



Desert Recreation District

Request for Proposal Banking Services RFP-16-10-001-AD

**Issue Date: October 28, 2016
Due Date: November 18, 2016**

GENERAL INFORMATION

The Desert Recreation District is seeking proposals from qualified public depositories, as defined by Section 53635.2 of the California Government Code, to provide a variety of banking services. The District intends to select a qualified financial institution to provide all of the banking services outlined in this Request for Proposal (RFP).

The District was formed in 1950 under authority of the California Resources Code Sections 5780 et seq., Desert Recreation District, formerly known as Coachella Valley Recreation and Park District, has served Coachella Valley for 66 years. Desert Recreation District provides recreational opportunities and services for the residents of the Coachella Valley, located in Eastern Riverside County, California. These services include organizing recreational programs, maintaining parks and recreational facilities and managing capital improvement projects. The District's population has swelled to over 300,000 permanent residents residing in fourteen unique communities spread over 1800 square miles.

The District is governed by a Board of Directors elected by District residents. Directors serve staggered four year terms with elections every two years. The Board is responsible for the long term direction of the District, establishing policies and appointing the General Manager and officers of the Board. The Board meets regularly on the second Wednesday of each month. The District is organized into six departments in which provide a full range of services. The District 2016-2017 adopted General Fund Appropriations is \$10,371,336.

It is the intent of Desert Recreation District to establish a three-year contract, with the option to renew annually for an additional two years.

Purpose

Currently, the District's general banking services are provided by Pacific Western Bank while the District's safekeeping services are provided by "LAIF" Local Agency Investment Fund. Given the ongoing changes occurring within the banking industry and evolving technologies, the District has determined that a review of services offered is appropriate at this time.

The District is soliciting proposals from financial institutions that can provide a complete range of banking and financial services for its day to day operations. The District's objective is to evaluate the current market environment and establish a contract with one of the financially secure institution that best meet the needs of the District and offer the highest quality of service at the lowest overall cost. The District wishes to create efficiencies, make improvements, and take advantage of new technologies where possible.

PROPOSAL PROCESS

1. Schedule

The anticipated schedule for the proposal process is outlined below:

Issuance of RFP	October 28, 2016
Proposal Submission	November 18, 2016, 5:00 p.m.
Proposal Review Completed	December 2, 2016
Notification to Bidders	December 9, 2016
Board of Directors Award of Bid	January 11, 2017
Implementation	February 1, 2017

2. Questions Related to the RFP

In order to avoid any potential confusion, and to minimize the burden on District staff, the District requires that all questions concerning this RFP must be directed to Sonya Galvez, Accounting Supervisor by email at sgalvez@drd.us.com.

3. Proposal Submission

Proposals must be delivered directly to the Finance Department no later than 5:00 p.m., November 18, 2016. Late submissions or proposals delivered via fax will not be accepted. A total of five (5) identical proposals must be delivered by U.S. Mail, in person or by express courier, and addressed as follows:

Desert Recreation District
Sonya Galvez, Accounting Supervisor
45-305 Oasis Street
Indio, Ca 92201

4. Proposal Review

A review committee will evaluate each proposal submitted. It is anticipated that the review process will be completed by December 2, 2016.

5. Notification to Bidders

Written notification will be sent to all bidding banks regarding the outcome of the review and contract award process by December 9, 2016

6. Board of Directors Award of Bid

It is anticipated that a recommendation for the award of contract to the successful bidder will be brought before the Board of Directors for approval on January 11, 2017.

7. Conversion Activities

The awarded bank will be required to coordinate with District Team all the activities necessary to ensure a smooth transition. Conversion activities will begin upon award by the Board of Directors, and will commence no later than February 1, 2016.

8. District Point of Contact

The point of contact regarding this RFP is Sonya Galvez, Accounting Supervisor. Individuals or firms interested in submitting a proposal are asked not to contact other members of the Desert Recreation District team or Board Members in connection with the RFP. Any questions concerning this RFP must be submitted in writing, in accordance with the above section, entitled "Questions."

The District will make every effort to administer the proposal process in accordance with the terms and dates discussed in this RFP. However, we reserve the right to modify the proposal process and dates as deemed necessary.

