

**Request for Proposals
Banking Services
February 4, 2013**

GENERAL INFORMATION

Proposal

The purpose of this Request for Proposals (RFP) is to obtain proposals to provide Banking and Investment Management Services to the Town of Smithfield.

All proposals must be delivered to:

Mail To:

Ellen D. Minga , Treasurer
Town of Smithfield
P.O. Box 246
Smithfield, VA 23431

Overnight To:

Ellen D. Minga, Treasurer
Town of Smithfield
310 Institute Street
Smithfield, VA 23430

ALL PROPOSALS MUST BE RECEIVED BY 5:00 P.M. LOCAL TIME, THURSDAY, FEBRUARY 28, 2013.

The Town of Smithfield is not responsible for delays in the delivery of the mail by the U.S. Postal Service, private couriers, or the inter-office mail system. It is the sole responsibility of the Offeror to ensure that its proposal reaches the Treasurer by the designated date and hour. **Facsimile and e-mail submittals are not acceptable.**

All offerors shall abide by all applicable State and Federal laws.

The Town does not discriminate against small and minority businesses or faith-based organizations.

INQUIRIES CONCERNING RFP

Requests for "Specifications for Request for Proposal," and any questions or comments concerning this Request for Proposal should be directed to:

Ellen Minga
Treasurer
Town of Smithfield
P.O. Box 246
Smithfield, VA 23431
(757) 365-4287 – Fax (757) 365-4286
eminga@smithfieldva.gov

TOWN OF SMITHFIELD
SPECIFICATIONS FOR REQUEST FOR PROPOSALS
FOR
THE TOWN OF SMITHFIELD, VIRGINIA
BANKING SERVICES

February 4, 2013

I. Background and Purpose

A. BACKGROUND – The Town of Smithfield provides the following services to its citizens

- General governmental services including: police, refuse collection and disposal, recycling, water and sewer utility, and maintenance of streets and roadways.
- The Town currently has 60 full time employees and 10 part-time employees with a total annual payroll (excluding benefits) of approximately \$3,056,000. Town Council members, the Town Attorney, and committee members are also paid a monthly stipend that is processed through payroll.
- The general governmental fund is organized into six major groupings: General Government, Public Safety, Public Buildings, Public Works, Cultural and Recreation, and Community Development. The groupings contain nine major departments including Town Council, Town Manager, Treasurer, Police, Smithfield Center (conference center), Windsor Castle, Community Development, Public Works, and Public Buildings.

Under the Council-Manager form of government, the Treasurer fulfills the role of the financial officer and has budgetary and accounting oversight for the Town's operations. The Town's Fiscal Year 2013 budget totaled \$7,709,198 for general fund and road maintenance and \$4,092,977 for proprietary funds (water and sewer).

The following additional information is provided to help gain further understanding of the Town's operations.

FINANCIAL SYSTEM – The Town currently uses BAI Municipal Software to process almost all accounting and general ledger information in the Treasurer's office. This includes utility billing and tax collections. Exceptions include payroll which is outsourced to IOI Payroll and fixed assets which are maintained on a web data base through AssetWorks. Activity for payroll and fixed assets are posted to the general ledger through journal entries. The Town is currently exploring the possibility of changing software in the next few years.

DIRECT DEPOSIT – The Town offers direct deposit of payroll earnings for its employees. Approximately 65 employees are paid by direct deposit and 5 employees are paid by check on a bi-weekly basis. The seven Town Council members, Town Attorney, and various committee members are paid monthly but are included in one of the Town's scheduled bi-weekly payrolls. On this payroll there are approximately 3 more direct deposit transactions and 9 more checks cut. Since payroll is outsourced, IOI Payroll will debit the town's account for the cost of the direct deposits and payroll taxes.

CASH PROCESSING – There is currently only one cash deposit site for the Town, the Treasurer’s office, which makes its own deposits at the Town’s branch banking office for one of its two current banking relationships and by mail or courier to the other. Both teller and night depository are used. The Town also uses remote deposit for its general operating fund which reduces most of the on-site banking deposits to cash. Checks processed through remote deposit are kept in a secure location and maintained for audit purposes.

The Town’s utility payments are collected by HRUBS, the utility billing system for the Hampton Roads Sanitation District (HRSB). The Town’s portion of water and sewer collections is deposited by HRUBS into the Town’s water account. The Town then has to transfer via check the portion of deposits that belong to the sewer account and various associated utility escrow funds.

Utility deposits fluctuate monthly depending on which side of Town is billed. Customers are billed bi-monthly, but the Town is divided into two parts so that a billing is prepared each month. One side is significantly larger than the other, bringing in approximately 41% more revenue than the smaller side. Other deposits also vary by time of year with one peak collection period occurring prior to December 5 (deadline for annual real estate and personal property payments). Real estate tax collections last fiscal year (July 1, 2011 through June 30, 2012) totaled \$1,730,694 and personal property totaled \$804,826. Higher volume also occurs with quarterly revenue deadlines such as meals tax which totaled \$966,570 for FY2012.

Total Town general government operating revenues, excluding state and federal grant money for special projects, totaled \$6,516,417 in FY2012. Water operating revenues, excluding escrow funds, totaled \$900,184 and sewer totaled \$651,522. Escrow funds collected for water debt service, sewer consent order costs, and capital repairs and replacements also totaled \$999,415. Water debt service and sewer consent order fees are included as part of the bi-monthly utility billing and are fairly constant and predictable throughout the year as they are equally charged to each customer and are not consumption based.

DAILY NOTIFICATION OF ACCOUNT INFORMATION – The need to have a clear idea, on a daily basis, of the availability of funds for investment and cash disbursement purposes requires the offering bank to provide online access so the Town can view its own account information. At a minimum, the Town requires the availability to review the balance available and daily activity in its 4 primary accounts at no more than a one-day delay basis.

ADDITIONAL INFORMATION FOR CREDIT CARD TRANSACTIONS - A sample Sterling Payment Statement for the month of December, 2012 is attached for your information as Exhibit A. Total volume and dollar amount of transactions as displayed on this particular statement will change in FY2013 as the Town just began accepting credit card payments at the Treasurer’s office windows. Prior to November 2012, the Town only accepted online credit card payments through BAI.net that is part of the BAI Municipal Software package. The equipment used is an internet and modem-based telephone hook-up which is owned by the Town. The resulting daily deposits are then electronically transmitted as a batch to the Town’s current bank.

Currently, the Town’s conference center, The Smithfield Center, also accepts credit cards for its rental fees. The equipment used at the conference facility is also a modem-based, telephone hook-up which is again owned by the Town. The resulting daily deposits are then electronically transmitted as a batch to the Town’s current bank using Merchant Bankcard or a 3rd party vendor such as American Express. A sample Merchant Bankcard statement is also enclosed for review as Exhibit B.

DESIRABLE ACCOUNT BALANCE - Since the goal is to maximize interest earnings, the minimum amount required to be maintained at the bank will be sought unless the bank's over-night sweep rate or alternative investment rate is more attractive than what could be found elsewhere.

FULL SERVICE BRANCH - The Town desires a bank branch that can:

- * Accept deposits, both over the teller window and through the night depository;
- * Process deposits in a timely manner and return the Town's copy of the deposit slips within one to two days of the deposit;
- * Make change for cash registers;
- * Accommodate on-site withdrawals;
- * Issue or redeem certificates of deposit; and
- * Coin processing.

