City of San Leandro

Meeting Date: November 20, 2017

Staff Report

File Number: 17-663 **Agenda Section:** ACTION ITEMS

Agenda Number: 10.A.

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report on Potential Divestiture from Wells Fargo Bank due to its Funding of the Dakota Access Pipeline (DAPL) Project

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council discuss divesting from an existing $700,000 Wells Fargo corporate note, and suggests that the City Council defer further discussion regarding issuance of a Request for Proposals from alternative banks.

BACKGROUND

On March 6, 2017, the City Council received a letter from a group of citizens requesting that the City replace Wells Fargo Bank (Bank). Please see attached letter. The Council referred the request to the City's Finance Committee for discussion on April 4, 2017. The Finance Committee heard testimony from San Leandro residents and directed staff to bring an analysis of a potential banking RFP to Council for its consideration.

Wells Fargo has been the City's primary bank offering commercial services since June 2008. The Bank was chosen in a competitive 6-month Request for Proposals (RFP) process in 2007 that included eight respondents. Six of the eight respondents were selected by an Evaluation Committee (consisting of six finance staff members) to provide an in-depth presentation and demonstrate their ability to support daily City operations in an effective and efficient manner utilizing the bank's service applications. Wells Fargo was chosen primarily due to anticipated savings of 31% over the City's former banking provider (Bank of America) as well as technological offerings, enhanced customer service, and operational efficiencies. Services include providing the City's general checking accounts for payroll, accounts payable, and worker's compensation, collateralization of deposits (as required by Section VII (D) of the City's Investment Policy and Section 2257.021 of California Government Code), and nightly sweep of the City's deposits into short-term investments to earn the City maximum return on its liquid funds.

The City currently has $5 million deposited with Wells Fargo for daily operational purposes and also owns a $700,000 Wells Fargo Corporate Note as part of its Investment Portfolio managed by Chandler Asset Management. Bank fees are approximately $80,000 per year, which is less than the amount paid to Bank of America a decade ago.

DISCUSSION

A potential RFP will impact staff capacity as it relates to existing commitments and regulatory obligations. The Financial Reports calendar for 2017 was presented to the Finance Committee in October. The report highlights the deadlines and volume of activity requiring Finance Department resources. Key priorities of the Department are the completion of the annual audit, production of the budget and preparation of bond documents in connection with the upcoming refinancing and new money bond issues. Further, key projects in all other City departments are dependent on the Finance Department for the issuance of bid and RFP documents, execution of contracts, and issuance of purchase orders. Therefore, changes to the capacity of the Finance Department have an impact on the timeliness of project delivery throughout the organization.

Staffing in the Finance Department has been stretched in the past year by the departure of the Assistant Director and an accountant as well as the need to backfill an accountant position that was vacated due to a promotion. Additionally, an audit finding last year noted an issue with the timely recording of journal entries that was a direct result of turnover and staffing challenges. Although the Department is actively working with Human Resources to return to full staffing, the process will take time and will require additional time to bring new employees up to speed.

Prior to Wells Fargo Bank, the City used Bank of America for 35 years. The 2007 banking RFP was the first one the City had ever conducted and it was an extensive process requiring significant staff resources and costs prior to selection as well as during post-selection implementation. Twelve months elapsed from the time the RFP was issued until the time banking services were officially changed over to Wells Fargo. In order to provide the City with the best service and pricing possible, staff anticipates a similar process and 12-18 month timeline should a new banking RFP be prepared and issued. The selection process would include at minimum:

- RFP preparation and issuance;
- Needs assessment;
- Evaluation of vendor proposals;
- Vendor presentations;
- Client site visits, and
- Contract negotiations

The post-selection implementation process would include at minimum:

- Modifying the financial system setup and general ledger for new banking codes;
- Modifying configuration for electronic check deposits;
- Modifying any merchant credit card services affiliated with Wells Fargo;
- Changing out credit card machines at all City locations that process these payments;

- Notifying all who wire funds into the City's bank account (includes major sources such as property tax, sales tax, credit card transactions, and investment pools);
- Updating authorized signers on all accounts and sub-accounts;
- Notifying every vendor that is authorized to debit City's bank accounts;
- Replacing check stock, deposit bags, deposits slips, etc. as necessary;
- Modifying codes on payroll and accounts payable checks;
- Setting up main and all remote City locations that process cash deposits;
- Ensuring there is enough remaining funds with Wells Fargo to cover any uncashed checks in transit during the transition between banks;
- Modifying pickup and delivery of City deposits to cash vault locations via armored car services.

While staff understands and appreciates the concerns addressed in the attached letter from citizens, staff does not see this as a simple process of divestiture. There is a complicated and time-consuming process for changing banks. It should be noted that there are very few banks that could meet the City's needs, Investment Policy restrictions, and State law requirements and not in some way be affiliated with the DAPL Project. There are many financial institutions involved in the financing of the DAPL Project and Wells Fargo's share is less than 5%. Other banks lending to the DAPL Project are Union Bank, Citibank, Bank of America, BNP (Bank of the West), and Royal Bank of Canada (City National Bank). These banks have branches in San Leandro and could be considered full service banks that could meet the needs of the City. The other banks funding DAPL are SunTrust, Mizuho, TD Securities, Credit Agricole, Intesa San Paolo, ING, Natixis, Bayern LB, BBVA, DNB Capital, ICBC London, SMBC Nikko, and Societe Generale. Third, many major banks such as Bank of America are dropping municipal clients in order to focus on more lucrative private clients with fewer restrictions. This leaves a limited pool to select from to ensure that payroll checks to employees and AP checks to vendors are paid on-time.

During 2017, nearby cities and local agencies have issued RFPs for banking services. Hayward received five proposals on April 1, 2017 and has not yet chosen a new bank. South San Francisco and Alameda County Water District also received five bids and each chose JP Morgan Chase earlier this year. JP Morgan Chase is a funder of the DAPL project.

Banking fees tend to fall into three categories: monthly charges for basic banking services, credit card processing fees, and armored car services. Credit card fees are the most significant. In spite of those fees, San Leandro has elected to accept credit cards for many services and fees because it offers a substantial convenience for residents and customers.

