



**FINANCE DEPARTMENT**

**REQUEST FOR PROPOSALS**

**RFP 2016-101**

**BANKING AND LOCKBOX SERVICES**

**PROPOSALS DUE: AUGUST 22, 2016**

**BY 4:00 PM PST**

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## 1.0 GENERAL INFORMATION

### 1.1 NOTICE TO PROPOSERS

Proposals from qualified financial institutions, as described herein, must be received in the City of Napa Finance Department office no later than 4:00 PM PST on Monday, August 22, 2016. Any changes to this Request for Proposals (RFP) are invalid unless specifically modified by the City and issued as a separate addendum document. It is the Proposer's sole responsibility to ensure that their proposal, inclusive of any and all addenda, is received by the City by the aforementioned date and time. To ensure consideration, all proposals shall be inclusive of all attached forms. Should there be any question as to changes to the content of this document; the City of Napa's copy shall prevail. It is the Proposer's sole responsibility to ensure that their proposal, inclusive of any or all addenda, is either hand delivered or mailed to the appropriate address identified below by the due date and time listed herein. The City is under no obligation to award a contract based upon the results of this solicitation.

One (1) original paper proposal and required forms with five (5) additional paper copies must be submitted along with one (1) searchable electronic copy on a CD or USB flash drive of the proposal and required forms in Microsoft Word or PDF format. Proposals shall be clearly marked "Banking and Lockbox Services."

**Proposals may be hand delivered to:**

City of Napa  
Ms. Roberta Raper, Finance Director  
Finance Department  
955 School Street  
Napa, CA 94559-0060

**Or mailed to:**

City of Napa  
Ms. Roberta Raper, Finance Director  
Finance Department  
P.O. Box 660  
Napa, CA 94559-0660

**Please mail two (2) additional paper copies and one (1) electronic copy on a CD or USB flash drive to:**

PFM Asset Management LLC  
Attention: Barbara Fava  
1 Keystone Plaza, Suite 300  
N. Front & Market Streets  
Harrisburg, PA 17101  
717-232-2723

Compliance with the proposal submission deadline will be determined by proposal delivery time at the Napa Finance Department. Proposers should make every effort to have proposals delivered to PFM Asset Management on the same date, but failure to do so will not disqualify a Proposer.

**FAXED OR EMAILED PROPOSALS WILL NOT BE ACCEPTED. PROPOSALS DELIVERED TO LOCATIONS OTHER THAN THE ABOVE STATED ADDRESSES OR P.O. BOX WILL BE RETURNED TO THE PROPOSER UNOPENED.**



**Point of Contact:**

Roberta Raper, Finance Director  
(707) 257-9510  
[rraper@cityofnapa.org](mailto:rraper@cityofnapa.org)  
Finance Department  
PO Box 660  
Napa, CA 94559-0660

## 1.2 PROJECT SCHEDULE

Request for Proposals Issued	June 15, 2016
Notice of Intent to Respond Due	July 1, 2016
Requests for Clarification Due	July 1, 2016, 4:00 PM PST
Clarification Responses/Addenda Provided	July 22, 2016
Pre-Proposal Conference	July 27, 2016, 1:30 PM PST
Clarification Responses/Addenda Provided	August 1, 2016
Proposals Due	August 22, 2016, 4:00 PM PST
Interview of Top Firms (Target Dates)	October 5-6, 2016
Vendor Selection/Contract Award	November 2016
Target Go Live Date	April 3, 2017

## 1.3 INTRODUCTION

The purpose of this Request for Proposals (RFP) is to solicit proposals from qualified Proposers to provide Banking and Lockbox services to the City of Napa ("the City"). As used in this document, the term "RFP" may be used interchangeably with "solicitation."

The City is issuing this RFP to select one or two firms to serve as banking partners. To facilitate the evaluation of proposals and the efficient and economic operation of the cash management process, the RFP has been divided into two (2) Service Groups.

Service Group 1: General Banking

Service Group 2: Retail Lockbox Services

Firms may propose to provide one or both of these Service Groups; firms do not need to propose for both service groups to be considered. If the City awards a contract to one firm for General Banking, and a different firm for Retail Lockbox Services, the City will require both firms to contractually commit to work cooperatively with one another and with the City to achieve the goals described in this RFP.

## 1.4 BACKGROUND

The City of Napa is a Charter City which operates under a council-manager form of government. The City has a population of 80,100 residents, with a General Fund budget for FY 2016-17 totaling \$80.7 million. This budget funds the City's police, fire, public works, parks and recreation, community development, and general administrative activities. In addition, the City maintains water and garbage enterprise funds as well as internal service funds for fleet, information technology, risk management, post-employment benefits and equipment. Other activities include the Housing Authority of the City of Napa, Successor Agency to the Redevelopment Agency, and various special revenue funds. The City of Napa has been in a state of economic transition over the past 40 years; a city once known for its tanneries and State Hospital has increasingly transformed into a city emphasizing its services to the hospitality industry. As the county seat to one of the great wine capitals of the World, the City of Napa is capitalizing on the regions ever-growing tourism demands. Today the City of Napa is a vibrant modern city with fine dining and boutique stores, all while maintaining strong ties to its past, with a historic district that contains some of California's finest Victorian homes.

## 1.5 PROPOSER REQUIREMENTS

1.5.1 Proposers for Service Group 1: General Banking must meet the following requirements:

1.5.1.1 Have a local branch presence within Napa city limits.

1.5.1.2 Qualify as a "Depository" under California Government Code ("CGC") Section 53630-53686.

1.5.1.3 Agree to collateralize City deposits in accordance with CGC Section 53630-53686.

1.5.2 Proposers for Service Group 2: Retail Lockbox Services are not required to meet the requirements listed above for Service Group 1, but the lockbox provider must deposit funds into the City's account as a qualified Depository as defined by CGC Section 52630-53686.

## 1.6 CONTRACT TERM

The City reserves the right to award by Service Group or as a whole, whichever is deemed most advantageous to the City.

It is the City's intent to award the contract(s) for an initial 3-year period with the option to renew it for two additional one-year periods. The decision to renew the contracts) will be at the sole discretion of the City.

Proposers must agree to fix contract fees for at least the first three years. If the vendor intends to revise its fee schedule after the initial period, it must give written notice to the City at least 90 days in advance of any fee change. Fees may be changed only on the contract anniversary date. These fees are subject to negotiation and approval by the City and may not exceed the annual consumer price index-urban (CPI-U) for the most recently available 12-month trailing period.

## 1.7 PROPOSER PROVISIONS/EXCLUSIONS

All proposers must acknowledge that the proposer will agree to the following provisions and stipulations as part of the proposal submission process:

1.7.1 **Agreement Non-Exclusivity:** A Contract established based upon this RFP is not guaranteed to be an exclusive Agreement. The City of Napa reserves the right to enter into an

agreement with other proposers for the same or similar services. The City does not guarantee or represent that the Proposer will be permitted to perform any minimum amount of work, or receive compensation other than on a per assignment basis under the terms of this Agreement.

### 1.8 RFP CLARIFICATION

Questions regarding this RFP or other pre-proposal documents shall be directed, by email to Heather Seitz ([seitzh@pfm.com](mailto:seitzh@pfm.com)), the consultant engaged by the City to assist with this RFP by 4:00 PM, Pacific Standard Time on July 1, 2016. To be given consideration, request(s) for clarification must be emailed and received by the due date listed on the Project Schedule herein. Any and all such interpretations and any supplemental instructions will be provided to all Proposers who submit the **Notice of Intent to Respond**, Attachment 4, by the due date provided on Project Schedule. Responses will be provided by the date listed on the Project Schedule. **Under no circumstances may the Proposer contact the user department directly.**

**Addenda.** The effect of all addenda to the RFP documents shall be considered in the proposal, and said addenda shall be made part of the RFP documents. Before submitting a proposal, each Proposer shall ascertain whether or not any addenda have been issued. Failure to include information provided on any such addenda in Proposer's proposal may render the proposal invalid and result in its rejection.

### 1.9 PRE-PROPOSAL CONFERENCE

The City will hold a pre-proposal conference on July 27, 2016 at 1:30 PM Pacific Standard Time at Napa City Hall, 955 School Street, Napa, CA.

A teleconference will also be available for those unable to attend in person. To join teleconference, dial 1-877-577-9567, and enter conference code 957-611-9360 at the date and time listed above.

The City will answer any additional follow up questions at this time. No questions or inquiries will be allowed beyond the pre-proposal conference. Any unauthorized contact with any other City official or employee in connection with this RFP is prohibited and shall be cause for disqualification of the proposer. Attendance at the pre-proposal conference is not mandatory, but is recommended.

### 1.10 PROPOSAL SUBMISSION

All proposals submitted in response to this solicitation must be received in the City of Napa Finance Department by August 22, 2016. All proposals must contain the following information, and required forms where specified.

**1.10.1 Proposer's Cover Sheet-** The attached coversheet, Attachment 1, must be filled out and submitted as the cover page of the proposal.

**Exceptions-** Any deviation from Scope of Services must be identified on Attachment 2. Failure to note said exceptions will be interpreted to convey that the Proposer will perform

in the manner described and/or specified in this solicitation. If exception(s) are taken or alternatives offered, complete descriptions must be shown separately.

**1.10.2 Executive Summary-** Proposals should include a brief summary of overall qualifications and experience of the firm, as it pertains to the Firm's ability to provide the services outlined in this RFP, including any aspects of the organization that would enable it to excel at the requested services, and attributes that would provide value added benefits.

**1.10.3 Financial Interest Disclosure**

- 1.10.3.1 Disclose any financial interest in which the proposing Firm or any of its members and employees have that could pose a possible conflict of interest in the Firm's ability to represent the City of Napa.
- 1.10.3.2 Statement of ownership - proposals must contain a detailed listing of the Firm's primary ownership and any involvement in business or business activities that are separate from the firm that is represented in the response to this solicitation; as well as any affiliated, subsidiaries, parent and sister companies to the firm being represented in the proposal.
- 1.10.3.3 Corporations/LLCs, should list the ten predominate shareholders/members in descending order.
- 1.10.3.4 Partnerships/LLP, should list all partners associated with the firm.
- 1.10.3.5 Sole proprietorship, single member LLCs, should list all business involvement/interest that are separate from the firm being represented in this proposal.

**1.10.4 Specific Response Requirements**

- 1.10.4.1 Proposers shall respond to each item in Section 3.0 by listing the item number, repeating the question and then providing a complete response.
- 1.10.4.2 Provide at least five (5) references that the proposing firm has provided the types of references described herein. If a firm is proposing for more than one Service Group, provide at least three (3) references for each Service Group. Provide the name, phone number, email address, and address for each reference; also, state the service provided and length of time the service has been provided.
- 1.10.4.3 All pages must be sequentially numbered.
- 1.10.4.4 SEPARATE ENVELOPE FOR "CONFIDENTIAL" INFORMATION: To the extent that the Proposer asserts that any information submitted to the City is confidential, and exempt from disclosure to the public under the Public Records Act, the Proposer shall clearly label each page on which the confidential information is included as "Confidential – Official Information" and deliver it to the City in a separate sealed envelope. The sealed envelope shall be clearly labeled: "Confidential Information Submitted by [NAME OF PROPOSER] for Banking and Lockbox Services." Before labeling any portion of

the submittal as “Confidential,” the Proposer shall carefully review Section 1.15 (Public Disclosure) and 1.16 (Confidential Solicitation Process). As described in those sections, as a general rule, all records submitted to the City are public records, subject to disclosure to the public under the requirements of the Public Records Act (California Government Code Sections 6250, et seq.)

### 1.11 EVALUATION CRITERIA

Proposals will be reviewed by an evaluation committee of City staff and representatives, the top firms may be invited to present their proposals to the evaluation committee at a City office in Napa, California. Based upon the proposals submitted and the firm presentations, the committee will make a recommendation to the Finance Director regarding the Proposer which best meets the City’s requirements. The Finance Director and City Manager will present a recommendation to the City Council for final approval. Proposals will be primarily evaluated on the following criteria:

- 1.11.1 **Responsiveness to the RFP Process** - Proposals will be evaluated on the level of detail included in response to all requests laid forth in this solicitation, as well as the relevance of the responses to the needs of the City.
- 1.11.2 **Proven Ability** – Proposers will be evaluated on their ability to provide the services and fulfill the requirements of the Scope of Services herein, to public agencies that are similar in size to the City of Napa.
- 1.11.3 **Overall Experience and Qualifications** – The experience and qualifications of the proposing firm and all of the members of the team that may be assigned tasks under the Scope of Services listed in this solicitation.
- 1.11.4 **Security and Control** – Proposers will be evaluated on their financial strength, adequacy of financial controls, security, and their ability to protect City assets against loss.
- 1.11.5 **Fees** –The City’s evaluation process is not designed to award the contract to the lowest cost proposer. Rather, it is intended to help the City select the vendor with the best combination of attributes, including price.

### 1.12 TERMS AND CONDITIONS

- 1.12.1 **Performance Standards** - Performance of work pursuant to any award shall be to the satisfaction and full discretion of the City.
- 1.12.2 **Insurance** - Selected Proposer(s) shall provide a Certificate of Endorsement naming City as additional insured in amounts specified by City prior to initiation of any services under City contract. Coverage shall be from a company authorized to transact business in the State of California and the City of Napa and shall meet the minimum specifications requested in paragraph 13 of the sample agreement shown in Attachment 7.



- 1.12.3 **City Facilities and Security** - All work for resulting contract must be done in a manner that offers minimum interference and disruption to the normal activities of City facilities. Proposer must comply with all facility safety and security guidelines.

### 1.13 CONFLICT OF INTEREST DISCLOSURE

No City employee or elected or appointed member of City government may participate directly or indirectly in the procurement process pertaining to this proposal if they:

- 1.13.1 Have a financial interest or other personal interest that is incompatible with the proper discharge of their official duties in the public interest or would tend to impair their independence, judgment or action in the performance of their official duties.
- 1.13.2 Are negotiating for or have an arrangement concerning prospective employment with Proposer. The Proposer warrants to the best of their knowledge that the submission of the proposal will not create such conflict of interest. In the event such a conflict occurs, the Proposer is to report it immediately to the Purchasing Agent. For breach or violation of this warranty, the City shall have the right to annul any contracts entered into with Proposer without liability at its discretion, and Proposer may be subject to damages and/or debarment or suspension.

### 1.14 GIFT POLICY

In accordance with City policy, City officials are legally precluded from accepting any gift(s) provided by any person who does business with (or is endeavoring to do business with) the City. No gifts of any size will be accepted.

### 1.15 PUBLIC DISCLOSURE

As a general rule, all documents received by the City are considered public records and are subject to disclosure to the public under the requirements of the California Public Records Act (California Government Code Sections 6250, *et seq.*). There are two exceptions to the general rule that are relevant to this RFP that authorize the City to refuse to disclose City records to the public for: (1) the “deliberative process”; and (2) “Confidential – Official Information.”

Deliberative Process: Unless otherwise compelled by a court order, the City will not disclose any submissions under this RFP while the City conducts its “deliberative process” of reviewing the submissions. However, when the Finance Director and City Manager submit a recommendation to the City Council for final approval of the selected Proposer(s), the City shall consider all application materials to be subject to public disclosure, unless there is a legal exception to disclosure. (See, Michaelis v. Superior Court (2006) 38 Cal.4<sup>th</sup> 1065.)

Confidential – Official Information: One potential exception from public disclosure is “official information” submitted to the City in confidence, where the necessity for preserving the confidentiality of the information outweighs the necessity for disclosure in the interests of justice. (See California Government Code Section 6254(k) and Evidence Code Section 1040.)

If a respondent asserts that any portion of its submissions is subject to a legal exception to public disclosure, the respondent must: (1) clearly mark the relevant portions of its application “Confidential – Official Information” (using the separate envelope described in Section 1.10.4.4); and (2) upon request from the City, provide additional information regarding the legal basis for exception from disclosure under the Public Records Act; and (3) the respondent shall defend, indemnify, and hold harmless the City regarding any claim by any third party for the public disclosure of the “Confidential” portion of the submission.

If the City receives a request for disclosure of records identified by a respondent as “Confidential – Official Information,” the City shall take one of the following actions:

- (a) If the City determines there is a legal basis to withhold the records from disclosure, the City shall not disclose those records unless compelled by a court order; provided that, upon request by the City, the respondent shall defend, indemnify, and hold harmless the City regarding any claim or litigation by any third party for the public disclosure of the “Confidential – Official Information” portion of the submission.
- (b) If the City does not identify a legal basis to withhold the records from disclosure, the City shall provide written notice of the request for disclosure to the respondent, and the respondent shall be given an opportunity to either: (1) withdraw the records from the submission, or (2) include the records in the submission.
  - (i) To the extent the respondent chooses to withdraw the records from the application, the City shall return the records to the respondent, and those records will not be considered by the City to be part of the submission, and those records will not be maintained by the City. As a condition of returning the records to the respondent, the City may require the respondent to withdraw its submission, and defend, indemnify, and hold the harmless the City regarding any claim or litigation by any third party.
  - (ii) To the extent the respondent chooses to include the records in the submission, the City shall consider the records as part of the submission, and the records will be subject to public disclosure unless the respondent obtains a court order to preclude public disclosure.

## **1.16 CONFIDENTIAL SOLICITATION PROCESS**

The City will not share the details of individual responses to this solicitation with competing respondents during the selection process. When the Finance Director and City Manager submit a recommendation to the City Council for final approval of the selected Proposer(s), all solicitations will become public records (except portions otherwise deemed confidential as described in Section 1.15).

Additionally, the Proposer shall not attempt to influence the decision process by lobbying or otherwise influencing decision makers, be it elected officials, City officials or staff, or any other member of the decision making body. By submitting a response to this RFP the Proposer agrees to keep the Proposers responses confidential and not engage in any activity in an attempt to influence the decision outside of the process outlined in the RFP, as may be amended from time to time.

## 2.0 SCOPE OF SERVICES & CURRENT OVERVIEW

### 2.1 Service Group 1 – General Banking

The bank awarded the contract for Service Group 1 will be the City's primary cash management partner. This bank will process all deposits (except payments collected at a lockbox), disbursements (including payroll and accounts payable) and will be the central point for cash management.

Much of the City's banking activity relates to the collection of utility payments for water and solid waste handling. Utility customers have multiple options for making payments as described below:

- The City's 25,000 water utility customers can make their bi-monthly payments by mail to a P.O. Box (lockbox), by mail to City Hall or in person at City Hall. At City Hall, payments can be made by cash, check or merchant card. The City is currently considering adding an online billing platform that would allow customers to pay their water bill electronically; this should reduce the number of paper items processed.
- The processing of payments for refuse and recycling for the Solid Waste/Materials Diversion Facility ("MDF") are handled by Napa Recycling & Waste Services ("NRWS"). Refuse/recycling customers can mail payments to a P.O. Box (lockbox), pay in person at multiple locations, or pay online by ECheck or merchant card. Payments by ECheck and merchant card are initiated on the NRWS website.

The City has approximately 462 full-time employees, and 44 part-time employees. The City also has an additional 150 part-time employees during the summer. The average size of the total payroll per month is \$2 million, with 90% being direct deposit. All employees are paid bi-weekly on Fridays.