Another consideration to the Town is the location and proximity of the branch to the Town office. Our office is located in the heart of the downtown historic district. Since we are currently not using an armored pick-up service nor do we have access to an assigned staff vehicle to use for trips to the bank, a branch location that is convenient and easily accessible to our office is important. If the bank does not have a town branch location, alternatives to this fact should be considered as part of your proposal.

MISCELLANEOUS REQUIREMENTS - Should the bank change to a third party vendor who supplies a service to the Town under this contract or should the bank itself change (as in a merger), the Town will then have the opportunity to re-evaluate the contract. This may or may not result in termination of the contract.

- B. PURPOSE** - The purpose of this Request for Proposals (RFP) is to obtain proposals to provide Banking and Investment Management Services to the Town of Smithfield. The required banking services have been divided into four service groups:

- Service Group 1: General Banking
- Service Group 2: Investment Custody Services
- Service Group 3: Purchasing Card Program
- Service Group 4: Line of Credit/Short-term financing

Offerors may submit proposals for any or all of the four groups. The Town of Smithfield will award contracts to the best overall proposal or combination of proposals deemed to be in the best interest of the Town. The Town of Smithfield has customarily divided its banking services among more than one local bank.

This is a requirements contract and the Town will have no obligation to the successful firm if no items or services are required. The quantities indicated are the present expectations for the period of the contract; the amounts are estimates only; and the Offeror understands and agrees that the Town is under no obligation to the successful firm to buy any amount as a result of having provided this estimate or of having had any normal or otherwise measurable requirement in the past.

The Town reserves the right to evaluate additional or new banking services which may be in the best interest of the Town from time to time and may negotiate the price of these services with the successful firm(s) or to solicit new offers.

- C. **CONTRACT TERM** - The resulting contract will be an annual unit price requirements contract commencing on May 1, 2013. Upon mutual written agreement of both parties, this contract may be extended for up to 4 additional one-year periods. Pricing for renewal years one and two are expected to remain firm. Pricing for additional renewal years may be negotiated but at no time will a single year unit price increase more than the percentage increase of the Financial Services category, all urban consumers, not seasonally adjusted, CUUR0000SEGD05 of the Consumer Price Index (CPI) of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. The source for this index shall be <http://www.bls.gov/cpi>.

II. Scope of Work

A. **Service Group 1: Banking Services**

1. Bank Location - Offeror must be a federally chartered bank and should have one branch located preferably within the Town limits or Isle of Wight County. If the bank's headquarters is not located within the Town or County, a branch bank located no farther than 20 miles from Town Hall at 310 Institute Street, Smithfield, VA 23430, must be able to offer the full range of banking services required by this RFP.
2. Virginia Security for Public Deposits Act - Offeror must comply with all applicable federal, state and county laws, ordinances, rules and regulations including but not limited to the Virginia Security for Public Deposits Act (Chapter 2.2-4400 of the Code of Virginia). Bank must be a qualified public depository as defined in the Virginia Security for Public Deposits Act.
3. Account Requirements
 - a. Account Structure – The Town maintains four main operating accounts (general, highway, water, sewer) through which most activity flows directly. The Town also has numerous escrow funds and money market accounts with limited activity. Cash balances for December 2012 for all accounts are shown in Exhibit D of this RFP.
 - b. Compensating Balance - It is the Town's intent to maintain a compensating balance in all accounts to support activity costs for banking services. The accounts will operate on a "target balance" basis whereby the compensating balance required for banking activity charges will become a target balance. The objective is to maintain the target balance to support activity charges based on an average balance over a thirty (30) day period.
 - c. Account Descriptions – The Town maintains twenty-one (21) separate accounts.
 - 1) General Fund Account - The General Fund Account is the primary depository account for most Town deposits and is currently set up as a sweep account. This includes cash, coin, checks, Automated Clearing House (ACH) debits and credits, electronic payments via

ACH, and state and federal grant ACH's and wires. The account will also be debited for outgoing wires, Electronic Funds Transfers (EFT's), and most returned items. Further there are approximately 2 merchant ID numbers for processing credit card transactions. An ACH deposit is made to this account daily for each merchant ID provided there is current activity. All checks deposited should be in accordance with the bank's availability schedule. **Offerors MUST supply a copy of their availability schedule with their proposal.**

- 2) Payroll Account – The Town pays payroll from this non-interest bearing checking account which includes checks and ACH direct deposit files processed bi-weekly. Because payroll is outsourced, debits are also generated against the account by the payroll provider to meet federal and state tax obligations. The Town currently deposits a general fund check (either at the bank counter or by remote deposit) to cover the cost of payroll. Going forward, the Town would like to transfer money from its general operating account into the payroll account via online banking applications.
- 3) Highway Account – The Town maintains an account specifically for highway maintenance. The State allocates annual road maintenance money to the Town to use for asphaltting, ditching, and other necessary repairs. This money is electronically deposited into the Town's general fund account. Consequently, deposits are made periodically from the general operating fund as needed to cover the checks that are written from this account. This account is interest bearing but is not a sweep account.
- 4) Water Account - The water operating account is set up like the general fund operating account (interest bearing sweep account). One deposit a day is usually made into this account by an outside party, the Hampton Roads Utility Billing System (HRUBS). They collect utility payments for the Town, and after deducting their portion, they deposit the Town's share directly into its water operating account. Other miscellaneous deposits may be made into this account during the month, but they are usually small in number and value.
- 5) Sewer Account – The sewer operating account is also set up as an interest bearing sweep account. There are very few deposits flowing through this account, however. HRUBS deposits all of the utility collections for the Town in the Town's water operating fund. At the end of the month, the Town must then move collections for the sewer account and other ancillary accounts to those accounts so payments are properly applied. Generally, there is only one deposit a month to this account.
- 6) Ancillary Accounts - The Town also maintains 16 (sixteen) interest bearing accounts. Three are money market accounts. The deposit and check activity in these accounts is minimal.

4. Sweep Accounts

The Town currently utilizes a Sweep Account System for the short-term investment of various funds. The bank shall automatically handle the over-night and week-end investment of the

Town's excess cash above minimum compensating balance requirements. The Town would also like to explore the use of repurchase agreements or other legal investments, whichever provide the best yield to the Town. Offerors shall indicate in their proposal how over night investment rates are established and shall give historical figures to indicate what the rates have been.

- a. All excess Town cash balances shall automatically be invested daily. Any securities included as investments should be acceptable for pledging purposes under Virginia Law.
- b. All interest earned shall be automatically credited to the applicable operating or ancillary account.