Through the RFP process, South San Francisco discovered that their bank's credit card fees are the primary cost, ranging from $8,000 to $16,000 per month. Basic bank service costs are $4,000 to $6,000 per month, which includes the Brinks Armored car service. Under the current arrangement with Wells Fargo, San Leandro also pays more for credit card transactions ($4,500/month) than basic banking services ($2,000/month). In San Leandro, the armored car service costs approximately $1,400/month, which makes the total cost approximately $3,400/month before including the cost of credit card transactions.

City staff also directs the City Council to a written response from Wells Fargo concerning their involvement in the DAPL Project. This written response includes DAPL FAQs as well as a response to Wells Fargo's recent settlement involving opening of unauthorized accounts by its employees. Wells Fargo has been a financial partner of the City for nearly a decade and staff is encouraged by their response to these matters. Nevertheless, while staff recommends against a change in commercial banking services at this time, it will certainly undergo the process should City Council decide to pursue a replacement bank.

ATTACHMENTS:

(1) Letter from Concerned Citizens
(2) Letter from Wells Fargo Bank
(3) Wells Fargo Dakota Access Pipeline FAQs
(4) Financial Reports Calendar
(5) Draft Banking Request for Proposals (RFP)

PREPARED BY: David Baum, Finance Director, Finance Department

REQUEST FOR PROPOSALS FOR COMMERCIAL BANKING SERVICES

RFP NO. XXXXX

RFP Issue Date:
Date

Proposal Submittal Due Date:
Date

Purchasing Office, San Leandro City Hall,
835 E. 14th Street, San Leandro, CA 94577

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REQUEST FOR PROPOSALS FOR BANKING SERVICES

The City of San Leandro desires to solicit qualified proposals for Banking Services for its bank accounts and related depository and cash management services in accordance with this Request for Proposals (RFP). Award resulting from this RFP will be a fixed contract with an initial term of _______________, through _______________.

I. INTRODUCTION

San Leandro offers residents the quiet charm and character of a community that has existed for 145 years. A well-established community with a population of 88,329 that has continued to grow since incorporation on March 21, 1872, San Leandro is proud of the many people and cultures that have contributed to its growth and development.

There are many special features San Leandro has to offer, including:

- Diverse economic base including neighborhood coffeehouses and fine restaurants, large food processing centers, regional shopping opportunities, and cutting-edge technology
- Unique “town” atmosphere and strong sense of community pride
- Distinctive neighborhoods with mature street trees and well-manicured gardens, a variety of architectural styles, special events and clusters of neighborhood-serving shops
- Home to approximately 46,900 jobs – from retail and service to high-tech, manufacturing and health service specialties.

II. BACKGROUND

The City of San Leandro currently maintains a primary commercial banking relationship with one depository institution. The City has determined that a review of the services offered by qualifying institutions is appropriate at this time. It is the City’s preference to maintain all commercial banking services with one financial institution to maximize cash flow and minimize administrative costs. The City of San Leandro seeks proposals from Financial Institutions interested in providing banking services for the City. We encourage financial institutions to submit the most comprehensive proposal possible offering the highest quality of service while providing opportunities for improving the current management of cash flow. The City is also interested in various technological advances that could improve banking, cash management, and customer service capabilities.

This RFP does not cover institutional custody services or corporate trust services.

III. OBJECTIVES AND QUALIFYING REQUIREMENTS

The intent of this RFP is to identify a financially secure federal or state institution that can offer the highest quality of service at the lowest overall cost to the City of San Leandro. The City plans to establish a five-year contract commencing Month, 2018, with an option to renew for an additional five years. The City desires fixed pricing for the three-year contract period. Prices in subsequent years shall be negotiated based on satisfactory customer service.

A. Qualified Depository

Any financial institution submitting a proposal must be a qualified public depository, as defined by California General Statutes, and must perform its obligation under this proposal in compliance with all applicable federal and state laws and regulations, statutes and policies.

B. Federal Reserve Member

The bank must be a member of the Federal Reserve System. The bank must be a federally or State of California chartered financial institution and in good standing among other comparable banks.

C. Capitalization

Respondents must be adequately capitalized to accommodate the City's cash and investment management needs. This includes, but is not limited to, a minimum $10 million daylight overdraft facility, subject to credit review by the bank.

IV. SCOPE OF SERVICES

The City of San Leandro is seeking to enter into contract with a bank that has demonstrated its ability in the following areas:

- Bank Profile/Service to Public Agencies (Tabs B and C)
- Demand Deposit Accounts (Tab D)
- Deposit Compensation (Tab E)
- ACH, Wire and Other Transfers (Tab F)
- Deposit Transmittal Process (Tab G)
- Account Reconcilement (Tab H)
- Direct Deposit Relationship-State of California (Tab I)
- Direct Deposit of Payroll and Payroll Taxes (Tabs J and K)
- Overnight Sweep (Tab L)
- Balance & Detail Reporting (Tab M)
- Bankcard Processing (Tab N)
- Electronic Direct Payment Services (Tab O)
- Conversion Plan (Tab P)
- Investment Services (Tab Q)
- Service Enhancements (Tab R)
- Business Continuity Plan (Tab S)
- Banking Services Bid Form (Tab U)
- Standard Bank Fee Schedule for Government/Corporate Clients (Tab V)

V. PROPOSAL PROCESS

The City has made every effort to include sufficient information within this RFP for a financial institution to prepare a responsive and comprehensive proposal. In order to achieve an equitable dissemination of information, a pre-proposal conference will be held to allow all interested parties to ask questions for the mutual benefit of all involved. A pre-proposal conference has been scheduled for date, commencing at time. to be held at the City Hall of San Leandro, Finance Department. All representatives of financial institutions interested in submitting a proposal are encouraged to attend.

Proposal Submission: Proposals must be submitted to Julie Jenkins, Purchasing Agent, Finance Department no later than 5:00 p.m. on date. Late submissions or proposals delivered via fax will not be accepted.

