

A RESOLUTION REVIEWING THE BANKING SERVICES RFP
Resolution No. 51/2009-10

WHEREAS, the Carrboro Board of Aldermen have received a draft of the Banking Services RFP; and

NOW THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO:

Section 1. Accept the Banking Services RFP and authorize staff to move ahead with the bidding process.

Section 2. The Aldermen will be presented with a recommendation for banking services following the bid process in January 2010.

TO: Steve Stewart, Town Manager
FROM: L. Bingham Roenigk, Finance Director
DATE: November 17, 2009
RE: Banking Services – RFP

Given that the banking services contract with Bank of America is due to expire on February 28, 2010, staff has prepared a Request for Proposal (RFP) to solicit a multi-year contractual arrangement for banking services. The financial transactions affecting cash management are in the following areas: disbursements, revenue collections, and investments. Banking services are considered essential to developing a strong cash management program. In addition, securing a banking services contract has the added benefit of controlling price changes for a minimum of three years.

Current Banking Services

In 2003, when the Town pursued banking services, the primary goal was to minimize banking services costs and maximize interest earnings. At that time, banks were trying to discourage large customers from doing banking activities manually by charging less for on-line transactions. The Town added online services, positive pay where bank confirms checks are written by town, and continued payroll direct deposit services. In addition, staff pursued the ability of the Town to accept credit cards at the front desk here in Town Hall.

In pursuing core banking services, town staff is trying to maintain the current cost-effective level of automated banking services and take advantage of any new technology to conduct financial transactions with the ultimate goal of maximizing reserves available to invest. The winning bid must be a public depository and be able to conduct the volume of transactions managed by the Town in the current automated manner at minimum. As in the past, the RFP solicits information on initiatives related to the Community Reinvestment program (CRA) and CRA ratings.

To honor the Board's interest in pursuing local business, the RFP also requests information on the bank's local presence in the community – its community activities; participation in revolving loan programs; and what type of business support is available for both Carrboro and Orange County.

The banking services contract is one of several banking relationships maintained by the Town. As the Board is aware, the Town also seeks competitive bids on debt financing to ensure the best interest rate. This process is a cost-effective way of minimizing the town's annual debt service costs. This past year, town staff solicited all known banks in Orange County for bids and received bids from local banks not previously solicited.

Investment of idle cash represents another opportunity to work with banks to increase the Town's investment income and promote local banking relationships independent of the bank that may be selected for the core banking services. Staff is currently researching investment opportunities for the Town that meets state statutes and allow for the Town to have adequate cash flow for operational purposes. The ultimate goals, though of investments, is first safety, then liquidity, and then yield (income). At this time, staff is working on cash flow models to develop an understanding of when idle cash is available and how

much to invest at any given time. A model that has been used by other NC local governments is one in which the Town considers committing a certain dollar amount to be invested in certificates of deposits (CDs) in local community banks.

At this time, the banking services proposal is the first step of several that will include an outreach effort in Carrboro and Orange County as a whole. In submitting the service proposal, the Town identifies several specific banking services which are enumerated in detail below.

Online Banking Services

The on-line banking services requested by the Town aim to maximize the interest earned on idle cash. The following are some of the on-line banking services features we expect to continue:

- Concentration/zero balance accounts
- Sweep of cash balances into overnight investments
- Interest earnings on various accounts held by the Town
- Automated Clearing House (ACH) electronic collection and payment services for recurring payments such as payroll, etc.
- Wire transfers
- Recordkeeping and reporting: Check account balances and activity; account reconciliation, check imaging;
- Other online banking activities: place stop payments on checks; verify deposits, wire transfers and other credits
- Protection against fraud - Positive Pay will allow the town to review suspect items prior to their being paid by the bank and return any checks found to be fraudulent.

Since on-line banking gives accounting staff the ability to view our accounts daily, funds can easily be transferred immediately from a low interest bearing account to a higher interest bearing thus earning more interest and ensuring effective cash management. Debt payments or other recurring town payments, rather than being processed by check in advance of the due date, could be processed via electronic transfer at the time needed.

Staff, wanting to see what other technology is available, also requests information on new banking services and solicits suggestions based on Carrboro's banking activity that is identified in the RFP. Examples of new banking services include remote deposits and/or courier services; the ability of the Town to accept debit cards at the front desk in Town Hall; and any new fees that have appeared in banking such as a more recent fee being implemented by the banking industry for FDIC insurance. The Town may or may not decide to pursue these new technologies.

While we are not certain of the costs that will be bid to purchase banking services, we are comfortable that there will be sufficient funds within the Management Services budget.

**TOWN OF CARRBORO
North Carolina**

**Notice of
Request for Proposals
For Candidates to Provide
Banking and Related Services**

Proposals Due Date: December 18, 2009 by 2:00pm

REQUESTS FOR PROPOSALS TABLE OF CONTENTS

Page No.

General Section

Objective	3
Evaluation and Selection Process	3
Terms and Conditions of the Resulting Contract	4
Mandatory Minimum Requirements	5
Timeline	6
Mandatory Pre-Proposal Conference	7
Instructions	7

Request for Proposal Section

Core Banking Services	9 - 15
Required Financial Information	16
Information about the Jurisdiction	18
Merchant Card Services	19
Bank Exception List	20

Attachments Section

1 - Cost Form – Average & estimated volumes and template	22-24
2 - Direct Deposit file format	25
3 – Definitions	26-30

GENERAL SECTION

The Town of Carrboro requests qualified and interested banking institutions to submit proposals for providing banking services. Each proposal submitted should respond to each consideration set forth in this Request for Proposal (RFP). The Town reserves the right to contact respondents at its discretion for further clarification or questions concerning the bid proposals.