5. Deposit Services

- a. The Bank will accept all items delivered to it for deposit to the accounts of the Town in accordance with the following requirements:
 - 1) Funds received by federal or other wire transfer shall be considered immediately available funds.
 - 2) Funds received through automated clearinghouse operations shall be considered immediately available funds.
 - 3) Federal checks, state checks, and cash, delivered by 2:00 P.M. to the bank or its agent shall be considered immediately available funds.
 - 4) All other items shall be credited to the Town's accounts not later than the Federal Reserve Bank's schedule of availability as indicated in their "Current Operating Circular."
- b. The Bank shall automatically deposit for collection a second time any item returned to them for non-sufficient funds (NSF). The Bank shall notify the Town's Deputy Treasurer of all returned checks.
- c. The Bank shall credit the Town's account with the amounts shown on deposit tickets and make adjusting entries if the tickets vary from the actual amount deposited. The Bank shall notify the Town's Deputy Treasurer of any overage or shortage. Such notification shall include full identification to enable the Treasurer's office to debit or credit the appropriate accounts.
- d. The Bank shall provide the Town with all specialized or proprietary equipment, supplies, maintenance, and other consumable items that the Town may need to conduct this business.

6. Checking Services

- a. The Bank shall make payment on all checks drawn on the Town's accounts.
- b. The Bank shall provide all cancelled checks monthly showing the front and reverse image of the paid check.

- c. The Bank shall honor all Town checks for six months from the date of issue and then shall stale date all uncashed checks.
 - d. The Successful Offer shall include a proposal within the RFP that allows the Town to accept and process e-checks in a manner acceptable to the Town. The Town may or may not choose to offer this payment option upon execution of the final contract documents.
- 7. Banking Supplies – The Bank shall provide the following at NO cost:
 - a. Blank deposit tickets to the Town in such quantities as are required from time to time.
 - b. Disposable deposit bags to the Town in such quantities as are required from time to time.
 - c. Printed checks drawn on a mutually agreed upon Town account that can be used for emergencies when normal check writing processes are not available.
- 8. Reconciliation Services - The bank shall provide bank statements for all accounts specified in this proposal. Each statement shall include the following minimum requirements:
 - a. Listing of paid items (check number in ascending order, amount paid, and date paid.)
 - b. Listing of deposits – remote, counter, and credit card
 - c. Monthly account analysis as detailed below.
- 9. Monthly Account Analysis – The Town has never received a monthly account analysis for any of its accounts. This lack of information makes it very difficult for the Town to request future banking services because information is not readily available to prospective Offerors. The bank MUST supply an account analysis report on a monthly basis. The minimum requirements for this report shall be:
 - a. Average Daily Balance
 - b. Average Collected Balance
 - c. Average Allowance Rate
 - d. Transaction Volumes
 - e. Transaction Prices
 - f. Earnings Credit Rate
- 10. Outgoing Wire Transfers
 - a. On-line and telephone access for initiating and processing out-going wire transactions.
 - b. Wires may be repetitive or non-repetitive and domestic or international.
 - c. On-line access for confirmation of all wires executed, including details. Wire confirmation data is to include, but not be limited to:
 - 1) Payor bank and account number
 - 2) Beneficiary bank and account number

- 3) Dollar amount of wire
- 4) Reference information
- 5) Time and date wire was received or executed
- 6) Confirmation that the beneficiary bank received and acted upon the wire instructions.

11. Customer Service

- a. The bank should provide two (2) officers of at least a Vice President (“officer”) level to act as the primary and backup liaison between the Town and the Bank. These officers should be responsible for conflict resolution between the Town and the Bank. Direct contact information including, but not limited to, telephone, e-mail, and fax should be provided.
- b. The bank is to provide access to a customer service team that will research and provide feedback on routine transactions, including but not limited to wire transfers, debit/credit adjustments, deposits and account reconciliation processing. The customer service team must be knowledgeable of the Town’s account structure and respond to any inquiries by the Town no later than the same day or next business day.
- c. The officer and the key staff for each service should meet with Town staff immediately after the contract has been fully executed to get started on account setups. In addition, the officer and key staff should be available for other meetings as required by the Town.
- d. The Bank is to provide on-site training to all necessary staff for all online banking services.
- e. Any new services and/or related services offered by the bank should be made available to the Town, with associated costs for the services to be negotiated at the time of service offer.

12. Cash and Coin Service

Any branch of the bank should have the ability to provide change or currency orders, when requested.

13. ACH processing

- a. The Town accepts ACH payments from one of its large taxpayer accounts, state and federal government agencies, and its credit card providers in its general fund operating account. Also ACH deposits are made by HRUBS into the Town’s water account. At this time, however, incoming ACH payments are otherwise limited.
- b. The Town also utilizes ACH processing for Town payroll on a biweekly basis and will soon begin paying its monthly pension contributions via ACH as well. The Town is interested in using ACH processing for payments to other vendors in the future.

14. Interest Rates

Offerors shall indicate in their proposal how interest rates and Earnings Credit Rates (ECR) are established and shall give historical figures to indicate what the rates have been. Offerors shall also provide a detailed calculation and explanation of how the ECR is applied to offset banking services fees and how the interest rate is applied to the excess cash balance. Offeror shall describe any monitoring and notification process that may be available, if any, to assist the Town in making a determination whether the excess cash above the target compensating balance, if applicable, will be invested. A quarterly analysis of available investment yields will be submitted to the Town semiannually to help ensure that the investments of excess funds are maximizing the earnings to the Town.

B. Service Group 2: Investment Custody Services

The Town currently maintains a very small fixed income investment portfolio totaling \$561,000 in Certificates of Deposit. As the Town rebuilds its reserve balances, the investment portfolio is expected to grow. The custodian bank will have no responsibility for investing or reinvesting these monies except for providing an overnight investment vehicle. Required services could change if the Town expands its investment options to include U.S. Treasuries and Federal Agency Notes. Required services include the following:

1. All securities and cash held by the custodian shall be segregated from the assets of others and shall be and remain the sole property of the Town. The custodian shall have only the bare custody thereof. The securities held by the custodian shall, unless payable to the bearer, be registered in the name of the Town, or in the bank's nominee name. Securities delivered to the custodian, except bearer securities and Certificates of Deposit, shall be in due form for transfer or already registered as provided above.
2. Create, maintain and retain all records relating to securities held in custody in Town accounts to meet the requirements and obligations under generally accepted accounting principles.
3. Provide an overnight investment vehicle for cash balances in the custody accounts. A list of securities permitted for overnight investment is provided in Exhibit C to this RFP.
4. Provide monthly activity statements and reports for all accounts. The statement cut off should be the last day of the month. Statements must be sent no later than the 10th of the following month.

C. Service Group 3: Line of Credit

The Town has two (2) Unsecured Lines of Credit, one with each of its current banking relationships. These are renewable annually.

1. The first Line of Credit is for **Five Hundred Thousand Dollars (\$500,000)** and is used exclusively for short term financing of its Pinewood Heights Relocation Project. The purpose of this project is to remove residents from a blighted neighborhood that has been rezoned Heavy Industrial. This project has been divided into three phases. Phase I has been completed, and relocations for Phase II began with the start of the Town's new fiscal year (July 1, 2012). The Pinewood Heights Relocation Project is financed partially by Community Development Block Grant Funds (CDBG) with the remainder funded by the Town. The Town Council increased its meals tax by 1% as of July 1, 2012 and has now dedicated 2% of total meals tax to this project to finance the Town's portion. The Line of Credit allows the Town to meet the timelines of the grant while waiting for

reimbursement of federal funds and quarterly collections of meals tax. It has been a very successful tool and a vital component of the project to date.