**General Requirements:** The City currently has seven (7) demand deposit accounts at its primary bank; the general account is used to process all Accounts Payable ("A/P") and payroll activity, and six (6) subsidiary accounts serve as collection accounts for Parking Citations, the MDF and the Housing Authority of the City of Napa. The City has a banking relationship with another bank, which is used for the collection of electronic payments sent from utility customer bill payer systems. The City would like to manage the collection of these payments through its primary bank or through its lockbox provider instead of having to use a third firm.

The City maintains average collected balances of between \$5.5 million and \$15.5 million, with the average being \$9.5 million. A portion of this balance is currently used as a compensating balance to offset service fees. Earnings are currently carried over and settled on an annual basis, however the City is considering foregoing the use of a compensating balance and paying the service fees on a monthly basis. The amount of funds left on deposit at the Bank in the future will depend on the earnings credit rate and/or interest rate.

Required services include:

- a) Qualify as a "Depository" under California Government Code ("CGC") Section 53630-53686;

- b) Collateralize City deposits in excess of balances insured by the FDIC, in accordance with CGC Section 53630-53686;
- c) Be "Well Capitalized" as defined by the Federal Deposit Insurance Corporation (FDIC);
- d) Establish a minimum of seven (7) to nine (9) demand deposit accounts to meet the banking requirements of the City and maintain accurate records of activity in those accounts;
- e) Provide an overnight investment service (sweep) or interest bearing account for balances in the demand deposit accounts;
- f) Establish and maintain additional accounts as needed under the negotiated fee structure; and
- g) Provide a single point of contact at the bank for the City.

#### **2.1.1 Branch and Vault Deposit Services:**

The City collects approximately 4,000 checks per month at City Hall, various Parks & Recreation locations and MDF locations. City Hall deposits are delivered daily to a local bank branch for processing, and an armored car service transports deposits for the other locations to a bank vault. All deposits are made using tamper-proof, single-use deposit bags.

**Branch Deposits** – Deposits at City Hall are currently deposited at a local bank branch. Deposits are sealed in tamper-evident plastic bags; deposits are mixed and contain checks and currency. Approximately \$843,000 in currency was deposited at a branch last year.

The City's current practice of making deposits at a bank branch is unsatisfactory; deposits have been processed in this way because of limitations with a current services provider. The City plans to move to a process where all deposits are transported by armored car as soon as is practical.

**Vault Deposits** – Garda (the City's armored car provider) currently picks up deposits at four (4) locations; one (1) location for Parks & Recreation once per week, and three (3) locations for MDF, twice per week.

There were approximately 1,142 vault deposits last year between all locations. Approximately 70% of these were mixed deposits, with a total of \$718,000 in currency. Vault deposits often have multiple deposit tickets in each bag.

A list of pick-up locations and frequency are provided below.

#### **1) City Hall (Daily Pickup)**

955 School Street  
Napa, CA 94559

#### **2) Parks & Recreation (Once per Week)**

1850 Soscol Avenue, Suite 201  
Napa, CA 94559

#### **3) Materials Diversion Facilities (3 Locations, Twice per Week)**

Intown Payment Center  
592 Lincoln Avenue  
Napa, CA 94559

MDF Scale House & MDF Administrative Offices  
820 Levitin Way (*same address, 2 different buildings*)  
Napa, CA 94559

**Coin/Currency Needs** – The City currently obtains cash from a local bank branch, but would prefer to order cash and have it delivered by the armored car provider. Cash needs are modest with roughly \$1,800 needed every month.

**Remote Deposit Capture (“RDC”)** – The City is not currently using RDC, but is considering use of this service at City Hall.

**Cash Vaults/Safes** – The City is not currently using a cash vault/safe at any location, but is considering use of this service at City Hall.

Required services include:

- a. Have a local branch presence within Napa city limits;
- b. Process the deposit of approximately 4,000 checks per month at a local branch, vault or by RDC;
- c. Process the collection of \$1.6 million of cash per year at a local branch or vault location;
- d. Accept both currency and checks at the vault; and
- e. Image deposited items.

**2.1.2 Disbursement Processing/Checks:**

All payroll and other A/P disbursements are made from the City’s main bank account. The City writes approximately 830 checks per month.

Roughly 90% of City employees receive their pay by ACH. The remainder (approximately 50 employees) receive checks; the dollar amount of payroll payments made by check is roughly \$33,000 per pay period.

Positive Pay services are used on the accounts and the City is considering the use of Payee Positive Pay. The City occasionally issues checks outside the standard weekly processing cycle and positive pay information is provided to the bank via an online system. Teller Positive Pay service is necessary to ensure that payees can cash these checks at the bank branch without difficulty.

Required services include:

- a. Provide Positive Pay services, including Teller Positive Pay;
- b. Provide online stop payment services;
- c. Cash City payroll checks drawn on your bank at no cost to the City or to the payee; and
- d. Provide online access to cleared checks (images of front and back).

**2.1.3 Electronic Transfer of Funds:**

The City initiates approximately 2,000 ACH credits per month (primarily for payroll) and initiates 1,600 ACH debits per month (primarily for utility payments). The dollar amount of payroll payments made by ACH is roughly \$1,060,000 per pay period.

The maximum daily ACH exposure is expected to be \$5 million.

The City also sends and occasionally receives Fed Funds wires. On average, there are 2 outgoing wires each month, and an occasional incoming wire. When sending wires, the City prefers to initiate the transactions online.

Required services include:

- a. Accept and send ACH transactions;
- b. Establish an ACH exposure limit of \$5 million;
- c. Provide ACH debit blocking and filtering services on all accounts;
- d. Provide a secure electronic method for initiating wire transfers; and
- e. Provide a secure electronic method for initiating intra-bank transfers.

#### **2.1.4 Collection of Payments from Customer Bill Payer Systems**

The City receives approximately 8,491 electronic payments per month from customer bill payer systems. The bill payer generated payments are currently received and processed by Bank of America using their Paymode X product. The City would like to manage the collection of these payments through its primary bank or through its lockbox provider instead of having to use a third firm.

The bank would need to obtain customer and payment information from the clearing networks and transmit this information to the City electronically each day. The ability to efficiently process electronic payments from customer bill payer systems is a required service. However, the City is willing to obtain this service from either the bank selected to provide General Banking services (Service Group 1) or the lockbox provider (Service Group 2). Banks proposing to provide General Banking services that can process electronic payments from customer bill payer systems will be given preference in the evaluation and scoring of proposals by the City.

The City is currently considering adding an online billing platform that would allow customers to pay their water bill electronically. If implemented, the online billing platform should reduce the volume of payments made through customer bill payer systems.

Lockbox services are included in this RFP as Service Group 2.

#### **2.1.5 Bank Balances:**

The City currently maintains average balances of approximately \$9.5 million across all accounts. The amount of funds left on deposit at the Bank in the future will depend on the earnings credit rate and/or interest rate. California Government Code Section 53635 requires all deposits be collateralized. Please see specific collateralization requirements in Attachment 5.

The City will consider sweep options for these funds, such as constant net asset value government money market mutual funds and government repurchase agreements. City requirements for overnight investments can be found in Attachment 6.

The City has one account that is used for the Housing Authority of the City of Napa. This account holds federal funds and must meet strict requirements imposed by the Federal Department of Housing and Urban Development ("HUD"). By Federal regulation, a bank holding HUD funds must

sign the HUD General Depository Agreement; a copy can be found in Attachment 8. The Agreement details the specific requirements and restrictions that the bank must follow.

Required services include:

- a. Provide a competitive earnings rate, earnings credit rate for bank balances and/or an overnight investment service (sweep); and
- b. Sign the HUD General Depository Agreement and comply with the requirements described therein.

#### **2.1.6 Purchasing and Travel Card**

The City has a small purchasing and travel card program with approximately \$2 million of annual spend. There are roughly 50 cards in circulation. Approximately 5,250 transactions were made on the cards last year with an average transaction size of \$314. Currently, the City has 30/7 payment terms (30 day billing cycle with payment due within 7 days).

The City's Accounts Payable office disburses over \$115 million to 3,000 active vendors each year; 988 of these vendors currently have accepted payment from the City by CAL-Card, and roughly 100 of these vendors also receive payment from the City by check or ACH. The City is interested in expanding the ability to pay vendors ("AP Vendors") electronically by both card and ACH.

*Please note: The City is currently using the U.S. Bank CAL-Card Program and, upon review of proposals received in response to this RFP, may choose not to award the Purchasing and Travel Card portion of this Service Group and to continue with the CAL-Card Program.*

Required services include:

- a) Issue 50 or more cards to be distributed to City employees;
- b) Provide detailed online reporting services;
- c) Establish an automatic feed transactions into the City's accounting system (SunGard IFAS);
- d) Pay a rebate to the City based on expenditures;
- e) Work with the City to expand the use of its purchasing card program to increase the rebate earned; and
- f) Work with the City to convert vendors that currently receive checks to payment by purchasing card or ACH.

#### **2.1.7 Reporting:**

The City requires access to reports on daily account activity, including current and prior day reporting of ledger balance, available balance, and summary and details of credits/debits posted. The City performs a daily reconciliation of paid checks.

Required services include:

- a) Provide secured web or online reporting of ledger balance, available balance, and summary and details of credits/debits posted for disbursement accounts;
- b) Provide online monthly activity statements and reports for all accounts;
- c) Provide prior day reporting for the last 90 days;
- d) Provide online access to cleared checks (images of front and back);



- e) Provide partial reconciliation services for check disbursements;
- f) Provide a daily download of paid check information to be used for reconciliation;
- g) Provide system functionality for users to generate customized reports;
- h) Provide detailed monthly account analysis statements for each account and a consolidated statement; and
- i) Allow approximately 16 or more City and NRWS employees to access the firm's online reporting system with different levels of authorization.

## 2.2 Service Group 2 – Retail Lockbox Services

The City is currently using a retail lockbox to process check payments received by mail. The lockbox vendor processes approximately 5,000 utility (water) and 6,800 recycling (MDF) payments per month, as well as 1,060 Business Licenses. Samples of remittance documents can be found in Attachment 9. The processing requirements for each payment type are as follows:

**Utility Bills (Recycling/MDF)** – Payer information and all remittance documents must be sent to NRWS each day. The payer information is currently received in a .COL file and uploaded into Soft-Pak. A copy of the file specifications is included in Attachment 10. Hard copies of remittance documents are sent via next-day courier (i.e. Federal Express or UPS). NRWS does not require that any remittance documents be imaged.

**Utility Bills (Water)** - The City requires that the vendor image the check and the remittance document. The payer information is currently received in a comma-delimited flat file, and a copy of the file specifications is included in Attachment 11. Images must be available online, and hard copies of remittance documents must be sent to the City via next-day courier (i.e. Federal Express or UPS).

**Business Licenses** – Hard copies of remittance documents must be sent via next-day courier (i.e. Federal Express or UPS). The City does not require that business license remittance documents be imaged.

The City is interested in “e-lockbox” services that would facilitate the processing of payments from customer bill payer systems. The bank would need to obtain customer and payment information from the clearing networks and transmit this information to the City electronically each day. The ability to efficiently process electronic payments from customer bill payer systems is a required service. However, the City is willing to obtain the needed service from either the bank selected to provide General Banking services (Service Group 1) or the lockbox provider (Service Group 2).

The City is currently considering adding an online billing platform that would allow customers to pay their water bill electronically. The City is looking for a lockbox provider that can meet its current paper-centric process and is able to meet the future demands of a more automated process.

Required services include:

- a) Process and image checks, remittance documents, and correspondence, as required;
- b) Provide online access to images of processed items and remittance documents;
- c) Provide online reporting, including the ability to download details and a summary of transactions including customer name, account number and payment amount; and
- d) Deposit funds into the City's account at a bank qualified as a “Depository” under California Government Code (“CGC”) Section 53630-53686.





### 3.0 SPECIFIC RESPONSE REQUIREMENTS

Proposers shall respond to each item in this section by listing the item number and providing a complete response to each question.

**A. ....Qual**

**ifications and Experiences**

*(All Proposers must respond to this section)*

1. Provide a general overview and brief history of your firm, including parent and/or subsidiary companies and number of employees.
2. Provide the address of the office that will cover the City's account for each Service Group you are proposing to provide.
3. Describe the experience of the firm in providing similar services for other municipal governments.
4. Include a copy of the most recent audited annual financial statements in the electronic copies of the proposal. A paper copy of the financials is not required.
5. Complete the following table with current credit ratings by Standard & Poor's Ratings Services and Moody's Investor Services. If the responding institution is not rated by these rating organizations, provide other evidence of the firm's financial strength.

	Standard & Poor's	Moody's Investor Services
<b>Firm / Bank</b>		
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		
<b>Bank Holding Company</b>		
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		

**B. ....Key**

**Proposed Personnel and Team Organization**

*(All Proposers must respond to this section)*

1. Provide the name, title, address, phone number, and email address of the primary contact person(s) assigned to this account.
2. Provide information on the key personnel that will work with the City
  - a. Proposed role with regard to the City's accounts (indicate which Service Groups they



- are responsible for);
  - b. Biographical information;
  - c. Experience working with other municipal governments;
  - d. Number of years of experience in banking; and
  - e. Number of years with your firm.
3. Customer Service
- a. Will the bank/firm designate a specific customer service representative for the City, rather than an 800-number or email address?
  - b. What are the hours of operation of each customer service unit involved in supporting the proposed service? If different, specify the hours for each Service Group you are proposing to provide.
4. After the initial transition, how often will you plan to meet with City staff? Describe a typical meeting agenda. Who will attend these meetings?
5. IT Resources: During what hours is technical support available? (Specify time zones).

**C. ....Serv**

**ice Group 1: General Banking**

*(Only firms proposing for Service Group 1 should respond to this section)*

1. Confirm that the bank can meet each of the “Required Services” listed in Section 2, Service Group 1 – General Banking.
2. Deposit Processing
- a. Please list all of the bank’s branch locations in Napa, CA. If there are no locations in Napa, the bank is ineligible to bid on this Service Group.
  - b. Can a unique deposit identification number be used on deposit tickets to identify the deposit location for reconciliation purposes?
  - c. What armored car vendors are approved to deposit at your vault location(s)?
  - d. What is the ledger cutoff time for deposits made to branch locations?
  - e. What is the ledger cutoff time for deposits at the vault deposit location?
  - f. What is the ledger cutoff time for deposits for items processed with Remote Deposit Capture?
  - g. What type of deposit bags does the bank allow/require?
  - h. Are there any restrictions on the amount of loose and/or rolled coin deposited at a branch location?
  - i. How are deposits credited? Are items immediately verified? If provisional credit is given, when does verification take place? If the bank corrects a deposit, how will the City be informed of this change (i.e. phone call, online notification, fax, e-mail)?
  - j. Are deliveries of change and currency orders available via an armored car provider? If so, explain timelines and procedures for placing change and currency order requests. If not, please explain procedures for acquiring change and currency.
  - k. Do you offer the ability to deposit currency into “remote cash safes”? Are currency deposits credited to the City’s bank account on a same day basis? What fees or costs would apply?

3. Branch Services
  - a. Confirm that the bank will cash City payroll checks drawn on your bank without charge to either the City or the check payee?
  - b. Is a check cashing agreement required? If yes, include a copy.
4. Remote Deposit Capture
  - a. Describe the bank's ability to process checks by RDC.
  - b. Is there a limit on the number of checks that can be contained in a single deposit?
  - c. Describe the storage features, including length of time images are stored, available for viewing and printing.
  - d. How will the City be notified of deposit corrections and/or adjustments?
  - e. What RDC equipment does the bank recommend to the City? Indicate how many items these machines can handle. What is the price for this equipment? Is your firm willing to offer any equipment at no cost to the City?
  - f. What are the accuracy rates of these units? Provide relevant statistics.
  - g. Does the bank's RDC technology use Intelligent Character Recognition to "read" the check amount? If so, does the system recognize both the courtesy amount and the legal amount of the check?
  - h. Can the bank's software process both ACH and Image Replacement Documents (IRD) on the same equipment? How does the bank's software determine the optimal clearing mechanism?
  - i. Is the City able to receive a demo scanner for testing purposes?
5. Returned Item Processing
  - a. Can returned checks be automatically redeposited? If so, how many times and at what cost?
  - b. Does the bank offer Represented Check Entries ("RCK") where an ACH debit is used to re-present a returned check?
  - c. What disclosures does the City need to communicate to its customers to use RCK? How do you recommend they communicate this?
  - d. Can the bank provide a detailed return item transmission to the City? Can this report identify the payer's name, depositing location, deposit date, and type of item being returned?
  - e. Can the bank provide online access to electronic images (back and front) of returned items to the City? If so, how soon after an item is returned can these images be accessed?
6. Availability of Deposits
  - a. How does the bank determine and calculate availability of deposited items?
  - b. Does the bank give immediate availability for on-us items?
  - c. Provide a copy of the availability schedules the bank proposes to use for the City, including branch deposit, vault, and RDC.
7. Armored Car Services
  - a. Which vault location are you proposing the City use for deposits handled by its armored car provider?
  - b. Do you own the vault? If not, provide information about the vault operator.
  - c. Does this vault location handle both cash and checks?

- d. What is the ledger cutoff time for deposits at this vault deposit location?
  - e. Outline the procedures you recommend clients follow in preparing cash and check deposits for armored car pick-up.
  - f. Does the bank offer armored car services? If so, identify any contractors used and state what services will be subcontracted.
  - g. Include a summary of any problems that the bank anticipates in meeting the requirements of this RFP and possible solutions to these problems.
  - h. Describe the process the City would use to research any deposit discrepancies. What is the bank's process for resolving discrepancies when a third-party courier is used? Please be specific.
8. Check Disbursements / Positive Pay
- a. Does the bank offer Positive Pay?
  - b. Does the bank offer Payee Positive Pay? If yes, provide detailed check specifications.
  - c. Does the bank offer Teller Positive Pay? If so, how frequently is check issuance information updated and available to tellers?
  - d. What is the deadline for the transmission of check issuance files to the bank?
  - e. What controls are in place to protect against lost files and duplications of transmissions? If duplicate files are sent, is there a penalty or potential issue?
  - f. Does the bank require a control total to be sent? If so, how will the City be notified that the control total was received?
  - g. How will the City be notified of exception items?
  - h. Will an image of the exception item be available for viewing in the e-mail or will the user be required to log into the bank's website?
  - i. At what time will the City receive information on exception items? How much time will the City have to review discrepancies and notify the bank to accept or reject?
  - j. If the City is unable to provide a "pay" or "no pay" decision before the deadline, what happens? Does the bank offer a "do not pay" default?
  - k. Can accounts be designated as "post no checks" to prevent potential fraud?
9. Stop Payments
- a. What term options are available for stop payments? Does the fee for a stop payment vary based upon term? Please list fees for all term options.
  - b. Are stop payment requests effective immediately? If not, how long does it take for a stop payment request to become effective?
  - c. Can stop payments be automatically renewed? If so, for how long? What are the associated fees for each renewal, if any?
10. ACH Processing
- a. What are the transmission deadlines for one day and two day ACH files? When are funds debited from the City's account?
  - b. Discuss the bank's methodology for determining debit and credit exposure limits.
  - c. Confirm that the bank is willing to establish an ACH daily exposure limit of up to \$5 million for the City.
  - d. What would happen to a file if the City exceeded its daily exposure limit?
  - e. Does the bank accept both debits and credits on the same file? If so, discuss any additional requirements.
  - f. What controls are in place to protect against lost files and duplicate transmissions?