OBJECTIVE

The Town of Carrboro desires to select a reputable financial institution to manage its deposits and provide core banking services for its benefit and the benefit of all of the citizens it serves.

The RFP is intended to result in the selection of a financial institution that can provide the Town with the highest quality and most flexible services for the lowest cost. The Town desires that all services to be rendered by the bank be fairly compensated and that all of the Town bank balances be continuously and fully invested for the benefit of the Town. In order to minimize banking services' cost by type of service, propose an arrangement whereby all daily idle cash balances are invested on behalf of the Town and propose the most equitable method for establishing such investment rate.

EVALUATION AND SELECTION PROCESS

The selection process will be based on the responses to this RFP. Town of Carrboro staff will evaluate responses and will select the top three responsible proposals, subject to further negotiations.

Responses from each of the RFP sections will be evaluated separately, however, efficient and cost effective integration of any of these services will be considered. The following will be the basic criteria for evaluating all responses. Additional criteria are listed in each of the separate RFP sections.

The full cost of implementation will be considered which includes software installation, data transmission file setup and other initial one-time implementation fees. Currently core banking services are with Bank of America. Please include your estimate of transition costs as well.

Basic Selection Criteria:

1. Ensure all proposal requirements, conditions and instructions are met as set forth in this RFP for each service.
2. Ensure financial stability by reviewing financial statistics and other financial information provided by the institutions.
3. Review references, verifying exemplary service levels for similar banking and financial services and evaluate experience with governmental entities or private companies of similar complexity.

4. Ensure institution is equipped to best address the technological needs of the Town of Carrboro.
5. Ensure institution best addresses the overall goals, objectives and mandatory service requirements as set forth in this document.
6. Ensure institution provides service in an effective and efficient manner, which includes designating a specific Account Executive for the Town of Carrboro.
7. Ensure that the overall banking services are the most cost advantageous. The full cost of implementation will be considered during the selection process.
8. Community involvement and business support in Carrboro and Orange County will be a consideration in evaluating the proposals. CRA rating will also be a consideration.

The Town reserves the right to reject any or all proposals, to request additional clarification of proposals, to be the sole judge of the services for its intended use and further specifically reserves the right to make the award in its best interest.

TERMS AND CONDITIONS OF THE RESULTING CONTRACT

The contract is for a period of three years with an option to renew for two additional years.

The contractual period with the chosen bank will begin approximately March 1, 2010 through February 28, 2013 to be approved by the Town of Carrboro Board of Aldermen. The (3) year contract may be extended for up to two additional years at the sole discretion of the jurisdiction at the prices proposed by and/or negotiated with the successful bank. A formal contract will be used and shall control subject to specifications, requirements and conditions contained herein.

The resultant contract for banking services shall in no way alter or modify present investment practices of the Town per North Carolina General Statute (N.C.G.S.) 159-30.

The Town reserves the right to invest available funds in any form of deposit or investment allowed by N.C.G.S. 159-30 and the Town's cash management policy with the financial institution offering the highest yield.

The Town expects the selected bank to name an account executive to serve as liaison with the Town regarding matters of the account in order to meet the provisions of this RFP.

The Town should receive a detailed monthly account analysis statement. This statement should include:

- a) each service activity count, item price and charge;
- b) average daily ledger balances;
- c) average collected balances;
- d) net monthly earnings; and
- e) total costs.

The Bank must include with their response copies of all agreements needed in accordance with the provisions of services to the Town.

The Town reserves the rights to withdraw its account from the selected bank at any time services are judged to be insufficient or any agreed upon terms are not met, upon ninety (90) days of written notice.

The Town does not guarantee that activity levels and services indicated in this proposal will continue at the same level during the contract period. Activity will be reviewed as noted in the Attachment Section titled "Cost Form – average & estimated volumes and template".

Any and all costs associated with the preparation of a response to the RFP are the responsibility of the bidder and are not to be passed on to the Town.

Exceptions to the proposal specification should be listed separately.

The Town reserves the right to reject any and all proposals.

All proposals received become the property of the Town of Carrboro and information included therein or attached thereto, shall become public record upon delivery to the Town.

A request to change or increase the cost per unit (CPU) for services during the contract period will not be accepted by the Town. All services should be on a cost per unit basis of one unless otherwise indicated.

The Bank must have and continue to operate a branch office in Orange County.

The Bank will remain open during normal business hours of 9:00am to 5:00pm, five (5) days a week, Monday through Friday, excluding recognized Bank holidays.

The personal computer software required by the Town to access the Bank's computer system in order check bank daily balances, issue wire transfers, issue stop payments, etc., will be provided by the Bank. Initial software costs and maintenance costs should be borne by the Bank.

The Bank will provide same day courier service to and from Town Hall for daily deposits at no charge. If courier service is unavailable, remote deposit service is an acceptable alternative. Initial costs and maintenance costs for remote deposit service should be borne by the Bank.

MANDATORY MINIMUM REQUIREMENTS

There are certain minimal requirements for the institution involved in providing financial services referred to herein. Specific reference to each must be provided in the general response section as detailed in the instructions below. It is expected that the chosen bank will exceed these qualifications. They are as follows:

1. Be an FDIC insured institution.
2. All financial institutions participating in the bid process must be qualified depositories as required by North Carolina General State Statute 159-31. Deposits in excess of FDIC insurance threshold amounts must be collateralized in accordance with North Carolina State Law. The Town requires institutions that collateralize with the State Treasurer of North Carolina under the "pooling" method of collateralization.
3. Be online with the Federal Reserve Bank for funds and securities.
4. Provide annually to the Town audited financial reports of the financial institution.
5. Be an Equal Opportunity Employer.
6. Comply with mandatory requirements specified in the RFP section according to type of service.
7. Comply with all other requirements specified in this RFP.

