section "Required Services A, B & C" to allow the receipt of large deposits including property taxes, state payments, sales tax and maturing investments. The Investment and Cash Management Policy (Attachment A) provides additional detail.

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D. Deposit of Funds

Deposits made prior to 3:00 p.m. shall earn interest on the day of deposit. Direct deposit of funds from the federal or state governments or other banks shall be credited if received prior to 4:00 p.m. The credit memo shall indicate the source of funds. These deposits shall also be available for investment the same day they are received by the bank. If your proposal does not follow the above criteria, please be specific on your reserve requirements and/or enclose a specific timetable for clearings and availability of uncollected funds.

E. Bank Charges

Charges for services and supplies provided by the bank will be **invoiced** and **not** directly deducted from the City's bank accounts.

F. Investments

The City reserves the right to invest in time deposits, demand accounts (money market), US Treasury bills or notes, government agencies or repurchase agreements through other financial institutions if such action is to the benefit of the City.

G. Interest Income

All accounts will be interest bearing accounts. These interest rates shall be based on the benchmark rate of monthly average of the 91 day week treasury bill rate not to go below the banks's normal savings account rate. Financial institutions are required to state in the proposal the benchmark's effective interest rate—specifically, the rate given to the City based on the number of basis points above or below the monthly average of the day treasury bill rate.

H. FDIC Insurance

Any costs of FDIC insurance shall be included in the overall costs of the contract. The City shall not be charged separately on their bank statements or billed for FDIC insurance, but these costs can be recovered by the bank in the net interest rate offered to the City under Section G above.

I. Monthly Electronic Data

The bank shall provide a monthly electronic data set for each of the City's accounts containing information of all checks cleared by the bank. These data sets shall be furnished for dates from the first day of the month through the last day of each month, and include information of "Check #'s Paid," "Date Cleared" and Amount". The cancelled checks or check images shall be returned monthly in numerical sequence by check number on or before the fifth working day of the following month.

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The bank shall also provide a CD-ROM with images of all the items in the deposits and all of the checks written by the City for each month. These images will show both the front and back of the checks. This CD-ROM will be sent on or before the tenth working day of the following month.

J. Internet Banking

The City must have the ability to access its account information and to transact all normal banking functions via the internet. The bank shall have security controls in place to prevent access to City information by unauthorized individuals. The controls shall also allow for the City to use an approval process on transactions.

K. Positive Pay

The bank should have the ability to receive and use check related information in the clearing of City checks to allow for better controls and security on checks written by the City.

At the end of each month, the account reconciliation shall consist of outstanding items. The City requires information be provided electronically to reconcile its accounts. The electronic file shall be in Text file format (.txt), containing date, bank account number, check number and amount, for interfacing with the City's J D Edwards EnterpriseOne financial system. Information is expected to be received within three (3) business days of month-end. The City desires that the payee positive pay program be integrated with the bank teller operations to maximize control.

- L. The City requires an automated sweep product for the investment of end-of-day balances over any target balance level established based on the method of payment for services selected by the City. A sweep arrangement will be necessary for the Operating Account, the Medical Account, and the Workers Compensation Account. All excess balances will be deposited daily into the bank's sweep investment. Interest will be paid daily from the sweep arrangement. The City would consider the use of a managed sweep product where cash is kept outside the bank account until needed versus daily replacement of all cash swept the prior evening.

- M. Checks: The City will provide checks for each of the accounts.

N. Safekeeping Services:

The City may desire to purchase government securities through a recognized broker or other financial institution. The City may have the depository bank act as the City's custodian. Where collateral securities are pledged or where actual securities are purchased, the depository will control the securities via their own safekeeping (Trust) department and by delivery or book entry with the Federal Reserve Bank of Kansas City.

O. Access to Records:

The depository bank shall allow reasonable access to the Director of Resource Management or designee, the City's independent auditors, and federal auditors to examine records relating to the use of City funds.