MINIMUM QUALIFICATIONS

To be considered for selection, proposing banks must have at least the following qualifications:

- Be a Federally or State of California chartered financial institution.
- Be a member of the Federal Reserve System and have access to all services.
- Be a member of the Federal Deposit Insurance Corporation (FDIC).
- Be a qualified State of California depository for public funds (includes being a LAIF depository), and meet all California government code requirements related to providing banking services to a public entity.
- Be a full service bank in good standing among other comparable banks and have a service location in or within 15 miles of the City of Indio.
- Be capable of providing the services sought by the District, to include a wide range of electronic payment and deposit services.
- Agree to assign experienced and dedicated staff committed and capable of servicing the District's accounts.
- Be in compliance and good standing with the Community Reinvestment Act, having a minimum "Satisfactory" CRA rating.
- Be sufficiently capitalized to accommodate the District's cash/investment management needs.

ACCOUNT DESCRIPTIONS

The District's general business currently the establishment of the following accounts:

1. Imprest/Payroll Account
2. Sweep Account
3. Payroll Account
4. Credit Card Account
5. Desert Recreation Foundation
6. Desert Recreation Foundation DBA The First Tee of Coachella Valley

The District's Imprest and Sweep Account is used for all deposits, investments, disbursements and money transfer activities.

The Desert Recreation District deposits over \$1,000,000 on a quarterly basis through our general operating account. On a monthly basis average of 400 checks issued for accounts payable.

Our Imprest/Payroll Account is used for the majority of deposit, disbursement and money transfer activities.

PROPOSAL PROCEDURES

To facilitate a fair and efficient review, all proposals must follow the format found in this RFP. Responses that do not follow this format will be scored accordingly and may be subject to rejection.

Responses should be direct and to the point, providing enough detail so that they can be understood, but without excessive marketing and banking jargon. Page limits noted below are guidelines, not mandatory.

Tabs must be utilized to separate the sections noted in this RFP. Proposals for requested services must be presented in the same order as they are noted in this RFP.

Any transaction or currency volumes noted in this RFP or on the Banking Services Pricing Form are approximations. The volumes should not be altered, but rather, the bank may note any desired adjustments on the form.

REQUIRED SERVICES AND FORMAT OF PROPOSAL

In order for the District to adequately compare and evaluate proposals objectively, all proposals must be submitted in accordance with this format:

Title Page/Cover: One printed page maximum. It should include the name of the proposing bank, its principal business address where the relationship will be managed, and the branch address that can meet the daily banking needs of the District and its employees.

Table of Contents: One printed page maximum.

Tab 1 – Transmittal Letter: The letter should describe the bank’s understanding of the services to be provided, address the bank’s willingness and commitment, if selected, to provide services to the District, and why the bank believes it is best qualified to perform those services. The letter should be addressed to Sonya Galvez, Accounting Supervisor, and must be signed by the individual(s) authorized to negotiate with the District and sign contracts on the bank’s behalf.

Tab 2 – Bank and Staff Profile: Please respond to the following sections:

Overview: Provide a corporate overview of the bank. How long has the bank been in existence? State whether it is a local, national or international entity, and whether it is a parent, a subsidiary of a corporation, or other ownership type. Identify the number of branches within the City of Indio and surrounding areas, and the location of the nearest full service branch that can assist with the District’s banking needs.

Experience: Describe the bank’s experience in providing services to the public sector and the bank’s customer service philosophy. Include a description of exclusive resources dedicated for the public sector, the number of governmental clients in California, types of services offered, and bank’s knowledge of and adherence to the California Government Code.

Relationship Management: Describe the team that will be assigned to service the relationship. Provide the name, title, experience and qualifications of each individual team member, and describe their roles and responsibilities as they relate to services to be provided to the Desert Recreation District. Provide an organizational chart for the personnel who will be assigned to manage the District’s services, indicating the roles of each individual and illustrating the relationships among those personnel.

Compliance and Exceptions: Include statement to confirm the bank’s compliance to the specific minimum qualifications, listing any exceptions to required services.

Tab 3 – References: Please provide five (5) references. References should include other California cities or local government entities of similar size and scope of service utilization

as the Desert Recreation District. Both long-standing and recent customers should be included among the bank's references. Include the following information for each reference:

- Contact name and title
- Name of customer (agency)
- Address
- Telephone number and fax number
- Number of years as a customer
- Services provided

Tab 4 – Community Reinvestment: The District is seeking to partner with a bank that is active in the growth and reinvestment in the its surrounding communities. Responding banks must provide the following information relative to community reinvestment:

- Describe the bank's participation in and/or sponsorship of community or charity events and/or programs, including the annual financial commitment to each program, in Indio and surrounding communities.

Tab 5 – Deposit Processing: The District currently makes deposits three times a week at its current bank's operations center by current bank's carrier. Deposits are comprised of checks, currency, and coin.