TIMELINE

The following timeline is provided for informational purposes. Contact Nancy Emslie at 919-918-7306 or nemslie@ci.carrboro.nc.us to confirm dates, times and locations.

<i>Publication of Notice of Request for Proposals</i>	<i>November 22, 2009</i>
<i>Distribution of RFP's</i>	<i>November 23, 2009</i>
<i>Mandatory Pre-proposal Conference at 2:00pm</i>	<i>December 7, 2009</i>
<i>Sealed proposals due before 2:00pm</i>	<i>December 18, 2009</i>
<i>Staff Review & Negotiation</i>	<i>December 31, 2009</i>
<i>Approval by Board of Aldermen</i>	<i>January 19, 2010</i>
<i>Implementation period</i>	<i>60 – 90 days</i>
<i>Contract start date</i>	<i>To be negotiated.</i>

RFP response(s) and the related cost forms (Attachment 1) must be completed and returned by **2:00 p.m. on December 18, 2009** to the Town of Carrboro at **301 West Main Street, Carrboro, NC 27510**. E-mailed and faxed responses will **not** be accepted.

MANDATORY PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held to answer any questions arising from this document. Attendance is **MANDATORY** for those interested in submitting a proposal and will be held 301 West Main Street at 2:00pm on December 7, 2009. Questions arising after the pre-proposal conference and before December 18, 2009 may be directed to Nancy Emslie via e-mail at

nemslie@ci.carrboro.nc.us. All replies will be issued via e-mail to all who attended the pre-bid conference.

INSTRUCTIONS

RFP forms must be completed and returned by 2:00 p.m. December 18, 2009 to Sandy Svoboda, Purchasing Officer, Town of Carrboro, 301 West Main Street, Carrboro, N.C. 27510. Attention Banking Services RFP.

Please provide one (1) original and three (3) copies of the completed proposal. The original should be signed and dated by an official authorized to bind the bank. Please respond only on the standard RFP form provided. Supporting materials that do not pertain to matters contained in the RFP may be attached; however, it will not necessarily be considered in the review and evaluation process.

All services should be priced on a cost per unit (CPU) basis unless otherwise indicated.

Any questions may be directed to Nancy Emslie, Accounting Officer (919) 918-7306.

REQUEST FOR PROPOSAL SECTION

CORE BANKING SERVICES

MANDATORY INSTITUTION AND SERVICE REQUIREMENTS

GENERAL

1. FDIC insured institution.
2. Online with the Federal Reserve Bank for funds and securities and must have access to the FedWire system.
3. A full service branch of the institution must be located within Orange County. Proximity of nearest branch will be considered as part of the evaluation, however, a Carrboro branch is not required.
4. Be a qualified depository for public funds in accordance with North Carolina General Statute 159-31 and the N.C. Administrative Code Title 20, Chapter 7 under the State Treasurer pooling method of collateralization (option 2).
5. All funds deposited shall earn interest. Balances remaining at the end of each day in the jurisdiction's main operating account shall be invested overnight at a competitive rate in investments which comply with N.C. Statute 159-30, "Investment of Idle Funds". Please provide details on how the bank will compute the interest rate to be paid and the current rate of interest. Describe the types of investment opportunities offered by the Bank that comply with N.C. Statute 159-30 and 159-31(b).
6. All account balances shall be available for investment at all times.
7. The Bank will provide all necessary bank accounts. The Town currently utilizes one central (money market) account to handle all deposit and major disbursement transactions. The Town has a separate checking account used for Accounts Payable purposes. In addition, the Town has a zero-balance account used for payroll purposes. However, the Town will consider any concentration/zero-balance account structure that is recommended and is cost effective for town operations. The Town reserves the right to open additional accounts in the future as needed. Such new accounts shall be provided with the same conditions as the primary account. The Town also reserves the right to maintain its purpose-specific bank accounts at a bank other than the bank that is awarded the primary banking contract.
8. Be able to handle, process and clear through separate zero-balance accounts.

DEPOSITS

9. Please provide information regarding your time deadlines for deposits to qualify for same day credit. Other monies, such as maturing investments shall be given immediate credit and availability.
10. The Bank will provide same day courier service to and from Town Hall for daily deposits. If courier service is unavailable, remote deposit service is an acceptable alternative. Please provide information regarding same day courier and/or remote deposit service.
11. The Bank will furnish, at no cost to the Town, all deposit slips (2-part NCR) printed to the Town's specifications.
12. The Bank will provide endorsement stamps for each account and location at no charge.
13. The Bank will provide free after hours deposit service and an adequate safe deposit box (if needed). Regular lock bags with keys, night depository bags, or disposable deposit bags shall be furnished by the bank as needed, at no cost to the Town.
14. The Bank shall redeposit items returned for uncollected or insufficient funds, waiting a minimum of 24 hours, before debiting the Town's account. Returned debit items shall be forwarded to an authorized Town representative. Provide a return item report via on-line banking, which includes ACH and traditional check returns.

ON-LINE SERVICES

15. The Town requires the Bank to provide an on-line system, which would allow the Town to access the Town's bank accounts. It is the Town's preference that this system be available through Internet access rather than through software provided by the Bank.

In the event that on-line services are down, provide an acceptable backup method via telephone or fax for each on-line requirement listed herein. All on-line services and options must be accessible on business days from 7am – 6pm.

In RFP response, note whether these on-line services and reports are provided through dial-up (modem) or Internet access. Include details of how updates and maintenance are handled.

Please provide information on systems that will be available to allow the Town to:

- a. Check the previous-day closing balance and same-day current balances, including an intra-day position report. The previous day report should show transaction detail, which includes listings of all debits and credits impacting the Town's account. The previous day report should also have the capability of displaying images of checks and deposit detail.

