

Condensed Title:

Request For Approval To Authorize The Issuance Of A Request For Proposals (RFP) For The Provisions Of Various Banking Services To The City Of Miami Beach, For A Five-Year Period With Five One-Year Renewal.

Key Intended Outcome Supported:

Improve the City's overall financial health and maintain overall bond rating.

Supporting Data (Surveys, Environmental Scan, etc.): N/A

Issue:

Should the City Commission authorize the issuance of an RFP for banking services?

Item Summary/Recommendation:

Every five years the City issues an RFP seeking competitive pricing for various banking services involving the general operating, general depository and payroll accounts among several others. These services consist of a General Depository Account for funds collected daily; a General Disbursing Account which is strictly a checking account; a Payroll Disbursing Account to cover bi-weekly payroll; computerized services, including direct deposits, control pay, web pay, debit/credit memos, ACH deposits, daily and monthly statement and stop payments; lockbox processing; wire transfers; zero balance services and automatic redeposit of items returned to mention a few.

With the approval of the City Commission, the Administration will issue two separate RFP's: one for banking services and the other for credit card merchant processing services. By issuing two separate RFP's, the City is anticipating that it will receive more replies to the credit card merchant processing service than combining this service with the banking services in just one RFP. The objective the credit card merchant processing service RFP would be to identify the credit card processing company that will provide the City with the highest quality service for the best value.

The cost of these services will be paid from the interest earned on the City's General Depository Account which is an interest bearing account held by the bank.

The original term of the contract will begin on January 1, 2013 for a five year term with five one-year renewal options. Each year of the five year options may be renewed at the sole discretion of the City, through its City Manager.

AUTHORIZE THE ISSUANCE OF THE RFP

Advisory Board Recommendation: N/A

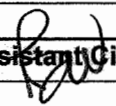

Financial Information:

Source of Funds:	Amount	Account	Approved
QBPI		Cost of services paid by interest earnings	
Total			

City Clerk's Office Legislative Tracking:

Patricia Walker, Chief Financial Officer

Sign-Offs:

Department Director	Assistant City Manager	City Manager
	PDW 	KGB 

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MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Kathie G. Brooks, Interim City Manager 

DATE: July 18, 2012

SUBJECT: **REQUEST FOR APPROVAL TO AUTHORIZE THE ISSUANCE OF A REQUEST FOR PROPOSALS (RFP) FOR THE PROVISIONS OF VARIOUS BANKING SERVICES TO THE CITY OF MIAMI BEACH, FOR A FIVE-YEAR PERIOD WITH FIVE ONE-YEAR RENEWAL OPTIONS.**

ADMINISTRATION RECOMMENDATION

Authorize the issuance of the RFP.

ANALYSIS

Every five years the City issues an RFP seeking competitive pricing for various banking services involving the general operating, general depository and payroll accounts among several others. These services consist of a General Depository Account for funds collected daily; a General Disbursing Account which is strictly a checking account; a Payroll Disbursing Account to cover bi-weekly payroll; computerized services, including direct deposits, control pay, web pay, debit/credit memos, ACH deposits, daily and monthly statement and stop payments; lockbox processing; wire transfers; zero balance services and automatic redeposit of items returned to mention a few.

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The cost of these services will be paid from the interest earned on the City's General Depository Account which is an interest bearing account held by the bank.

The original term of the contract will begin on January 1, 2013 for a five year term with five one-year renewal options. Each year of the five year options may be renewed at the sole discretion of the City, through its City Manager.

SCOPE OF SERVICES

There are several services which are required as part of this request for proposal. All services must be included in the proposal in order for it to be considered. The banking services detailed in this section are to be performed for the City on a contractual basis for five years with five one-year renewal options. It is the intent of the City to have one single bank provide the service needs of the City on its three major bank accounts, which are the general depository, general disbursing and payroll accounts and any other bank accounts that the City may have or open in the future. The services and scope of services are as follows:

1. **GENERAL DEPOSITORY ACCOUNT** - City funds collected daily will be deposited in this account the following business day. Checks deposited will be available the day of deposit in the bank by the time of day the bank normally closes its transactions for that day. This will also include Automated Clearing House (ACH) transactions generated by Miami-Dade County, which must be considered available on date of receipt, even if received after normal closing hours. All transactions must be identified. This account has to be an interest bearing account. The proposer will need to show the basis and method of computing such interest earnings.
2. **GENERAL DISBURSING ACCOUNT** - This account will be strictly a checking account. The bank will transfer the exact amount of funds each day to this account to cover clearings. Approximately 1,500 checks will be issued monthly, amounting to approximately \$7,000,000. Disbursements will be made by check as well as wire transfer; each transaction must be shown separately on the bank statement (no netting permitted).
3. **PAYROLL DISBURSING ACCOUNT** - The City's payroll is currently bi-weekly, paying every other Friday approximately 2,000 employees; net pay amounts to approximately \$3,000,000 bi-weekly. The bank will transfer the exact amount required each day to cover clearings
4. **COMPUTERIZED SERVICES** - All demand and time deposit accounts maintained must be computerized so that reconciliation can be performed. Reconciliation service to produce an outstanding check list for each account with substantial check activity must be available to the City by the 15th day of the month following activity, as well as, a CD with scanned images of the front and back of each check issued for all accounts. In addition, the bank must provide a separate computer listing of all checks which have cleared by check (voucher) number and amount with a total dollar amount indicated on all accounts not designated for automatic reconciliation services.

The City needs the ability to use a form of Control Pay that will allow items that are transmitted to be verified prior to being paid by the bank.

The ability to offer ACH on-line bill payment, utilizing credit cards, debit cards, and ACH transactions.