2. The second is an unsecured line of credit for **One Million Dollars (\$1,000,000)** that is used to meet short-term cash requirements for capital projects that are funded from approved Federal and private resources. This line of credit was secured in July 2012 while the Town was undergoing a large federally funded streetscape project in addition to the CDBG project mentioned above. Depending on the Town's status at any point in time regarding such projects, this line of credit may not always be utilized during any given fiscal year.

The Town considers its lines of credit to be very important considerations in its banking relationships. The lines have been a timely resource for short term cash needs, and the Town has always responsibly utilized them for such purposes.

D. Service Group 4: Purchasing Card Program

1. Overview of Existing Program: The Town currently has a corporate credit card account with a large commercial bank. Approximately 43 cards have been issued to various Town employees at this time with a maximum limit per card of \$2000. The Town's credit limit on the current account is \$25,000. The current program provides for in-store and online purchases, but should not be used for general accounts payable applications. The Town is seeking ways to expedite the processing of invoices and earn volume rebates on a more structured purchasing card program through its selected banking relationship.
2. Minimum Required services include:
 - a. A "branded" (Visa/MasterCard/American Express) purchasing card,
 - b. Rebate on purchases made,
 - c. User friendly on-line system for Town's Program Administrator to code and authorize transactions,
 - d. Access to view real time activity and make real time changes to accounts and transactions by Town's Program Administrator,
 - e. User friendly on-line administration system for account management. Fields and functionality available to Town's Program Administrator must include at a minimum the following:
 - 1) All card holder information
 - 2) Transaction limits
 - 3) Merchant codes and groups or "strategies"
 - 4) Transaction overrides
 - 5) Reports (minimal)
 - *Card holder listing
 - *Vendor listing/usage reports
 - *Transaction listings
 - *Sales Tax
 - *Account changes

*Usage by cardholder for various time periods

*Usage by MCC code/category

*Usage by date/time period

*MCC category/strategy listing

f. Payment turnaround on the monthly card program statement must be 30 days.

E. Other

Offerors are encouraged to provide a description of any additional services available that would enhance the Town's banking or investment management process or be of benefit to the Town. Examples include: Internet-based applications that ease the use for taxpayers and/or employee or applications that improve account management and reporting. Discussion of these initiatives should include such things as innovation, flexibility, control, communication, commitment, problem solving, customer service, costs, and relationship management.

I. General Contract Terms and Conditions

A. SUBMISSION INSTRUCTIONS

1. Proposals shall be submitted in sealed envelopes bearing the name of the Offeror, the Offeror's address and the title of the proposal. The proposal shall be signed in the name of the Offeror and bear the signature of the person duly authorized to sign the proposal. The name, address, and phone number of the point of contact shall be identified.
2. The Purchasing Officer must receive the completed proposal forms and Proposals together with five (5) copies not later than 5:00 p.m., Thursday, February 28, 2013. The mailing and delivery address are listed on the cover page of this RFP.
3. Offerors are encouraged to use the PROPOSAL FORMS (Attachments A, B, C and D) or copies thereof in submitting proposals. Explanatory comments and suggested additional or different services or products should be included in the body of the proposal. No promotional literature is to be included.
4. In preparing and submitting the proposals, the phrase "NO PROPOSAL" shall be entered on the proposal form for any item or items that cannot be met. In the case of a "NO PROPOSAL" remark, the Offeror may offer an alternate service. For any items proposed, it shall be assumed the proposal meets or exceeds the requirements as stated in this request for proposals.

B. LATE SUBMISSIONS - It is the responsibility of the Offeror to insure that the proposal arrives on time and at the proper location. Proposals will not be accepted or considered after the proposal due date.

Proposals received after the submission deadline will be returned unopened, provided a return address is visible. ***Late proposals will not be considered.***

- C. **OFFEROR CERTIFICATION** - Submission of a signed proposal is an Offeror's certification that they will accept any award made as a result of the submission at the prices and terms contained in the proposal. Unsigned proposals will not be accepted or considered.
- D. **EXCEPTIONS TO SPECIFICATION** - Offerors taking exception to any part or section of these specifications shall indicate such exceptions in their proposal. Failures to indicate any exceptions shall be interpreted as the Offeror's intent to fully comply with the specifications as written. Conditional or qualified proposals are subject to rejection in whole or in part.
- E. **ACCEPTANCE OR REJECTION OF PROPOSALS** – The town reserves the right to accept or reject any or all proposals in whole or in part and to waive any informality in any proposals or reject any item or combination of items in the process of awarding this contract.
- F. **AUTHORIZED SIGNATURE** – Each proposal, and any contract, must be signed by a person authorized to bind the Offeror to a valid contract with the town. The town may require that any Offeror submit powers of attorney or other appropriate documentation showing the authority of the signatory to act on the Offeror's behalf. If, whether such proof of agency has been demanded or not, it later appears that the signatory was not authorized to act, the town may declare the contract void if it is in its best interests to do so.

There is no binding agreement, no contractual relationship, no understanding nor mutual assent until a contract is signed, executed and exchanged by and between the Offeror and the Town of Smithfield.

The contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations or agreements, either written or oral. The contract may be amended or modified only by written modification.

- G. **CONTRACTOR'S CONTRACT REPRESENTATIVE** – In the event a contract is executed as a result of this solicitation, the Contractor shall designate in writing his contract representative who shall be responsible for ensuring that the services required by the town are complied with and delivered in accordance with the terms and conditions of the contract.
- H. **COMPETITION INTENDED** – It is the town's intent that this Request for Proposal permits competition. It shall be the Offerors responsibility to advise the Town Treasurer in writing if any language,

requirements, specifications, etc., or any combinations thereof, inadvertently restricts or limits the requirements stated in this RFP to a single source. The Town Treasurer must receive such notification not later than ten (10) days prior to the date set for proposals to be received.

- I. INQUIRIES/COMMENTS CONCERNING SPECIFICATIONS** - Questions or comments concerning the specifications contained herein must be received by the Town Treasurer at least ten (10) days prior to the proposal due date. Any interpretation deemed to be material in nature or that alters the scope of the goods or services being requested will be expressed in the form of a written addendum. Such addendum will be sent to all prospective Offerors no later than three (3) days prior to the due date. Verbal communications will not be binding.
- J. ADA REASONABLE ACCOMMODATION CLAUSE** – If you need any reasonable accommodation for any type of disability in order to participate in this procurement, please contact the Town Treasurer no later than ten (10) days prior to the due date.
- K. EXPENSES INCURRED IN PREPARING PROPOSAL** – The Town accepts no responsibility for any expenses incurred in the proposal preparation and presentation. Such expenses are to be borne exclusively by the Offeror.
- L. EMPLOYMENT DISCRIMINATION PROHIBITED** – Contractor agrees that it will adhere to the non-discrimination requirements set forth in the Virginia Code Section 2.2-4311 of the Virginia Public Procurement Act and repeated below, which will be incorporated into any contract awarded. Every contract in excess of \$10,000 shall include the following provisions:
1. During the performance of a contract, the Contractor shall agree that he will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, age, disability or any other basis prohibited by federal or state law relating to discrimination in employment in the solicitation and award of public contracts except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor; that he will post in conspicuous places, available to employees and applicants for employment, notices setting forth nondiscrimination practices, and that he will state, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that he is an equal opportunity employer. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient to meet this requirement.
 2. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order in excess of \$10,000 so that the provisions will be binding upon each subcontractor or vendor.