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ADDITIONAL SERVICES

- A. Software allowing the City to manage its accounts via computer is required. The City requires computer access (Internet access) to its accounts, allowing the initiation of wire transfers, stop payments, and account inquiries. Specify hardware and software requirements, as well as functionality and costs.
- B. The City may request additional services not specifically mentioned in this RFP with a mutually agreeable fee to be charged by the bank. If the bank wishes to offer the City additional services not otherwise specified in this request for RFP, a description of these services, including unit costs, if any, should be included in the proposal.

PROPOSAL INFORMATION

The following information must be addressed within your proposal:

- 1. Is the financial institution a member of the Federal Reserve System and insured by the FDIC?
- 2. State how and where the bank/local branch is chartered (federal or state). If chartered by a state, identify the state the bank/local branch is chartered under. Provide list of locations available to the City.
- 3. Provide credit information from a nationally recognized rating organization such as Moody's, Standard & Poor's, etc. Discuss current Highline rating published effective June 30, 2009, and provide pertinent information regarding financial strength and stability expected during the term of this proposed banking services contract. Eligible institutions must have a current minimum Highline rating of 20 in all three categories and shall have maintained this rating for the last 2 quarters.
- 4. Describe in detail your online communication capabilities for balance inquiry including immediate and delayed clearing balances, item image retrieval, wire and ACH transfer initiation, stale dated check management, stop pay management, exception item review using positive pay, safekeeping data and investment performance reporting, and any other online information that will be available to the City. In addition, please describe the training available and appropriate controls regarding the City's accounts using online access. Finally, indicate the hardware/system requirements necessary to run the access program.
- 5. What is the cut-off time for the City to submit ACH wire transfer information and have it processed on the same day?
- 6. What is the collected funds availability schedule for the City's deposits? These deposits include checks, credit cards, money orders, cash, ACH credits and wires from local, regional, and out of state banks. The City requires updates as the schedule changes. Also, describe the latest daily deposit time for fastest availability on deposits including deposits made using file transmissions of check images.
- 7. The City requires the use of a positive pay account reconciliation and fraud prevention program on all disbursement account. As check are disbursed, the City, or a third-party service vendor, will provide the bank with a computer readable record file detailing the check number, date, dollar amount of each item, and name of payee. Only those items reported by the City will be allowed to clear the account. The bank shall provide the City with a daily list of exception items for payment approval or rejection. The City requires that the exception items not be paid as the automatic default. Describe your system and how stale checks will be handled, and include information regarding the requirements for the electronic file, such as format, etc.

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8. What is the deadline to receive direct deposit payroll (ACH) information to insure that it will be credited to the employees account first thing Friday morning?
9. Is the financial institution audited by an independent CPA firm? Please provide a copy of the most recent audit report.
10. If an interest bearing account is proposed for the automatic sweep product for the investment of end-of-day balances, please provide information on any FDIC charges on the bank account and describe the current FDIC charges. The proposal should also include all options available to public entities under Kansas statutes considering the City has expanded investment authority. Include your bank's earnings history for July 1, 2007 through June 30, 2009, earnings benchmark and all costs. Indicate which sweep investments option the bank recommends for the City and why it should be selected.
11. Please submit your bank's most recent Call Report.
12. Provide your bank's "Capital Ratio" and "Risk Based Capital Ratio" for the past three (3) years.
13. Provide a summary of any significant changes in management during the past five years. Include any recent or anticipated mergers or acquisitions.
14. Provide resumes or brief summaries of qualifications of key personnel to be assigned to the account.
15. Please provide a description of previous and current customers with accounts which are similar in nature to those proposed herein, with particular attention given to public agency accounts. List references and phone numbers for each.
16. Indicate whether your institution will provide the following services and at which location these services will be handled:
 - Daily deposit of City funds
 - Processing of federal withholding of tax deposits
 - Coin counting services as needed
 - Receiving of customer utility payments
 - Certification of availability of funds for bond and interest payments to the State Treasurer's Office as requested by the City.
17. Provide interest rate history on your institution for both interest bearing checking accounts and public fund money market accounts for the last two years. How often are these rates reviewed for changes?
18. Completion of the charges for banking services listed on Attachment B.
19. The City is also requesting an alternative option be submitted which indicates a compensating balance kept by the institution in a non-interest bearing account in lieu of the monthly charges for services. At the time of acceptance of the proposal, the City will have the option of which alternative would best serve the needs of the City.
20. Will the fees quoted in the proposal remain firm during the entire contract period? If no, for what period of time will your fees remain firm? What is the criteria and frequency for adjusting your fees?
21. State that the proposal submitted shall be binding upon the financial institution for sixty (60) days from the submission date and that the individual signing proposal is authorized to make such commitment.