- g. Does the bank provide automatic file receipt acknowledgements? If so, how is the acknowledgement transmitted?
- h. Is the City required to submit a control total for each ACH batch? How would the City communicate ACH control totals to the bank (i.e. phone, online, e-mail)?
- i. What type of reporting is available for ACH returns? Is it available electronically?
- j. Describe the financial institution's ability to block unauthorized ACH debits.
- k. With ACH debit blocking, does the bank notify the City of attempts to debit funds that have been automatically rejected?
- l. Does the bank offer Universal Payment Identification Codes (ability to mask visible account numbers to reduce the risk of unauthorized direct debits)?
- m. What detail about incoming ACH transactions can be viewed online (i.e. CCD and CTX)? Can addenda information be viewed online?

11. Wire Processing

- a. Describe the process of initiating wire transfers (online, by phone, other).
- b. What is the cutoff time for same day wire transfers?
- c. If wire transfers can be initiated online, describe the system's security features. Can varying degrees of authorization be set (i.e. multiple authorizers, maximum dollar amounts, etc.)?

12. Intra-Bank Account Transfers

- a. Describe the process of initiating intra-bank account transfers.
- b. What is the cut-off time for same-day intra-bank account transfers?

13. Transfers to/from the Local Agency Investment Fund ("LAIF")

- a. Describe the process the City would follow to transfer funds to LAIF from your bank.
- b. Describe the process the City would follow to transfer funds from LAIF to the City's account.
- c. Would the City need to wire funds to LAIF or is an internal account to the State account used?
- d. What is the cut off time for same-day transfers to LAIF?

14. Statements & Documents

- a. How soon after the cut-off date are the following items ready?

	Online	By Mail
Bank Statement		
Account Analysis Statement		
Partial Reconciliation Information		
Full Reconciliation		

15. Online Reporting System

- a. Describe the reports that will be available to the City through the bank's balance reporting system. Include sample reports.

- b. What levels of authorization (i.e. accounts view, transaction capabilities, etc.) can be permitted or turned off for individual users?
- c. Can the City designate administrators? What capabilities and functionalities do administrators have (i.e. adding new users, removing users, settling authorization levels, etc.)?
- d. What transaction types are reported in previous day reporting? What previous day reports are available? Provide samples of previous day balance and transaction reports.
- e. What time is previous day information available?
- f. What transaction types are reported in current day reporting? What current day reports are available? Provide samples of current day balance and transaction reports.
- g. In what file formats can transaction data be downloaded? Can activity be downloaded into Excel?
- h. Please complete the following table indicating how long each item is available online? Differentiate between the standard term and the terms available for an additional fee.

	<b>Standard Term</b> <i>(included at no additional cost)</i>	<b>Optional Terms</b> <b>Available</b>
Current Day Reporting		
Prior Day Reporting		
Monthly Account Statements		
Images of items Deposited at Branch or Vault		
Images of Items Deposited with RDC		

- i. Describe the process of locating a cancelled check online. What types of indexing capabilities are available within the bank's system to identify the desired check image?
- j. Can electronic reports be customized by users within the bank's online platform? Can these customized reports be saved?
- k. Can electronic reports be scheduled to be generated automatically and e-mailed to designated users?
- l. Describe any recent or upcoming major upgrades to your online reporting system.
- m. Please provide statistics regarding system downtime for the period of October 2014 – April 2016. (i.e. How often has system been down, for how long, how many clients were affected, etc.)

**16. Reconciliation Services**

- a. Does the bank offer partial and full Account Reconciliation Program (ARP) services? Please discuss options.
- b. What report options are available for partial and full reconciliations? Provide sample reports.

- c. Describe the bank's deposit reconciliation services. How are daily deposits reported?
- d. Are the reconciliations systems integrated for check, ACH, and wire transfer?

17. Bill Payer Systems

- a. Does the bank work with third-party "bill payer" systems to receive payment and remittance information electronically? If so, describe the service.
- b. Which clearing networks do you work with?
- c. What information can you provide from the clearing network, and in what format(s)?

18. Purchasing Card Program

- a. Describe the bank's capabilities and experience with purchasing card and electronic payable solutions.
- b. What card platform(s) does your program employ (e.g. MasterCard, Visa, American Express, or other)?
- c. Provide an overview of software/web based card program management system that supports the firm's purchasing card program.
- d. Program Administrator
  - (i) What capabilities and functionalities do Program Administrators have (i.e. adding new cardholders, adjusting credit limits, reviewing activities)?
  - (ii) Will Program Administrators be able to adjust restrictions and controls on individual cards?
  - (iii) How long will it take the changes to be effective?
- e. Reporting
  - (i) Describe the online reporting provided to cardholders and administrators. Provide sample reports.
  - (ii) Does the online reporting system provide real-time information on transactions? If not, how long does it take transaction data to become available?
- f. Travel Cards
  - (i) For employees using the card for travel expenses, what additional protections (i.e. lost baggage protection) are provided?
  - (ii) What are the liabilities of the City and employees in the event of fraud, abuse, or loss of a card?
  - (iii) Do you offer an expense reporting module that allows users to identify and code charges for automatic entry into the City's general ledger?
  - (iv) Can this expense reporting module be customized to reference the City's general ledger account numbers?
  - (v) Can a receipt image be uploaded into the expense reporting module? If so, how?
  - (vi) Does your firm offer a mobile application to upload receipt images?
  - (vii) Is there an integrated expense approval process?
  - (viii) Does the expense reporting module send reminders or management reports to encourage the timely submission of expense reports?
  - (ix) Are there any costs to the City for the expense reporting module?
- g. Purchasing Cards (Physical Cards)

- (i) What are the liabilities of the City and employees in the event of fraud (by a non-City employee), abuse, or loss of a card?
      - (ii) Do you offer reporting capabilities that allows card holders/departments to identify and code charges for automatic entry into the City's general ledger?
      - (iii) Can an image (such as an invoice or receipt) be uploaded into the reporting module? If so, what options (fax, mobile application, online) are available?
    - h. Electronic Payables
      - (i) Describe how vendor payments made by card are initiated. Are ghost cards or one-time use cards used for payment?
      - (ii) Describe how suppliers receive the card number to process payment. If an email is sent, please provide an example of the correspondence sent.
      - (iii) Who retains ownership of the vendor payment information (i.e. contact person, e-mail, address, phone number)?
      - (iv) Discuss your approach in recruiting vendors on the City's behalf to your firm's payables platform.
      - (v) What are the steps for signing up a vendor?
      - (vi) Identify the number of suppliers your institution currently has enrolled.
      - (vii) If a supplier is already enrolled with your payables platform, describe the process for the City to pay that vendor electronically.
      - (viii) Who makes outbound phone calls to vendors (i.e. employees of your firm or a third-party)?
      - (ix) How quickly do you anticipate reaching out the City's vendors? How many vendors do you plan to reach out to in 3 months? In 6 months?
      - (x) Please provide two specific examples of a successful implementation for a client. What were the organization issues, solutions, and results of this implementation?
    - i. Discuss settlement terms.
      - (i) What billing cycles are available?
      - (ii) How will the City receive billing statements?
      - (iii) What are the payment terms from "statement date"?
    - j. Rebate Schedule
      - (i) Please provide a rebate schedule for card from \$0 to \$75 million, include details.
      - (ii) Please describe any other factors, such as average transaction size, etc., that affect the rebate amount.
      - (iii) Please describe how speed of payment is calculated.
19. Earnings Credit Rates
- a. Does the City have the option of paying the bank by "hard dollars" or compensating balances ("soft dollars")? Is the pricing the same for either option? If not, what is the difference?
  - b. How is your bank's earnings credit rate determined, adjusted, and applied? Please include in the explanation the impact of the bank's reserve requirement, the formula for converting service charges to balance requirements.
  - c. Will the bank assess any balance based charge (FDIC-like, FICO, or other) to the City? If so, what is the current charge for an entire year on a \$1,000,000 balance? How is this charge computed? Is this charge assessed on ledger or collected balances?
  - d. Provide the earning credit rate history for the 36-month period from April 2013 through March 2016. Please indicate earnings credit rate for each month.



- e. What is the bank's current earnings credit rate?
  - f. Are you willing to tie the earnings credit rate to a market index? If so, which index would you suggest?
  - g. Can "excess" earnings credit be carried forward to cover charges in the following month? Is there a limit on how far forward excess earnings credits can be carried?
20. Overnight Investment Option or Interest Bearing Bank Deposit
- a. What short-term investment vehicle(s) or interest bearing account does the bank propose to use for the overnight investment or sweep of the City's demand deposit accounts?
  - b. Does a reserve requirement apply to the proposed option?
  - c. Does an FDIC assessment, deposit based fee, or similar fee apply to the proposed option? If so, what is the current charge for a full year on a \$1,000,000 balance? How is this charge computed? Is this charge assessed on ledger or collected balance?
  - d. Provide investment return history for the 36-month period from April 2013 through March 2016 for each option proposed. Show the yield for each month.
  - e. If a sweep is proposed, what time of day is the sweep deadline? Is it end-of-day or next-day sweep?
  - f. What fee (if any) is charged to sweep funds into the proposed investment vehicle(s)?
  - g. If the bank is proposing a money market mutual fund, provide a copy of the current prospectus and, if multiple classes are offered, identify the proposed class of shares, including ticker symbol or CUSIP.
21. Account Analysis Statements
- a. Provide a sample analysis statement.
  - b. Can Association for Financial Professionals (AFP) Service Codes be included on the analysis statement? If not, do you offer another report that provides this information?
  - c. What are the fees and interest charges associated with end-of-day overdrafts? How are these charges calculated?
  - d. Is there a fee per check or per occurrence when there is an overdraft? If so, what is it?
  - e. Is there a daily cap on fees? If so, what is it?
22. Daylight Overdrafts
- a. Describe the bank's policies concerning daylight balance overdrafts. Indicate whether this is applied to each individual account or across all accounts of a client relationship?
  - b. Is wire transfer processing stopped when the intra-day limit is reached?
23. Employee Banking
- a. Is the bank willing to offer any benefits to City employees?
  - b. Describe the benefit package the bank is offering to employees.
  - c. How would you propose to roll out and promote the employee banking benefits?

**B. Service Group 2: Retail Lockbox Services**

*(Only firms proposing for Service Group 2 should respond to this section)*

1. Describe the firm's capabilities and experience providing retail lockbox services.
2. Where will retail lockbox items be processed?
3. Can a Napa P.O. Box be used? If so, is there an additional cost? Would there be additional mail float time?
4. What was the average monthly volume for your retail lockbox operation by location during the last twelve (12) months (items, dollars, number of lockboxes and number of customers)?
5. What is the ledger cut-off time for retail lockbox deposits for the bank of first deposit (Include weekends and holidays)? What is the latest mail pickup to be included in the current day's deposit? Will you process and deposit all of the City's payments on the same ledger day as received? If not, when are these items deposited?
6. Describe the lockbox department's processing workflow. Include a schematic or flow chart of the processing procedures.
7. How are checks processed for collection? Can checks be converted to ACH? If so, are there any advantages for this option (i.e. lower processing costs, decreased float)?
8. Describe your procedures for the capture and transmissions of remittance details such as account or bill number.
9. For a given day's lockbox activity, at what time of day can you report the total amount that will be credited to the City's account?
10. In what standard formats does the bank transmit? The file specifications needed to update City and NRWS billing systems are included in Attachments 10 and 11. Can information be transmitted in these file formats? How will this information be transmitted (website, file transfer, etc.)?
11. What specifications for the remittance documents are recommended to minimize errors and reduce lockbox processing costs?
12. Are changes to the current remittance documents necessary to process transactions (Samples of current remittance documents are included in Attachment 9)?
13. Describe the bank's procedures for processing exception items. Do you offer same-day online decisioning of exception items?
14. If a payment is received without the remittance document, does the bank offer any technology that can aid in identifying the customer account?
15. Does the bank offer "e-lockbox" services for payments made from consumer bill-payment service providers? Which clearing networks does the bank work with? Please describe in detail.
16. Can you provide daily images of all checks and remittance documents? If so, in what formats (e.g., online, PC bank software, CD-ROM). How long are online images accessible?
17. If correspondence or other non-payment documents are included in payment envelopes, how will these documents be transmitted to the City?
18. If selected as a finalist, can the City tour your lockbox operations?
19. Provide a copy of the availability schedule the firm proposes for items deposited through the retail lockbox.
20. Does your firm offer any technology that will image the back of a remittance document only if there is any customer provided information (i.e. change of address information)?

**C. Control**

*(All Proposers must respond to this section.)*

1. Describe the firm's security environment. Specifically cover the physical and digital security and software safeguards that you have put in place to control access to funds transfer systems and client account information.
2. Describe the firm's security procedures for its information reporting system, both for access and information protection (e.g. RSA tokens, secure certification, etc.)?
3. Describe the backup and recovery capabilities in the event the proposed systems are unavailable. Who would the City contact to initiate day-to day transactions if online capabilities and functionality are temporarily unavailable?
4. Discuss the bank's security environment related to cybersecurity. Specifically describe the cyber risks to which the proposed services may be exposed and explain your approach and response to protection against these risks. What are the firm's crisis communications plans in the event of a cyber-attack?
5. Describe the encryption capabilities that are supported by the firm for the transmission of data between the firm and the City. Describe the file verification capabilities that are supported by the firm, such as checksum or hash totals to ensure that no data is missed or substituted.
6. Describe the process and procedures for providing notification of technology changes, such as file content/structure, and new/modified data availability reporting changes to the City.
7. List the types and amounts of insurance and bonding carried. Provide copies of the insurance certificates.
8. Does the firm maintain cyber liability insurance? If so, list the types and amount/limits carried.
9. Describe the bank's procedures for complying with the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) regulations. When was the last time an independent test of the bank's OFAC program was conducted by internal audit, outside auditors, consultants, or other qualified independent party?
10. Include a copy of the bank's most recent reports issued in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (formerly known as the Statement of Auditing Standards-70 (SAS70)) for any processes or systems relevant to the services proposed by the firm under this RFP. (Note: Failure to provide this information will significantly impair the City's ability to assess the Proposer's controls and will negatively affect the evaluation of the proposal.)

**D. Implementation / Conversion**

*(All Proposers must respond to this section.)*

1. Provide a detailed conversion plan for transitioning each of the proposed Service Groups to your firm. Please include the estimated length of time for the transition and the amount of effort required by City staff.
2. Who will be responsible for coordinating the transition for each of the proposed services? If a conversion team is used, how will the City's account be transitioned to the ongoing client service team?
3. Indicate the firm's plans for initial and ongoing education and training of the City employees in the use of your firm's systems.



4. Will the bank provide dedicated information technology (IT) liaison(s) to work on set-up, file transfer, testing, and troubleshooting / issue resolution?

**E. New Services and Ideas**

*(All Proposers must respond to this section.)*

1. Describe any new services or ideas that will enhance the City's use of cash management services.
2. Please provide any additional information that you believe to be pertinent but not specifically requested elsewhere in the RFP.

**F. Sample Contract**

*(All Proposers must respond to this section.)*

1. Provide a sample of the proposed contract for your firm's services. Please also provide copies of all other documents that need to be signed/entered into related to the provision of the services requested in this RFP including any documents referenced or incorporated into the contracts/agreements.
2. It is the City's intent to incorporate the Request for Proposal and your firm's proposal response as part of the overall contract. Identify any sections of your proposal that you would not be able to incorporate into a contract with the City and explain why. It is not acceptable to exclude the entire proposal.

**G. Pricing**

*(All Proposers must respond to this section.)*

1. For how long will the bank guarantee the proposed fees for each Service Group? Please complete the following table:

Service Group	Fee/Rebate Guaranteed
Service Group 1: General Banking	
Service Group 2: Retail Lockbox Services	

2. If the City chooses to use compensating balances, are there any charges that could not be paid in this way?
3. Are you willing to offer any transition or retention incentives?
4. Are there any additional price breaks or incentives if both Service Groups are awarded to your firm?

**H. Fee Proposal**

*(All Proposers must respond to the relevant parts of this section.)*

Provided a complete fee schedule for each of the Service Groups the firm is proposing to provide. **Fees related to all services described in the proposal must be listed – even if the**

**service is not specifically references on the pro forma.** Also, include any one-time or set-up charges, research fees, minimum fees, and all other fees that will be charged.

1. Service Group 1: General Banking – Complete the schedule in included in Attachment 13, using Association of Finance Professionals (AFP) Service Codes, where applicable.
2. Service Group 2: Retail Lockbox Services – Complete the schedule in included in Attachment 14, using Association of Finance Professionals (AFP) Service Codes, where applicable.

**I. Sub-Contracting**

Subcontractors may be used to perform work under the Agreement. If the Proposer intends to use subcontractors, the Proposer must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform.

If a proposal with subcontractors is selected, the Proposer must provide the following information concerning each prospective subcontractor within five working days from the date of the City's request:

1. Complete name of the subcontractor;
2. Complete address of the subcontractor;
3. Type of work the subcontractor will be performing;
4. Percentage of work the subcontractor will be providing;
5. Evidence, as set out in the relevant section of this RFP, that the subcontractor is registered and, if applicable, holds a valid State of Arizona business license;
6. A written statement, signed by each proposed subcontractor, that clearly verifies that the subcontractor is committed to render the services required by the contract; and
7. A copy of the prime-contractor/sub-contractor contract verifying the prime-contractor has the sole responsibility for any and all services under this RFP and is financially liable, without exception, to the City for all services contracted by the Proposer under this RFP.

The Proposer's failure to provide this information, within the time set, may cause the City to consider its proposal nonresponsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the City's Procurement Manager or contract administrator designated by the City.

**J. References**

The proposal should identify the Proposer's references for the Project. Proposers shall provide at least five (5) governmental clients with whom the Proposer has worked during the past three (3) years that are of similar size and complexity to the City. If a firm is proposing for more than one Service Group, provide at least three (3) references for each Service Group. Provide the name, phone number, email address, and address for each reference; also, state the service provided and length of time the service has been provided.



Proposers shall complete a Vendor Reference Form for each of the references as contained in Attachment 12.

If possible, the City prefers references that utilized the same Project Manager as will be recommended for this Project. This section of the RFP response should also include an affirmative statement that the Proposer grants its consent for the City to contact the Proposer's references for purposes of evaluating the Proposer for this Project and acknowledges that any information obtained from the Proposer's references will not be disclosed to the Proposer.

## 4.0 ATTACHMENTS

- 4.1 Proposer Cover Page
- 4.2 Additions, Deletions and/or Exceptions
- 4.3 Litigation Disclosure
- 4.4 Notice of Intent to Respond
- 4.5 Collateralization Requirements
- 4.6 Permitted Overnight Investments
- 4.7 Sample Agreement
- 4.8 HUD General Depository Agreement
- 4.9 Retail Lockbox – Samples of Remittance Documents
- 4.10 Retail Lockbox – File Specifications to update NRWS System
- 4.11 Retail Lockbox – File Specifications to update City System
- 4.12 Vendor Reference Form
- 4.13 Pricing Pro Forma – General Banking
- 4.14 Pricing Pro Forma – Retail Lockbox Services



**ATTACHMENT 1  
PROPOSER COVER PAGE**

**PROPOSER'S NAME** (name of firm, entity or organization):

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**FEDERAL EMPLOYER IDENTIFICATION NUMBER:** \_\_\_\_\_

**NAME AND TITLE OF PROPOSER'S CONTACT PERSON:**

---

**MAILING ADDRESS:**

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

**TELEPHONE NUMBER:** \_\_\_\_\_

**FAX NUMBER:** \_\_\_\_\_

**EMAIL ADDRESS:** \_\_\_\_\_

**PROPOSER'S ORGANIZATIONAL STRUCTURE**

☐ Corporation      ☐ Partnership      ☐ Proprietorship      ☐ Joint Venture

☐ Other (Explain) \_\_\_\_\_

**If Corporation:**      Date Incorporated \_\_\_\_\_ State Incorporated \_\_\_\_\_

**PROPOSER'S AUTHORIZED SIGNATURE:**

The undersigned hereby certifies that he or she is duly authorized to submit this proposal on behalf of the Proposer identified above, in response to this City of Napa RFP for Banking and Lockbox Services.