- M. DISPOSITION OF PROPOSALS** – All materials submitted in response to this RFP will become the property of the town. One (1) copy of each proposal shall be retained for official files and will become a public record. These records will be available for public inspection after award of contract. It is understood that the proposal will become a part of the official file on this matter without obligation on the part of the Town except as to the disclosure restrictions contained in the section titled “Disclosure: Trade Secrets and Proprietary Information”.
- N. DISCLOSURE: TRADE SECRETS AND PROPRIETARY INFORMATION** – In compliance with the Town of Smithfield’s Procurement Policies, all proposals will be available for public inspection. Trade secrets and proprietary information submitted by a vendor in connection with a procurement shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protection of this section prior to or upon submission of the data or other materials, and must identify the specific area or scope of data or other materials to be protected and state the reasons why protection is necessary. An all-inclusive statement that the entire proposal is proprietary is unacceptable. A statement that the costs are to be protected is unacceptable.
- O. LAWS AND REGULATIONS** – The Offeror’s attention is directed to the fact that all applicable Commonwealth of Virginia laws, municipal ordinances and the rules and regulations of all authorities having jurisdiction over the contract shall apply to the contract throughout, and they will be considered to be included in the contract the same as though herein written out in full.
- P. SCC REGISTRATION** – Offeror must provide their identification number issued by the State Corporation Commission on the Proposal Form. The Contractor shall maintain a valid certificate of authority or registration to transact business in Virginia with the Virginia State Corporation Commission as required by Sections 13.1 or Title 50 of the Code of Virginia, during the term of the Contract or any Contract renewal. The Contractor shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth to be revoked or cancelled at any time during the term of the contract. If the Contractor fails to remain in compliance with the provisions of this section, the contract shall become void.
- Q. ETHICS IN PUBLIC CONTRACTING** – The Offeror agrees that it will adhere to Article 6 – “Ethics in Public Contracting” requirements set forth in the Virginia Code Section 2.2-4367 – 2.2-4377 of the Virginia Public Procurement Act.
- R. TERMINATION** – Subject to the provisions below, the contract may be terminated by either party upon ninety (90) days advanced written notice to the other party; but if any supply or service hereunder is in progress, but not delivered or completed as of the date of termination, then this contract may be extended upon written approval of the Town Treasurer until said supplies or services are either delivered or completed and accepted.
1. Termination for Convenience - In the event that this contract is terminated or cancelled upon request and for the convenience of the Town without the required ninety (90) days advance

written notice, then the Town shall reimburse the bank for the reasonable value of any non-recurring costs incurred but not amortized in the price of the services delivered under the contract.

2. Termination for Cause, Default or Negligence - Termination by the Town for cause, default or negligence on the part of the bank shall be excluded from the foregoing provision; reimbursement of costs, if any, shall not apply. Termination shall also occur if the bank fails to sustain the minimum Sheshunoff Bank quarterly rating for two (2) consecutive quarterly publications which also may result in the immediate transfer of Town funds to an institution meeting the qualifications. The ninety (90) days advance notice requirement is waived in the event of termination for cause.
- S. ASSIGNMENT OF CONTRACT** – The firm is prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of this contract of its rights, title or interest therein or its power to execute such contract or its rights, title or interest therein or its power to execute such contract to any other person, company or corporation without the consent and approval in writing by the Town Treasurer.
- T. EXCEPTIONS TO RFP** – Offerors taking exception to any part or section of this RFP shall clearly indicate such exceptions in their proposal. Failure to indicate any exceptions shall be interpreted as the Offeror’s intent to fully comply with the RFP as written. Conditional or qualified proposals are subject to rejection in whole or in part.
- U. UNDERSTANDING OF RFP** – Offeror shall thoroughly examine and be familiar with the RFP. The failure or omission of any Offeror to receive or examine this document shall in no way relieve any Offeror of obligations with respect to this proposal or the subsequent contract. The submission of a proposal shall be taken as prima facie evidence of compliance with this paragraph.
- V. DRUG FREE WORKPLACE** – Pursuant to section 2.2-4312 of the VPPA – § 2.2-4312. Drug-free workplace to be maintained by contractor; required contract provisions. All public bodies shall include in every contract over \$10,000 the following provisions:

During the performance of this contract, the Contractor agrees to (i) provide a drug-free workplace for the contractor’s employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor’s workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, “*drug-free workplace*” means a site for the performance of work done in connection with a specific contract awarded to a Contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

- W. **FAITH BASED ORGANIZATIONS** – Pursuant to Section 2.2-4343.1 of the VPPA – The Town does not discriminate against faith-based organizations.

II. Specific/Special Contract Terms and Conditions

- A. **INSURANCE REQUIREMENTS** - Offeror shall secure at its own expense general liability insurance in an amount not less than \$2 million solely contained in a Commercial General Liability Policy or in combination with an Umbrella or Excess Policy. Included shall be coverage for Bodily Injury and Property Damage resulting from the operations, products, and completed operations of the Contractor.

Offeror shall also carry automobile insurance in an amount not less than \$1 million solely contained in a Commercial Auto Policy or in combination with an Umbrella or Excess Policy.

Offeror shall also Carry Workers Compensation insurance, which meets the statutory requirements of the Commonwealth of Virginia.

Offeror shall also carry Professional Liability for any errors or omissions in the services it provides to the Town in an amount not less than \$5 million and with a deductible no greater than \$5 million.

In addition, Offeror shall also carry other insurance coverage deemed by the Town to be appropriate to this agreement.

The above-mentioned coverage shall be placed with an insurance carrier licensed to do business in the Commonwealth of Virginia. The carrier must have an AM Best Rating of A or better.

A Certificate of Insurance identifying coverage and naming the Town of Smithfield as additional insured shall be furnished to the Town. Liability coverage shall contain wording prohibiting cancellation of coverage, failure to renew, or reduction in limit without the insurer first giving 30 days prior written notice of such action to the Town.

In addition to the mandatory insurance requirements listed above, Offerors shall submit a list of all insurance claims made against it within the past 12 months. The Town reserves the right to reject any offer if in the Town's opinion the amount or number of claims is deemed to be excessive. Failure to provide this information may result in rejection of your proposal.

- C. **TOWN LIAISON/CONTRACT ADMINISTRATOR** – Ellen Minga, Town Treasurer, is the contract administrator assigned to this contract. Ms. Minga will receive all deliverables and correspondence

generated from the resulting contract. All correspondence after contract award is to be addressed to Ms. Ellen Minga, Town of Smithfield, P.O. Box 246, Smithfield, VA 23431.

III. Submittal Format and Requirements

Proposals are to be clear and concise avoiding excessive content and unrelated work samples. Proposal Submittals shall contain the following information presented in the following order:

- A. Letter of transmittal
- B. Narrative statements to include:
 - 1. Understanding of Town Needs
 - 2. Firms Qualifications and experience
 - 3. Summary of Key Personnel
 - 4. Alternate Services Offered
 - 5. Additional Services Available
- C. Proposal Forms A, B, C & D
- D. References
- E. RFP Submission Form

IV. Evaluation, Selection, and Award Criteria

- A. **AWARD CRITERIA** Each proposal will be individually evaluated by each member of the selection committee. The selection committee will be made up of Town Council members, the Town Manager, and the Town Treasurer. Proposals will be evaluated based on the Evaluation Criteria stated below.

