

Questions for City of Prescott Banking Request for Proposals

April, 2008

General Banking & Depository

1. Sweep Investable Balances. You indicated that you will have 2 accounts. Also that you will most likely keep no balances in these accounts, to maximize your Overnight Investment Sweep. On average, what do you expect your total Investable Sweep Balance to be?

Answer: The average is \$4,348,701.72.

2. Other Investable Balances. What do you expect your total investable balances to be, in other than your Overnight Sweep investments? This would include any other Investments you would award to the Bank holding your banking DDA services such as CDs, MM fund accounts, Repos, etc.

Answer: None, this would be sweep only.

3. Under Required Services, Page 19, Paragraph b: Will the City of Prescott allow or desire, in addition to the two accounts to be opened as specified, a separate Payroll/ Disbursement account?

Answer: No.

4. Under Required Services, Page 19, Paragraph C: Does the City of Prescott require that the Sweep account be restricted to Repo Funds, or are other funds such as overnight Money Market funds, Eurodollars, and Bank Masternotes as acceptable overnight investment options.

Answer: Other options are allowed as long as they meet the requirements of the City of Prescott's investment policy, which is Addenda 2 of the RFP.

5. Can the City of Prescott provide us with a copy of the most current Analysis Statement?
Pricing can be omitted.

Answer: See Addenda 4.

6. (Page: 8, 24 (4 b) Title: Evaluation Criteria, Format & Content of Proposal) Can the Bank provide a web link to the Annual Report which encompasses the annual Audit in lieu of providing a physical audit?

Answer: Yes.

7. (Page: 18 Title: General Overview of Current City Bank Accounts - 2. General Servicing Account) It is mentioned that the General Servicing Account is a zero balance account. How is this zero balance account structured? Is it an overnight sweep investment or is there an additional depository checking account where the funds are held (master account)?

Answer: It is an overnight sweep investment.

8. (Page: 18-19 Titled: Required Services - 1. Account Activity – b) It is mentioned that the City requires a "detail report that should include the debit and credit activity posting for the depository account, and the paid checks from the payroll and controlled disbursement accounts." Does the City have a separate payroll and controlled disbursement account or are all checks and payroll posting from the general servicing account?

Answer: All checks, including payroll, are posting from the general servicing account.

9. How many different tax ID's are associated with the total relationship?

Answer: One.

10. Does the Manzanita Grille accept Gift Cards? If yes, what program are you using and how many cards are outstanding?

Answer: Manzanita Grille does not currently accept Gift Cards.

Custodial/Safekeeping/Trade Settlement Services

(Page: 21 Title: Custodial/Safekeeping/Trade Settlement Services)

11. What is the average market value of the investment portfolio that will be under custody?

Answer: There is an average of \$38 million in mortgage backed securities and \$27 million in U.S. Agency Bonds.

12. How many custody accounts does the City maintain with the current custodian?

Answer: One

13. Are all trades directed by employees of the City?

Answer: Yes.

14. Does the City use a sweep vehicle at the current custodian to hold uninvested cash awaiting commitment, or is all cash swept out of the custody account daily?

Answer: All cash is swept out of the custody account daily.

15. Approximately how many purchases/sales are transacted each year? How many maturities occur?

Answer: There are approximately 20 transactions a year. About 10 of the non-mortgaged backed securities mature a year.

16. Regarding the requirement to provide security transaction and credit advices on maturities, is delivery of the material consider complete if the custodian posts the data on-line and provides the City with on-line access?

Answer: Yes.

Merchant Services

17. Can the City of Prescott provide us with Paymentech statements for all 6 locations so that we can see the volume breakdown and associated fee types? Pricing can be omitted. If not available, we will need volume and transaction breakdown for each location with percentage of swipe, keyed in, and Internet per location.

Answer: See Addenda 1 which shows the average monthly volumes.

18. Provide the make, model and number of the credit card terminals, printers, pin pads and check imagers that you currently use. If Hypercom T7Plus, what memory size: 512K or 1MB?

Answer: The City has four Verifone Omni 3750 and two Hypercom T7 Plus terminals. The memory of the T7Plus is 512K.

19. Does the city own these terminals? Do you lease? Do you rent?

Answer: The City owns the terminals.