- b. Obtain detailed transaction and account history information. Please provide information on how long history is available on line. Reports should be accessible for at least 45 prior days.
 - c. Check for cleared checks and view images of those checks.
 - d. Transfer funds between Town accounts.
 - e. Set up and initiate wire transfers and ACH transactions.
 - f. Initiate stop payment request.
 - g. Transmit files related to positive pay issues, pre-authorized debit transactions, and direct deposit for employees and vendors. Please discuss in detail how these files would be transmitted to the bank.
16. Provide the following report types on-line.
- a. Detailed transaction and balance reports – Report should show beginning ledger balances, collected balances, and list of all debits and credits to the accounts, and the ability to search check clearings as needed. Reports should be accessible for at least 45 prior days.
 - b. Intra-day position report - Report must provide up-to-the-minute recap of available account balances. It should be updated continuously throughout the day and reflect beginning balances, incoming and outgoing Fed wire transfers, ACH activity effective that day, maturing investments and disbursing debits. Please list types of transactions that update the Intra-day report and those that do not update the Intra-day report.
 - c. Return report – Report should list all check and ACH return items for the previous day. Report should be by account.
 - d. Positive pay exception reports – Reports should list all checks or ACH's that are not included in the positive pay data transmission and should be interactive. Authorized officials from the Town should be able to accept or deny these items on-line. Exceptions should be available by 10 am each day from the previous day's activity.
 - e. Please state in RFP whether you offer imaged copies of the checks in addition to report.
17. Provide stop payment services on-line from authorized officials of the Town. Verbal requests from authorized officials will be accepted and processed on the same day with documentation to follow. As a part of this service authorized officials would be

able to inquire on-line to determine if a specific check had previously been presented for payment prior to initiating a stop payment.

18. Access imaged copy of checks on-line. This would be for current items not included on previous bank statements. If image is not available due to timing of check clearing, also accept request for check copies via telephone.
19. Provide ability to enter wire, ACH and book transfer on-line as outlined below. On-line system should offer ability to template repetitive transactions. System should also have ability to structure an approval hierarchy.
20. Provide ability to transfer funds on-line between two or more accounts maintained with the bank.

The Town may require a demonstration of all available on-line systems. Also, please provide information regarding system/hardware requirements and any other on-line systems the Bank may be able to provide which may be of interest to the Town.

WIRE TRANSFERS, ACH TRANSACTIONS AND OTHER TRANSFERS

21. Furnish direct deposit of employees' payroll checks to their designated checking or savings account according to the Automated Clearing House (ACH) rules and regulations. Bank must be able to receive a direct transmission with all payroll information according to format outlined in Attachment 2 via Internet connection. Transmission will be delivered by 4.30 p.m. two-business days prior to payday. If needed, bank shall furnish pass-through software to aid in the ACH payroll file creation at no cost to the jurisdiction. Please provide detailed information on systems available. Employees are required to participate in the Town's direct deposit program. If Town employees do not have a bank account, we request that an account be provided to the employee free of charge or at a reduced fee.
22. Transmit debit entries initiated by the jurisdiction under ACH rules. The Bank shall provide software or another means to allow jurisdiction to change and adjust ACH information prior to transmission to the bank. Upon proper notification by the jurisdiction, Bank shall manually adjust or stop payment or other adjusting entries. The Bank shall be responsible for any loss limited to the liability for its own negligence or willful misconduct.
23. Process incoming and outgoing wire transfers verbally (via telephone) and electronically in real time as requested by duly authorized jurisdiction official(s) if instructions are received by bank by the official deadline established by the Federal Reserve System. All incoming wires thusly processed are expected to assume responsibility for all loss or cost incurred by the jurisdiction as a result of the bank's failure to transfer wires as instructed.

POSITIVE PAY/FRAUD PROTECTION MEASURES

24. The Town currently uses a positive pay system for the early prevention and detection of fraudulent activity and will continue this service.

In your proposal, please include the following information regarding positive pay:

- a. Include an overall description of your positive pay service including file layout and transmission process.
- b. Is the positive pay service applied at the teller line?
- c. Explain how a small check run (one or two checks) is added to the positive pay file.
- d. Explain how voided checks are handled in reference to the positive pay file.
- e. State your default disposition of exception items in the event that the bank does not receive the Town's decision to pay or not to pay.
- f. State whether a dollar threshold can be applied to the default disposition (such as return all checks over \$10,000).
- g. Explain how the Town is expected to communicate with the Bank regarding exception items (i.e. via phone, fax, e-mail, etc).
- h. ? Do you offer positive pay with payee names? If so, please the describe the implementation process and include any costs associated with implementation.
- i. Discuss your bank's procedures, if any, regarding ACH Positive Pay or ACH debit blocks.

EMPLOYEE BENEFIT PACKAGES

25. Please provide information with respect to any banking benefits available to employees of the Town. Include in this discussion the availability of any free or reduced fee accounts available to our employees.

SUPPLIES

26.
 - a. Provide sufficient pre-encoded deposit slips at no charge to the Town to process daily deposits.
 - b. Provide canvas bags and keys for night drop deposits or disposable deposit bags, if needed.