Proposals shall consist of narrative materials (Tabs A-Z) and cost proposals (Tabs U and V), vendor qualifications/experience, and references. An original and four copies of the complete narrative and cost proposals are required. The form of the RFP may be found and downloaded at: City of San Leandro - Current RFPs/RFQs

All financial institutions are encouraged to be creative and innovative in responding to this RFP. Discuss any creative pricing or payment options the bank can provide. Describe alternate approaches to the requested services where feasible or additional services offered or recommended, which may not be specifically requested but of benefit to the City.

Proposal Format: A proposing financial institution must follow the instructions for preparing the proposal in the prescribed format. Please answer the questions in section tabs (A through Z) using the number sequence shown. Do not include any extraneous or marketing information.

No Proposal: If a service requirement or section of the proposal cannot be met by a proposer, then "No Proposal" should be indicated on the Bid Form (Tab U) and in the relevant tabbed section of the proposal. An alternative equivalent service may be offered.

Contracted Services: If a service is provided by a third party, please indicate this clearly on the Bid Form (Tab U).

Cover Letter: (One page preferred.) The letter should designate the proposing bank, the address of the bank office where the relationship will be domiciled, the address of the local branch, if different, and be signed by an authorized bank officer. No pricing information should be included in the cover letter.

VI. PROPOSAL REQUIREMENTS

Successful proposals shall include:

Tab A - *Table of Contents*: (One page preferred.) Table of Contents should follow the RFP format.

Tab B - *Bank Services to Public Sector*: (Three page maximum preferred.) Please respond to the following sections:

Bank Overview - General overview of bank, governmental client service philosophy, corporate organization including identification of the government services unit, location of corporate, processing center, and branch localities. Also please provide any relevant information regarding a correspondent bank relationship.

Experience – Describe the bank's direct experience in servicing public sector clients. Please include: the number of public agency clients, the dollar amount of public funds on deposit, and bank's knowledge of and adherence to the California Government Code and other applicable laws. Will the bank be able to comply with transaction confirmations and respond to other requests for data as needed from the City's auditors?

Relationship Management – Identify the size and scope of your public banking unit, bank officers responsible for the City's accounts, what each person's role and responsibilities will be, and the relevant credentials and experience of each person on the relationship management team. Please specify the name and title of who will be designated as the bank's relationship manager for the City. Please describe what sets the bank's government banking unit apart from others. Does the bank provide a toll-free number for Customer Service?

CRA Rating and Other Community Involvement – Provide the bank's CRA rating and describe in detail, specific projects and community involvement activity in Alameda County. Are donations or *in-kind* contributions made to public agencies? If so, please give examples of recent contributions. What types of incentives will your bank offer City employees to open accounts and have their paychecks direct deposited? What provisions will your bank make for employees to cash their checks if they do not have an account with your bank?

Tab C - *References*: (One page preferred.) Please provide three (3) local government references that are of similar size and scope of service utilization as the City. Include the following information for each reference:

- Contact Name & Title
- Name and Address of Government
- Telephone Number
- Number of Years as Customer and Services Provided

Tab D - *Demand Deposit Accounts*: (Two page maximum preferred.) The City currently uses four (4) accounts. The Payroll Account is Zero Balance Accounts. All accounts have checks issued.

Please describe in detail the ability of the bank to provide the above deposit services for the accounts named below:

1. City of San Leandro-General Account
2. City of San Leandro-Payroll
3. City of San Leandro-Workers' Compensation Account
4. City of San Leandro-Self Insurance Trustee Liability Account

Tab E - *Deposit Compensation*: (Two page maximum preferred.) The City compensates for bank services primarily with compensating balances and is charged for any deficiencies based on monthly account analysis.

1. List the bank's Earnings Credit Rate (ECR), and how it is calculated and applied.

2. List the bank's actual ECR for the past 12 months.

3. Please explain, in detail, how and when the FDIC assessment is computed and charged.

4. Please detail exactly which types of items and services can be applied against the City's account analysis in addition to standard bank services, i.e., merchant bankcard processing, armored car service, bank courier service, etc.

5. Does the City have the option of compensating on fees or balances basis or, a combination of both? Please describe any differences in related costs to the City with either option.

6. What procedure is used to make any adjustments to Account Analysis statements and how long does it take for adjustments to take effect?

7. Please state the negative collected balance charge that the City will pay and, in detail, explain how this charge is computed. Is the rate quoted in this proposal good for the term of the contract? Please provide escalation clauses.

Tab F – *ACH, Wire and Other Transfers*: (One page preferred.)

Please describe the bank's on-line transfer service capability and what specifically is recommended for the City's use and consideration.

1. What is the funding requirement for ACH payments? Are same-day payments possible? Please include deadlines for same and next day payments.

2. What is the process for initiating wire transfers? Please include deadlines.

3. Describe the financial institution's incoming and outgoing electronic money transfer services. Include safeguards and security measures offered by your service.

4. Please provide a description or sample of the bank's funds transfer agreement. How are authorization levels established for transfers?

Tab G – *Deposit Transmittal Process* (Two page maximum preferred.) The City currently utilizes an armored car service at 4 locations: City Hall (5 days), Marina Community Center (2 days), Recreation Office (2 days) and Main Library (1 day).

1. What are the cut-off times for deposits at the bank's Processing Center to ensure same day credit? Where is the Processing Center/Cash Vault located?

2. What are the cut-off times for deposits at the bank's local branch to ensure same day credit? Is there additional charge for after banking hours processing fee?

3. What is the required deposit preparation for checks?

4. Please describe the bank's deposit requirements. How should the coin and currency deposits be prepared? Can checks, currency and coin be included in the same deposit or are split deposits required?

5. Please describe in detail the bank's procedures for handling deposit adjustments. What

documentation on discrepancies does the bank provide?

6. Please describe the bank's returned item handling and notification procedures. Is an automatic re-clearing option available? How long does it take for returned items to be sent to the City? Can the bank provide returned item information to the City department that deposited it, i.e., by identification or location number?

7. What is the bank's procedure for ordering currency? Can currency delivery be coordinated with the scheduled armored car service?

Tab H - *Account Reconcilement:* (Two page maximum preferred.) The City currently issues approximately 10,000 Accounts Payable and 1,300 Payroll checks per year. There are also 13,200 ACH Payroll transactions and 1,600 A/P electronic funds transfers per year. The related accounts utilize full Account Reconcilement on-line reporting from the bank for items paid information.