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PROPOSED SCHEDULE:

The following schedule of events is indicated for planning purposes but may be varied at the City's convenience as required. Every effort will be made to adhere to the schedule.

<u>Event</u>	<u>Deadline</u>
Issue Request for Proposals	September 30, 2009
Receive proposals	October 28, 2009
Selection of finalists*	November 10, 2009
Interviews (if necessary)*	Week of November 16, 2009
Recommendation to Council*	December 1, 2009

*tentative

SUBMISSION INFORMATION

1. The Purchasing Division must receive one (1) original signed proposal by **2:00 PM, October 28, 2009**. Any proposal that is not received by the Purchasing office before the deadline date and time will not be considered. The City reserves the right to accept or reject any and all proposals, to waive technicalities or irregularities involving any proposal. All proposals become the property of the City of Olathe upon submission and will not be returned to the respondent.

**Purchasing Division
Olathe City Hall
100 E. Santa Fe
Olathe KS 66061
or
P.O. Box 768
Olathe, KS 66051-0768**

3. All proposals must be signed by a duly authorized individual, and the affidavit completed, signed and notarized (Page 2).
4. Oral presentation may be required prior to selection; notification will be given if such meetings are required.
5. All proposals must be submitted in a sealed envelope or box on or before the time specified herein. No proposals shall be opened until after the time specified for proposal submission. No proposal will be opened if submitted after the time specified herein for submittal of proposals. No public proposal opening will be held. All proposals will remain confidential until a selection is made or until all proposals are rejected.

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In the event the City of Olathe receives a container that is not identifiable as a proposal, an authorized person within the City may open the container to determine the contents. If the contents are determined to be a proposal, the container will be resealed and the solicitation number, opening date, and time will be noted on the outside of the container. The container will remain sealed and on file with the Purchasing Division until the official time for opening.

FORMAT FOR SUBMISSION OF PROPOSAL

In order to simplify the review process and obtain the maximum degree of comparison, proposals must be organized in a standard format. The following outline indicates organization which will provide information necessary for the processing of the proposal.

1. Title Page: Indicate the name of the institution, local address, telephone number, name of the contact person, and the date.
2. Table of Contents: Include a clear identification of the material by section and page number.
3. Letter of Transmittal: Limit the letter of transmittal to one or two pages. Briefly state the institution's understanding of the services to be performed and state the names of the persons who will be authorized to make representations for the institution. Also, state the person signing the letter is authorized to bind the institution.
4. Profile and Qualifications of the Institution: Include responses to all required and additional services as described with this Request for Proposal. State the location of the office (or offices) from which the various services are to be performed, identify the personnel who will work on the City's activity, and give the names and telephone numbers of client references for which similar services are provided.
5. Fees: - Complete Attachment B for calculating fees. Two (2) fee proposals should be submitted. The first should contain the estimated annual fee based on the projected activity shown. The second would be the non-interest bearing, compensating balance to be kept in the institution in lieu of monthly fees. The City has the option of choosing the method most advantageous to them.
6. Additional Section: - Since the preceding sections are to contain only data that is specifically required, any additional or supplemental information considered essential to the proposal shall be included in this section. If there is no additional data or information to present, state, "There is no additional data to be presented."