**SIGNED:** \_\_\_\_\_

**DATED:** \_\_\_\_\_

**PRINT NAME:** \_\_\_\_\_





**TITLE:** \_\_\_\_\_



Please state any and all Additions, Deletions and Exceptions that you are taking to any portion of this solicitation. If not addressed below, then City of Napa assumes that the Proposer will adhere to all terms and conditions listed.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Please list ALL prior or pending litigation, either civil or criminal, including complaints or actions by any regulatory agencies; in which the Proposer, any of its partners, members or employees is or has been involved within the last ten (10) years. If none, then so state.

## RFP - Banking and Lockbox Services



**ATTACHMENT 4  
NOTICE OF INTENT TO RESPOND**

\_\_\_\_\_ (Name of firm) received the above solicitation.

We have reviewed the solicitation and we:

☐ Do intend to submit a proposal

☐ Do not intend to submit a proposal

Firm Name \_\_\_\_\_

Representative \_\_\_\_\_

Title \_\_\_\_\_

Business Mailing Address \_\_\_\_\_

Telephone \_\_\_\_\_

Fax \_\_\_\_\_

Email \_\_\_\_\_

Please return this **Notice of Intent to Respond via fax or email** by 4:00 PM PST, July 1, 2016 to:

Roberta Raper  
Finance Director  
City of Napa  
Fax: (707) 257-9510  
Email: [rraper@cityofnapa.org](mailto:rraper@cityofnapa.org)

*(It is not mandatory that you return this Intent to Respond Form by the above date and time in order to submit a proposal. However, doing so will ensure that you receive any addendums and responses for clarification.)*

**ATTACHMENT 5  
COLLATERALIZATION REQUIREMENTS**

**California Government Code Section 53630-53686**

53630. As used in this article:

- (a) "Local agency" means county, city, city and county, including a chartered city or county, a community college district, or other public agency or corporation in this state.
- (b) "Treasurer" means treasurer of the local agency.
- (c) "Depository" means a state or national bank, savings association or federal association, a state or federal credit union, or a federally insured industrial loan company, in this state in which the moneys of a local agency are deposited.
- (d) "Agent of depository" means a trust company or trust department of a state or national bank located in this state, including the trust department of a depository where authorized, and the Federal Home Loan Bank of San Francisco, which is authorized to act as an agent of depository for the purposes of this article pursuant to Section 53657.
- (e) "Security" means any of the eligible securities or obligations listed in Section 53651.
- (f) "Pooled securities" means eligible securities held by an agent of depository for a depository and securing deposits of one or more local agencies.
- (g) "Administrator" means the Administrator of Local Agency Security of the State of California.
- (h) "Savings association or federal association" means a savings by Section 5102 of the Financial Code.
- (i) "Federally insured industrial loan company" means an industrial loan company licensed under Section 18000) of the Financial Code, the investment certificates of which are insured by the Federal Deposit Insurance Corporation.
- (j) "Corporation" includes a limited liability company.

53630.1. The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

53630.5. (a) The definitions in Section 1750 of, and Chapter 1 (commencing with Section 99) of Division 1 of, the Financial Code apply to this section.

belonging to or being in the custody of a local agency, the phrases "state or national bank located in this state," "state or national bank," "state or national bank in this state," and "state or national banks in the state" include, without limitation, any of the following:

(1) Any California branch office of a foreign (other state) state bank that the bank is authorized to domicile and federal law.

(2) Any California branch office of a foreign (other state) national bank that the bank is authorized to maintain under federal law.

(3) Any California branch office of a foreign (other nation) bank that the bank is licensed to maintain with Section 1800) of Chapter 20 of Division 1.1 of the Financial Code.

(4) Any California federal branch of a foreign (other nation) bank that the bank is authorized to maintain under federal law.

53631. Under those conditions as the treasurer of a local agency fixes with the approval of the legislative body, he or she may establish accounts at banks within or without the state and deposit money in those accounts to the extent necessary to pay the principal and interest of bonds to pay any warrant that has been presented for payment, or to fund any electronic disbursement of funds from the treasury of the local agency. This article does not apply to deposits for those purposes.

53632. There are three classes of deposits:

(a) Inactive deposits.

(b) Active deposits.

(c) Interest-bearing active deposits.

53632.5. There are three classes of security for deposits:

(a) Securities described in subdivision (m) of Section 53651.

(b) Securities described in subdivision (p) of Section 53651.

(c) Securities enumerated in Section 53651, except for those described in subdivisions (m) and (p) of that section.

53633. The treasurer shall determine the amounts of money to be deposited as inactive, active, and interest-bearing active deposits, except as otherwise provided in Section 53679.

53634. The treasurer may call in money from inactive deposits and place it in active deposits as current demands require. When there is money in his possession for which there is no demand as inactive deposits, he may place it as active deposits.

53635. (a) This section shall apply to a local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

This section shall be interpreted in a manner that recognizes the distinct characteristics of investment pools and the distinct administrative burdens on managing and investing funds on a pooled basis pursuant to Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3.

A local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other agencies may invest in commercial paper pursuant to subdivision (h) of Section 53601, except that the local agency shall be subject to the following concentration limits:

(1) No more than 40 percent of the local agency's money may be invested in eligible commercial paper.

(2) No more than 10 percent of the total assets of the investments held by a local agency may be invested in any one issuer's commercial paper.

(b) Notwithstanding Section 53601, the City of Los Angeles shall be subject to the concentration limits of this section for counties and for cities and counties with regard to the investment of money in eligible commercial paper.

53635.2. As far as possible, all money belonging to, or in the custody of, a local agency, including money paid to the treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this state selected by the treasurer or other official having legal custody of the money; or may be invested in the investments set forth in Section 53601. To be eligible to receive local agency money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. Sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to this section.

53635.7. In making any decision that involves borrowing in the amount of one hundred thousand dollars (\$100,000) or more, the legislative body of the local agency shall discuss, consider, and deliberate each decision as a separate item of business on the agenda of its meeting as prescribed in Chapter 9 (commencing with Section 54950). As used in this section, "borrowing" does not include bank overdrafts or security lending.

53635.8. Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring both of the following:

(1) The full amount of each deposit placed pursuant to subdivision

(b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(d) The selected depository institution shall serve as a custodian for each such deposit.

(e) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution for investment pursuant to subdivision (b).

(f) Notwithstanding subdivisions (a) to (e), inclusive, a credit union shall not act as a selected depository institution under this section or Section 53601.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(h) The deposits placed pursuant to this section and Section 53601.8 shall not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose.

(i) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.

53635.8. Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit, provided that the purchases of certificates of deposit pursuant to this section, Section 53601.8, and subdivision (i) of Section 53601 do not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose. The following conditions shall apply:

(a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the local agency's account.



(c) The full amount of the principal and the interest that may be accrued during the maximum term of at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(d) The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the local agency's account.

(e) At the same time the local agency's funds are deposited and the certificates of deposit are issued, the selected depository institution shall receive an amount of deposits from other commercial banks, savings banks, savings and loan associations, or credit unions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution for investment.

(f) Notwithstanding subdivisions (a) to (e), inclusive, a credit union shall not act as a selected depository institution under this section or Section 53601.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more certificate of deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(h) This section shall become operative on January 1, 2021.

53636. Money so deposited is deemed to be in the treasury of the local agency.

53637. The money shall be deposited in any bank, savings association or federal association, state or federal credit union, or federally insured industrial loan company with the objective of realizing maximum return, consistent with prudent financial management, except that money shall not be deposited in any state or federal credit union if a member of the legislative body of a local agency, or any person with investment decision making authority of the administrative office, manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the state or federal credit union.

53638. (a) The deposit shall not exceed the shareholder's equity of any depository bank. For the shareholder's equity shall be determined in accordance with Section 463 of the Financial Code, but shall be deemed to include capital notes and debentures.

(b) The deposit shall not exceed the total of the net worth of any depository savings association or (\$500,000) may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law.

(c) The deposit to the share accounts of any regularly chartered credit union shall not exceed the total of the unimpaired capital and surplus of the credit union, as defined by rule of the Commissioner of Financial Institutions, except that the deposit to any credit union share account in an amount not exceeding five hundred thousand dollars (\$500,000) may be made if the share accounts of that credit union are insured or guaranteed pursuant to Section 14858 of the Financial Code or are secured as required by law.

(d) The deposit in investment certificates of a federally insured industrial loan company shall not exceed the total of the unimpaired capital and surplus of the insured industrial loan company.

53639. Except as otherwise provided in Section 53682, the depository shall bear the expenses of transportation of money to and from the depository.

53640. Except as otherwise provided in Section 53682, the depository shall handle, collect, and pay all checks, drafts, and other exchange without cost to the local agency.

53641. When money is deposited in a depository, the treasurer or other authorized official shall take and preserve a receipt, certificate of deposit, or other evidence of the deposit as he or she requires.

53642. The money deposited may be drawn out by check or order of the treasurer or other official authorized to make such deposit.

53643. The treasurer may deposit any part of the money as agreed upon between the treasurer and the depository.

53644. If an agreement is not made:

(a) Active deposits and interest thereon are subject to withdrawal upon the demand of the treasurer or other authorized official, subject to any penalties which may be prescribed by federal law or regulation.

(b) Inactive deposits are subject to notice of at least thirty days before withdrawal.

53645. Interest shall be computed and paid by the depository, as follows:

(a) For active deposits upon which interest is payable, interest shall be computed on the average daily balance for the calendar quarter, and shall be paid quarterly.

(b) For inactive deposits, interest shall be computed on a 360-day basis, and shall be paid quarterly.

53646. (a) (1) In the case of county government, the treasurer may annually render to the board of supervisors and any oversight committee a statement of investment policy, which the board shall review and approve at a public meeting. Any change in the policy shall also be reviewed and approved by the board at a public meeting.

(2) In the case of any other local agency, the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.

(b) (1) The treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the report. Except as provided in subdivisions (e) and (f), this report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

(2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance.

(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

(4) In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

(c) Pursuant to subdivision (b), the treasurer or chief fiscal officer shall report whatever additional information or data may be required by the legislative body of the local agency.

(d) The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly.

(e) For local agency investments that have been placed in the Local Agency Investment Fund, created by Section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the treasurer or chief fiscal officer may supply to the governing body, chief executive officer, and the auditor of the local agency the most recent statement or statements received by the local agency from these institutions in lieu of the information required by paragraph (1) of subdivision (b) regarding investments in these institutions.

(f) The treasurer or chief fiscal officer shall not be required to render a quarterly report, as required by subdivision (b), to a legislative body or any oversight committee of a school district or county office of education for securities, investments, or moneys held by the school district or county office of education in individual accounts that are less than twenty-five thousand dollars (\$25,000).

(g) In recognition of the state and local interests served by the actions made optional in subdivisions (a) and (b), the Legislature encourages the local agency officials to continue taking the actions formerly mandated by this section. However, nothing in this subdivision may be construed to impose any liability on a local agency that does not continue to take the formerly mandated action.

53647. (a) Interest on all money deposited belongs to, and shall be paid quarterly into the general fund of, the local agency represented by the officer making the deposit, unless otherwise directed by law.

(b) Notwithstanding the provisions of subdivision (a), and except as otherwise directed by law, if the governing body of the local agency represented by the officer making the deposit so directs, such interest shall be paid to the fund which contains the principal on which the interest accrued.

53647.5. Notwithstanding any other provision of law, interest earned on any bail money deposited by a court in a bank account pursuant to Section 1463.1 of the Penal Code and Section 53679 of this code shall be allocated for the support of that court.

53648. Notwithstanding this article, the treasurer may deposit moneys in, and enter into contracts with, a state or national bank, savings association or federal association, federal or state credit union, or federally insured industrial loan company, pursuant to a federal law or a rule of a federal department or agency adopted pursuant to the law if the law or rule conflicts with this article in regulating the payment of interest on deposits of public moneys by any of the following:

(a) Banks which are Federal Reserve System members or whose deposits are insured by the Federal Deposit Insurance Corporation.

(b) Savings associations or federal associations which are federal home loan bank members or whose deposits are insured by the Federal Savings and Loan Insurance Corporation.

(c) State or federal credit unions whose accounts are insured by the National Credit Union Share Insurance Fund or guaranteed by the California Credit Union Share Guaranty Corporation or insured or guaranteed pursuant to Section 14858 of the Financial Code, unless a member of the legislative body of a local agency, or any person with investment decision making authority of the administrative office, manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the state or federal credit union.

(d) A federally insured industrial loan company.

53648.5. Upon the removal by federal law of the conflicting federal law or rule the agreement between the treasurer or other authorized official and a depository may be terminated by either party.

53649. The treasurer is responsible for the safekeeping of money in his or her custody and shall enter in depository relating to any deposit which in his or her judgment is to the public advantage. The depository, and the agent of depository to the extent the agent of depository has been notified of deposits and the amount thereof, are responsible for securing moneys deposited pursuant to such a copy of each contract shall be filed with the auditor, controller, secretary, or corresponding officer of the local agency. The contract shall:

(a) Fix the duration of deposits, if appropriate.

(b) Fix the interest rate, if any.

(c) Provide conditions for withdrawal and repayment.

(d) Provide for placement of pooled securities in a named agent of depository in accordance with Section 53656.

(e) Grant authority for agent of depository to place securities for safekeeping in accordance with Section 53659.

(f) Set forth in accordance with Section 53665 the conditions upon which the administrator shall order money for the benefit of the local agency, and the procedure therefor.

(g) Provide for compliance in all respects with the provisions of this article and other applicable provisions of law.

(h) Provide, upon notice to the treasurer from the administrator, that a treasurer may withdraw deposits in the event a depository fails to pay the assessments, fines, or penalties assessed by the administrator or may withdraw authorization for the placement of pooled securities in an agent of depository in the event that the agent of depository fails to pay the fines or penalties assessed by the administrator.

53651. Eligible securities are any of the following:

(a) United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as the loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any local agency or district of the State of California having the power, without limit as to rate or amount, to levy taxes or assessments to pay the principal and interest of the bonds upon all property within its boundaries subject to taxation or assessment by the local agency or district, and in addition, limited obligation bonds pursuant to Article 4 (commencing with Section 50665) of Chapter 3 of Division 1, senior obligation bonds pursuant to Article 5 (commencing with Section 53387) of Chapter 2.7, and revenue bonds and other obligations payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state, local agency or district or by a department, board, agency or authority thereof.

(d) Bonds of any public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured by a pledge of annual contributions under an annual contribution contract between the public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of Section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in the contract pursuant to that subsection 22(b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on the obligations.

(e) Registered warrants of this state.

(f) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the federal home loan banks established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the

Federal National Mortgage Association or of the Government National Mortgage Association established under the National Housing Act, as amended, bonds of any federal home loan bank established under that act, bonds, debentures and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970, and obligations of the Tennessee Valley Authority.

(g) Notes, tax anticipation warrants or other evidence of indebtedness issued pursuant to Article 7 (commencing with Section 3820), Article 7.5 (commencing with Section 53840) or Article 7.6 (commencing with Section 53850) of this Chapter 4.

(h) State of California notes.

(i) Bonds, notes, certificates of indebtedness, warrants or other obligations issued by: (1) any state of the United States (except this state), or the Commonwealth of Puerto Rico, or any local agency thereof having the power to levy taxes, without limit as to rate or amount, to pay the principal and interest of such obligations, or (2) any state of the United States (except this state), or the Commonwealth of Puerto Rico, or a department, board, agency or authority thereof except bonds which provide for or are issued pursuant to a law which may contemplate a subsequent legislative appropriation as an assurance of the continued operation and solvency of the department, board, agency or authority but which does not constitute a valid and binding obligation for which the full faith and credit of such state or the Commonwealth of Puerto Rico are pledged, which are payable solely out of the revenues from a revenue-producing source owned, controlled or operated thereby; provided the obligations issued by an entity described in (1), above, are rated in one of the three highest grades, and such obligations issued by an entity described in (2), above, are rated in one of the two highest grades by a nationally recognized investment service organization that has been engaged regularly in rating state and municipal issues for a period of not less than five years.

(j) Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development, Inter-American Development Bank, the Government Development Bank of Puerto Rico, the Asian Development Bank, the International Finance Corporation, or the African Development Bank.

(k) Participation certificates of the Export-Import Bank of the United States.

(l) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 51350) of Part 3 of Division 31 of the Health and Safety Code.

(m) Promissory notes secured by first mortgages and first trust deeds which comply with Section 53651.2.

(n) Any bonds, notes, warrants, or other evidences of indebtedness of a nonprofit corporation issued to finance the construction of a school building or school buildings pursuant to a lease or agreement with a school district entered into in compliance with the provisions of Section 39315 or 81345 of the Education Code, and also any bonds, notes, warrants or other evidences of indebtedness issued to refinance those bonds, notes, warrants, or other evidences of indebtedness as specified in Section 39317 of the Education Code.

(o) Any municipal securities, as defined by Section 3(a)(29) of the Securities Exchange Act of June 6, 1934, (15 U.S.C. Sec. 78, as amended), which are issued by this state or any local agency thereof.

(p) With the consent of the treasurer, letters of credit issued by the Federal Home Loan Bank of San Francisco which comply with Section 53651.6.

53651.2. (a) To be an eligible security under subdivision (m) of Section 53651, a promissory note placed in provisions:

(1) Each promissory note shall be secured by a first mortgage or first trust deed on improved 1 to 4 unit residential real property located in California, shall be fully amortized over the term of the note, and shall have a term of no more than 30 years. Any first mortgage or first trust deed which secures a promissory note providing for negative amortization shall be removed from the securities pool and replaced with an eligible security under subdivision (m) of Section 53651 if the loan to value ratio exceeds 85 percent of the original appraised value of the security property as a consequence of negative amortization.

(2) Each promissory note shall be eligible for sale to the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation; provided, however, that up to 25 percent of the total dollar amount of any promissory note securities pool established pursuant to Section 53658 may consist of promissory notes with loan amounts which exceed the maximum amounts eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, but which do not exceed: (i) five hundred thousand dollars (\$500,000) in the case of a single family dwelling; (ii) one million dollars (\$1,000,000) in the case of a 2, 3, or 4 unit dwelling.

(b) The following shall not constitute eligible securities under subdivision (m) of Section 53651:

(1) Any promissory note on which any payment is more than 60 days past due.

(2) Any promissory note secured by a mortgage or deed of trust as to which there is a lien prior to the mortgage or deed of trust. For the purposes of this paragraph, no lien specified in Section 766 of the Financial Code shall be considered a prior encumbrance unless any installment or payment thereunder (other than a rental or royalty under a lease) is due and delinquent.