The General Contract Terms and Conditions set forth certain criteria which shall be used in the selection of the successful bank. In addition, the following criteria shall be considered:

- 1. Demonstrated ability of the bank to comprehensively meet all services detailed in the RFP. Proven banking service capabilities, including ability to expand capabilities and provide additional services not currently being requested. Understanding of services and tasks as depicted in proposal.

2. Quality controls in place to ensure high-quality service, the understanding of the Town's needs, and any special processes which the bank feels may increase its ability to perform the contract.
3. Comparable experience in governmental banking activities. Provide experience, technical capabilities, professional competence and qualifications of the proposed personnel assigned to provide the services. Comparable experience in governmental banking activities.
4. References (i.e., satisfaction of customers) along with names and addresses of parties of whom comparable banking services have been provided. Provide at least five references (public agency references, if possible), including client name, contact person, address, phone number, services provided, and the length of time your bank has worked for the entity. Since the Town is a Virginia municipality; references from other Virginia municipalities would be viewed as more desirable than from commercial cash management clients.
5. Financial stability.
6. Cost of services. Cost of services will be considered based on each service provided as well as the cost of services in total. Any banking services and documents not detailed on the proposal pricing forms shall be provided to the Town at no cost. Such services include the availability of bank staff to consult with Town staff concerning bank service performance. Such documents will include, but are not limited to deposit slips, advices, stop payment forms, cashier's checks, and money bags. Offerors shall list any other free goods and services which may be available to the Town.
7. Bank location, including availability for personal service and consultation.

- B. SELECTION PROCESS** - Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price for each of the four Service Groups. The top two or more firms for each Service Group may be invited for interviews and will be invited for negotiations. After negotiations have been conducted with each Offeror so selected, the Town shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror.

Offerors are being advised that the Interview timeline has been set for March 11-15, 2013 and the Negotiation time line has been set from March 18-22, 2013. Offerors invited to participate at these stages of the RFP are expected to have reserved ample time during these periods to facilitate the Town's availability.

The Town reserves the right to make multiple awards from this RFP.

Should the Town determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror.

V. Attachments

A. Exhibits

*Sample Sterling Payments Statement (December 2012) – Exhibit A

*Sample Merchants Statement (December 2012) – Exhibit B

*Overnight Investment Securities – Exhibit C

*Cash Balances (December 2012) – Exhibit D

B. Attachments

(These Attachments must be completed and returned with your proposal)

*RFP Submission Form – Ownership and disclosure form – Attachment A

*Pricing Forms – Attachment B

*Compensating Balance Methods – Attachment C

*“Group” Specific Questionnaire – Attachment D

EXHIBIT A



Page 1 of 4

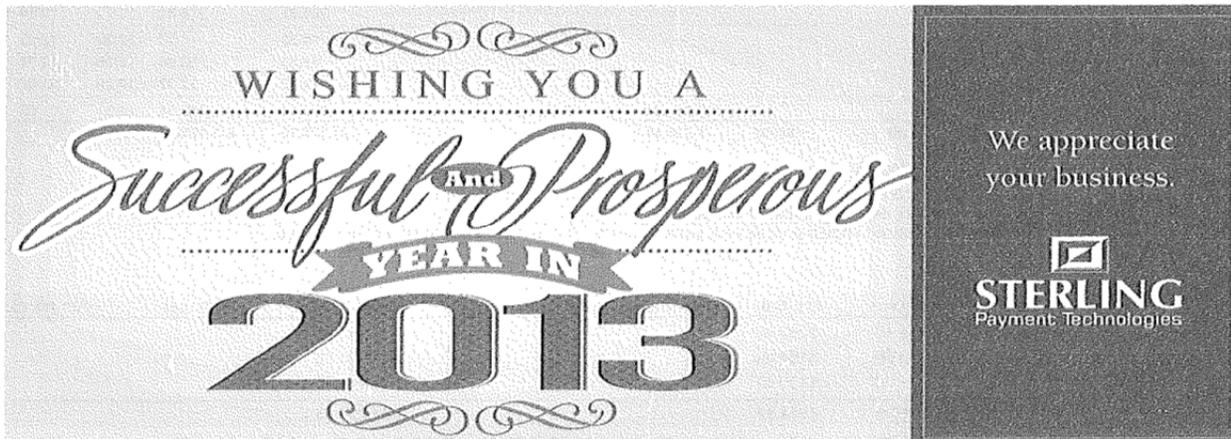
Merchant ID: 434806139888
Town of Smithfield

12/01/2012 .. 12/31/2012

Merchant Processing Statement

Town of Smithfield
P O Box 246
Smithfield, VA 23430

Billing Questions / Technical Support / Supplies
Contact customer service at
(800) 383-0561
or
customer.service@sterlingpayment.com
You may also access your information online at
www.sterlingpayment.com



This is not a bill. All fees have already been deducted.

Deposit Summary

Post Date	Day	Bankcard		Deductions & Misc*			Net Activity	Bank Deposits **	
		Sales	Returns	Debit/EBT	Interchange	Tran Fees*		Other/Misc	Net Amount
12/01	Sat	975.47					975.47	975.47	12/01 12/04
12/02	Sun	846.26					846.26	846.26	12/02 12/04
12/03	Mon	193.63					193.63	193.63	12/03 12/04
12/04	Tue	3,137.19					3,137.19	3,137.19	12/04 12/05
12/05	Wed	6,345.53					6,345.53	6,345.53	12/05 12/06
12/06	Thu	5,875.66					5,875.66	5,875.66	12/06 12/07
12/07	Fri	1,898.62					1,898.62	1,898.62	12/07 12/10
12/08	Sat	173.42					173.42	173.42	12/08 12/11
12/09	Sun	146.71					146.71	146.71	12/09 12/11
12/10	Mon	245.57					245.57	245.57	12/10 12/11
12/11	Tue	232.62					232.62	232.62	12/11 12/12
12/12	Wed	444.50					444.50	444.50	12/12 12/13
12/13	Thu	123.28					123.28	123.28	12/13 12/14
12/15	Sat	35.76					35.76	35.76	12/15 12/18
12/17	Mon	81.36					81.36	81.36	12/17 12/18
12/18	Tue	31.14					31.14	31.14	12/18 12/19
12/20	Thu	397.49					397.49	397.49	12/20 12/21
12/21	Fri	228.31					228.31	228.31	12/21 12/24
12/22	Sat	10.30					10.30	10.30	12/22 12/26
12/28	Fri	53.56					53.56	53.56	12/28 12/31
12/29	Sat	12.32					12.32	12.32	12/29 01/02
12/31	Mon	236.65			-510.33	-35.86	-309.54	-309.54	12/31 01/02
Totals:		\$21,725.35	\$0.00	\$0.00	-\$510.33	-\$35.86	\$21,179.16	\$21,179.16	

* Deductions: Debit & EBT funding is included with Bankcard/Voyager. The transaction fees are billed separately.
 ** Dates: Post Date = Date of the next 5:00 AM (Eastern) cutoff time following the closing of your batch.
 Submit Date = Date the direct deposit is initiated into your bank account.
 Effective Date = Date that deposit should post to your bank account. Your bank may choose a different date.