20. What terminal or software are you currently using to process the telephone transactions?

Answer: Same terminals as in question 7.

21. Is the City of Prescott's Squirrel System using a dial-up connection or high-speed internet? What version of Squirrel? Is the version PCI compliant?

Answer: They use a high-speed internet connection. The version is 14506262. This version is not PCI compliant.

22. What payment gateway is the Elks Opera House E-vent software using? Is it Authorize.net, Paymentech, CyberSource, etc.?

Answer: Paymentech

23. Is the city using IVR for telephone transactions or is someone writing down the information and manually entering it into a terminal or software?

Answer: We are manually entering it into a terminal.

24. If IVR, what system is the City using? Version of software? For which entity?

Answer: N/A

25. Lockbox - Are they accepting credit card payments at the lockbox?

Answer: No.

26. Do you use any type of check verification or check guarantee? If yes, what is the name of the service? It is verification, guarantee or both? Is this service for face-to-face check transactions?

Answer: No, we currently do not use any type of check verification.

27. Do you use a check imager to convert checks to ACH file for face-to-face check acceptance? If yes, what is the name of the service that you currently use?

Answer: No, we currently do not use a check imager.

28. Is the City wanting to abandon the current terminals and use something else? See page 22, section 10 Merchant Credit Card Services "the bank or service provider shall propose a system that will give electronic credit card authorizations via terminals and will automatically credit funds into the City's depository account."

Answer: The City is always looking for better and more efficient ways of doing business as long as the cost is not prohibitive.

29. Lockbox. Do you require a local Lockbox processing operation? It is acceptable to the City of Prescott if the actual processing is completed in Phoenix? Will a Prescott remittance address on the invoices be required?

Answer: A Prescott remittance address is required; however, the processing may be completed in Phoenix.

30. Lockbox Page 22, Number 11 - When does the City anticipate awarding the contract?

Answer: We are still under a contract with our current provider and wanted to include pricing in our banking RFP for when we the contract expires.

31. Please provide a black-lined version of your current analysis.

Answer: The analysis shows: Image check onlys/check list; Image multiple; Image retail single; Non processable - return to client; Postage; Transmission; Web Image archive.

32. Can bidders show individual line items for lockbox services on the price sheet?

Answer: Yes.

33. Please provide a breakdown of your monthly lockbox volumes.

Answer: The averages are: stub with check-8,053; multiples-1,043; check only-1,115; unprocessable-262.

34. Are there peaks in the lockbox remittance volumes?

Answer: Yes, the daily average is 486, with 61 being the least and 1,182 being the highest

35. Please provide a copy of the current processing instructions.

Answer: This will be provided upon award of contract.

36. Please provide a sample of each remittance document.

Answer: See Addenda 5.

37. Does your remittance document contain an OCR scanline?

Answer: Yes.

38. If the remittance documents contain a scanline, please provide a breakdown of each field.

Answer: The breakdown will be provided upon award of contract.

39. If remittance documents contain a scanline, is there a check digit? If so, please provide a copy of the check digit routine.

Answer: Yes. The check digit routine will be provided upon award of contract.it.

40. What percentage of your remitters return the remittance document?

Answer: Approximately 89%.

41. Are there any sort requirements (i.e. items/payments that need to be batched separately)?

Answer: No.

42. What percentage of payments received are multiples? Multiples being defined as single check/multiple remittance documents or multiple checks/single remittance document. Can multiples be processed by the lockbox provider?

Answer: Approximately 10% are multiples and most of those can be processed by the provider.

43. Will the City require a data transmission? If so, what information will be required?

Answer: Yes. We will need account number, amount, date, batch number and sequence number.

44. Will manual data capture be required? If so, please provide an estimate of the number of keystrokes required for each payment.

Answer: Yes, approximately 28 keystrokes.

45. Please provide a copy of your file layout.

Answer: This will be provided upon award of contract.

46. Will image services be required? If so, via transmission or on-line browser?

Answer: Yes, via an on-line browser.

47. If imaging is provided of checks and associated documentation, would you consider truncation of the documents?

Answer: Yes.

48. Page 8, Investment Policy On page 8 of the City's Investment Policy there is a Broker/Dealer Questionnaire. Does this need to be completed and submitted with our proposal response?

Answer: No.