OTHER SERVICES

27. The Town does not intentionally overdraw accounts. If, however, an account is overdrawn, the Bank must honor all checks and wires presented. No Town issued checks are to be returned unless payment was stopped or authorized by Town staff as a return via Positive Pay.
28. The Bank will provide account reconciliation for all disbursement accounts. Please describe the bank's capability to send monthly transmissions of account activity back to the Town.
29. The Bank will forward bank-generated debit or credit items to the Town on the next business day with detail support describing the nature of the transaction. Detail support should include images of checks, adding tapes and deposit slips. Please describe how the bank will remit these items to the Town – via paper or electronically.
30. The Bank will provide research assistance on transactions (lost checks, lost deposit slips, mutilated checks, bank-generated transactions) by providing sufficient details within 72 hours of request.
31. The Bank shall provide a large safe deposit box for the Town if need arises.
32. Provide sufficient night depository services including optional provision of bags with keys. The Town has to right to purchase these bags from a third party vendor. These bags would display the name of the Town only and no bank name.
33. The Bank will provide change as needed by the Town for various activities and events.
34. The Bank will process stop payments via telephone if on-line system is not available which shall extend for one year at no charge. Verbal stop payments from authorized Town employees will be accepted and processed on the same day.
35. Remote Deposit Capture – Please describe in detail the bank's capabilities for Remote Deposit Capture – what the bank is doing now and what are the plans for the future, including a project time line for implementation.
36. The proposing financial institution is invited to describe any additional services or alternative structure which may benefit the Town. We would appreciate your explaining these services in layman's terms by attachment to the proposal.
37. Employees must be able to cash vendor checks. Employees must not be required to have an account at the bank or pay fees for cashing these checks.

STATEMENTS AND PAYMENT OF FEES

37. Allow jurisdiction to pay for service fees by direct payment or by compensating balance. The Town currently pays for its service fees by direct payment. Please include the listing of service fees on the Cost Form (Attachment 1) and the level of compensating balance that would be required if the Town were to choose the compensating balance alternative. Please describe how the Earnings Credit Rate (ECR) is set on non-interest bearing accounts to offset service charges with the balance. For interest to be paid to the Town on an account set up for direct pay, please provide the following information:
- For the period from July 1, 2008 to June 30, 2009, please show what rate of interest the Town would have earned.
 - For the same time period, show the index that the interest rate would have been based on.
 - If your rate is on a 360-day basis, please convert each month to a 365-day basis.
 - What is your reserve amount, if any?
 - Using the above factors, calculate the amount of interest the Town would have earned each month for the time period detailed above, assuming an average cash balance of \$1,000,000.
38. Provide a detailed itemized statement for each account for the previous month which shows each deposit slip, credit or debit memo, along with the check number and amount of each transaction processed with 10 working days of the subsequent month. Originals, copies or other approved format of the canceled checks shall be returned to the Town in **numerical** sequence.
39. Provide all cleared check images (front and back) on CD-ROM for each account, as well as providing the software and database that allows for efficient inquiry. Please indicate if separate software is needed to view the check images.
40. Furnish monthly detailed account analysis for each account enumerating the account activity by type of service and activity volume within each service as described under the Terms and Conditions section of this proposal. If compensating balance is utilized, the Bank should provide an analysis of fees compared to earnings allowance. Include average balances, net monthly earnings, total costs and any gain or loss by the Bank. In the event costs exceed earnings allowance for a given month, the Town may be billed or have the right to negotiate a new compensating balance.

REQUIRED FINANCIAL INFORMATION

Information related to the above listed requirements should be organized in the same order as listed above. Also provide information outlined below. Any additional information regarding institution specific enhancements or other services that may benefit the Town of Carrboro can follow.

The following is required financial information to be provided by **all** candidates responding to **any** section of the RFP.

- Provide the current ratings for the candidate from each of the following agencies if rating the institution: Fitch Ratings Ltd., Moody's Investors Service and Standards & Poor's.
-
- If a subsidiary, please indicate the exact legal corporate name of each entity providing any of the services requested in this RFP.
- The candidate must include with their response, copies of all agreements needed in accordance with the provision of services to the Town. These will be reviewed and approved by the Town's legal counsel.
-
- List references (minimum of three) including any governmental units and other companies that have similar volume and complexity.
- Clearly describe any services that are provided by third parties, identifying the parties providing the service.
- Explain how the interest rate will be set, how often it will be adjusted. Explain the type of overnight investments made in relation to a "sweep" account as documented in requirement number – above. Provide the past daily interest rates for a similar account for the three months preceding the date of this proposal.
- List bank branch addresses nearest to the Town of Carrboro.
- Provide clear instructions on the earnings allowance calculation used for compensating balance . Include definition of the benchmark rate that will be used in the calculation. (Example: 6 month Treasury Bill).
- Describe the bank's past efforts and current initiatives related to Community Reinvestment programs in Carrboro and its plan to provide these types of services in Carrboro and Orange County for both short-term and long-term efforts. Please include any involvement in local (within Orange County) community activities, participation with revolving loan programs, and what type of local business support is available for

both Carrboro and Orange County. State the bank's CRA ratings for this year and the past 3 years.

- Describe investment opportunities available to the Town.

INFORMATION ABOUT THE JURISDICTION

Average volumes are listed in Attachment 1.

The Town pays all 154 permanent employees via direct deposit on a bi-weekly basis. Specific payroll calendars will be provided to the chosen institution.

The Town has three bank accounts as follows:

An imprest payroll account (checking account required by state statute).

A main checking account for Accounts Payable purposes.

A money market account .

The Town currently uses MUNIS version 6.2d for a financial system and will be upgrading to version 7.2 in the near future.

If the jurisdiction develops a need for additional accounts, or services during the term of this agreement, services will be provided with the same conditions as apply to existing accounts at the time. If the Federal Reserve or other regulatory bodies provide for regulations, which are favorable to the jurisdiction, the institution shall make these new services available to the jurisdiction.

MERCHANT CARD SERVICES

Currently the Town accepts payment at Town Hall for fees and services by checks, cash and by credit card (MasterCard and VISA). Payment by credit card must be made in person and the card must be swiped versus the numbers manually entered. The card is read magnetically via a Point-of-Sale (POS) terminal, and the cardholder's signature is obtained as insurance against the transaction. The Point-of-Sale (POS) equipment must support telephone line connections.