Describe how the bank would accommodate the District's deposit activity. Indicate deposit options, including remote deposit and cash vault centers. The bank should have a centralized cash vault operation that can accommodate the security and deposit volume associated with District accounts. Indicate the cut-off time for deposits at the operations center to ensure same-day ledger credit. Describe the bank's adjustment procedures for any deposit discrepancies. Provide information on the bank's procedures for processing change/currency orders placed by the District.

Tab 6 – Account Reconciliation & Positive Pay: The bank must provide monthly account reconciliation reports, bank statements, account analysis statements, confirmations and other report-related features. The bank must be able to provide various reports and statements in a computer media and also provide specialized reports, where feasible, as needed. Describe the account reconciliation and positive pay services offered by the bank whereby the District can view check images for daily exception items prior to making a pay or no/pay decision. Also describe the bank's check truncation services with CD ROM check storage and check image availability over the internet, including estimated savings if used. The District currently receives a bank statement with copies of all cancelled checks on a monthly basis.

Tab 7 –Transport Service: The District currently uses its current bank courier to provide carrier service. Describe the bank’s ability to meet the needs for courier transport services. Include pricing on the Banking Services Bid Form, and describe whether cost can be included in Analysis.

Tab 8 – Remote Deposit: The District does not currently use this service. Provide information on bank’s capability to provide scanners for remote deposit, including the cost of any equipment required.

Tab 9 – Electronic Money Transfers: Describe the bank’s incoming and outgoing electronic money transfer services. Include safeguards and security measures offered by your service.

Tab 10 – Online Information Reporting and Transaction Processing: The bank must have an electronic communication/file transmission system to allow the District to receive no later than 6:00 a.m. Pacific Standard Time, previous day balance and transaction information for each designated account. The District will use a personal computer and the internet to obtain a balance report each morning. The system must have stop payment capability. Describe the balance reporting system of the bank, listing its features, including user-friendliness. Please include examples of the current day and prior day reports that would be the best example of the system’s capabilities. Also, discuss the bank’s contingency plan for providing information in the event of unexpected bank system problems or natural disasters.

Tab 11 – Business Credit Card: The District currently has seven credit cards with an existing credit line amount of \$25,000. Describe the bank’s issuance of credit cards for purchase of supplies and travel expenses. Provide any information on rewards or incentive programs associated with a business credit card account. Note any annual or recurring fees associated with the maintenance of a District credit card account.

Tab 12 – Overnight Sweep Account Facility: Describe the overnight sweep account options offered by the bank. Include whether the funds meet the California Government Code for allowable investments, and any associated costs.

Tab 13 – Service Enhancements: Based upon information presented in this RFP and the bank’s knowledge of the public sector, describe any enhancements, technological or otherwise, that the District should consider to improve operational or cash management efficiencies.

Tab 14 – Conversion Plan: As part of any conversion the District requires a smooth and low-cost transition to a new bank.

Please describe the overall plan the bank would coordinate to ensure a smooth, error free transition from the current provider. Include the following:

- Detail all costs associated with the conversion of all of the proposed services.
- Describe any on-site training to District personnel for the operation and use of the bank's services and automated systems for all areas of service. How is training structured? Do you provide written user manuals for all services? Are user manuals online?
- Detail all costs and the responsible party. Discuss any conversion allowance. Include what supplies the bank will provide at no cost to the District, such as deposit slips, endorsement stamps, cash vault supplies and other items. The District currently purchases blank check stock for its laser-printed checks.
- Describe in detail how the bank will handle problem resolution, customer service, day-to-day contact, and ongoing maintenance after the conversion is completed.

Tab 15 – Bank Compensation: Currently in the Bank's monthly "account analysis", the Bank computes the total cost of services provided to Desert Recreation District. The Bank then offsets this amount by an earnings credit to arrive at a "net earnings" figure. The Bank will provide the District with a monthly account analysis statement on the total account relationship.

- Can the District compensate the bank for services with compensating balances, or a combination of the two at its own election?
- Is there a surcharge or a different price schedule if the District pays with hard-dollar fees?
- Can the District choose between paying for any analysis deficiencies by check, auto debit, or ACH credit?
- What is the bank's Earnings Credit Rate (ECR) based on, and how is it calculated each month?
- List the bank's actual ECR for each of the last six months.
- Using the ECR for the month of September 2016, please calculate the level of compensating balances (after float and reserves) needed to offset one dollar of bank services. (\$1 in services = \$_____ in compensating balances.)
- What is the bank's settlement period for account analysis and billing purposes (monthly, quarterly, semiannually, and annually)? How long can any excess balances be carried forward to apply to charges in future billing periods?
- For what period of time will the proposed pricing in the bank's proposal be fixed?
- Please detail which types of items and services can be applied against account analysis in addition to standard bank services, such as messenger service, armored carrier, check stock, supplies, custody services, etc.
- How does the bank charge for overdrafts? Does the bank charge for the use of

- uncollected funds? If so, how is the charge calculated?
- When calculating average balances, are positive and negative balances netted?
 - Are account analysis reports available on-line? If so, specify the cost.