1. Does the bank offer full Account Reconciliation and Positive Pay with data transmission capabilities? If so, please describe the services and what is recommended for the City's' consideration.

2. Describe the bank's web-based services as they pertain to stop payments, copies of paid checks, ACH exceptions, and voided checks.

3. Does the bank offer a CD-ROM imaging service? If so, please describe the service and the costs associated with this service.

4. Describe the account reconciliation services offered by the financial institution.

5. What is the bank's policy regarding Daylight Overdrafts (DODs)? Is there a charge for DODs and if so, how is it calculated? Will the bank guarantee that all items drawn on City accounts be paid regardless of the balance in the funding account? What is the charge for covering these items? Please be comprehensive in your response.

Tab I – *Direct Deposit Relationship:* (One page preferred.) The City transacts State of California Local Agency Investment Fund (LAIF) and receives tax apportionments on a regular basis.

1. Is the bank an approved State of California depository?

2. What is the charge per transfer to LAIF? From LAIF?

3. Please describe method the financial institution processes subvention payments from State of California and LAIF transfers.

4. Does the bank have an office in Sacramento that maintains a direct DDA banking relationship with the State Treasurer's Office and the State Controller's Office?

Tab J - *Direct Deposit of Payroll*: (Two page maximum preferred.) Direct Deposit of Payroll is currently in place with 90% of the City's employees participating. There are 11,900 ACH Payroll transactions per year. The payroll files are transmitted via web mailbox for the bi-weekly payroll.

1. Please describe the bank's procedure in detail for receiving electronic payroll data.

2. What are the transmission deadlines for Direct Deposit ACH files? When (day and time) does the bank need the file from the City, and when specifically are funds debited from the City's account?

3. Please detail the bank's back-up plans for data transmissions. The City requires immediate notification of any changes or problems and the ability to re-send a file or to delete a file.

4. What screening measures does the bank use to minimize errors on files sent to you i.e., pre-notes, ABA screening, etc.?

Tab K - *Payroll Tax Processing*: (One page preferred.) Please describe services available from the financial institution to accommodate the City's payment and reporting of payroll taxes.

Tab L - *Overnight Sweep*: (One page preferred, plus prospectus.) The City utilizes an automatic, overnight DDA Sweep with all collected funds in excess of a designated balance swept into an investment fund.

1. Describe the overnight sweep account offered by the financial institution including overnight investment options available to maximize the City's potential earnings.

2. Is the bank's Sweep an End-of-Day or Intra-Day Sweep?

3. What Sweep investments or funds are available for public funds clients? Does the fund meet the California Government Code for allowable investments?

4. What is the size of the Sweep fund(s)? Please provide a prospectus and sample financial statements on the fund.

5. What are the costs associated with Sweep (monthly maintenance, set-up charges, fund expenses, transaction fees, etc.)?

6. Provide historical rates on your Sweep fund(s) for the past 12 months.

Tab M - *Balance & Detail Reporting*: (One page plus sample reports.) The City utilizes web-based daily balance and detail reporting information (prior day detail). The City is interested in other web-based systems that may be available.

1. Please describe the bank's on-line information reporting system including cost of web-based reports. The City may request a demonstration of your on-line system.

2. Can reports be custom-tailored for the end-user?

3. Can the City obtain current day (intra day) information? If so, please describe the service.

4. What are the computer hardware and software specifications for the bank's on-line system?

5. Please provide a sample of prior day and intra day reports that would be the best example of the system's capabilities. Include the reports in this section.

6. Can the bank provide credit or deposit information by location or identifier number as part of these reports?

7. What is the bank's contingency plan for providing this information in the event of unexpected bank systems problems or natural disasters?

8. What other on-line or Internet based systems are currently available to customers?

Tab N – *Bankcard Processing*: (Two page maximum preferred.) The City currently processes approximately $1-2 million bankcard charges annually. The City currently accepts Visa, MasterCard, and Discover credit card payments for various fees and permits at the following locations (using a third party processor):

- City Hall-Finance Department (new)
- Marina Community Center
- Library
- Library Cafe
- Building and Planning Department

1. Please describe the bank's Bankcard and Point-of-Sale processing capabilities.

2. Please quote a discount rate and all other applicable charges for the credit card processing described above.

3. What are the fees associated with debit card transactions? The City is not currently using this service but would like to receive information at this time.

4. When and how will the City receive funds for each day's transactions? Is settlement by ACH or Fed Wire? Are settlement amounts listed separately on the bank statement or will they appear as one lump sum? Will the bank break out settlement amounts by merchant location?

5. Is the bankcard relationship managed by a separate unit of the bank, or by the Account Relationship Manager? Please briefly describe the structure of this area.

Tab O – *Electronic Direct Payment Services*: (Two page maximum preferred.)

1. Please thoroughly describe the bank's electronic bill payment, EFT and ACH services. Does the bank offer both ACH debit and credit programs as part of this service?

2. What hardware, software, and special programming are required for the implementation of an ACH credit program for payments to City vendors?

3. Please detail all costs associated with ACH for a vendor payment program.

4. Please detail all costs associated with your automatic bill payment program.

5. Please detail all costs and processes for auto draft (automatic payment deductions).

Tab P – *Conversion Plan:* (Two page maximum preferred.)

1. Describe the overall plan your financial institution would coordinate to ensure a smooth transition from current provider.

2. Describe the on-site training to the City's staff for the operation and use of the financial institution's services and automated systems for areas of service.

3. Provide a time line schedule and applicable charges for the conversion plan.

Tab Q – *Investment Services:* (Two page maximum preferred.) Describe investment services offered by the financial institution; exclude duplicate description of overnight Sweep Account capabilities in this section.

Tab R – *Service Enhancements.* (One page maximum preferred.) Based on the information provided in the RFP and your bank's knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that may be considered for further improving the effectiveness of the City's treasury management operations.

Tab S – *Business Continuity Plan*: (One page maximum preferred.) The City requires assurance of ability to provide financial services in the event of a major emergency and during the disaster recovery period.