The payment processing system shall support a credit card authorization response time not to exceed three (3) seconds 95% of the time and not to exceed five (5) seconds 100% of the time. The payment processing system must be available twenty-four (24) hours per day, seven (7) days a week. System maintenance must be performed so that system availability continues without interruption. Failure to adhere to the foregoing response time or system availability requirements may be deemed a material breach of the contract.

The Bank shall provide on-line reports accessible via the Internet, if available.

RECORDS ACCESS AND CONFIDENTIALITY -

1. The Bank must comply with Visa's Cardholder Information Security Program (CISP) requirements at http://usa.visa.com/merchants/risk_management/cisp.html And Mastercard's Site Data Protection (SDP) program requirements at <https://sdp.mastercardintl.com>.
2. When requested by the State, the Bank shall complete CISP and SDP audits successfully.

Please describe the implementation process and potential costs for this service.

Provide any additional information that you believe is relevant to the program and your capability to provide the service requested.

The Town is interested in pursuing the use of debit cards for payment of fees and services. Please describe the implementation process and potential costs for this service.

BANK EXCEPTION LIST

If a service requirement cannot be met by a proposing institution, that requirement should be listed on this Exception List and the term "No Bid" should be entered on the Cost Form for that specific item. In the case that a service requirement cannot be met, the proposing institution may offer an alternative or equivalent service.

ATTACHMENT SECTION

Unlisted or zero volume may indicate that transactions did not occur within the last 12 months

Please provide a quote for these areas if possible.

VOLUMES ARE SUBJECT TO CHANGE.

SERVICE DESCRIPTION	SERVICE PROVIDED (Y or N)	AVERAGE MONTHLY VOLUME	COST PER UNIT	MONTHLY COST	COMMENTS
ACCOUNT MAINTENANCE					
CHECKING		3			
DIRECT DDA STMT PER ACCT		3			
ZBA MASTER ACCT MAINT		1			
ZBA SUBSIDIARY ACCT MAINT		1			
CD ROM MAINTENANCE		1			
ELECTRONIC PP MAINT		1			
FDIC ASSESSMENT		3855196			
FDIC SERVICE CHARGE		293			
FDIC BALANCE REQUIRED		863425			
FDIC-TLGP ASSESSMENT		1			
FDIC-TLGP SERVICE CHARGE		28			
FDIC-TLGP BALANCE REQUIRED		85901			
DEPOSITS, RETURNS, COIN & CURRENCY					
BRANCH DEPOSIT-NC		60			
VAULT- DEPOSIT-NC		1			
QUICK BUSINESS DEPOSIT		1			
ITEM PROCESSING DEPOSIT		4			
NIGHT DROP PER \$100		0			
BKG CENTER IMM VERIF PER \$100.		37			
DEPOSITS/OTHER CREDITS		0			
DEPOSITS-EFT		51			
DEPOSITED ITEMS		331			
CURRENCY& ROLLED COIN PROVIDED					
CHECK RETURNED ITEMS		1			
CHECK REDEPOSITED ITEMS					
DEPOSITS-CORRECTIONS		1			
DISBURSEMENTS & RECONCILIATION ITEMS					
CHECKS PAID/OTHER DEBITS		253			
PAID ITEMS - EFT		51			
CHECK SERIAL SORT					
ITEMS PAID/OUTSTANDING LISTING					
CHECK STORAGE & RETRIEVAL ON CD ROM					
ITEMIZED MONTHLY STATEMENT					
STOP PAYMENTS -VERBAL					
PHOTOCOPIES					
POSITIVE PAY-FIXED					

SERVICE DESCRIPTION	SERVICE PROVIDED (Y or N)	AVERAGE MONTHLY VOLUME	COST PER UNIT	MONTHLY COST	COMMENTS
ON-LINE SERVICES & REPORTS					
ON-LINE SOFTWARE					
ON-LINE SOFTWARE MAINT FEE					
STOP PAYMENT ON-LINE					
CHECK INQUIRY ON-LINE					
IMAGE RETRIEVAL ON-LINE					
IMAGE RETRIEVAL VERBAL					
CHECK COPY REQUEST					
RETURN REPORT ON-LINE - FIXED					
RETURN REPORT ON-LINE - PER ITEM					
ISSUES/CANCELS PER ITEM					
PREVIOUS DAY DEBIT - FIXED					
PREVIOUS DAY DEBIT - ITEM					
PREVIOUS DAY CREDIT - FIXED					
PREVIOUS DAY CREDIT - ITEM					
PREVIOUS DAY BALANCE & DETAIL					
REPORT - 1ST					
PREVIOUS DAY BALANCE & DETAIL					
REPORT - PER ITEM					
PREVIOUS DAY QUICK BALANCE					
REPORT - 1ST					
PREVIOUS DAY ADDITIONAL REPORTS					
ACH TRANSACTIONS					
ACH PPD DEBIT		16			
ACH PPD CREDIT		22			
DIRECT DEPOSIT FEE					
ACH NOTIFICATION OF CHANGE					
ACH RETURNED ITEMS					
ACH DATA TRANSMISSION					
ACH ON-LINE					
ACH ADD/DELETE					
ACH REVERSAL					
ACH POSITIVE PAY - FIXED					
ACH POSITIVE PAY - PER ITEM					
ACH POSITIVE PAY MANUAL ISSUE					
ACH POSITIVE PAY PER CALL					
ACH SOFTWARE MONTHLY MAINT					
ACH RETURN NOTIFICATION - PHONE					
ACH RETURN ON-LINE/PAPER REPORT					
ACH RETURN ITEM - PHONE/FAX					
CONSUMER INPUT PC		0			