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EVALUATION CRITERIA

The evaluation team will review the proposals received and rate each in accordance with the following criteria:

1. Ability to provide required services as outlined herein (25%)
2. Current financial position of the financial institution (25%)
3. Aggregate banking service cost, per identified activity (15%)
4. Experience and expertise of key contact personnel for each division of the institution with whom the City may consult on various financial matters (15%)
5. Content and completeness of proposal (10%)
6. Additional services provided or available (10%)

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 agreement. The bank shall provide all necessary safeguards and protections as set forth by the United States Department of Labor, Occupational Safety, and Health Administration.

INSURANCE

The successful respondent shall be required to maintain and carry in force, for the duration of the contract, insurance coverage of the types and minimum liability limits as follows:

1. Banker's Professional Liability - \$2,000,000 per occurrence and as an annual aggregate.
2. Banker's Blanket Bond – Coverage must be provided on Banker's Blanket Bond Standard Form 24 with a minimum limit of \$3,000,000 per loss under Insuring Agreements A-Fidelity, B-On Premises, and C-In Transit. A minimum limit of \$2,000,000 shall be provided under Insuring Agreement E-Securities. Computer Crime coverage, in an amount not less than \$2,000,000, is to be provided either by endorsement to the Banker's Blanket Bond or by separate bond. If courier/messenger service is to be utilized for pickup and delivery of receipts, this service must also be covered under the Banker's Blanket Bond.

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3. Valuable Paper Coverage – It shall be the responsibility of the successful institution to carry open-peril coverage to replace or reproduce physical securities which are held as collateral.
4. Workers' Compensation and Employer's Liability
 - a. Workers' Compensation statutory (includes all states endorsement)
 - b. Employer's Liability - \$100,000 each occurrence.

A statement to the effect that the institution meets the insurance requirements must be contained in the response to the proposal. A certificate of insurance, naming the City as additional insured, shall be provided to the City by the successful institution within fifteen (15) days after notification of award.

GOVERNING LAW

All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Kansas.

NEGOTIATION

The City reserves the right to negotiate any and all elements of this proposal.

TERMINATION

Subject to the provisions below, any contract derived from this RFP may be terminated by either party upon sixty (60) day advance, written notice to the other party. If any work in progress has not been completed as of the date of termination, then said contract may be extended upon written approval of the City until said work or services are completed and accepted.

1. Termination for convenience: - In the event that the contract is terminated or canceled upon the request of one of the parties for their convenience, the other party shall be entitled to reasonable termination costs for expenditures made in conjunction with this contract.
2. Termination for cause: - Termination by the City for cause, default or negligence on the part of the respondent need not require the sixty (60) day advance, written notice. The respondent bank would be responsible for reasonable termination costs for expenditures made in conjunction with this contract.

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INDEMNITY

For purposes of indemnification requirements, the following terms shall have the meanings as follows:

1. The "BANK" means and includes BANK, all of its employees, agents and assignees and all of its affiliates and subsidiaries, its subcontractors and/or assignees and their respective servants, agents, and employees, and
2. "Loss" means any and all loss, damage, liability or expense of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including attorney's fees and cost of defense).

For purposes of this RFP, BANK hereby agrees to indemnify, defend and hold harmless the City, its employees and agents, from any and all "loss" where "loss" is caused or incurred or alleged to be caused or incurred in whole or in part as a result of the negligence or other actionable fault of the BANK. It is agreed as a specific element of consideration of this agreement that this indemnity shall apply notwithstanding the joint, concurring or contributory or comparative fault or negligence of the City or any third party and further notwithstanding any theory of law including, but not limited to, a characterization of the City's or any third party's joint, concurring or contributory or comparative fault or negligence as either passive or active in nature, provided, however, that the BANK's obligation hereunder shall not include amounts attributable to the fault or negligence of the City. Nothing in this section shall be deemed to impose liability on the BANK to indemnify the City for loss when the City's negligence or other actionable fault is the sole cause of loss.