1. Please describe in detail, the bank's compliance with state and federal regulations pertaining to this area.

2. Please describe testing of core service applications and system that assure information backup, anti-intrusion and other privacy requirements.

3. Describe operational diversification and geographic dispersal of service centers.

Tab T – *Proposer's Insurance Certificates*: Provide a list of insurance carried and amounts covered. Indicate insurance underwriter or if self-insured.

The selected financial institution must within (20) working days of award of contract, provide and maintain in force at all times during the term of the services contemplated, Certificates of Insurance providing coverage as specified herein for Workers' Compensation, Commercial General Liability, Automotive Liability, and Errors and Omissions Liability or Professional Liability in amounts consistent with the services provided and as determined jointly by the City and the Bank. Such policies shall be issued by companies admitted in the State of California.

Tab U - *Banking Services Bid Form*- Please complete per form shown in Appendix. In addition to submitting with proposal responses, this form **must also** be submitted in the Excel format. The file is available by request from Julie Jenkins, Finance Department, at juliejenkins@sanleandro.org. It is to be returned via electronic storage media with the proposal package.

Tab V - *Standard Bank Fee Schedule for Government/Corporate Clients*- Please submit with Proposal responses.

Tab W - Please submit with Proposal responses:

1) *Sample Account Analysis Statement and User's Guide*
2) *Sample Account Reconcilement Reports*
3) *Account Statements and Positive Pay Report*

Tab X - *Relevant Contract, Cash Management Agreements and Statements*- Please submit with Proposal responses.

1) *Sample Banking Services Contract*
2) *Sample Funds Transfer Agreement*
3) *Sample Merchant Services Statement*
4) *Samples-Other*

Tab Y - *Bank Credit and CRA Ratings*- Please submit with Proposal responses.

Tab Z - *Most Current Annual Report*- Please provide an electronic link to your most current annual report with Proposal.

Cost Proposals:
Please note that cost proposals are to be provided per **Tabs U and V** as noted above.

Non-Collusion Affidavit

The Proposer declares, by signing and submitting a proposal, that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any Proposer or anyone else to put in a sham proposal, or that anyone shall refrain from proposing; that the Proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the Proposer or any other Proposer, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other Proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the Proposer has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

VII. SUBMITTAL REQUIREMENTS

Proposers shall submit all items as stated in **Section VI. - PROPOSAL REQUIREMENTS**. Proposer is required to indicate the *Designated Contact* in the proposal package. Include the designated contact individual's name, address, phone number(s) and email address.

One original and four copies of the proposals shall be submitted, printed double-sided on recycled-content paper along with an electronic version in Adobe PDF format or similar open source file format. The original proposal must be clearly marked and contain original signatures and must be easily reproducible on a standard copying machine. The proposal shall be signed by an individual(s) authorized to execute legal documents on behalf of the Proposer.

Proposals shall be received by the City of San Leandro Purchasing Office no later than **5:00 p.m. on date**. Late proposals will not be considered under any circumstance. Mail or deliver proposals to:

City of San Leandro
Julie Jenkins, Purchasing Agent
Finance Department
835 E. 14th Street
San Leandro, CA 94577
(510) 577-3472 Voice

Failure to provide all required submittals in completed form and/or a clearly marked original with original signatures may result in a proposal being found non-responsive and given no consideration. Proposals must be neat, complete, and fully address all information specified in **Section VI.**

For information concerning RFP questions, procedures and regulations (i.e., submission deadline, forms required, etc.) interested parties must contact the City's Purchasing Agent. All questions shall be submitted via email.

CITY OF SAN LEANDRO
Julie Jenkins
Purchasing Agent
Email: juliejenkins@sanleandro.org

VIII. ESTIMATED SCHEDULE

RFP Issue Date	date
Pre-proposal Conference	date
Proposal Submittal Due Date	date
Selection and Notification (Tentative)	date
Award of Contract (Tentative)	date

IX. EVALUATION OF PROPOSALS

Proposals must fully address the evaluation factors, contain complete technical submittals, references and data to verify qualifications and experience and include a statement that the City contract can be executed, listing any exceptions. Proposals without sufficient submittal data to provide a complete evaluation will be considered non-responsive.

All proposals will be reviewed for compliance with specifications including documented capability to perform the prescribed work in a satisfactory manner. Proposals, which appear to be compliant, will be evaluated in accordance with the following:

- Ability to provide efficient and user-friendly web-based products and services
- Ability to support products and provide training on site
- Reliability, experience, and quality of customer service
- Overall cost
- Experience in providing services to the public sector, as well as dedicated resources and personnel
- Community involvement and related community Reinvestment Act contributions.
- Financial strength and capitalization
- Dedication to the Government market

The City reserves the unilateral right to amend this RFP in writing at any time. The City also reserves the right to cancel or reissue the RFP at its sole discretion. Additionally, the City may seek clarification or additional information from Proposers. All Proposers shall verify if any addendum for this project has been issued by the City and shall respond to the final written RFP and any exhibits, attachments and amendments. It is the Proposer's responsibility to ensure that all requirements of contract addendum are included in their submittal. This RFP does not commit the City of San Leandro to sign an agreement, award a contract, or to pay any costs incurred in the preparation of a response to this RFP. All documents, conversations, correspondence, etc. with the City are subject to the laws and regulations that govern the City. All Proposals submitted in response to this RFP become the property of the City and public records, and as such may be subject to public review.

The City reserves the right to reject any or all proposals and the right to waive minor irregularities in any proposals. Waiver of one irregularity does not constitute waiver of any other irregularities.

Because this proposal is negotiable, all pricing data will remain confidential until after award is made, and there will be no public opening and reading of proposals.

Appendix Tab U – Banking Services Bid Form

Please complete all items on this attachment. (1) If your financial institution does not or cannot provide a specific requested service, please indicate **“no proposal”** and if appropriate recommend an alternate service and include as a specified attachment. (2) If the service is contracted to a third- party, please mark this clearly.

In addition to submitting proposal responses, this form **must also** be submitted in the Excel format. It is to be returned via electronic storage media with the proposal package.