ATTACHMENT C-24

SERVICE DESCRIPTION	SERVICE PROVIDED (Y or N)	AVERAGE MONTHLY VOLUME	COST PER UNIT	MONTHLY COST	COMMENTS
WIRE TRANSFERS					
WIRE-IN NONCONFIRMED		1			
ON-LINE REPETITIVE WIRE					
ON-LINE NON-REPETITIVE WIRE					
MANUAL NON-REPETITIVE WIRE		1			
BOOK TRANSFER IN-NONCONFIRMED					
REPETITIVE BOOK TRANSFER					
ON-LINE REPETITIVE BOOK TRANSFER					
NONREPETITIVE BOOK TRANSFER					
ON-LINE NON-REPETITIVE BOOK TRANSFER					
ACCOUNT RECONCILIATION					
CD ROM PER IMAGE		252			
POSITIVE PAY INPUT ITEM-TRANS		264			
INFORMATION SERVICES					
DIRECT CURRENT DAY STD ITEM		7307			
DIRECT PREVIOUS DAY EXT ITEM		9158			

ATTACHMENT 2

Direct Deposit file format

The Town of Carrboro will need to transfer payroll data securely across the Internet to the Bank for processing.

The Town will require Automated Clearing House Services (ACH) using common Standard Entry Class Codes (SEC's) for Prearranged Payment and Deposit (PPD). The format for the file record layout must comply with the Rules of the National Automated Clearing House Association (NACHA).

A basic file layout would consist of a File Header Record, Company/Batch Header Record(s), Entry Detail Record(s), Addenda Record(s), optional, Company/Batch Control Record(s) and a File Control Record.

The Town's financial system, Tyler Technologies also known as MUNIS, will create the original file that the Bank will later process. The Bank may make use of the existing MUNIS "Company Bank Codes" (pre-configured file record layouts supplied by MUNIS). The Bank will be responsible for paying for all Tyler Technologies charges related to customizing the output file created by the MUNIS financial system to comply with the file record layout required by the banking institution and NACHA. Historically, this has been a cost of around \$1,500.

Further detail and descriptions of file record layout may be discovered from Tyler Technologies directly or by contacting the Town's IT Department.

ATTACHMENT 3

DEFINITIONS

The following is a list of definitions in alpha order for the terminology used in Attachment 1 for requested services.

ACCOUNT MAINTENANCE	Fee incurred on all accounts, which cover the cost of maintaining accounts on the system and producing and mailing the bank statement.
ACH ADD/DELETE	Fee per ACH item added or deleted by phone after initial data transmission has been sent.
ACH DATA TRANSMISSION	Processing of file of ACH items received as a data transmission from the originating company.
ACH DIRECT DEPOSIT FEE	Fixed charge per month to operate ACH system for processing Direct Deposit credit items.
ACH IMPLEMENTATION/CUSTOM	Service fee for ACH implementations and file transmission implementation
ACH MONTHLY MAINTENANCE	Fee for ACH maintenance
ACH NOTIFICATION OF CHANGE	Per item fee to process an ACH Notification of Change message from the RFI.
ACH ON-LINE	Repetitive (single item) ACH transfer initiated through on-line service. Includes the debit or credit posting charge.
ACH POSITIVE PAY	Per account fee, which covers examining all ACH, debits which attempt to post to the account. With this service, a customer will review all incoming ACH debits and either approve them or direct the bank to return any ACH debit for which there is no authorization
ACH POSITIVE PAY – CALL	Charge per month to call or fax the Town with details on exceptions under ACH positive pay.
ACH POSITIVE PAY MANUAL ISSUE	Charge to key enter the issue record for each authorized debit under ACH Control or ACH Positive Pay.
ACH PPD CREDIT	Per item fee for origination of ACH credits, e.g., Direct Deposit of payroll item.
ACH PPD DEBIT	Per item charge to process and present ACH debit items to the Fed for collection of consumer payments.
ACH RETURN NOTIFICATION-PHONE	Monthly charge for telephone notification of items originated by the customer and returned by the receiving financial Institution.
ACH RETURN ON-LINE PAPER REPORT	Charge to receive notification of ACH return items by paper report. Fee assessed for each item

	displayed on the report.
ACH RETURNED ITEMS	ACH items originated by bank that are returned and posted to the account of the originating company. Returned items may be pre-noted or live entries.
ACH REVERSAL	Fee per ACH item reversed by phone after transaction has been processed.
ACH SOFTWARE MONTHLY MAINTENANCE	Monthly fee for continued use of the ACH management software including telephone support and regular software updates.
BOOK TRANSFER IN-NONCONFIRMED	Receiving book transfer of funds and not providing telephone confirmation. Includes a printed & mailed EFT advice.
BOOK TRANSFER-NONREPETITIVE MANUAL	Telephone initiated freeform movement of funds from the "home bank" account to another "home bank" account.
BOOK TRANSFER-NONREPETITIVE ON-LINE	On-line initiated, freeform, movement of funds from the "home bank" account to another "home bank" account.
BOOK TRANSFER-REPETITIVE MANUAL	Telephone initiated repetitive movement of funds from the "home bank" account to another "home bank" account.
BOOK TRANSFER-REPETITIVE ON-LINE	On-line initiated repetitive movement of funds from the "home bank" account to another "home bank" account.
CD ROM MAINTENANCE	Fee for CD ROM maintenance
CHECK COPY REQUEST ON-LINE	Charge to order copy of paid check using on-line service.
CHECK IMAGE CAPTURE-PER ITEM	Per item charge to format and deliver check images on CD. Does not include CD fee.
CHECK IMAGE CD-PER ITEM	Charge per CD-ROM for delivery of check images.
CHECK IMAGE MANAGEMENT SOFTWARE	One time fee for software needed to access and inquire on check image CD's. Includes implementation and training.
CHECK INQUIRY ON-LINE	Charge to determine status of check (paid, outstanding, stopped, etc.) via on-line service.
COIN/CURRENCY DEPOSITED-BRANCH NC	Processing charge for a mixed deposit of both coin and paper currency made at a branch.
COIN/CURRENCY DEPOSITED-VAULT NC	Processing charge for a mixed deposit of both coin and paper currency made at a vault.
CURRENCY PROVIDED	Per strap charge for paper currency supplied/ordered by phone or walk-in, regardless of amount.