The City requires an On-line banking feature to be used to obtain and report on balances and transactions on a daily basis for each bank account. This feature must also allow for the initiation of wire transfers and stop payments.

The proposer should have the capability to upload data (cleared checks) to the City's financial system.

5. **SAME DAY PROCESSING** – All transactions received before the close of business must be posted on the same day (at no extra charge).
6. **STATEMENT AND ADVICE FREQUENCY** – All advises affecting a debit or credit memo type transaction must be produced daily and emailed/fedex to the City. Statements on all bank accounts will be produced monthly on a calendar month basis and available to the City no later than the 7th working day of the subsequent month.
7. **AUTOMATIC REDEPOSIT OF DEPOSIT ITEMS RETURNED** – All deposit items charged back on the City's general operating/depository account will be automatically re-deposited the following day of the bank. If returned a second time, they will be forwarded on a daily basis to the City
8. **DIRECT DEPOSIT/ACH – PAYROLL CHECKS** – The proposer must have the ability to initiate direct deposit for payroll. It is estimated that 1850 of the City's 2000 employees utilize direct deposit. Additionally, the ability to provide payroll cards for those employees that are not on direct deposit
9. **COUNT AND DEPOSIT METER COLLECTIONS** – The Parking Department via an armored car service will deliver 20-23 bags containing coins (in all denominations) in the amount of \$12,000 to \$20,000 daily. Bank must have the ability to count, weigh and deposit coins, or provide an alternative solution for this process.
10. **LOCK BOX ACCOUNT PROCESSING** – The City utilizes a lock box to receive payments for various types of City fees. The proposer must have the ability to process transactions and report by type. The estimated volume is \$2,500,000 per month.
11. **AUTOMATED TELLER MACHINE (ATM)** – The proposer must be willing to install a revenue sharing ATM at City Hall (at no cost to the City).
12. **LOCAL DECISION MAKING AT BANK OFFICES** – The location of a banking office should be located in Miami Beach preferably located convenient to City Hall. This banking office should have the ability to make decision and solve problems.
13. **PERSONAL CONTACT** – The proposer must assign personal contacts at the Senior Management level, Branch, Treasury Management, Merchant Services and Technical Support areas.
14. **PURCHASING CARD PRODUCT** – The proposer must provide a Purchasing Card Product for ease of procurement purchases that can interface with the City's financial system, and it must also interface with the program Card Manager Plus by WORKS, or other equivalent software.
15. **ADDITIONAL SERVICES (OPTIONAL)** – No charge for non-client check cashing; offer employee benefits that include free checking account and other employee benefits.

16. **OTHER OFFERED SERVICES** – Any other product/service that the proposer may offer its clients that the City has not otherwise requested in the RFP.

Alternate services:

17. **CREDIT CARD PROCESSING** – The proposer must have the ability to accept credit card payments on the Internet. Credit card payment must be processed within one business day. The proposer may incorporate as part of its bid, an additional alternative for credit card processing. Specifications for the credit card services are available on the RFP for credit card merchant processing services that will be issued in conjunction with the banking services RFP.

EVALUATION/SELECTION PROCESS; CRITERIA FOR EVALUATION

The procedure for proposal evaluation and selection is as follows:

1. Request for Proposals issued.
2. Receipt of proposals.
3. Opening and listing of all proposals received.
4. An Evaluation Committee, appointed by the City Manager, shall meet to evaluate each proposal in accordance with the requirements of this RFP. If further information is desired, proposers may be requested to make additional written submissions or oral presentations to the Evaluation Committee.
5. The Evaluation Committee shall recommend to the City Manager the proposal or proposals acceptance of which the Evaluation Committee deems to be in the best interest of the City. The Evaluation Committee shall base its recommendation on the following criteria:
 - State of the Art Technology – On-line Services – 25 points
 - Charges for Services – 45 points
 - Personal Contact Points – Customer Services – 15 points
 - Interest rate earned – 15 points

LOCAL PREFERENCE: The Evaluation Committee will assign an additional five (5) points to Proposers, which are, or include as part of their proposal team, a Miami Beach-based vendor as defined in the City's Local Preference Ordinance.

VETERANS PREFERENCE: The Evaluation Committee will assign an additional five (5) points to Proposers, which are, or include as part of their proposal team, a small business concern owned and controlled by a veteran(s) or a service-disabled veteran business enterprise, as defined in the City's Veterans Preference Ordinance.

6. After considering the recommendation(s) of the Evaluation Committee, the City Manager shall recommend to the City Commission the proposal or proposals acceptance of which the City Manager deems to be in the best interest of the City.
7. The City Commission shall consider the City Manager's recommendation(s) in light of the recommendation(s) and evaluation of the Evaluation Committee and, if appropriate, approve the City Manager's recommendation(s). The City Commission may reject City Manager's recommendation(s) and select another proposal or proposals. In any case, City Commission shall select the proposal or proposals acceptance of which the City Commission deems to be in the best interest of the City. The City Commission may also reject all proposals.
8. Negotiations between the selected proposer and the City Manager or designee take place to arrive at a contract. If the City Commission has so directed, the City Manager may proceed to negotiate a contract with a proposer other than the top-ranked proposer if the negotiations with the top-ranked proposer fail to produce a mutually acceptable contract within a reasonable period of time.
9. If the City Commission has so approved, the City Manager or designee after successful negotiations, will present a contract acceptable to the respective parties to the City Attorney's office for approval as to form and language, and then to the Mayor and City Clerk for signature after the selected proposer has done so.

CONCLUSION

The Administration recommends that the Mayor and Commission authorize the issuance of the RFP for banking services.

JMG/PW/jr

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