(3) Any promissory note secured by a mortgage or deed of trust as to which a notice of default has been recorded pursuant to Section 2924 of the Civil Code or an action has been commenced pursuant to Section 725a of the Code of Civil Procedure.

(c) The depository may exercise, enforce, or waive any right granted to it by the promissory note, mortgage, or deed of trust.

(d) For purposes of this article, the market value of a promissory note which is an eligible security by the Treasurer under paragraph (2) of subdivision (m) of Section 53651, as the regulations and statute were in effect on December 31, 1986. However, if and when regulations on the subject are adopted by the administrator, the market value shall be determined in accordance with those regulations of the administrator.

53651.4. (a) A depository that uses eligible securities of the class described in subdivision (m) of Section 53651 shall, within 90 days after the close of each calendar year or within a longer period as the administrator may specify, file with the administrator a report of an independent certified public accountant regarding compliance with this article and with regulations and orders issued by the administrator under this article with respect to eligible securities of that class. The report shall be based upon the audit, shall contain the information, and shall be in the form the administrator may prescribe. The depository shall provide a copy of the report to the treasurer on request.



(b) If a depository that is a state bank files with the administrator, not less than 90 days before the beginning of the calendar year, a notice that it elects to be examined by the administrator instead of filing a report of an independent certified public accountant under subdivision (a) for that calendar year, the depository shall be exempt from subdivision (a) for that calendar year and shall for that calendar year be subject to examination by the administrator regarding compliance with this article and with regulations and orders under this article with respect to eligible securities of the class described in subdivision (m) of Section

53651. The administrator shall provide a report to a treasurer with deposits in the examined state bank upon request of the treasurer.

(c) A national bank may apply to the administrator to be examined, and the administrator, in his or her discretion, may examine a national bank for the purposes of satisfying the requirements of subdivision (a). The administrator shall provide a report to a treasurer with deposits in the examined national bank upon request of the treasurer.

(d) Whenever the administrator examines a depository pursuant to subdivision (b) or (c), the depository shall pay, within 30 days after receipt of a statement from the administrator, a fee of seventy-five dollars (\$75) per hour for each examiner engaged in the examination

53651.6. (a) To be an eligible security under subdivision (p) of Section 53651, a letter of credit shall be in such form and shall contain such provisions as the administrator may prescribe, and shall include all of the following terms:

(1) The administrator shall be the beneficiary of the letter of credit.

(2) The letter of credit shall be clean and irrevocable and shall provide that the administrator may draw upon it up to the total amount in the event of the failure of the depository savings association or federal association or if the depository savings association or federal association refuses to permit the withdrawal of funds by a treasurer.

53652. To secure active or inactive deposits a depository shall at all times maintain with the agent of depository eligible securities in securities pools, pursuant to Sections 53656 and 53658, in the amounts specified in this section. Uncollected funds shall be excluded from the amount deposited in the depository when determining the security requirements for the deposits.

(a) Eligible securities, except eligible securities of the classes described in subdivisions (m) and (p) of Section 53651, shall have a market value of at least 10 percent in excess of the total amount of all deposits of a depository secured by the eligible securities.

(b) Eligible securities of the class described in subdivision (m) of Section 53651 shall have a market value at least 50 percent in excess of the total amount of all deposits of a depository secured by those eligible securities.

(c) Eligible securities of the class described in subdivision (p) of Section 53651 shall have a market value of at least 5 percent in excess of the total amount of all deposits of a depository secured by those eligible securities. For purposes of this article, the market value of a letter of credit which is an eligible security under subdivision (p) of Section 53651 shall be the amount of credit stated in the letter of credit.



53653. When in his or her discretion local conditions so warrant, the treasurer may waive security for the portion of any deposits as is insured pursuant to federal law, notwithstanding this article. For deposits equivalent to and not less than the maximum amount insured pursuant to federal law for which a treasurer has waived security under this section, a treasurer at his or her discretion may also waive security for the interest accrued on the deposits which, when added to the deposits, would cause the sum of the interest and deposits to exceed the maximum amount insured pursuant to federal law, provided that the interest is computed by the depository on the average daily balance of the deposits, paid monthly and computed on a 360-day basis.

53654. (a) The depository may add securities to the pool or substitute securities of equal value for those in the pool at any time, but shall not interchange classes of security, as defined in Section 53632.5, without prior approval of the treasurer.

(b) Withdrawal of securities from the pool without replacement at equal value may be ordered only by two duly authorized officers or employees of the depository who satisfy the requirements as may be set by the administrator.

(c) The agent of depository is responsible for the safekeeping and disbursement of securities placed in its custody by a depository. It shall release securities only upon presentation by the depository of the most reasonably current statement of the total deposits subject to this article held by the depository, such statement to be verified and countersigned by two duly authorized officers, other than those who ordered the withdrawal of securities. A copy of this statement shall be forwarded to the administrator concurrently by the agent of depository.

53655. A placement of securities by a depository with an agent of depository pursuant to this article shall have the effect of perfecting a security interest in those securities in the local agencies having deposits in that depository notwithstanding provisions of the Uniform Commercial Code to the contrary and notwithstanding that the agent of depository may be the trust department of the depository.

53656. (a) At the time the treasurer enters into a contract with the depository pursuant to Section 53649, he or she shall authorize the agent of depository designated by the depository, but including the trust department of the depository only when acceptable to both the treasurer and the depository, to hold securities of the depository in accordance with this article to secure the deposit of the local agency.

(b) Only those trust companies and trust departments, or the Federal Home Loan Bank of San Francisco, which have been authorized by the administrator pursuant to Section 53657 shall be authorized by treasurers to act as agents of depository.

(c) The securities are subject to order of the depository in accordance with Section 53654 except when the provisions of subdivision (i) of Section 53661 and Section 53665 are in effect.

(d) An agent of depository shall not release any security held to secure a local agency deposit in a depository unless the administrator issues an order authorizing the release where either of the following occurs:

(1) A state or federal regulatory agency has taken possession of the depository.

(2) A conservator, receiver, or other legal custodian has been appointed for the depository.

53657. (a) No person shall act as an agent of depository unless that person is a trust company located in this state, the trust department of a bank located in this state, or the Federal Home Loan

Bank of San Francisco, and is authorized by the administrator to act as an agent of depository.

(b) (1) An application for authorization shall be in such form, shall contain such information, shall be signed in such manner, and shall (if the administrator so requires) be verified in such manner, as the administrator may prescribe.

(2) The fee for filing an application for authorization with the administrator shall be five hundred dollars (\$500).

(3) If the administrator finds, with respect to an application for authorization, that the applicant is competent to act as an agent of depository and that it is reasonable to believe the applicant will comply with all applicable provisions of this article and of any regulation or order issued under this article, the administrator shall approve the application. If the administrator finds otherwise, the administrator shall deny the application.

(4) When an application for authorization has been approved, the applicant shall file with the administrator an agreement to comply with all applicable provisions of this article and of any regulation or order issued under this article. The agreement shall be in such form, shall contain such provisions, and shall be signed in such manner as the administrator may prescribe.

(5) When an application for authorization has been approved, the applicant has complied with paragraph (4), and all conditions precedent to authorizing the applicant to act as agent of depository have been fulfilled, the administrator shall authorize the applicant to act as agent of depository.

53658. An agent of a depository may hold and pool securities to secure deposits for one or more depositories pursuant to Section 53656, but shall maintain a separate pool for each said depository. Each local agency shall have an undivided security interest in the pooled securities in the proportion that the amount of its deposits bears to the total amount of deposits secured by the pooled securities.

53659. Whenever an agent of depository accepts securities pursuant to Section 53656 it may, with the authorization of the depository, place such securities for safekeeping with a Federal Reserve Bank or branch thereof or with any bank located in a city designated as a reserve city by the Board of Governors of the Federal Reserve System or with the Federal Home Loan Bank of San Francisco or with a trust company located in this state. Authority for such placement together with the names of the banks or, including the Federal Home Loan Bank of San Francisco, trust companies to be so used, shall be contained in the contract between the treasurer and the depository required in Section 53649.

53660. When deposits of a local agency are secured by pooled securities pursuant to Section 53656, the agent of depository shall make available to the treasurer for review at a mutually agreed upon time and location all of the following information which may be in the form of a copy of the report required in subdivision (e) of

Section 53661:

(a) A certification that there are securities in the pool in the amounts required by Section 53652 to secure deposits.

(b) A certified report of the individual securities then on deposit in the pool with the location and total market value thereof.

(c) The total amount of deposits then reported by the depository to be secured by the pool.

53661. (a) The Commissioner of Business Oversight shall act as Administrator of Local Agency Security and shall be responsible for the administration of Sections 53638, 53651, 53651.2, 53651.4, 53651.6, 53652, 53654, 53655, 53656, 53657, 53658, 53659, 53660, 53661, 53663, 53664, 53665, 53666, and 53667.

(b) The administrator shall have the powers necessary or convenient to administer and enforce the sections specified in subdivision (a).

(c) (1) The administrator shall issue regulations consistent with law as the administrator may deem necessary or advisable in executing the powers, duties, and responsibilities assigned by this article. The regulations may include regulations prescribing standards for the valuation, marketability, and liquidity of the eligible securities of the class described in subdivision (m) of Section 53651, regulations prescribing procedures and documentation for adding, withdrawing, substituting, and holding pooled securities, and regulations prescribing the form, content, and execution of any application, report, or other document called for in any of the sections specified in subdivision (a) or in any regulation or order issued under any of those sections.

(2) The administrator, for good cause, may waive any provision of any regulation adopted pursuant to paragraph (1) or any order issued under this article, where the provision is not necessary in the public interest.

(d) The administrator may enter into any contracts or agreements as may be necessary, including joint underwriting agreements, to sell or liquidate eligible securities securing local agency deposits in the event of the failure of the depository or if the depository fails to pay all or part of the deposits of a local agency.

(e) The administrator shall require from every depository a report certified by the agent of depository listing all securities, and the market value thereof, which are securing local agency deposits together with the total deposits then secured by the pool, to determine whether there is compliance with Section 53652. These reports may be required whenever deemed necessary by the administrator, but shall be required at least four times each year at the times designated by the Comptroller of the Currency for reports from national banking associations. These reports shall be filed in the office of the administrator by the depository within 20 business days of the date the administrator calls for the report.

(f) The administrator may have access to reports of examination made by the Comptroller of the Currency insofar as the reports relate to national banking association trust department activities which are subject to this article.

(g) (1) The administrator shall require the immediate substitution of an eligible security, where the substitution is necessary for compliance with Section 53652, if (i) the administrator determines that a security listed in Section 53651 is not qualified to secure public deposits, or (ii) a treasurer, who has deposits secured by the securities pool, provides written notice to the administrator and the administrator confirms that a security in the pool is not qualified to secure public deposits.

(2) The failure of a depository to substitute securities, where the administrator has required the substitution, shall be reported by the administrator promptly to those treasurers having money on deposit in that depository and, in addition, shall be reported as follows:

(A) When that depository is a national bank, to the Comptroller of the Currency of the United States.

(B) When that depository is a state bank, to the Commissioner of Business Oversight.

(C) When that depository is a federal association, to the Office of the Comptroller of the Currency.

(D) When that depository is a savings association, to the Commissioner of Business Oversight.

(E) When that depository is a federal credit union, to the National Credit Union Administration.

(F) When that depository is a state credit union or a federally insured industrial loan company, to the Commissioner of Business Oversight.

(h) The administrator may require from each treasurer a registration report and at appropriate times a report stating the amount and location of each deposit together with other information deemed necessary by the administrator for effective operation of this article. The facts recited in any report from a treasurer to the administrator are conclusively presumed to be true for the single purpose of the administrator fulfilling responsibilities assigned to him or her by this article and for no other purpose.

(i) (1) If, after notice and opportunity for hearing, the administrator finds that any depository or agent of depository has violated or is violating, or that there is reasonable cause to believe that any depository or agent of depository is about to violate, any of the sections specified in subdivision (a) or any regulation or order issued under any of those sections, the administrator may order the depository or agent of depository to cease and desist from the violation or may by order suspend or revoke the authorization of the agent of depository. The order may require the depository or agent of depository to take affirmative action to correct any condition resulting from the violation.

(2) (A) If the administrator makes any of the findings set forth in paragraph (1) with respect to any depository or agent of depository and, in addition, finds that the violation or the continuation of the violation is likely to seriously prejudice the interests of treasurers, the administrator may order the depository or agent of depository to cease and desist from the violation or may suspend or revoke the authorization of the agent of depository. The order may require the depository or agent of depository to take affirmative action to correct any condition resulting from the violation.

(B) Within five business days after an order is issued under subparagraph (A), the depository or agent of depository may file with the administrator an application for a hearing on the order. The administrator shall schedule a hearing at least 30 days, but not more than 40 days, after receipt of an application for a hearing or within a shorter or longer period of time agreed to by a depository or an agent of depository. If the administrator fails to schedule the hearing within the specified or agreed to time period, the order shall be deemed rescinded. Within 30 days after the hearing, the administrator shall affirm, modify, or rescind the order; otherwise, the order shall be deemed rescinded. The right of a depository or agent of depository to which an order is issued under subparagraph

(A) to petition for judicial review of the order shall not be affected by the failure of the depository or agent of depository to apply to the administrator for a hearing on the order pursuant to this subparagraph.

(3) Whenever the administrator issues a cease and desist order under paragraph (1) or (2), the administrator may in the order restrict the right of the depository to withdraw securities from a security pool; and, in that event, both the depository to which the order is directed and the agent of depository which holds the security pool shall comply with the restriction.

(4) In case the administrator issues an order under paragraph (1) or (2) suspending or revoking the authorization of an agent of depository, the administrator may order the agent of depository at its own

expense to transfer all pooled securities held by it to such agent of depository as the administrator may designate in the order.

The agent of depository designated in the order shall accept and hold the pooled securities in accordance with this article and regulations and orders issued under this article.

(j) In the discretion of the administrator, whenever it appears to the administrator that any person has violated or is violating, or that there is reasonable cause to believe that any person is about to violate, any of the sections specified in subdivision (a) or any regulation or order issued thereunder, the administrator may bring an action in the name of the people of the State of California in the superior court to enjoin the violation or to enforce compliance with those sections or any regulation or order issued thereunder. Upon a proper showing a permanent or preliminary injunction, restraining order, or writ of mandate shall be granted, and the court may not require the administrator to post a bond.

(k) In addition to other remedies, the administrator shall have the power and authority to impose the following sanctions for noncompliance with the sections specified in subdivision (a) after a hearing if requested by the party deemed in noncompliance. Any fine assessed pursuant to this subdivision shall be paid within 30 days after receipt of the assessment.

(1) Assess against and collect from a depository a fine not to exceed two hundred fifty dollars (\$250) for each day the depository fails to maintain with the agent of depository securities as required by Section 53652.

(2) Assess against and collect from a depository a fine not to exceed one hundred dollars (\$100) for each day beyond the time period specified in subdivision (b) of Section 53663 the depository negligently or willfully fails to file in the office of the administrator a written report required by that section.

(3) Assess against and collect from a depository a fine not to exceed one hundred dollars (\$100) for each day beyond the time period specified in subdivision (e) that a depository negligently or willfully fails to file in the office of the administrator a written report required by that subdivision.

(4) Assess and collect from an agent of depository a fine not to exceed one hundred dollars (\$100) for each day the agent of depository fails to comply with any of the applicable sections specified in subdivision (a) or any applicable regulation or order issued thereunder.

(l) (1) In the event that a depository or agent of depository fails to pay a fine assessed by the administrator pursuant to subdivision (k) within 30 days of receipt of the assessment, the administrator may assess and collect an additional penalty of 5 percent of the fine for each month or part thereof that the payment is delinquent.

(2) If a depository fails to pay the fines or penalties assessed by the administrator, the administrator may notify local agency treasurers with deposits in the depository.

(3) If an agent of depository fails to pay the fines or penalties assessed by the administrator, the administrator may notify local agency treasurers who have authorized the agent of depository as provided in Sections 53649 and 53656, and may by order revoke the authorization of the agent of depository as provided in subdivision (i).

(m) The amendments to this section enacted by the Legislature during the 1999-2000 Regular Session shall become operative on January 1, 2001.

53663. (a) Each agent of depository shall report in writing to the administrator within two business days after any withdrawal, substitution, or addition of pooled securities and shall state the name and market value of the securities withdrawn, substituted, or added together with the total deposits then secured by the pool. This information shall be available from the administrator to the treasurer upon request.

(b) Each depository shall report in writing to the administrator weekly, giving the total amount of all deposits held by the depository pursuant to this article. The report shall be as of close of business on Wednesday of each week and shall be delivered to the office of the administrator, deposited in the United States mail, postage prepaid, or delivered electronically via email, or other electronic means approved by the administrator, addressed to the office of the administrator, within five business days. Where there has occurred no change in the deposits required to be held by the depository pursuant to this article, the report required by this subdivision need only state that fact.

53664. The individual reports specified in Sections 53654, 53660, 53661, and 53663 are not public documents and are not open to inspection by the public.

53665. If a depository fails to pay all or part of the deposits of a local agency secured by pooled securities in accordance with the contract provided for in Section 53649, and on demand of its treasurer or other authorized official and the treasurer files a report with the administrator, or if the depository fails:

(a) In case the pooled securities consist of securities other than securities of the class described in subdivision (p) of Section 53651, the administrator shall order the agent of depository holding the pooled securities to convert into money that portion of the pooled securities necessary to produce an amount equal to the sum of (i) the deposits of the local agency, (ii) any accrued interest due on the deposits, and (iii) the reasonable expenses of the agent of depository in complying with the order of the administrator and to pay the sum of items (i) and (ii) to the treasurer in satisfaction of the deposits. The agent of depository shall be reimbursed out of the proceeds of the conversion for its reasonable expenses in complying with the order of the administrator, as approved by the administrator. Any excess moneys resulting from the conversion shall be retained by the agent of depository as part of the securities pool until the depository substitutes for the excess moneys securities having a market value sufficient to bring the total of pooled securities up to the amount required by Section 53652.

(b) In case the pooled securities consist of a security of the class described in subdivision (p) of Section 53651, the administrator shall draw on the letter of credit an amount equal to the sum of (i) the deposits of the local agency, (ii) any accrued interest on the deposits, and (iii) the reasonable expenses of the administrator in paying the deposits and pay the sum of items (i) and (ii) to the treasurer in satisfaction of the deposits.

53666. The only liability that shall attach to the administrator as the result of the operation of this article is that which would attach as a result of other laws of this state.

53667. (a) Expenses incurred by the administrator in carrying out the duties and responsibilities assigned to the administrator by the sections specified in subdivision (a) of Section 53661, shall be borne by the Local Agency Deposit Security Fund, which is hereby created and continuously appropriated to the administrator for the administration of the sections specified in subdivision (a) of Section 53661. This fund shall consist of fines levied pursuant to Section 53661, fees collected pursuant to the sections specified in subdivision (a) of Section 53661, and assessments levied pursuant to this section.