City of San Leandro - Banking Services Bid Form
(Mark Item Clearly if "No Proposal" or Contracted to Third Party)

Account Services	Estimated Monthly	Standard Fee per Unit	Average Fee Per Unit	Total Monthly Cost	Total Annual Cost
General Account Services					
FDIC Assessment	600				
Account Maintenance	4				
Zero Balance Account -Master Maintenance	1				
Zero Balance Account - Subsidiary Maintenance	1				
Debit Posted	45				
Credits Posted	93				
Depository Services					
Branch Deposit	2				
Vault Deposit	128				
Vault Deposit - Extended Hours	29				
Vault Currency/Coin Deposited per $100	770				
Vault Coin Processing Fee					
Vault Coin Deposit - Non Standard Bag	4				
Vault Coin Deposit - Standard Bag					
Checks Deposited	2400				
Returns - Cahrgebacks	10				
Return Notification	10				
Returns-Reclear	1				
Deposit Correction - Cash	3				
Courier / Armored Car Services	4				
Change Order Vault	15				

City of San Leandro - Banking Services Bid Form (Mark Item Clearly if "No Proposal" or Contracted to Third Party)					
Account Services	**Estimated Monthly Average**	**Standard Fee per Unit**	**Average Fee Per Unit**	**Total Monthly Cost**	**Total Annual Cost**
Check Disbursement					
Checks Paid - Not Truncated	145				
Checks Paid - Truncated	1025				
Stop Pay Automated <= 12 months	3				
Stop Pay Automated >= 12 months	2				
Stop Pay Manual	1				
NSF Items / Overdrafts					
Image Retrieval					
Photo Copy Request	1				
Online Image Retrieval					
Check Printing/Supplies					
CD ROM Maintenance	1				
CD ROM Per Image					
CD ROM Per Disk					
Disbursement/Reconcilement Services					
Account Reconciliation Monthly Maintenance	4				
Account Reconciliation Monthly Maintenance per item	1021				
Account Reconciliation Transmission Output File	1				
ACH Services					
ACH Monthly Maintenance	5				
Consumer Credits - On Us	234				
Consumer Credits - Off Us	1091				
ACH Debit Received Item	13				
ACH Credit Received Item	10				
ACH Return Item					
ACH Input Transmission	4				
ACH Notification of Change	1				
ACH Optional Reports - Electronic	4				
ACH Standard Reports - Electronic	1				

City of San Leandro - Banking Services Bid Form (Mark Item Clearly if "No Proposal" or Contracted to Third Party)					
Account Services	**Estimated Monthly Average**	**Standard Fee per Unit**	**Average Fee Per Unit**	**Total Monthly Cost**	**Total Annual Cost**
Wire and Other Funds Transfers					
Outgoing Domestic Wire - Electronic	2				
Incoming Domestic Wire	1				
Wire Advice Via Mail	1				
Bank Maintained Template Storage	17				
Customer Maintained Template Storage	21				
Wire Maintenance Fee	1				
Direct Account Transfer	4				
Information Services					
Previous Day Maintenance	1				
Previous Day Per Account Fee	4				
Previous Day Per Item Fee	1515				
Current Day Per Items Fee					
Current Day Per Account					
Investment Sweep Account					
Sweep Report Account - Per Account	1				
Investment Sweep Charge - Per Account					

WELLS FARGO

Wells Fargo and the Dakota Access Pipeline

- As a company committed to environmental sustainability and human rights, we respect all the differing opinions being expressed in this dispute. We are closely following the developments in this situation and are hopeful that all parties involved will work together for a peaceful and positive outcome.
- Wells Fargo is one of 17 financial institutions involved in financing the Dakota Access Pipeline. The loans we have provided represent less than five percent of the total.
- The DAPL project was evaluated by an independent engineer to be compliant with the Equator Principles, a framework adopted by Wells Fargo in 2005 that is designed to determine, assess, and manage social and environmental risks and impacts of projects.
- We are contractually obligated to fulfil our legal obligations under the credit agreement so long as our customer continues to meet all of its terms and conditions.
- We are using our position as one of the financing institutions to encourage the customer to engage constructively with opposing parties toward a more positive outcome.
- As we learned about the Standing Rock Sioux Tribe and their supporters' opposition to the project, we met with the tribe and other tribal advocacy organizations to learn about their concerns and we met with Energy Transfer Partners to share the tribe's concerns and to emphasize the need for appropriate engagement with the tribe.
- Wells Fargo is committed to the responsible development of all forms of energy, and while we maintain a large conventional energy portfolio, we are also a leader in the financing of renewable energy and clean technology.
- As specified in our Statement on Human Rights, we believe organizations in industries that may have significant impacts on the environment and local communities should operate in a responsible manner, complying with applicable legal requirements and with respect for human rights, local communities and the environment.
- We remain committed to our obligations to serve our customers' financial needs, and will continue to be respectful of the concerns being expressed by Tribal governments and communities, other groups and individuals.
- We hear all the opinions being voiced regarding this project, including those being expressed by our customers and our team members. We ask that they review the following resources as well before making a final decision regarding their relationship with us:
    - Wells Fargo Corporate Social Responsibility (https://www.wellsfargo.com/about/corporate-responsibility/)
    - Wells Fargo Statement on Human Rights (https://www.wellsfargo.com/about/corporate/human-rights-statement/)
    - Wells Fargo's Involvement in the Dakota Access Pipeline (https://stories.wf.com/wells-fargos-involvement-funding-dakota-access-pipeline/
    - The Environment on Wells Fargo Stories (https://stories.wf.com/category/environment/)
    - Dakota Access Pipeline Facts (https://daplpipelinefacts.com/)

Together we'll go far

As of 02/17.
For more information, visit www.wellsfargo.com.

WELLS FARGO

Wells Fargo Bank, N.A.
Government Banking Group
MAC A0109-154
333 Market Street, 15th Floor
San Francisco, CA 94105

www.wellsfargo.com

March 13, 2017

City of San Leandro
835 E 14th Street
San Leandro, CA 94577

Dear David:

I'm writing in the hope we can discuss concerns you have about Wells Fargo's involvement in the Dakota Access Pipeline, and to provide context concerning the steps Wells Fargo has taken to ensure that the project is developed in an environmentally and socially responsible manner, and to bring together all parties to encourage constructive dialogue and a positive resolution.