INQUIRIES

All inquiries concerning this RFP should be directed to Judy Meisel, Purchasing Manager, at (913) 971-8720 or jmeisel@olatheks.org. Inquiries received will be responded by means of addendum to this RFP and distributed to all know interested institutions.

CITY OF OLATHE, KANSAS PURCHASING DIVISION

REQUEST FOR PROPOSALS *INSTRUCTIONS TO VENDORS AND GENERAL CONDITIONS*

(Revised 9-09)

1. **SCOPE:** The instructions to vendors and general conditions apply to transactions for material, equipment, supplies or services with an estimated single or combined cost over \$24,999. These conditions shall be in force unless otherwise modified by the City in this document.
2. **DEFINITIONS (AS USED HEREIN):**
 - a. The term "Request For Proposals" means a solicitation of proposals. The acronym "RFP" means Request For Proposals.
 - b. The term "vendor", "supplier", or "respondent" means the person or organization responding to the Request for Proposals.
 - c. The term "contractor" means a person or organization who is the successful vendor and who enters into a contract with the City.
 - d. The term "change order" means a written order from the Purchasing Manager directing the contractor to make changes to a contract.
 - e. The term "City" means the City of Olathe, Kansas.
 - f. The term "City Council" means the governing body of the City of Olathe.
3. **SUBMISSION AND RECEIPT OF PROPOSALS:** Proposals must be received prior to the specified time of closing as designated in the RFP. All references to time shall be Olathe, Kansas time.

Facsimile/e-mail proposals will not be accepted. Late proposals will be rejected.

All proposals will be held in confidence until a contract recommendation has been made or all proposals are rejected. All materials submitted in response to this RFP will become the property of the City and may be returned only at the City's option and at the vendor's expense.

Proposals shall be enclosed in a sealed package. The package shall show the hour and date specified for receipt of proposals, the proposal number, and the name and address of the respondent.

Samples of items, when required, must be submitted within the time specified at no expense to the City. If not destroyed by testing, samples will be returned at the respondent's expense unless otherwise specified in the RFP.

Failure to follow these procedures may be cause for rejection of proposal.

Proposals having any erasures or corrections must be initialed by the respondent. All responses shall be typewritten or filled in and must be legible or your proposal may be rejected.

4. **RFP DOCUMENT MISTAKES:** (Kansas statues K.S.A. 75-6901 through 75-6906). The respondent shall not be allowed to modify or correct mistakes in the RFP document after the closing of the proposal. Failure to complete the entire proposal may result in declaring the proposal as non-responsive and the proposal may be rejected.

A proposal that is in the possession of the Purchasing Division may not be altered. E-mail, fax, telegram, telephone, or verbal alterations of a proposal will not be accepted. Respondent may submit an alternative sealed proposal bearing the signature of person authorized for offering a proposal, provided it is received prior to the time and date of closing.

A proposal that is in the possession of the Purchasing Division may be withdrawn by the respondent up to the time of the RFP closing. Proposals may not be withdrawn after the RFP closing time and date if a proposal mistake is based upon an error in judgment. If a nonjudgmental mistake, such as a math error, is suspected by the City or the respondent, the respondent shall request within two (2) business days of the RFP closing for the City to consider verification of the mistake. Once a proposal has been verified, it shall be considered submitted as verified.