DEBIT RECONCILIATION–PAID LIST	Lists items paid during the month, as well as identifying stop payments, duplicate items, and other exception items.
DEPOSIT CORRECTIONS	Per item charge for adjustments made to deposit ticket amounts. The per item charge applies to each deposit ticket corrected, not individual items within a deposit.
DEPOSITS–EFT	Fee for crediting an incoming ACH item originated offset to an account.
DEPOSITS–PAPER	Fee for crediting a paper deposit to an account. The per item charge applies to deposit tickets, not individual items within a deposit.
DIRECT DDA STMT PER ACCT	Fee for statement preparation
ELECTRONIC PP MAINT	Fee for electronic maintenance of Positive Pay
FDIC ASSESSMENT	The Federal Deposit Insurance Corporation (FDIC) has reinstated the deposit insurance fund premium which applies to all member banks.
FDIC SERVICE CHARGE	Fee for FDIC assessment.
FDIC BALANCE REQUIRED	Balance required per FDIC assessment.
FDIC-TLGP ASSESSMENT	Federal Deposit Insurance Corporation Temporary Liquidity Guarantee Program (FDIC-TLGP) that provides unlimited deposit insurance for accounts.
FDIC-TLGP SERVICE CHARGE	Fee for FDIC-TLGP assessment.
FDIC-TLGP BALANCE REQUIRED	Balance required for FDIC-TLGP assessment.
IMAGE RETRIEVAL ON-LINE/VERBAL	Charge per on-line or verbal request for check images.
NIGHT DEPOSIT–CANVAS	Per bag (canvas) charge for the storage, verification and processing of deposits left in a night depository at a branch.
ON-LINE SOFTWARE	Initial fee for the installation, training and other implementation services associated with on-line banking software.
ON-LINE SOFTWARE MAINTENANCE FEE	Monthly fixed charge per customer for maintenance and upgrades of on-line software. This includes customer support.
PAID ITEMS–EFT	Per item charge for posting electronic (ACH) debits to an account.
PAID ITEMS–PAPER	Per item charge for posting checks or any paper debits to an account.
PAPER REDEPOSITED ITEMS	Per item charge for return items redeposited for clearing a second and final time.
PAPER RETURNED ITEMS	Per item charge for return items charged back to customer account and advice (with dollar amount, date of check and date of deposit information) mailed to DDA statement address.
POSITIVE PAY-FIXED	Fixed monthly fee per account for creation of the

	reconciliation and issue file, including any other appropriate charges. This service requires full reconciliation services and includes on-line access and manipulation.
POSITIVE PAY-PER ITEM	Fee per item included in reconciliation & issue file.
POSITIVE PAY-EXCEPTIONS PER ITEM	Fee per item included on the on-line exceptions report.
PREVIOUS DAY ADDITIONAL REPORTS	Monthly fixed fee for accessing additional (more than 1) previous day reports.
PREVIOUS DAY BALANCE & DETAIL REPORT-1 st	Monthly fixed fee charged for one account set up with this on-line previous day report.
PREVIOUS DAY BALANCE & DETAIL REPORT-PER ITEM	Fee charged for each transaction posted to an account setup with this on-line previous day report.
PREVIOUS DAY CREDIT ON-LINE-FIXED	Monthly fixed fee charged for each account set up with on-line previous day credit reporting.
PREVIOUS DAY CREDIT ON-LINE-ITEM	Fee charged for each credit transaction posted to an account set up with on-line previous day credit reporting.
PREVIOUS DAY DEBIT ON-LINE-FIXED	Monthly fixed fee charged for each account set up with on-line previous day debit reporting.
PREVIOUS DAY DEBIT ON-LINE-ITEM	Fee charged for each debit transaction posted to an account setup with on-line previous day debit reporting.
PREVIOUS DAY QUICK BALANCE REPORT-1st	Monthly fixed fee charged for one account set up with this on-line previous day report. Report gives balances only with no detail.
RETURN REPORT ON-LINE - FIXED	Monthly fixed fee per account for on-line access to check and ACH returned items.
RETURN REPORT ON-LINE - PER ITEM	Fee charged per check and/or ACH returned item accessed on on-line report.
ROLLED COIN PROVIDED	Per roll charge for coin supplied/ordered by phone or walk-in, regardless of amount.
STOP PAYMENT ON-LINE	Charge for placement or removal of stop payment via on-line service.
STOP PAYMENT-VERBAL	Stop payments called in by telephone.
WINDOWS MAINTENANCE FEE	On-line software Windows monthly maintenance fee.
WIRE IN-NONCONFIRMED	Receiving Fedwire and not providing telephone confirmation. Includes a printed & mailed EFT advice.
WIRE-NONREPETITIVE MANUAL	Outgoing Nonrepetitive Fedwire transfer via telephone.
WIRE-NONREPETITIVE ON-LINE	Outgoing Nonrepetitive Fedwire transfer through on-line service.

WIRE-REPETITIVE ON-LINE	Outgoing repetitive Fedwire transfer through on-line service.
ZBA MASTER ACCT MAINT	Fee for maintenance of master Zero-Balance Account
ZBA SUBSIDIARY ACCT MAINT	Fee for maintenance of subsidiary Zero-Balance Account