(b) Each fiscal year the administrator shall levy an assessment on a pro rata basis on those depositories which at any time during the preceding fiscal year held local agency deposits. The total assessment levied on all of those depositories shall be in an amount which, when added to the amount of fines and fees that the administrator estimates will be collected during the fiscal year when the assessment is levied, is sufficient in the judgment of the administrator to meet the expenses of the administrator in administering the sections specified in subdivision (a) of Section 53661 and to provide a reasonable reserve for contingencies. The basis of the apportionment of the assessment among the depositories assessed shall be the proportion that the average amount of local agency deposits held by each of those depositories bears to the average total amount of local agency deposits held by all of those depositories as shown by the reports of depositories to the administrator for the preceding fiscal year, as required in subdivision (e) of Section 53661; provided, however, that the amount of the assessment levied on each of those depositories shall be not less than twenty-five dollars (\$25).

(c) The administrator shall notify each depository by mail of the amount levied against it. The depository shall pay the amount levied within 20 days after such notice into the Local Agency Deposit

Security Fund for the administration of the sections specified in subdivision (a) of Section 53661. If payment is not made to the administrator within such time, the administrator shall assess and collect, in addition to the annual assessment, a penalty of 5 percent of the assessment for each month or part thereof that the payment is delinquent. If a depository fails to pay the assessment or penalties assessed by the administrator, the administrator may notify local agency treasurers with deposits in the depository.

53669. The treasurer or other authorized official is not responsible for money while it is deposited pursuant to this article.

53676. The treasurer is not responsible for securities delivered to and receipted for by any bank, savings and loan association, credit union, federally insured industrial loan company, or trust company.

53678. The charges for the handling and safekeeping of any such securities are not a charge against the treasurer but shall be paid by the depository owning the securities.

53679. So far as possible, all money belonging to a local agency under the control of any of its officers or employees other than the treasurer shall, and money deposited as bail coming into the possession of a judge or officer of a superior court may, be deposited as active deposits in the state or national bank, inactive deposits in the state or national bank or state or federal association, federal or state credit union, or federally insured industrial loan company in this state selected by the officer, employee, or judge of the court. For purposes of this section, an officer or employee of a local agency and a judge or officer of a superior court are prohibited from depositing local agency funds or money coming into their possession into a state or federal credit union if an officer or employee of the local agency, or a judge or officer of a superior court, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the particular state or federal credit union. That money is subject to this article except:

(a) Deposits in an amount less than that insured pursuant to federal law are not subject to this article.

For deposits in excess of the amount insured under any federal law a contract in accordance with Section 53649 is required and the provisions of this article shall apply.

(b) Interest is not required on money deposited in an active deposit by a judge or officer of a superior court.

(c) Interest is not required on money deposited in an active deposit by an officer having control of a revolving fund created pursuant to Chapter 2 (commencing with Section 29300) of Division 3 of Title 3.

(d) Interest is not required on money deposited in an active deposit by an officer having control of a special fund established pursuant to Article 5 (commencing with Section 29400) or Article 6 (commencing with Section 29430) of Chapter 2 of Division 3 of Title 3.

53679.1. Notwithstanding any other provision of law, the accounting practices of each county utilized prior to the effective date of this section relating to interest on trust funds shall be deemed appropriate and to have been made under the direction of the board of supervisors of that county. This section is declaratory of the law in existence prior to the enactment of this section.

53680. A tax collector of a local agency shall immediately deposit with the treasurer all money under his control, unless he deposits the money in a depository pursuant to this article under permission and instructions of the treasurer having authority to make such deposit.

53681. An officer or employee of a local agency who deposits money belonging to, or in the custody of, the local agency in any other manner than that prescribed in this article is subject to forfeiture of his office or employment.

53682. Notwithstanding any other provision in this article except Section 53652, the treasurer may deposit moneys in and enter into contracts with any depository, as defined in subdivision (c) of Section 53630, for services to be rendered by that depository that in the treasurer's judgment are to the public advantage. One copy of each contract entered into under this section shall be filed with the auditor or corresponding officer of the local agency. The contract shall:

(a) Fix the duration of compensating deposits, if any.

(b) Fix the interest rate of that compensating deposit, if any.

(c) Specify the services to be rendered by the depository.

(d) Indicate whether the depository shall bear the expenses of transportation of the money to and from the depository.

(e) Fix the consideration payable by the agency for such services.

(f) Specify who may deposit moneys into the treasurer's active account and how those persons are to make those deposits.

53683. Notwithstanding any other provision in this article, the consideration payable by the agency as specified in subdivision (e) of Section 53682 shall be paid by the treasurer by applying such consideration as costs applied on a pro rata basis against the interest earned by all the agencies for which the treasurer invests.

53684. (a) Unless otherwise provided by law, if the treasurer of any local agency, or other official responsible for the funds of the local agency, determines that the local agency has excess funds which are not required for immediate use, the treasurer or other official may, upon the adoption of a resolution by the legislative or governing body of the local agency authorizing the investment of funds



pursuant to this section and with the consent of the county treasurer, deposit the excess funds in the county treasury for the purpose of investment by the county treasurer pursuant to Section 53601 or 53635, or Section 20822 of the Revenue and Taxation Code.

(b) The county treasurer shall, at least quarterly, apportion any interest or other increment derived from the investment of funds pursuant to this section in an amount proportionate to the average daily balance of the amounts deposited by the local agency and to the total average daily balance of deposits in the investment pool. In apportioning and distributing that interest or increment, the county treasurer may use the cash method, the accrual method, or any other method in accordance with generally accepted accounting principles. Prior to distributing that interest or increment, the county treasurer may deduct the actual costs incurred by the county in administering this section in proportion to the average daily balance of the amounts deposited by the local agency and to the total average daily balance of deposits in the investment pool.

(c) The county treasurer shall disclose to each local agency that invests funds pursuant to this section the method of accounting used, whether cash, accrual, or other, and shall notify each local agency of any proposed changes in the accounting method at least 30 days prior to the date on which the proposed changes take effect.

(d) The treasurer or other official responsible for the funds of the local agency may withdraw the funds of the local agency pursuant to the procedure specified in Section 27136.

(e) Any moneys deposited in the county treasury for investment pursuant to this section are not subject to impoundment or seizure by any county official or agency while the funds are so deposited.

(f) This section is not operative in any county until the board of supervisors of the county, by majority vote, adopts a resolution making this section operative in the county.

(g) It is the intent of the Legislature in enacting this section to provide an alternative procedure to Section 51301 for local agencies to deposit money in the county treasury for investment purposes. Nothing in this section shall, therefore, be construed as a limitation on the authority of a county and a city to contract for the county treasurer to perform treasury functions for a city pursuant to Section 51301.

53686. (a) Any audit conducted relating to the investment of local agency funds and other funds by the county treasurer in the county fund maintained pursuant to Section 53684 shall be rendered to the depository, the auditor, the controller, the secretary, or the corresponding officer of the local agency, the treasurer or other official responsible for the funds of any local agency that has funds on deposit in the county treasury, and the presiding judge of any superior court that has ordered, pursuant to Section 3412, Section 3413, or Section 3611 of the Probate Code, that assets of an estate be deposited with the county treasurer for deposit or investment.

(b) Any report rendered pursuant to Section 53646 shall be provided to the treasurer or other official responsible for the funds of any local agency that has funds on deposit in the county treasury.

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**ATTACHMENT 6**  
**PERMITTED OVERNIGHT INVESTMENTS**

**1) Money Market Funds**

- (a) City is authorized to invest in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and are subject to either one of the following requirements:
  - (i) The institutions shall have the highest rating provided by not less than two nationally recognized rating services.
  - (ii) The institutions' investment advisors shall be registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares of beneficial interest purchased shall not include any commission that these companies may charge.
- (b) City of Napa Limitations:
  - (i) Maximum allocation – 20% of agency's funds
  - (ii) Maximum of 10% per any one money market mutual fund

**2) Repurchase Agreements**

- (a) CA Government Code Section 53601 Requirements:
  - (i) Term of repurchase agreements shall be for 1 year or less.
  - (ii) All securities under a repurchase agreement shall be held by the agency's safekeeping agent.
  - (iii) The seller of repurchase securities shall not be entitled to substitute securities, except as authorized by the City. New or substitute securities should be reasonably identical to the original securities in terms of maturity, yield, quality and liquidity.
- (b) City of Napa Limitations:
  - (i) Maximum maturity – 30 days
  - (ii) Maximum par value total size – 20%
  - (iii) Maximum par value per institution – 20%
  - (iv) Credit:
    - a. Securities shall be marked to market daily and shall be maintained at a value no lower than \$102.
    - b. Securities acceptable as collateral shall be U.S. Treasury obligations only.
    - c. It should be covered by a master repurchase agreement.
  - (v) Repurchase agreements shall only be made with primary dealers of the Federal Reserve Bank of New York.

**3) Local Agency Investment Fund (LAIF)**

- (a) LAIF Limitations:
  - (i) \$65,000,000 per account
  - (ii) No more than 15 transactions in a month

**4) CAMP**

- (a) CAMP Limitations:



- (i) City's investment may not comprise more than 10% of the CAMP Pool.



ATTACHMENT 7  
SAMPLE AGREEMENT

AGREEMENT FOR SERVICES

*[Note: Describe services, e.g., Auditing Services for Finance Dept, Etc..]*

This Agreement is dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the City of Napa, a municipal corporation (hereinafter referred to as the "City"), and \_\_\_\_\_, a \_\_\_\_\_ *[fill in type of organization]* (hereinafter referred to as "Consultant").

RECITALS

A. The City requires \_\_\_\_\_.

B. The Consultant is qualified and experienced to provide such services.

NOW, THEREFORE, said City and said Consultant for the considerations hereinafter set forth, mutually agree as follows:

1. SCOPE OF WORK. Consultant shall perform those services described as Tasks in the Scope of Work and Schedule of Performance attached hereto as Exhibit "A" and incorporated herein by reference within the time frames stated therein.

2. COORDINATION. Consultant shall assign \_\_\_\_\_, to personally participate in said project and to coordinate the activities of the Consultant.

3. COMPENSATION.

*[choose one of the following:]*

A. City shall pay Consultant as compensation in full for such services and expenses at the rates set forth in the Standard Hourly Rates and Charges attached hereto as Exhibit "B" and incorporated herein by reference. Notwithstanding the above, it is agreed that Consultant shall complete all the services set forth in Exhibit "A" for a total sum not to exceed \$\_\_\_\_\_. Progress payments will be tied to completion of tasks so all payments are proportional to the work completed.

OR

A. City shall pay Consultant as compensation in full for such services the lump sum of \$\_\_\_\_\_ upon completion (and acceptance) of the work. Additional compensation terms, if any, are set forth in the attached Exhibit "B."

B. Consultant shall submit itemized monthly statements for work performed. City shall make any payment due within thirty (30) days after approval of the invoice by City. *[OPTIONAL: Payment will be made for the approved amount of the invoice minus ten (10) percent. The ten (10) percent retained by City will be held until 30 days after final completion and acceptance of the contract work.]*

C. Payments due and payable to Consultant for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of the City. In the event the City has not appropriated sufficient funds for payment of Consultant services beyond the current fiscal year,



this Agreement shall cover only those costs incurred up to the conclusion of the current fiscal year; payment for additional work is conditional upon future City appropriation.

**[choose one of the following:]**

4. TERM. The term of this Agreement shall be from the date of its execution until the completion of the work contemplated by this Agreement and its final acceptance by City unless terminated earlier as provided herein; except that the obligations of the parties under Paragraph 12 (Indemnification) and Paragraph 13 (Insurance) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of this Agreement, and the obligations of Consultant to City shall also continue after said expiration date or early termination in relation to the obligation prescribed by Paragraph 10 (Records of Performance), Paragraph 21 (Taxes), and Paragraph 26 (Confidentiality).

OR

4. TERM. The term of this Agreement shall be from \_\_\_\_ to \_\_\_\_, unless terminated earlier as provided herein; except that the obligations of the parties under Paragraph 12 (Indemnification) and Paragraph 13 (Insurance) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of this Agreement, and the obligations of Consultant to City shall also continue after said expiration date or early termination in relation to the obligation prescribed by Paragraph 10 (Records of Performance), Paragraph 21 (Taxes), and Paragraph 26 (Confidentiality).

5. NOTICES. All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

TO CITY: \_\_\_\_\_ [Dept. Name]

CITY OF NAPA  
P.O. Box 660  
NAPA, CA 94559-0660

TO CONSULTANT: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

and when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this Paragraph.

6. AMENDMENT OF SCOPE OF WORK. City shall have the right to amend the Scope of Work within the Agreement by written notification to the Consultant. In such event, the compensation and time of performance shall be subject to renegotiation upon written demand of either party to the Agreement. Failure of the Consultant to secure City's written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the contract price or time due, whether by way of compensation, restitution, quantum merit, etc. for work done without the appropriate City authorization.

7. CITY'S RIGHT TO TERMINATE/SUSPEND CONTRACT. At any time and for any or no reason, City shall have the right to terminate this Agreement, take possession of the Consultant's work, e.g., studies, preliminary drawings, computations, specifications, etc., insofar as they are complete and acceptable to the City and use the same, and pay the Consultant such equitable proportion of the total remuneration as the work satisfactorily done by the Consultant at the time of such discontinuance bears to the whole of the work required to be done by the Consultant under the terms of this Agreement. Notwithstanding the above, Consultant shall not be relieved from liability to City for damages sustained by virtue of any breach of this Agreement by Consultant, whether or not the Agreement was terminated for convenience or cause, and City

may withhold payments not yet made to Consultant for the purpose of setoff until such time as the exact amount of damages due City from Consultant is determined.

8. CORRECTION OF WORK. The performance of services or acceptance of information furnished by Consultant shall not relieve the Consultant from obligation to correct any defective, inaccurate or incomplete work subsequently discovered and all such work shall be remedied by the Consultant on demand without cost to the City.

9. DELAYS AND EXTENSIONS. Time is of the essence concerning performance of this Agreement; however, the Consultant will be granted time extensions for delays beyond the Consultant's control. Time extensions will be equal to the length of the delay or as otherwise agreed upon between the Consultant and the City.

10. RECORDS OF PERFORMANCE. Consultant shall maintain adequate records of contract performance costs, expenses, etc., and make these records available for inspection, audit, and copying by the City during the agreement period and for a period of three (3) years from the date of final payment. Such time for retention shall be extended if grant funds are used to fund this project require the same.

11. SUBCONTRACTING. The City shall be an intended beneficiary of any work performed by a subconsultant for purposes of establishing a duty of care between subconsultant and City. In accordance with Government Code Section 7550, Consultant agrees to state in a separate section of any filed report the numbers and dollars amounts of all contracts and subcontracts relating to preparation of the report.

12. INDEMNIFICATION. To the full extent permitted by law, Consultant shall indemnify, hold harmless, release and defend City, its officers, employees and agents from and against any and all actions, claims, demands, damages, disability, losses, expenses including attorney's fees and other defense costs and liabilities of any nature that may be asserted by any person or entity including Consultant, in whole or in part, arising out of Consultant's activities hereunder, including the activities of other persons employed or utilized by Consultant in the performance of this Agreement (including design defects and regardless of City's approval, use or acceptance of the work or work product hereunder) excepting liabilities due to the admitted or adjudicated sole negligence or willful misconduct of City. If the adjudicated or admitted sole negligence or willful misconduct of City has contributed to a loss, Consultant shall not be obligated to indemnify City for the proportionate share of such loss caused by such sole negligence or willful misconduct. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for Consultant under Worker's Compensation, disability or other employee benefit acts or the terms, applicability or limitations of any insurance held or provided by Consultant.

13. INSURANCE. Without limiting Consultant's indemnification provided herein, Consultant shall take out and maintain, throughout the period of this Agreement, the following policies of insurance placed with insurers (if other than the State Compensation Fund) with a current A.M. Bests rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of Consultant, its agents, employees or subcontractors:

A. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$1,000,000.00 per occurrence. If work involves explosive, underground or collapse risks, XCU must be included. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be twice the required occurrence limit. Said policy shall contain, or be endorsed with, the following provisions:

(1) The City, its officers, employees and agents, are covered as insureds for liability arising out of the operations performed by or on behalf of Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, agents and employees.

(2) The policy shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice ten (10) days for non-payment of premium to City by certified mail.

B. Automobile liability insurance with coverage at least as broad as ISO Form numbers CA 0001 06 92, Code 1 (any auto), for vehicles used in the performance of this Agreement with minimum coverage of not less than \$1,000,000 per accident combined single limit (CSL). Such policy shall contain or be endorsed with the provision that coverage shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice ten (10) days for non-payment of premium to City by certified mail.

C. Worker's Compensation insurance meeting statutory limits of Labor Code which policy shall [contain or be endorsed to contain a waiver of subrogation against City, its officers, agents, and employees and] provide for thirty (30) days prior written notice to City in the event of cancellation. If Consultant has no employees, Consultant may sign and file the following certification in lieu of insurance:

*"I am aware of the provisions of California Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with the provisions of that code before commencing with and during the performance of the work of this contract."*

D. Professional liability insurance/errors and omission coverage in an amount no less than \$1,000,000.00 combined single limit (CSL). If insurance is written on a claim-made basis, Consultant agrees to maintain such insurance in effect for at least three (3) years following completion of performance under this Agreement.

E. Consultant shall furnish City with certificates and original endorsements effecting the required coverage prior to execution of this Agreement by City. The endorsements shall be on forms provided by City or as approved by City Attorney. Any deductible or self-insured retention over \$100,000.00 shall be disclosed to and approved by City. If Consultant does not keep all required insurance policies in full force and effect, City may, in addition to other remedies under this Agreement, terminate or suspend this Agreement.

14. STANDARD OF CARE. City relies upon the professional ability of Consultant and representations regarding the type of work to be performed as a material inducement to entering into this Agreement. Consultant agrees to use reasonable care and diligence in rendering services under this Agreement. Consultant is responsible for the work of all employees, subconsultants, and agents, and the negligence of one of them, if not adequately remedied by Consultant, shall be conclusively deemed to be the negligence of Consultant. Consultant agrees that the acceptance of his work by City shall not operate as a waiver or release of said obligation of Consultant. The absence, omission, or failure to include in this Agreement, items which are normally considered to be a part of generally accepted professional procedure or which involve specialized professional judgment appropriate to the type of work to be performed under this Agreement shall not be used as a basis for submission of inadequate work or incomplete performance.

15. COVENANT AGAINST CONTINGENT FEES. The Consultant warrants that he has not employed or retained any company or person, other than a bona fide employee working for the Consultant, to solicit or secure this Agreement, and that he has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability, or, in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

16. CONFLICT OF INTEREST. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

17. STATEMENT OF ECONOMIC INTEREST. If City determines Consultant comes within the



definition of Consultant under the Political Reform Act (Government Code §87100), Consultant shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with the Clerk of the City of Napa disclosing Consultant and/or such other person's financial interests. In such case, Consultant shall not make or participate in making or in any way attempt to use Consultant's position to influence a governmental decision in which Consultant knows, or has reason to know, Consultant has a financial interest other than the compensation promised by this Agreement. Consultant represents that Consultant has diligently conducted a search and inventory of Consultant's economic interests, as defined in the regulations promulgated by the Fair Political Practices Commission, and has determined that Consultant does not, to the best of Consultant's knowledge, have an economic interest that would conflict with Consultant's duties under this Agreement. Consultant will immediately advise the General Counsel of Authority if Consultant learns of an economic interest of Consultant's during the term of this Agreement.