5. **ACCEPTANCE OF OFFER:** The signed proposal shall be considered an offer on the part of the vendor; such offer shall be deemed accepted upon issuance by the City of a Purchase Order, Price Agreement, or other contractual document.
6. **REJECTION OF PROPOSALS:** The City of Olathe reserves the right, after opening the proposals, to reject any or all proposals, or to accept the proposal(s) that in its sole judgment may be in the best interest of the City.
7. **FIRM PRICES:** The vendor warrants that prices, terms and conditions quoted in their proposal will be firm for acceptance for a period of not less than ninety (90) days from the closing date unless otherwise specified in the RFP. Such prices will remain firm for the period of performance of resulting purchase orders or contracts which are to be performed over a period of time.
8. **PRE-CONTRACTUAL EXPENSES:** The City shall not, in any event, be liable for any pre-contractual expenses incurred in the preparation of a vendor's proposal, prior to execution of the contract by both parties. Pre-contractual expenses are defined as expenses incurred by the vendor in:
 - a) preparing and submitting proposal(s) to the City;
 - b) negotiations with the City on any matter related to the contract terms, professional fees, and schedule;
 - c) any other expenses incurred by the respondent prior to reaching agreement of the contract with the City.
9. **F.O.B. OLATHE, KANSAS:** Unless otherwise specified in the RFP, all prices quoted by the vendor must be F.O.B. Olathe, Kansas with all delivery, handling, surcharges, and other charges included in the proposed price. Failure to do so may cause rejection of proposal. The City will not pay additional surcharges.
10. **DISCOUNTS:** Cash discounts will be considered in determining the award. Unless otherwise specified in the RFP, discounts offering 10 days or more will be taken by the City's Accounting Division with payment being made on the nearest pay period subsequent to receipt, inspection, and acceptance of articles, and receipt of correct invoice(s).
11. **VARIATIONS OF SPECIFICATIONS:** For purposes of evaluation, vendor must indicate any variances from stated specifications or requirements, terms or conditions, no matter how slight. If variations are not stated in the proposal, it will be assumed that the product or service fully complies with the City's specifications.

In the event that satisfactory proposals are not received, the City reserves the right to consider alternate proposals containing deviations from stated specifications.

12. **QUALITY:** Unless otherwise specified in the RFP, all materials used in the manufacture or construction of supplies, materials or equipment covered by this RFP shall be new, of the latest make or model, the best quality, and highest grade workmanship currently available.
13. **ACCEPTANCE OF MATERIAL:** The material delivered under this proposal shall remain the property of the seller until a physical inspection and actual usage of this material and/or service is made, and thereafter is accepted to the satisfaction of the City. It must comply with the terms herein, and fully comply with the specifications. In the event the material and/or services supplied to the City is found to be defective or does not conform to specifications, the City reserves the right to cancel the order upon written notice to the contractor and return product to contractor at the contractor's expense.
14. **DELIVERY:** Vendors shall indicate the number of days required to make delivery and provide installation or to complete service after receipt of a purchase order or contract. Delivery time may be considered in making an award.
15. **COPYRIGHT OR PATENT RIGHTS:** Vendor warrants that there has been no violation of copyrights or patent rights in manufacturing, producing or selling the goods shipped or ordered as a result of the proposal and vendor agrees to hold the City harmless from any and all liability, loss or expense occasioned by any such violation.
16. **CONFLICT OF INTEREST:** The contractor, by signature on the affidavit form and by acceptance of any purchase order or contract resulting from this proposal, certifies that to the best of their knowledge or belief, no elected or appointed official of the City is financially interested, directly or indirectly, in the purchase of the goods or service specified on this order.

17. **TAXES:** The City of Olathe is exempt from any taxes imposed by the State and Federal Government. Exemption certificates will be provided upon request. Kansas Tax Exempt No. KS6XLFHVA1, Exp. 11/01/2014.
18. **PERSONNEL PRACTICES:** Vendors must comply with K.S.A... 44-1030 et. seq., mandatory provisions of the Kansas Acts Against Discrimination as applied to state and local government contracts, which: (1) precludes discrimination against any person in the performance of work under this contract because of race, religion, color, sex, national origin or ancestry; (2) require solicitations or advertisements for employees include the phrase "equal opportunity employer"; and (3) allows the City to terminate their contract for default if provisions of the act are violated.

Chapter 2.44 of the Olathe Municipal Code also prohibits discrimination against individuals in the performance of this contract as a matter of concern to the City, since such discrimination threatens not only the rights and privileges of the inhabitants of the City, but menaces the institutions and foundations of a free democratic state. The affirmative action program is designed to insure a good faith effort will be made to employ applicants and to treat employees during employment equally without regard to race, color, creed or religion, physical handicap, national origin or sex.