EXHIBITS TO BE INCLUDED IN PROPOSAL

Tab 16 – Banking Services Bid Form: Complete the Bid Form with pricing information. You must use the specified bid form; no modifications to the Bid Form are to be made, including the estimated monthly volume.

Tab 17 – Financial Statements and Ratings: Provide the most recent audited financial statements or annual report for the bank. Also include the bank’s most current Standard & Poors and Moody’s credit ratings.

Tab 18 – Account Analysis: Provide a sample of the bank’s account analysis and a user guide for the account analysis.

Tab 19 – Interest Rate: Provide current interest rates on the various accounts such as, Money Market, CD, Checking and Savings.

EVALUATION OF PROPOSALS

The evaluation criteria will include the following:

- ***Proper Submission of Proposal*** – Receipt of proposal by due date as outlined in this RFP and presented according to our specifications. Late submissions or delivery via facsimile will not be considered.
- ***Comprehensiveness of Services Provided*** – Capability of the bank to meet the required service levels described in this RFP.
- ***Public Sector Experience and Resources*** – The bank’s experience in providing services to the public sector, particularly to local government entities similar in size and requiring equivalent services to the Desert Recreation District.
- ***Strength and Stability of Bank*** – The bank’s financial standing among its peers and the associated credit quality ratings, in addition to its ability to sufficiently protect and collateralize District deposits.
- ***Assigned Relationship Manager/Team*** – The credentials and experience of the person(s) assigned to the relationship.
- ***Cost of Services*** – The amount of proposed charges and ability to guarantee

pricing for contract period.

- **Service Enhancements** – The bank’s efforts to understand the District’s banking needs and goals, and the creativity the bank shows in introducing new technologies and efficiencies to improve our current practices and procedures.
- **Community Reinvestment** – Your bank’s role as a corporate citizen and related CRA contributions.
- **Location of Bank Offices** – The bank offices should be in close enough proximity to the District’s convenience.
- **Other Factors** – Any other factors that we believe would be in the District’s best interest to consider which were not previously described.

During the evaluation process, the District reserves the right to request additional information or clarifications from banks that have submitted proposals. At the discretion of the District, banks may be requested to participate in an interview process or make oral presentations to assist in the evaluation process. The District reserves the right to investigate the qualifications of proposing banks, as it deems appropriate.

FINAL COMMENTS

The District reserves the right to reject any and all proposals, cancel all or part of this RFP, and waive any minor irregularities and to request additional information from proposing banks. By requesting proposals, the District is in no way obligated to award a contract or pay expenses of the proposing banks in connection with the preparation or submission of a proposal. The District’s decision to award a contract will be based on many factors including but not limited to service, cost, financial strength, commitment to community reinvestment and innovation. No single factor, such as cost, will determine the final decision to award.

The District appreciates the efforts all the banks and their respective staffs have put forth in responding to this Banking Services Request for Proposals.

Attachment A - Banking Services Fee Schedule

Fees related to all services described in the proposal must be listed on this form – even if the service is not shown on the form. Also, include any on-time set-up charges, equipment costs, research fees, and all other fees that will be charged. Include any incentives or price breaks based on volume, timeliness of payment, or rebates.

Item	Bank's Description	Per Unit Cost	Est'd Monthly Unit Volume	Total Monthly Fee	Est'd Total Annual Cost
Account Services					
ACH Items			40		
Proof Correction			2		
Checks Paid			300		
Online Banking Stop Payment Fee			2		
Mailed Out Statement			6		
Armored Car Service			2		
Deposit Return Item			2		
Vendor Services			2500.00		
Vendor Handling Fee			1		
Deposit Fee			3,352,413.00		
Monthly Maintenance Charge			6		
Cash In					
Deposit Protection					
Incoming Wire			1		
Outgoing Wire			4		
Remote Deposit Capture Services					
RDC Monthly Maintenance					
Image Services					
Image Maintenance Fee					
CD ROM Image Statement					
Image Return					
Credit Card Services					
Please List					
One Time Costs					
Please List					