We recognize and respect the differing opinions being expressed about the Dakota Access Pipeline project, and we understand the concerns that you and some San Leandro citizens have regarding the project. But we hope that before you consider actions that could lead to City of San Leandro ending its relationship with Wells Fargo, you will consider our perspective and reflect on the potential consequences of such an action for the City of San Leandro, its businesses and residents.

Wells Fargo is one of 17 financial institutions involved in financing the Dakota Access Pipeline, providing less than five percent of the total financing for this project. As part of our due diligence, the project was evaluated by an independent engineer to be compliant with the Equator Principles, a framework adopted by Wells Fargo in 2005 that is designed to determine, assess, and manage social and environmental risks and impacts of projects.

As a signatory of the Equator Principles, Wells Fargo provides loans and advisory services only to those projects whose borrowers can demonstrate their ability and willingness to comply with the Equator Principles' requirements for categorizing, assessing, and managing environmental and social risks. The Dakota Access Pipeline qualifies on all fronts, and I have attached more information on our continuing efforts to meet our customer's needs while being respectful to the concerns being expressed by Tribal entities.

As the U.S. Energy Information Administration's Annual Energy Outlook 2017 report makes clear, The United States will need all sources of energy to meet growing demand for energy over the next several decades. For this reason, Wells Fargo is committed to the responsible development, transportation and delivery of all forms of energy, from oil and natural gas to alternatives and renewables.

Wells Fargo maintains a large lending portfolio to conventional energy companies. But we are also one of the biggest lenders and investors in renewable energy and clean technology, and have supported the evolution of energy markets toward cleaner forms of generation by financing more than $52 billion in environmentally sustainable businesses since 2012. To provide one example of our leadership in this area: in 2015, projects owned in whole or in part by Wells Fargo produced 10 percent of all solar photovoltaic and wind energy generated in the U.S.

Wells Fargo's size and strength allows us to provide financing to a diverse range of critical energy projects, just as it allows us to provide the type of complex banking services that a city like San Leandro requires. Cities choose large, full-service banks like Wells Fargo as we can meet all the city's complex needs, and the reality is that other full-service banks have similar energy portfolios as Wells Fargo – including, in many cases, investments in the Dakota Access Pipeline.

With this in mind, we hope that you will not decide to end the City of San Leandro's relationship with Wells Fargo over concerns about a single loan out of the millions of loans that comprise our large, complex portfolio. To do so might complicate the City's ability to operate efficiently and effectively; incur unnecessary costs for transferring bank accounts, payments and disbursement services, payroll, merchant card processing, and other services; burden councils and city finance teams with unanticipated expenses and time for issuing and reviewing new RFPs; and cause unintended consequences such as higher costs to taxpayers and ratepayers, reduced services, and other challenges.

We genuinely appreciate our long-standing business relationship with the City of San Leandro, which originally selected Wells Fargo to provide the best services at the best prices, to the benefit of San Leandro and its taxpayers. We hope this letter provides you with context to help you make an informed decision, and we would welcome the chance to meet with you to answer any questions you might have.

Sincerely,

Dale R Barton

Dale R. Barton
Vice President, Relationship Manager
Government Banking Group
Wells Fargo Bank, N.A.
333 Market St, 15th Floor
San Francisco, CA 94105

City of San Leandro
Financial Reports Calendar -- 2017

	Requirement	Time Frame	Responsible Party	Government Authority	Entity Receiving Report	Report Cycle
1	Form 1099 - City contractor payments		Finance Staff	IRS	IRS	Annual
	Contractors	January 31	Finance Staff	IRS	Contractor	Annual
	Federal and State reporting	March 15	Finance Staff	IRS	Federal and State	Annual
2	Single Audit Report	March 31	Finance Staff	OMB Circular A-133	Federal Audit Clearinghouse/State Controller	Annual
3	Investment Policy Review	June 30	Finance Director	G.C. 53600	City Council, Public	Annual
4	Annual Operating and Capital Budgets	June 30	Finance Director and City Manager	San Leandro City Charter §505 thru 520	City Council, City's Website, Public	Annual
5	Annual Budget in Brief	July 30	Finance Director	City Council	City Council, Public	Annual
6	Annual Tax Rates and Service Fees CPI Update	June 30	Finance Director	SLAC 6-4-100, SLMC 2-18-210, 2-2-500, 2-13-140	Alameda County and Service Providers	Annual
7	Annual Loss Run Reports (Tort claims and Workers' Compensation claims)	July 20	Risk Management	GAAP	Actuary	Annual
8	Annual Lien Reports	August 10	Finance Director	SLMC 2-2-556, 3-6-210, 3-2-255, 4-6-410, 3-14-820, 1-12-600 and Calif. Streets & Hwy Code §5600 (22-7-3)	Alameda County Tax Assessors Office	Annual
9	Annual Insurance Claims Report	September 30	Risk Management	GAAP	City Auditors	Annual

10	Report of all financial transactions to State Controller in a form prescribed by the State Controller	31-Jan	Finance Director	G.C. 53891	State Controller	Annual
11	Financial transactions report to State Controller for Special Districts	31-Jan	Finance Director	G.C. 53891	State Controller	Annual
12	Report of Expenditures for Streets and Roads	October 1	Finance Staff	G.C. 2151-2152	State Controller	Annual
13	Annual report on developer fees collected (DFSI)	December 31	Finance Staff	G.C. 66006 (b)	City Council/Finance Committee	Annual
14	Comprehensive Annual Financial Report (CAFR)	December 31	Finance Director	Bondholders	SEC, multiple agencies, bond holders, city's webpage	Annual
15	Government Compensation in California	30-Apr	Finance Staff	GC 53891	State Controller	Annual
16	Measure B and BB sales tax	December 31	Finance Staff	ACTC	ACTC	Annual
17	Measure F VLF revenue	December 31	Finance Staff	County	County	Annual
18	Transportation Development Act (TDA)	December 31	Finance Staff	MTC	State Controller, MTC	Annual
19	Possessory Interest Report	15-Feb	Finance Staff	Assessor	Assessor	Annual
20	Annual Report on Voter-approved Obligations including Community Facility District(CFD)	January	Finance Director	G.C. 53411	City Council	Annual
21	Mandated Cost Reimbursement Requests	January	Consultant (Maximus)	G.C. 17560	State Controller	Annual