All vendors who are awarded a Class I Contract (\$10,000 or more in aggregate) are required to complete a Questionnaire on Personnel Practices for the City's Office of Fair Housing and Equal Opportunity, 201 North Cherry, Olathe KS 66061, 913-971-6490. Form must be completed and approved by the FHEO before contract for goods or services is in effect. Approved vendors will be issued a certification number by FHEO. Certification must be renewed annually.

The City of Olathe actively supports the Immigration & Nationality Act (INA) which includes provisions addressing employment eligibility, employment verification, and nondiscrimination. Under the INA, employers may hire only persons who may legally work in the United States (i.e. citizens and nationals of the U.S.) and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9). The contractor shall establish appropriate procedures and controls so no services or products in response to this IFB will be performed or manufactured by any worker who is not legally eligible to perform such services or employment.

19. **TERMINATION:** Subject to the following provisions, any contract resulting from the RFP may be terminated by either party upon thirty (30) days advance written notice to the other party; but if any work or service is in progress but not completed as of the date of termination, then said contract may be extended upon written approval of the City until said work or services are completed and accepted.
1. Termination for Convenience
In the event that the contract is terminated or cancelled upon request and for the convenience of the City, without the required thirty (30) days advance written notice, then the City shall negotiate reasonable termination costs, if applicable.
 2. Termination for Cause
Termination by the City for cause, default, or negligence on the part of the contractor shall be excluded from the foregoing provision; termination costs, if any, shall not apply. The thirty (30) days advance notice requirement is waived in the event of termination for cause.
 3. Termination Due to Unavailability of Funds
When funds are not appropriated or otherwise made available to support continuation of performance, the contract shall be cancelled at the discretion of the City.
20. **W-9 REQUIREMENT:** The City of Olathe requires a Form W-9 (Request for Taxpayer Identification Number and Certification), updated annually, from all contractors that do business with the City of Olathe. The Form W-9 verifies the Tax Identification Number of the contractor in order that the City can correctly report to the IRS all funds paid to the contractor. A W-9 Form will be sent to the successful contractor along with the purchase order or other purchasing contract that results from this solicitation. Form W-9 can also be found at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>. No payment shall be made to contractor without a current W-9 form being received by the City of Olathe.
21. **WARRANTY:** Supplies or services furnished as a result of this RFP shall be covered by the most favorable commercial warranties, expressed or implied, that the contractor and/or manufacturer gives to any customer. The rights and remedies provided herein are in addition to and do not limit any rights afforded to the City by any other clause of this bid. The City reserves the right to request from contractors a separate manufacturer certification of all statements made in the proposal.

22. **PURCHASING CARDS:** The City of Olathe has implemented a procurement card program to streamline its purchasing process and to expedite payments to its suppliers. We encourage your acceptance of the City's VISA P-card. Payments made to the successful respondent of this solicitation process will, if at all possible, be by use of a VISA Purchasing Card.
23. **PAYMENT:** Payment for materials or services received under this contract shall be upon completion of delivery for each purchase order and submission of invoice to the Accounting Division, PO Box 768, Olathe KS 66051-0768. Normal pay periods for the City are every other Friday.
24. **GOVERNING LAW:** Any agreement resulting from this solicitation shall be interpreted under and governed by the laws of the state of Kansas.
26. **ESCALATION/DE-ESCALATION CLAUSE:** In the event prevailing market conditions warrant an adjustment in contract pricing, the following escalation/de-escalation clause shall be the only clause acceptable to the City:
 1. Contractor shall give written notice to the Purchasing Manager of any proposed changes from contract prices not less than fifteen (15) calendar days prior to the effective date of price changes.
 2. Such notice must be accompanied by a copy of the supplier's notification to the contractor of a justifiable price change.
 3. No price escalation will be authorized in excess of the amount of the increase indicated on the supplier's notice.
 4. The approved price change shall be honored for all orders received by the contractor after the effective date of such price change.
 5. Approved price changes are not applicable to orders already issued and in process at time of price change.
 6. The City reserves the right to audit and/or examine any pertinent books, documents, papers, records, or invoice relating directly to price increase after reasonable notice and during normal business hours.
 7. The Purchasing Manager retains the right to determine whether or not such proposed price changes are in the best interests of the City.
 8. If any proposed increase is found unacceptable, the Purchasing Manager reserves the right to cancel the contract upon fifteen (15) calendar days written notice.
 9. Contractors must tie any price change clause to an industry-wide or otherwise nationally recognized index or some other form of verifiable document. Contractor will put the Purchasing Manager on the mailing lists for such publications so the Purchasing Manager can monitor said changes. Such membership will be at no cost to the City.
 10. If parties to the contract can not agree on renewal terms, it is understood that the contract will be cancelled and a new contract will be solicited.
25. **ADDITIONAL INFORMATION:** Additional information may be obtained from the Purchasing Office at (913) 971-8714.