Card Type Summary

Card Type ***	#Sales	Sales Volume	Avg Sale	#Returns	Return Volume	Net Volume	(Issuance)	(Redemption)
DSVR	1	\$263.43	\$263.40			\$263.43		
MAST	52	\$8,020.66	\$154.24			\$8,020.66		
VISA	97	\$13,441.26	\$138.57			\$13,441.26		
Totals:	150	\$21,725.35	\$144.84			\$21,725.35		

*** Note: Your Merchant Services Provider deposits funds for VISA, MAST, DSVR, DEBIT, EBT and VYGR only. Deposits for other card types (AMEX, DISC, JCB, DINE) originate from each card's respective organization, but they are summarized here for your convenience.

This is not a bill. All fees have already been deducted.

Merchant ID: 434806139888

Town of Smithfield

12/01/2012 .. 12/31/2012

Deductions & Misc

Category	Description	Card Type	Rate	Volume	#Items	Per Item	Amount
Interchange	CheckCard Qualified Discount	MAST	0.0159	\$3,148.56			\$-50.07
Interchange	CheckCard Qualified Discount	VISA	0.0159	\$6,657.55			\$-105.85
Interchange	CheckCard Mid Qual Discount	MAST		\$1,453.09	15		\$-7.99
Interchange	CheckCard Mid Qual Discount	VISA		\$1,750.12	16		\$-9.63
Interchange	CheckCard Non Qual Discount	VISA		\$593.77	1		\$-10.98
Interchange	Credit Qualified Discount	MAST	0.0170	\$4,872.10			\$-82.84
Interchange	Credit Qualified Discount	VISA	0.0170	\$6,783.71			\$-115.33
Interchange	Credit Mid Qual Discount	MAST		\$1,702.73	10		\$-9.36
Interchange	Credit Mid Qual Discount	VISA		\$4,708.28	26		\$-25.89
Interchange	Credit Non Qual Discount	MAST		\$3,169.37	14		\$-58.63
Interchange	Credit Non Qual Discount	VISA		\$1,504.36	5		\$-27.83
Interchange	Credit Mid Qual Discount	DSVR		\$263.43	1		\$-1.45
Interchange	Credit Qualified Discount	DSVR	0.0170	\$263.43			\$-4.48
Total Interchange							\$-510.33
Tran Fees	Auth Fee	MAST			54		\$-11.88
Tran Fees	Auth Fee	VISA			108		\$-23.76
Tran Fees	Auth Fee	DSVR			1		\$-0.22
Total Tran Fees							\$-35.86
Total Deductions & Misc							\$-546.19

This is a summary of deductions and adjustments that posted to your processing account during the month. For a complete detailed breakdown of all daily funding, deductions and bank deposits, please download your free Merchant Processing Detail report from our website, or you may contact our Customer Service Department.

Note: General Guidelines (individual qualification reasons may vary)

Qualified = Swiped transactions

Mid Qual = Keyed transactions and reward cards

Non Qual = Corporate cards, foreign cards, government cards, late batches, Mastercard World Card, keyed without AVS

This is not a bill. All fees have already been deducted.

Month End	Post Date	Description	#Items	Charge Per Item	Total
	12/31/2012	Bankcard Assoc PassThru Cost	1	\$26.9100	\$-26.91
	12/31/2012	Batches	29	\$0.2000	\$-5.80
	12/31/2012	Check Cards	92	\$0.0800	\$-7.36
	12/31/2012	MC Acquirer License Fee	1	\$1.5000	\$-1.50
	12/31/2012	Monthly Fee	1	\$6.5000	\$-6.50
	12/31/2012	Non-Receipt of PCI Validation	1	\$19.9500	\$-19.95
	12/31/2012	Regulatory Administration Cost	1	\$49.9500	\$-49.95
	12/31/2012	Unmatched Authorizations (VISA)	2	\$0.0450	\$-0.09
	12/31/2012	Visa FANF - Keyed Volume Fee	1	\$15.0000	\$-15.00
	12/31/2012	Visa FANF - Location Fee	1	\$2.0000	\$-2.00
Total Month End (debited directly from your bank account - see following section)					\$-136.06

Other Direct Deposits and Withdrawals - Originated by your Merchant Services Provider

Post Date	Description	Notes	Deposits	Withdrawals	Submitted	Effective
12/31/2012	Month End Fees			\$-135.06	01/01/2013	01/03/2013
Total Other Direct Deposits and Withdrawals			\$0.00	\$-135.06		

Fees are calculated accordingly, however rounding differences may occur and should not be considered an error.

Sterling Payment Technologies is committed to helping merchants maintain card data security as well as avoiding the damage that occurs when their customer's card data is compromised. Our records indicate you have not successfully completed your PCI-compliance certification for this merchant account, so a Non-Receipt of PCI Validation fee has been assessed. Please contact SecurityMetrics at 800-557-4797, and certify your PCI-compliance to avoid any future fees.

On December 31, 2012, Sterling will bill an Annual Regulatory Administrative fee in the amount of \$49.95. This cost is associated with offsetting significant ongoing regulatory costs and security enhancements imposed by the Card Brands. We sincerely appreciate your business and will do everything in our power to minimize the impact to your business.

Compliance Alert -Merchant Class Action Litigation Settlement

Sterling is passing on information related to the settlement of the litigation between retailers and Visa/MasterCard for your review.

On December 20, 2012, Visa® published an article in the Visa Business News, Interchange Litigation Settlement (MDL 1720): "Rule Revisions and Required Action by Acquirers". Please review the following link for this important information.
<<http://usa.visa.com/merchants/operations/surcharging.html>> .

You will receive copies of the letters with your merchant statements in January. MasterCard has not published documentation regarding the settlement yet.

If your payment card transaction processing volume changes, merchant on file fees may be adjusted monthly for merchants processing lower card payment volumes than expected when the merchant account was first issued. Furthermore, merchants who were originally extended below market pricing based on expected high volumes may be adjusted to market value if payment card processing volumes are significantly less than expected. We value your business and strives to maintain highly competitive rates to our customers.

This is not a bill. All fees have already been deducted.

EXHIBIT B



ONE PNC PLAZA
PITTSBURGH, PA 15265

YOUR CARD PROCESSING STATEMENT

1509 1 MB 0.404
001509/000001/202918/A3P0041CPIN002/1510/0001/009817 012 01 000000
TOWN OF SMITHFIELD
ATTN: ELLEN MINGA
PO BOX 246
SMITHFIELD VA 23431-0246

Page 1 of 5	THIS IS NOT A BILL
Statement Period	12/01/12 - 12/31/12
Merchant Number	469233359881
Customer Service	Website - BusinessTrack.com Phone - 1-800-742-5030



Visit MerchantInsider.com for tools to keep your customers' data safe, cost-cutting tips, interactive training and online support for your account-plus quick-and-easy shopping in our online store, with great prices on supplies and a comprehensive selection of processing products.