18. DEFAULT. If Consultant should fail to perform any of his obligations hereunder, within the time and in the manner herein provided or otherwise violate any of the terms of this Agreement, City may terminate this Agreement by giving Consultant written notice of such termination, stating the reason for such termination. In such event, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total fees specified in the agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total fee; provided, however, that the City may withhold payments not yet made to Consultant for the purpose of setoff until such time as the exact amount of damages due City from Consultant is determined.

19. THIRD PARTY BENEFICIARIES. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

20. INDEPENDENT CONTRACTOR. The parties intend that Consultant, in performing the services specified herein, shall act as an independent contractor and shall have control of the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of the City and is not entitled to participate in any pension plan, insurance, bonus or similar benefits City provides its employees. In the event City exercises its right to terminate this Agreement, Consultant expressly agrees that he/she shall have no recourse nor right of appeal under rules, regulations, ordinances or laws applicable to employees.

21. TAXES. Consultant agrees to file tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Consultant agrees to indemnify and hold the City harmless from any liability which it may incur to the United States or to the State of California as a consequence of Consultant's failure to pay, when due, all such taxes and obligations.

22. EMPLOYMENT PRACTICES. Consultant shall not discriminate in its performance under the Agreement either directly or indirectly on the grounds of race, color, religion, sex, age, national origin, or other prohibited grounds in its employment practices, and shall take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to race, color, religion, sex, age, national origin, or other prohibited grounds.

23. COMPLIANCE WITH LAW.

A. Consultant shall study and comply with all applicable federal, state and local laws, rules and regulations affecting the Consultant and his/her work hereunder and shall ensure that all subcontractors do the same. *[if surveyors will be used for field survey work, add: including, without limitation, compliance with the prevailing wage requirements of Labor Code Sections 1720 and 1770].* Consultant represents and warrants to City that Consultant has and will keep in effect during the term of this Agreement all licenses (including but not limited to the City of Napa business license), permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice Consultant's profession and to do the work hereunder.



B. Consultant agrees to abide by the requirements of the Immigration and Control Reform Act pertaining to assuring that all newly-hired employees of Consultant performing any services under this Agreement have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. Consultant shall make the required documentation available upon request to City for inspection.

24. TITLE TO DOCUMENTS. Title to all plans, specifications, maps, estimates, reports, manuscripts, drawings, descriptions and other final work products compiled by the Consultant under the Agreement, including the unlimited license to use the same for completion and maintenance of the project described in this Agreement, shall be vested in the City, none of which shall be used in any manner whatsoever, by any person, firm, corporation, or agency without the expressed written consent of the City. Basic survey notes and sketches, charts, computations, and other data prepared or obtained under the Agreement shall be made available, upon request, to the City without restriction or limitations on their use. Consultant may retain copies of the above-described information but agrees not to disclose or discuss any information gathered, discussed or generated in any way through this Agreement without the written permission of City during the term of this Agreement or until ninety (90) days after receipt of final payment from City.

25. RIGHT TO ADEQUATE ASSURANCE OF PERFORMANCE. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arises with respect to the performance of either party, the other may in writing demand adequate assurance of due performance, and until it receives such assurance, may, if reasonable, suspend any performance for which the agreed return has not been received. "Reasonable" includes not only the conduct of a party with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceed fifteen (15) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

26. CONFIDENTIALITY. Consultant shall treat all information obtained from City in the performance of this Agreement as confidential and proprietary to City. Consultant shall treat all records and work product prepared or maintained by Consultant in the performance of this Agreement as confidential. Consultant agrees that it will not use any information obtained as a consequence of the performance of work for any purpose other than fulfillment of Consultant's scope of work. Consultant will not disclose any information prepared for City, or obtained from City or obtained as a consequence of the performance of work, to any person other than City, or its own employees, agents or subcontractors, who have a need for the information for the performance of work under this Agreement unless such disclosure is specifically authorized in writing by the City. Consultant shall advise City of any request for disclosure of information or of any actual or potential disclosure of information. Consultant's obligations under this paragraph shall survive the termination of this Agreement.

27. ACCIDENT REPORT. If any damage (including death, personal injury, or property damage) occurs in connection with the performance of this Agreement, Consultant shall promptly submit to the City Clerk's Office a written notice of such accident with the following information:

- A. Name and address of the injured or deceased person(s);
- B. Name and address of any witness;
- C. Name and address of Consultant's insurance company; and
- D. A detailed description of the damage and whether any City property was involved.

28. ELECTRONIC COMMUNICATIONS. During the course of this Agreement, communications may occur through sending, receiving or exchanging electronic versions of documents and e-mails using commercially available computer software and Internet access. Consultant and the City acknowledge that

the Internet is occasionally victimized by the creation and dissemination of so-called viruses or similar destructive electronic programs. Consultant and the City view the issues raised by these viruses seriously and have invested in document and e-mail scanning software that identify and reject files containing known viruses. Consultant agrees to update its system with the software vendor's most current releases at regular intervals. Because of the virus scanning software, the respective computer systems of the parties may occasionally reject a communication. The parties acknowledge that this occurrence is to be expected as part of the ordinary course of business. Because the virus protection industry is generally one or two steps behind new viruses, neither party can guarantee that its respective communications and documents will be virus free. Occasionally, a virus will escape and go undetected as it is passed from system to system. Although each party will use all reasonable efforts to assure that its communications are virus free, neither party warrants that its documents will be virus free. Each party agrees to advise the other if it discovers a virus in its respective system that may have been communicated to the other party.

29. ELECTRONIC OR MAGNETIC DATA. If the Scope of Work requires that Consultant provide documents in electronic or magnetic formats, they shall be provided in a manipulative form. City recognizes that electronic or magnetic data and its transmission may be damaged, may develop inaccuracies during use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete. Consultant shall not be liable for any loss of use, profit, or any other damages arising from City's reuse, misuse, modification, or misinterpretation of the data submitted in electronic or magnetic form. Nothing contained in this paragraph shall affect the indemnification or standard of care required hereunder for Consultant with respect to Consultant's work and work products delivered in hard copy.

30. GENERAL PROVISIONS.

A. Headings. The heading titles for each paragraph of this Agreement are included only as a guide to the contents and are not to be considered as controlling, enlarging, or restricting the interpretation of the Agreement.

B. Severability. If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this paragraph shall not be applied to the extent that it would result in a frustration of the parties' intent under this Agreement.

C. Governing Law, Jurisdiction, and Venue. The interpretation, validity, and enforcement of this Agreement shall be governed and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Napa.

D. Attorney's Fees. In the event any legal action is commenced to enforce or interpret this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred, whether or not such action proceeds to judgment.

E. Assignment and Delegation. This Agreement, and any portion thereof, shall not be assigned or transferred, nor shall any of the Consultant's duties be delegated without the written consent of City. Any attempt to assign or delegate this Agreement without the written consent of the City shall be void and of no force or effect. A consent by the City to one assignment shall not be deemed to be a consent to any subsequent assignment.

F. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.

G. Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.



H. Time. Time is of the essence in carrying out the duties hereunder.

I. Entire Agreement. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the parties concerning the services described herein. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.

J. Each Parties' Role in Drafting the Agreement. Each party to this Agreement has had an opportunity to review the Agreement, confer with legal counsel regarding the meaning of the Agreement, and negotiate revisions to the Agreement. Accordingly, neither party shall rely upon Civil Code Section 1654 in order to interpret any uncertainty in the meaning of the Agreement.

K. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Consultant and the City.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

**CITY OF NAPA:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type name and title)

**ATTEST:**

\_\_\_\_\_  
(Signature)

Dorothy Roberts, City Clerk

\_\_\_\_\_  
(Type name and title)

**COUNTERSIGNED:**

\_\_\_\_\_  
(Signature)

Desiree Brun, City Auditor

\_\_\_\_\_  
(Type name and title)

**APPROVED AS TO FORM:**

\_\_\_\_\_  
(Signature)

Michael W. Barrett, City Attorney

\_\_\_\_\_  
(Type name and title)

Budget Code: \_\_\_\_\_

**CONSULTANT:**

\_\_\_\_\_  
(Type name of Consultant/form of organization)\*

By: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type name and title)

By: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Type name and title)

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

\*Corporation, partnership, limited liability corporation, sole proprietorship, etc.

Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President **and** the Secretary or Treasurer of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability corporation.





ATTACHMENT 8  
GENERAL DEPOSITORY AGREEMENT

General Depository Agreement U.S. Department of Housing and Urban Development OMB No. 2577-0075  
Office of Public and Indian Housing Exp. 10/31/2017

This Agreement, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between

\_\_\_\_\_  
(herein called the "HA"), a duly organized and existing public body corporate and politic of the  
\_\_\_\_\_ of \_\_\_\_\_  
and \_\_\_\_\_

\_\_\_\_\_  
(herein called the "Depository"), located at \_\_\_\_\_

**Witnesseth:**

**Whereas**, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more contracts (herein called the "Contract") with the HA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

**Whereas**, under the terms of the Contract the HA is required to select as depositories of its funds, financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) as long as this Agreement is in force and effect.

**Now Therefore**, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The deposits and accounts of the Depository shall continue to be insured by the FDIC Corporation or NCUSIF.

2. All monies deposited by the HA with the Depository shall be credited to the HA in a separate interest bearing deposit or interest bearing accounts, designated \_\_\_\_\_.

Accounts" (herein the "Accounts"). Any portion of HA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD in a notice. Collateralization is required on a daily basis at the end of the business day. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The HA shall have possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If the HA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.

3. Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in writing and signed on behalf of the HA by an officer or member designated by resolution of the Board of Directors of the HA to have such authority. To assist the Depository in its obligation, the HA shall furnish the Depository with a certified copy of the resolution.

4. Any securities received from the HA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the HA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt.

5. If the Depository receives written notice from HUD that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the HA from said Accounts until the Depository is authorized to do so by written notice from HUD.

6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the Contract, and shall be under no duty to investigate or determine whether any action taken by either the HA or HUD in respect of the Accounts are consistent with or are authorized by the Contract or whether either HA or HUD is in default under the provisions of the Contract. The Depository shall be fully justified in accepting and acting on,



without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.

7. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the HA and HUD. This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall provide the HA with remote, electronic access to the Accounts for the purpose of monitoring the crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD.

11. **Strike this paragraph if inapplicable:** Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the HA are hereby terminated and all monies and securities of the HA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the HA pursuant to and in accordance with the provisions of this Agreement.

12. For use only in certain States that have statutes that prohibit HAs from implementing paragraph 2. Strike this paragraph if paragraph 2 applies:

At no time shall the HA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the HA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the HA or, (b) on behalf of the HA, purchase securities approved for investment by the HA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the HA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated \_\_\_\_\_.

Income or other proceeds from securities held in the Securities Account shall, as directed by the HA, upon receipt, be paid to or on behalf of the HA; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any directive from the HA to sell securities, or permit any withdrawals by the HA, from the Securities Account until the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the HA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the HA and hold such securities in the Securities Account.

13. Notice required under the terms and conditions of this agreement shall be deemed to have been given when it made by:

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title Organization (PHA)

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title Organization (Depository)

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title Organization (HUD)

Notice shall be made in writing. Notice may be delivered in person, by United States Postal Service mail, by receipted commercial mail delivery, by facsimile machine or other electronic means that clearly identifies the sender as one of the persons so authorized in this paragraph. Notice shall be considered immediate if delivered not later than 2:00 p.m. local bank time. Notice received by 2:00 p.m. local bank time shall be implemented by the Depository by 5:00 p.m. on the business day on which the notice was deemed received by the Depository's designee referenced above. Notice delivered after 2:00 p.m. local bank time shall be considered received and effective at the



opening of the following business day. Business day means every day except Saturdays, Sundays and federal holidays.

**In Witness Whereof**, the HA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

\_\_\_\_\_  
HA

(SEAL)

ATTEST:

By \_\_\_\_\_

Chairman

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Depository

By \_\_\_\_\_

(SEAL)

ATTEST:



**ATTACHMENT 9**  
**RETAIL LOCKBOX – SAMPLE OF REMITTANCE DOCUMENTS**





NAPA RECYCLING & WASTE SERVICES, LLC  
COLLECTION AND RECYCLING CONTRACTOR FOR THE CITY OF NAPA  
PO BOX 239 • 820 LEVITIN WAY  
NAPA, CA 94559  
(707) 255-5200

**\*\*\*Important Message\*\*\***  
\*ONLINE BILL PAY IS HERE\* VISIT OUR  
WEBSITE AT [naparecycling.com](http://naparecycling.com)  
YOUR ONLINE ACCESS CODE IS 0051279  
YOUR ACCOUNT IS PAST DUE, PLEASE REMIT  
BALANCE DUE TO AVOID FURTHER ACTION.

STATEMENT DATE	ACCOUNT NUMBER	DATE PAID	YOUR CHECK NUMBER	AMOUNT PAID
5/16/16				

CUSTOMER NAME/BILLING ADDRESS

SERVICE A

RETURN SERVICE REQUESTED

1.PSI NORTHERN 5/16/16.224334 D11



### 5-DAY NOTICE

STATEMENT DATE	DESCRIPTION OF SERVICE	QUANTITY	RATE	TOTAL
	PRIOR BALANCE			89.37

**\*\*DUE UPON RECEIPT\*\*** **\*\*PAST DUE, 30 DAYS AFTER STATEMENT DATE\*\***

CURRENT 0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	BALANCE DUE
29.79	29.79	29.79	.00	\$ 89.37

DETACH HERE

STATEMENT DATE	ACCOUNT NUMBER	AMOUNT DUE	AMOUNT REMITTED
5/16/16		\$ 89.37	\$

☐ CHECK HERE IF ADDRESS HAS CHANGED.  
NOTE CORRECTIONS ON REVERSE SIDE.

MAKE CHECK PAYABLE TO:

NRWS - Collections  
P.O. Box 981178  
West Sacramento, CA 95798-1178

00000000000000000000



**CITY OF NAPA**

PO Box 860  
Napa CA 94559-0860

Office Hours:  
8:00 a.m. - 5:00 p.m.

4/04/16

QUARTERLY BUSINESS LICENSE RENEWAL

Return To:  
**CITY OF NAPA  
BUSINESS LICENSE OFFICE  
PO BOX 980905  
WEST SACRAMENTO CA 95798-0905**



Business License #	Gross Receipts Billing Period	Delinquency Date
	1/01/16 - 3/31/16	5/15/16

NOTE: IF YOU HAVE CEASED BUSINESS OPERATION IN THE CITY OF NAPA, TAXES ARE DUE ON ANY GROSS RECEIPTS EARNED DURING THE ABOVE BILLING PERIOD.

**QUARTERLY BUSINESS LICENSE TAXES ARE NOW DUE.**

Taxes are based on gross receipts for the above billing period.

To calculate tax, round up gross receipts to the next highest thousand and multiply the result by \$1/thousand. (Example: Gross Receipts of \$20,234 is rounded up to \$21,000.  $\$21,000/1000 \times \$1$  results in a tax of \$21.00.)

If the calculated tax is less than the quarterly minimum tax of \$5.00, enter the minimum tax of \$5.00.

Gross Receipts (rounded up) --> \$\_\_\_\_\_ X \$1 = TAX --> \$\_\_\_\_\_  
1000

If payment will be received after 5/15/16, add a 25% delinquency penalty (per qtr) to amount due .....\$\_\_\_\_\_

State-Mandated Disability Access and Education Revolving Fund\* \$ 1.00

TOTAL AMOUNT DUE.....\$\_\_\_\_\_

**PRIOR PERIOD BUSINESS LICENSE TAXES REQUESTED WITH YOUR APPROVAL NOTICE (SENT 3/30/16) ARE UNPAID. PLEASE MAKE PAYMENT PROMPTLY TO PREVENT YOUR LICENSE FROM BECOMING DELINQUENT. ONCE YOUR TAXES ARE CURRENT, YOU WILL RECEIVE A BUSINESS LICENSE.**

\*On September 19, 2012 Governor Brown signed into law SB-1186 which adds a state fee of \$1.00 on any applicant for a local business license or similar instrument or permit, or renewal thereof. The purpose is to increase disability access and compliance with construction-related accessibility requirements and to develop educational resources for business in order to facilitate compliance with federal and state disability laws, as specified. The fees above include this \$1.00 fee.

Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:

- The Division of the State Architect at [www.dgs.ca.gov/dsa/Home.aspx](http://www.dgs.ca.gov/dsa/Home.aspx).
- The Department of Rehabilitation at [www.rehab.cahwnet.gov](http://www.rehab.cahwnet.gov).
- The California Commission on Disability Access at [www.cdda.ca.gov](http://www.cdda.ca.gov).

If you have any questions about this statement, please call our customer service representatives at (707) 257-9508, Monday - Friday between 8:00 am and 5:00 pm, 955 School St, Napa CA 94559

RETURN THIS ENTIRE STATEMENT WITH PAYMENT. PLEASE WRITE YOUR BUSINESS LICENSE # ON YOUR CHECK

for - 583 - 583



**CITY OF NAPA**

PO Box 860  
Napa CA 94559-0860

Office Hours:  
8:00 a.m. - 5:00 p.m.

DELINQUENT BUSINESS LICENSE



Return To:  
**CITY OF NAPA**  
**BUSINESS LICENSE OFFICE**  
**PO BOX 980905**  
**WEST SACRAMENTO CA 95798-0905**

Business License #	Delinquency Date
	3/08/16

**DELINQUENT BUSINESS LICENSE TAXES ARE NOW DUE**

Business license taxes are past due for both prior and current periods. Please call (707) 257-9508 for assistance in calculating taxes and penalties owed. Please have the pertinent information for calculating the taxes ready when you call.

Failure to file may cause the City of Napa to estimate your gross receipts for collection proceedings. Failure to obtain a business license also violates NMC 5.04 that may lead to legal action against you.

License is issued upon receipt of payment of all taxes and penalties.

Enter amount of payment (Taxes + delinquency penalties).....\$

State-Mandated Disability Access and Education Revolving Fund\*.\$ 1.00

TOTAL AMOUNT DUE.....\$

**\*\*Payment must be received by 5 P.M. 3/08/16\*\***

\*On September 19, 2012 Governor Brown signed into law SB-1186 which adds a state fee of \$1.00 on any applicant for a local business license or similar instrument or permit, or renewal thereof. The purpose is to increase disability access and compliance with construction-related accessibility requirements and to develop educational resources for business in order to facilitate compliance with federal and state disability laws, as specified. The fees above include this \$1.00 fee.

Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:

- The Division of the State Architect at [www.dgs.ca.gov/dsa/Home.aspx](http://www.dgs.ca.gov/dsa/Home.aspx).
- The Department of Rehabilitation at [www.rehab.cahwnet.gov](http://www.rehab.cahwnet.gov).
- The California Commission on Disability Access at [www.cdda.ca.gov](http://www.cdda.ca.gov).