**ATTACHMENT B
CITY OF OLATHE BANKING SERVICES
CONSOLIDATED FEE SUBMITTAL FORM**

Bank Submitting _____
 Official Submitting Proposal _____
 Title _____
 Signature of Bank Official _____
 Phone Number _____

<u>Bank Depository Services</u>	<u>Estimated Annual Volume</u>	<u>Charge Per Item</u>	<u>Annual Charges</u>
GENERAL OPERATING ACCOUNT			
Checks Deposited	300,000	_____	_____
Items Paid (Checks Clearing	10,000	_____	_____
Cleared Checks sorted by Number	10,000	_____	_____
Deposits to Account	5,000	_____	_____
ACH Utility Payments Received	55,000	_____	_____
Returned Checks (Presented Twice)	500	_____	_____
Stop Payments	20	_____	_____
Wire Transfer In	75	_____	_____
Wire Transfer Out	50	_____	_____
Transfer to Other City Accounts	165	_____	_____
Monthly Statements	12	_____	_____
Courier Service	12	_____	_____
COURT BOND ACCOUNT			
Items Paid (Checks Cleared)	900	_____	_____
Cleared Checks sorted by Number	900	_____	_____
Checks Deposited	550	_____	_____
Monthly Statements	12	_____	_____
NET PAYROLL ACCOUNT			
Items Paid (Checks Cleared)	4,000	_____	_____
Cleared Checks sorted by Number	4,000	_____	_____
Direct Deposit Payments (ACH)	30,000	_____	_____
Monthly Statements	12	_____	_____
Transfers from General Operating	26	_____	_____
MEDICAL IMPREST ACCOUNT			
Items Paid (Checks Cleared)	12,500	_____	_____
Cleared Checks sorted by Number	12,500	_____	_____
Monthly Statements	12	_____	_____
Transfers from General Operating	52	_____	_____
LIABILITY TRUST IMPREST ACCOUNT			
Items Paid (Checks Cleared)	0	_____	_____
Monthly Statements	0	_____	_____
Transfers from General Operating	0	_____	_____

ATTACHMENT A (CONTINUED)

FLEXIBLE SPENDING (SECTION 125) ACCOUNT

Items Paid (Checks Cleared)	500	_____	_____
Monthly Statements	12	_____	_____
Transfers from General Operating	24	_____	_____

WORKERS COMPENSATION ACCOUNT

Items Paid (Checks Cleared)	1,200	_____	_____
Monthly Statements	12	_____	_____
Transfers from General Operating	24	_____	_____

ONE TIME EXPENSES

Locked Bags (25 Permanent – 45 Additional in Summer)		_____	_____
Endorsement Stamps – Self Inking	20	_____	_____
Deposit Slips (8,500 during 4 year period)		_____	_____

TOTAL ESTIMATED ANNUAL COSTS

The City's checking accounts and the money market account will earn interest at a rate which is the greater of the bank's normal offering rate or a rate based on the benchmark rate of the monthly average of the 91 day treasury bill rate. This rate will be modified by (plus) or (minus) _____ basis points.