22	Gann Appropriation Limit	June 30 (submitted with Budget)	Finance Staff	G.C. 7910	City Council	Annual
23	Data gathering for Mandated Cost Reimbursement Requests	September	City Staff	G.C. 17560	Various Agencies	Annual
24	Employees W-2 Wage statement	January	Finance Staff	IRS	federal and state	Annual
	Employees	January 31	Finance Staff		Employees	Annual
	Federal and State reporting	March 15	Finance Staff		Federal and State	Annual
25	Monthly Bank Reconciliation	30 days after each month end	Finance Staff	GAAP	City Auditors	Monthly
26	PERS retirement reporting	End of each pay period	Finance Staff	GAAP	CalPERS	Monthly
27	Investment monthly and quarterly reports - to legislative body	30 days from end of period	Finance Director	GC 53646 (b)	City Council	Quarterly
28	Federal quarterly payroll wage reports (941)	Quarterly	Finance Staff	Internal Revenue Code	Federal and State	Quarterly
29	Financial quarterly reports · revenues, expenditures and fund balances	Quarterly	Finance Director	G.C. 41004	City Council	Quarterly
30	Grant reports (COPS, JAG, frontline)	Quarterly	Finance Staff	fed and state grants	Multiple Agencies	Quarterly
31	Recognized Obligations Payment Schedule (ROPS)	August 1 and February 1	Finance Staff	HSC 34177.7 (o) (1)	Alameda County	Semi Annual
32	Public Records Act Requests	10 days from request date	Finance Staff/ Risk Management	G.C. 6250	Public	Constant

33	2012 Pension Obligation Bonds Annual Disclosure to SEC repository	3/31/2012 & July 15	Finance Staff	Bond Docs	Multiple Agencies	Annual
34	2008 and 2014 Tax Allocation Bonds Annual Disclosure to SEC repository	31-Mar	Finance Staff	Bond Docs	Multiple Agencies	Annual
35	2013 Refunding Lease Revenue Bonds Annual Disclosure to SEC repository	31-Mar	Finance Staff	Bond Docs	Multiple Agencies	Annual
36	2016 Refunding Lease Revenue Bonds Annual Disclosure to SEC repository	31-Mar	Finance Staff	Bond Docs	Multiple Agencies	Annual
37	Business Licenses renewal	31-Jan	Finance Staff	City Ordinance	City Council	Annual
38	Maintenance of Effort Police	June	Finance Staff	AB 2788	Alameda County	Annual
39	Measure HH, OO, PP, NN annual report	October	Finance Staff	Ballot	Measure HH, OO, PP, NN committee	Annual
40	Federal Asset Forfeiture ESAC	August 31st	Finance/PD	U.S.C.** 21 §881 (e)(3)	Dept. of Justice	Annual

Notes:

OMB is Office of Management and Budget of the federal government

G.C. is Government Code of the state government

GAAP is Generally Accepted Accounting Principles

SLMC is San Leandro Municipal Code

ESAC is Equitable Sharing Agreement and Certification

U.S.C. United States Code

HSC is Health and Safety Code

Baum, David

From: Maureen Forney <mforney7526@gmail.com>
Sent: Monday, March 06, 2017 8:24 AM
To: _Council; Cutter, Pauline
Cc: Baum, David
Subject: Divestment Ordinance: NO DAPL and Energy Transfer Partners

March 6, 2017

Dear City Council Members and Mayor Cutter,

Our Revolution San Leandro is committed to social, racial, environmental and economic justice. We have advocated for an accelerated minimum wage increase schedule for San Leandro, a Safe Havens schools policy for students enrolled in school districts in San Leandro and our the Sanctuary City resolution. We are San Leandro residents and local allies who appreciate the progressive city that San Leandro has become.

We are now advocating a commitment from the City of San Leandro to divest from Energy Transfer Partners, the consortium that is building the **D**akota **A**ccess **P**ipeline. DAPL is one of many pipelines under construction or proposed by Energy Transfer Partners. There is a growing divestment movement by municipalities across the United States to withdraw their funds and end financial relationships with banks that fund Energy Transfer Partners. We ask that San Leandro join this divestment movement.

The Dakota Access Pipeline violates the rights of millions of people. The construction and flow of oil through the Dakota Access Pipeline violates treaty rights for the Standing Rock Sioux and the Cheyenne. The pipeline was originally designed to pass near the domestic water supply of Bismarck, North Dakota. Protests by the Bismarck community forced a rerouting of the pipeline through and across land and waters protected by historic treaty rights. Failure of any part of this pipe threatens the water supply to these Nations and millions of people downstream along the Missouri River. Under intense pressure and after brutalization of Water Protectors by militarized police in North Dakota, President Obama ordered that the Army Corps of Engineers do their job and complete the legally required environmental review of the project. Trump has cancelled the review and Dakota Access Pipeline construction has resumed. Energy Transfer Partners, builders of the pipeline, is funded by 17 banks and many private investors, including Trump. Energy Transfer Pipeline has several other pipelines planned and under construction across the country. The Pipeline Resistance movement, Indigenous Environmental Network and their allies believe that divestment of the 17 banks is one phase of opposition to this pipeline. On the west coast, Seattle, Santa Monica, Davis and Alameda have divestment resolutions. Madison WI is divesting. San Francisco is expected to vote this week, and Oakland and CalPERS are a sample of other possible divestors. The Seattle Divestment Ordinance has been used as a model for many of the other municipalities.

Our Revolution San Leandro will ask the City to divest during tonight's public comments. We want to collaborate with city staff and officials to write and pass a San Leandro divestment ordinance and evolve a fair investment policy for our community.

With Respect,
Maureen Forney
Our Revolution San Leandro
mforney7526@gmail.com

The Divestment Group *Our Revolution San Leandro*
Amy Chovnick** Maureen Forney**John Forney**Debora Hirsh** John V. Silva** Craig Williams