If you have any questions about this statement, please call our customer service representatives at (707) 257-9508, Monday - Friday between 8:00 am and 5:00 pm, 955 School St, Napa CA 94559

RETURN THIS ENTIRE STATEMENT WITH PAYMENT. PLEASE WRITE YOUR BUSINESS LICENSE # ON YOUR CHECK





~\*- Demonstration Powered by HP Exstream 06/18/2015, Version 8.0.327 32-bit ~\*-



Water Billing

## CITY OF NAPA

PO BOX 980905  
West Sacramento, CA 95798-0905

Office Hours:  
8:00 a.m. - 5:00 p.m.  
955 School St., Napa  
(707) 257-9508

### ACCOUNT NUMBER

ACCOUNT TYPE

SERVICE ADDRESS

SERVICE PERIOD

PAY CURRENT CHARGES BY

AMOUNT DUE

Single-Family, Inside City

4/01/15 - 6/01/15

7/09/15

\$ 58.95

\*YOU ARE ON DIRECT PAY\*  
\*PAYMENT WILL BE WITHDRAWN FROM YOUR  
BANK ON 7/09/15

00000000000000000000

You are an Auto Payment Customer, No Payment Required.

Please retain this portion for your records.

Name:

Account No.:

Service Address:

Account Type: Single-Family, Inside City

CHARGE DESCRIPTION	SERVICE DATES		METER READINGS		USAGE	AMOUNT DUE
	FROM	TO	PREVIOUS	CURRENT	UNITS	
CURRENT WATER CHARGE	4/01/15	6/01/15	73	84	11	\$ 58.95
Water Consumption: 1 Unit = 1,000 gallons						
Tiered Rate Account Detail						
Tier	Unit Range	Rate Per Unit	Current Units	Current Charge		
Fixed Service Charge	Includes 0-3 Units		3	\$ 16.07		
Tier 2	4-20	\$ 5.36	8	\$ 42.88		
Tier 3	21-40	\$ 5.56	0	\$ 0		
Tier 4	41-75	\$ 7.04	0	\$ 0		
Tier 5	Over 75	\$ 9.34	0	\$ 0		
Tiered Water Totals			11	\$ 58.95		
PREVIOUS BALANCE						32.15
PAYMENT - THANK YOU. Payments are posted through 6/05/15.						32.15
BALANCE FORWARD						0.00
WATER CHARGE						58.95
TOTAL CURRENT CHARGES						58.95
PAY THIS AMOUNT						58.95
*YOU ARE ON DIRECT PAY*						
*PAYMENT WILL BE WITHDRAWN FROM YOUR BANK ON 7/09/15						
CONSUMPTION LAST PERIOD		6	CONSUMPTION LAST YEAR		10	
<a href="http://www.cityofnapa.org/images/AQR.pdf">http://www.cityofnapa.org/images/AQR.pdf</a>						
2014 DRINKING WATER QUALITY REPORT is available electronically at the exact web address shown above. To help save resources, paper copies will only be mailed upon request by calling (707)257-9521. Customers may also pick up copies at the Water Division, 1340 Clay St. or Public Works, 1600 First St.						

Office Hours:  
8:00 am - 5:00 pm  
955 School St., Napa  
(707) 257-9508

CITY OF NAPA  
PO BOX 980905  
West Sacramento, CA 95798-0905  
1oz - 2 - 2



Water Billing

**CITY OF NAPA**  
**URGENT**

PO BOX 980905  
West Sacramento, CA 95798-0905

Office Hours:  
8:00 a.m. - 5:00 p.m.  
955 School St., Napa  
(707) 257-9508

ACCOUNT NUMBER

SERVICE ADDRESS

MAILING DATE

DEADLINE DATE BY NOON

AMOUNT DUE

3/18/16

3/28/16

44.64

**NOTICE OF IMPENDING TERMINATION OF WATER SERVICE**

Make checks payable to "CITY OF NAPA".

Include your account number on your check.



Please detach and return this portion with your payment.

Please retain this portion for your records.

Service Address:

LAST NAME	DELINQUENT BILLING PERIOD		ACCOUNT NUMBER	AMOUNT DUE
	FROM	TO		
	11/01/15	1/01/16		44.64
<b>NOTICE OF IMPENDING TERMINATION OF WATER SERVICE</b>				
Water service will be discontinued at the service address listed above unless payment is received by <b>NOON</b> on the deadline date.				
If the <b>NOON</b> deadline is missed, service will be disconnected and will not be resumed until the total amount of the delinquent balance, plus a non-payment charge of \$50.00 is paid in full.				
Direct all inquires to: Collections Department (707) 257-9508.				
<b><u>BILL FOR SERVICE</u></b>				
If service is discontinued due to non-payment, it will be resumed only after the total amount of the delinquent balance, plus a service charge are paid in full.				
<b><u>DISPUTED BILLS</u></b>				
If a customer claims his or her bill is incorrect, he or she may request a review of his or her claim by the Water Division General Manager. If the claim is not adjusted between the customer and the manager in accordance with Public Works Department policies, he or she may request further review of his or her claim by the Public Works Director. If the customer is not satisfied with the administrative decision, he or she may appeal the decision to the Council. The action by the Council shall be final and conclusive. (13.-4.330 NMC)				
<b><u>OTHER INFORMATION</u></b>				
In the event you cannot meet the requirements necessary to avoid termination of water services, the City may consider amortization of the unpaid charges over a reasonable period not to exceed 12 months. Please call 257-9508 for more information. You might also be eligible for financial assistance. To obtain information about the availability of public assistance, you may contact Napa County Human Services Delivery System at 253-4511, from 8:00 a.m. to 5:00 p.m., Monday through Friday.				
<b>KINDLY DISREGARD NOTICE IF PAYMENT IS MADE AFTER 3/16</b>				
<b>DEADLINE DATE BY NOON: 3/28/16</b>				

Office Hours:  
8:00 am - 5:00 pm  
955 School St., Napa  
(707) 257-9508

CITY OF NAPA  
PO BOX 980905  
West Sacramento, CA 95798-0905

1oz - 499 - 504

ATTACHMENT 10  
RETAIL LOCKBOX – FILE SPECIFICATIONS TO UPDATE NRWS SOFT-PAK SYSTEM



WASTE INDUSTRY SOFTWARE SOLUTIONS

LOCKBOX INTERFACE – V4

**SOFT-PAK LOCK BOX PROCESSING**

The bank should provide a file with 2 record formats. One format is for the DETAIL of the individual payments and the other is a TOTAL record (one only) to cross check that all of the detail was received correctly. The TOTAL record further serves as a record of what has previously been received to prevent inadvertent duplication of cash receipt batches from the same file. To effectively accomplish this, each file must consist of only one day's cash receipts.

The record layout of the data to be received from the bank is as follows:

**DETAIL RECORD**

Field	Type	Length	Format
Record ID	A	1	C=detail
Date	N	6	YYMMDD
Company ID	A	2	Exact match with Soft-Pak data
Customer #	N	7	Exact match with Soft-Pak data
Check Digit	N	1	Exact match with Soft-Pak data
Check number	A	15	Optional (Left Justified)
Check amount	N	10 (2 dec)	NNNNNNNN.NN (8.2 – Right Justified with preceding zeros – do not include physical decimal)
Invoice #	N	7	Right Justified with preceding zeros
			49

**TOTAL RECORD**

Field	Type	Length	Format
Record ID	A	1	T=total
Date	N	6	YYMMDD
Blanks	A	2	Unused
Count	N	7	Number of detail records
Blanks	A	16	Unused
Total Amount	N	10	NNNNNNNN.NN (Total of all checks – do not include physical decimal.)
Blanks	A	7	Unused
			49

*Continues on following page...*

The record length should be 49 bytes.

When the file is available to Soft-Pak (i.e. downloaded from the bank & transferred to library IWSE4xx, where 'xx' is the data set ID, on the i-series server with filename 'BANKSETUP', the user will execute the Lock Box processing off the interfaces menu & will create cash receipt batches and comprehensive reports as to their content. The reports will also detail any exception conditions such as a mismatch between the detail and the total record in a file, or customers not found based on company ID, customer number, and check digit.

**Please note:** The V3 version of the file will work in V4 but the V4 version is required if the customer wants the larger check number field.

**ATTACHMENT 11  
RETAIL LOCKBOX – FILE SPECIFICATIONS TO UPDATE CITY SYSTEM**

General Specifications					
<ul style="list-style-type: none"> <li>Fixed-width text file (with a comma)</li> <li>All lines must be 17 characters total</li> <li>All lines have a comma at position 9</li> <li>All lines end with CR/LF</li> <li>One file per day</li> </ul>					
Line Specifications					
Description	Type	Length	Columns	Required Value	Notes
<b>Single Header Line</b>					
Header	Char	8	1-8	HEADER	“HEADER” with two spaces appended.
Delimiter	Char	1	9	,	Comma Delimiter
Date	Date	8	10-17		Date with “00” appended MMDDYY00
<b>Transaction Lines</b>					
Account	Char	8	1-8		Full Account No as CCCNNNNL CCC: Billing Cycle No NNNN: Account No L: Account Letter
Delimiter	Char	1	9	,	Comma Delimiter
Amount	Numeric	8	10-17		Zero padded amount with two cents places, no decimal point \$1234.56 = 00123456 \$1234.00 = 00123400
<b>Single Trailer Line</b>					
Trailer	Char	8	1-8	TRAILER	“TRAILER” with single space appended
Delimiter	Char	1	9	,	Comma Delimiter
Total Amount	Numeric	8	10-17		Zero padded total of all transaction lines with two cents places, no decimal point \$1234.56 = 00123456 \$1234.00 = 00123400





ATTACHMENT 12  
VENDOR REFERENCE FORM

<b>Offeror shall provide a minimum of five (5) Customer References with three (3) or more years experience with the Offeror. Local and similar size contract references are preferred.</b>	
<b>REFERENCE #1</b>	
SERVICE GROUP	
NAME OF CUSTOMER	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(     )
CONTACT	
PROJECT NAME	
START DATE	
APPROX. COST	
<b>REFERENCE #2</b>	
SERVICE GROUP	
NAME OF CUSTOMER	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(     )
CONTACT	
PROJECT NAME	
START DATE	
APPROX. COST	
<b>REFERENCE #3</b>	
SERVICE GROUP	
NAME OF CUSTOMER	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(     )
CONTACT	
PROJECT NAME	
START DATE	



APPROX. COST	
REFERENCE #4	
SERVICE GROUP	
NAME OF CUSTOMER	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(     )
CONTACT	
PROJECT NAME	
START DATE	
APPROX. COST	
REFERENCE #5	
SERVICE GROUP	
NAME OF CUSTOMER	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(     )
CONTACT	
PROJECT NAME	
START DATE	
APPROX. COST	
REFERENCE #6	
SERVICE GROUP	
NAME OF CUSTOMER	
ADDRESS	
CITY, STATE, ZIP CODE	
TELEPHONE #	(     )
CONTACT	
PROJECT NAME	
START DATE	



APPROX. COST	
--------------	--

**ATTACHMENT 13  
PRICING PRO FORMA –SERVICE GROUP 1: GENERAL BANKING**

Please complete the pro forma table as shown below. (If the bank uses a different name and/or AFP Code for the service, add a column to the table and show the bank's name/AFP Code for the service.) This table is also available in Excel by request.

**GENERAL ACCOUNT SERVICES**

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
010306	ANALYSIS STATEMENT	7.00	
010307	DEPOSIT STATEMENT	7.00	
010400	MONTHLY MAINTENANCE	7.00	

**DEPOSITORY SERVICES**

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
100000	DEPOSITS PROCESSED	77.00	
100004	DEPOSIT BAGS	1.00	
100010	COIN DEPOSITED LOOSE - PER \$1	2.00	
100015	CURRENCY DEPOSITED PER \$1	70,278.00	
100016	CASH ORDERS	1.00	
100100	CASH VAULT DEPOSITS	96.00	
100102	CASH VAULT BAG DEPOSIT PROCESSING	15.00	
100103	MIXED DEPOSIT	37.00	
100106	INCORRECT PACKAGING	1.00	
100115	CURR DEPOSITED STANDARD PER \$100	600.00	
100144	COIN SUPPLIED - INDIVIDUAL ROLL	2.00	
100200	NON-ENCODED LOCAL AND NON-LOCAL	3,043.00	
100220	NON-ENCODED ON US	389.00	
100400	RETURNED DEPOSITED ITEM	12.00	
100402	RECLEAR ITEMS	15.00	
100500	DEPOSIT ADJUSTMENT	1.00	
100540	ADJUSTMENT RECEIPT ELECTRONIC	1.00	
100701	DEPOSIT RECEIPT ELECTRONIC	96.00	
100840	PRINTED DEPOSIT SLIPS	1.00	
109999	DEPOSIT FEE	61.00	
109999	ICS CC MAINTENANCE	1.00	
10010Z	DUAL CONTROL DEPOSIT	1.00	
10021B	EDS ITEMS	11,579.00	

**PAPER DISBURSEMENT SERVICES**

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
150030	POSITIVE PAY BASE FEE	1.00	
150030	EXCEPTION ITEMS	3.00	
150030	CHECK RETURN	1.00	
150030	STAND ALONE POSITIVE PAY BASE FEE	1.00	
150100	CHECKS PAID	832.00	



150410	6 MONTH STOP PAYMENT	1.00	
150410	12 MONTH STOP PAYMENT	5.00	
150800	PRINTED CHECK CHARGES	1.00	
151350	CHECK IMAGING - MAINTENANCE	1.00	
151351	CHECK IMAGING	38.00	

#### PAPER DISBURSEMENT RECONCILIATION SERVICES

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
200010	BASE FEE	1.00	
200110	OUTPUT FILE TRANSMISSION	1.00	
200201	INPUT ISSUE, ELECTRONIC	941.00	
200206	VOID - CANCEL TAPE / DISKETTE	25.00	
200221	PREVIOUS DAY DETAIL ITEMS	1,172.00	

#### ACH SERVICES

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
250100	ACH DEBIT TRANSACTIONS PROCESSED	1,581.00	
250101	ACH CREDIT TRANSACTIONS PROCESSED	1,933.00	
250108	FEDERAL TAX PAYMENT	3.00	
250108	STATE TAX PAYMENT	5.00	
250200	ELECTRONIC (ACH) DEBITS	9.00	
250201	ELECTRONIC (ACH) CREDITS	73.00	
250300	RETURNED ITEMS-DEBIT	19.00	
250301	RETURNED ITEMS-CREDIT	3.00	
250400	ACH SPECIAL REPORTS	8.00	
250410	PRENOTE CREDITS	16.00	
250501	TRANSMISSION	14.00	
250501	ACH FILE UPLOAD ITEMS	1,849.00	
250700	INFORMATION NOTICES	5.00	
251050	ACH POS PAY COMPANY MONTHLY MAINTEN	1.00	
251050	ACH POS PAY - RECURRING FILTER	1.00	
251052	ACH BLOCK MAINTENANCE	6.00	
251053	DEBIT FILTER RECURRING	3.00	

#### WIRE AND OTHER FUNDS TRANSFER SERVICES

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
350000	WIRE TRANSFER BASE FEE	1.00	
350100	DOMESTIC WIRE	2.00	
350104	ACCOUNT TRANSFER ITEMS	5.00	
350300	INCOMING WIRE - AUTO	1.00	
35012Z	BOOK TRANSFER WIRE	1.00	



**INFORMATION SERVICES**

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
400002	ONLINE BANKING MONTHLY BASE	7.00	
400220	PREVIOUS DAY BALANCE ITEMS	1,732.00	
400223	CURRENT DAY BALANCE ITEMS	3.00	
400224	CURRENT DAY DETAIL ITEMS	785.00	

**COLLECTION OF PAYMENTS FROM CUSTOMER BILLPAYER SYSTEMS**

*(REQUIRED ONLY IF PROPOSING FOR THIS SERVICE)*

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
	E-LOCKBOX RECEIVED TRANSACTION	8,491.00	
010100	DEBITS POSTED-OTHER	1.00	
010101	CREDITS POSTED-OTHER	44.00	
100209	TRANSMISSION MAINTENANCE	1.00	
250200	ELECTRONIC (ACH) DEBITS	2.00	
250201	ELECTRONIC (ACH) CREDITS	44.00	
250302	ACH RETURN ITEM - DEBIT/CREDIT	2.00	

**ATTACHMENT 14**  
**PRICING PRO FORMA – SERVICE GROUP 2: RETAIL LOCKBOX SERVICES**

Please complete the pro forma table as shown below. (If the bank uses a different name and/or AFP Code for the service, add a column to the table and show the bank's name/AFP Code for the service.) This table is also available in Excel by request.

**LOCKBOX SERVICES**

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
050012	RETAIL LOCKBOX MAINTENANCE - P.O. BOX RENTAL	1.00	
050015	RETAIL LOCKBOX MAINTENANCE - IMAGING	1.00	
050203	RETAIL LOCKBOX MINIMUM CHARGE PER ITEM	1,060.00	
050220	RETAIL LOCKBOX DATA CAPTURE - FIXED CHARGE	1.00	
050222	RETAIL LOCKBOX DATA CAPTURE - OCR/MICR LINE	11,800.00	
050231	RETAIL LOCKBOX MULTIPLE PAYEES	1.00	
050301	LOCKBOX DEPOSIT - TICKET PREPARATION	60.00	
050310	LOCKBOX DEPOSIT REPORTING - AUTOMATED - TOTAL	1.00	
050331	LOCKBOX DEPOSIT REPORTING - CUSTOM OUTPUT	2.00	
050400	LOCKBOX INFORMATION DELIVERY - AUTOMATED - MAINTENANCE	1.00	
050401	LOCKBOX INFORMATION DELIVERY - AUTOMATED - TRANSMISSION	40.00	
050412	LOCKBOX INFORMATION DELIVERY - MANUAL - EXPED MAIL	60.00	
050424	LOCKBOX INFORMATION DELIVERY - IMAGE - INTERNET	1.00	
050500	LOCKBOX REJECT ITEMS - EXCEPTION HANDLING	215.00	
100200	CHECK DEPOSIT PROCESSING	12,860.00	
05021G	RETAIL LOCKBOX DESTROY ENVELOPES	12,860.00	
05021L	RETAIL LOCKBOX DELIVERY PREPARATION CHARGE	60.00	
05021Q	RETAIL LOCKBOX IMAGE (PER ITEM)	13,120.00	
05023C	RETAIL LOCKBOX RESEARCH	5.00	

**GENERAL ACCOUNT SERVICES**

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
010000	ACCOUNT MAINTENANCE	2.00	
100209	TRANSMISSION MAINTENANCE	1.00	
250000	ACH MONTHLY MAINTENANCE	3.00	
250150	ACH BLOCKS AUTH INSTRUCTIONS	3.00	
251052	ACH BLOCK MAINTENANCE	1.00	
251110	ACH SOFTWARE - USAGE	1.00	
400052	ONLINE BALANCE REPORTING - PREVIOUS DAY	2.00	
400055	ONLINE BALANCE REPORTING - CURRENT DAY	2.00	
400299	ONLINE SUBSCRIPTION	1.00	



**COLLECTION OF PAYMENTS FROM CUSTOMER BILLPAYER SYSTEMS**  
**(REQUIRED ONLY IF PROPOSING FOR THIS SERVICE)**

AFP CODE	DESCRIPTION	MONTHLY AVERAGE VOLUME	PROPOSED UNIT COST
	E-LOCKBOX RECEIVED TRANSACTION	8,491.00	
010100	DEBITS POSTED-OTHER	1.00	
010101	CREDITS POSTED-OTHER	44.00	
100209	TRANSMISSION MAINTENANCE	1.00	
250200	ELECTRONIC (ACH) DEBITS	2.00	
250201	ELECTRONIC (ACH) CREDITS	44.00	
250302	ACH RETURN ITEM - DEBIT/CREDIT	2.00	