SUMMARY		An overview of account activity for the statement period. Fees charged for December activity will appear on January statement.	
Page 4	Total Amount Submitted		\$7,665.00
Page 4	Third Party Transactions		\$100.00
Page 4	Chargebacks/Reversals		0.00
Page 4	Adjustments		0.00
Page 4	Fees Charged		-\$223.52
Total Amount Funded to Your Bank			\$7,341.48

See page 2 for Key Definition of Terms

All amounts shown are in U.S. funds
(Amount Submitted - Third Party) + Chargebacks/Reversals + Adjustments + Fees Charged = Amount Funded

IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

PNC MERCHANT SERVICES BUSINESS INSIGHTS NEWSLETTER

Beginning in 2013, The PNC Merchant Services Business Insights Newsletter is going green and will be an electronic-only newsletter sent via email. To continue receiving your merchant news electronically, go to www.pnc.com/biznews to sign up today. Continue to be "in the know" and don't miss an issue!

Please note that important messages may continue or appear on the third page of this merchant statement. Review the third page of this statement for any continued or additional messages.

ONE PNC PLAZA, PITTSBURGH, PA 15265

001509/000001/202918/A3P0041CPIN002/1510/0001/009817 012 01 000000

Key Card Processing Terms in Plain Language

Total Amount You Submitted - The total dollar amount of card transactions submitted and processed during the Statement Period.

Third-Party Transactions - These are transactions that are passed directly to third party service providers for processing and/or funding. Common third-parties include American Express® and Discover®.

Chargebacks/Reversals - Those transactions that are challenged or disputed by a cardholder or card-issuing bank. A Chargeback equals the transaction amount that is disputed by the cardholder or card-issuing bank. A Reversal is the amount that was initially resolved against the merchant, but has subsequently been resolved in favor of the merchant.

Adjustments - The amounts credited to, or deducted from, your account to resolve processing and billing discrepancies.

Interchange Charges - These are the variable fees charged by Card Organizations for processing transactions. Factors that affect Interchange Charges include card type, information contained in the transaction, and how/when the transaction was processed.

Service Charges - Also known as Discount Rate; the amounts charged to authorize, process and settle card transactions.

Fees - The range of transaction-based and/or fixed amounts charged for specific card processing services.

Total Amount Funded to Your Bank - The total dollar amount of credited/paid to your account transactions during the Statement Period.

Merchant Number - The unique account number assigned to every merchant and merchant location. You'll find it at the top of your statement.

YOUR CARD PROCESSING STATEMENT

Merchant Number 469233359881
 Customer Service Website - BusinessTrack.com
 Phone - 1-800-742-5030

Page 3 of 5

Statement Period 12/01/12 - 12/31/12

SUMMARY BY CARD TYPE (Total Sales You Submitted - Refunds = Total Amount You Submitted)

Card Type	Average Ticket	Total Gross Sales You Submitted		Refunds		Total Amount You Submitted	
		Items	Amount	Items	Amount	Items	Amount
MasterCard	\$100.00	2	\$200.00	0	0.00	2	\$200.00
Visa	\$402.35	17	\$6,840.00	0	0.00	17	\$6,840.00
Discover	\$262.50	2	\$525.00	0	0.00	2	\$525.00
Diners	0.00	0	0.00	0	0.00	0	0.00
JCB	0.00	0	0.00	0	0.00	0	0.00
Debit/ATM	0.00	0	0.00	0	0.00	0	0.00
American Express	\$100.00	1	\$100.00	0	0.00	1	\$100.00
Total		22	\$7,665.00	0	0.00	22	\$7,665.00

(Amount Submitted - Third Party) + Chargebacks/Reversals + Adjustments + Fees Charged = Amount Funded

AMOUNT FUNDED BY BATCH

Date Submitted	Batch Number	Submitted Amount	Third Party Transactions	Chargebacks/Reversals	Adjustments	Fees Charged*	Date Funded	Funded Amount
12/02/12		0.00	0.00	0.00	0.00	-\$223.52		-\$223.52
12/03/12		\$600.00	0.00	0.00	0.00	0.00		\$600.00
12/04/12		\$1,125.00	0.00	0.00	0.00	0.00		\$1,125.00
12/05/12		\$1,760.00	0.00	0.00	0.00	0.00		\$1,760.00
12/07/12		\$700.00	0.00	0.00	0.00	0.00		\$700.00
12/10/12		\$880.00	0.00	0.00	0.00	0.00		\$880.00
12/18/12		\$400.00	0.00	0.00	0.00	0.00		\$400.00
12/19/12		\$700.00	0.00	0.00	0.00	0.00		\$700.00
12/27/12		\$1,500.00	\$100.00	0.00	0.00	0.00		\$1,400.00
Total		\$7,665.00	\$100.00	0.00	0.00	-\$223.52		\$7,341.48

*Certain fees and charges may relate to a prior period

YOUR CARD PROCESSING STATEMENT

Merchant Number 469233359881
 Customer Service Website - BusinessTrack.com
 Phone - 1-800-742-5030

Page 4 of 5
 Statement Period 12/01/12 - 12/31/12

AMOUNTS SUBMITTED BY BATCH

Date Submitted	Batch Submitted	Visa	Discover	MasterCard	American Express	Total Submitted
12/03/12	120376030555	\$600.00	0.00	0.00	0.00	\$600.00
12/04/12	120376040556	\$700.00	\$425.00	0.00	0.00	\$1,125.00
12/05/12	120376050557	\$1,760.00	0.00	0.00	0.00	\$1,760.00
12/07/12	120376070558	\$700.00	0.00	0.00	0.00	\$700.00
12/10/12	120376100559	\$880.00	0.00	0.00	0.00	\$880.00
12/18/12	120376180560	\$400.00	0.00	0.00	0.00	\$400.00
12/19/12	120376190561	\$700.00	0.00	0.00	0.00	\$700.00
12/27/12	120376270562	\$1,100.00	\$100.00	\$200.00	\$100.00	\$1,500.00
Sub Totals		\$6,840.00	\$525.00	\$200.00	\$100.00	\$7,665.00
Total						\$7,665.00

THIRD PARTY TRANSACTIONS

Date	Description	Amount
12/27/12	Transactions submitted to AMEX	\$100.00
Total		\$100.00

CHARGEBACKS/REVERSALS

Date	Reference No.	Description	Card Number (Last 4 Digits)	Amount
No Chargebacks/Reversals for this Statement Period				
Total				0.00

ADJUSTMENTS

Date	Description	Amount
No Adjustments for this Statement Period		
Total		0.00

FEE CHARGED

Date	Type	Description	Total
12/02/12	IC	OCT BB193-TRANS CLEARED AS COMM CARD ELEC - TAX EXEMPT ENH VI 1	-18.14
12/02/12	IC	OCT BB219-TRANSACTION CLEARED AS CORP / BUSINESS CARD COM VI 2	-73.38
12/02/12	IC	OCT BB660-TRANSACTION CLEARED AS PUBLIC SERVICES(PREMIU DJ 1	-14.21
12/02/12	IC	VISA ACCESS FEE 3 TRANSACTIONS AT .026900	-0.08
12/02/12	IC	MASTERCARD ACCESS FEE 2 TRANSACTIONS AT .026900	-0.05
12/02/12	SC	MASTERCARD DEBIT SALES DISC .037700 DISC RATE TIMES \$470.48	-17.74
12/02/12	SC	VISA DEBIT SALES DISCOUNT .037700 DISC RATE TIMES \$881.50	-33.23
12/02/12	FEE	VISA MISUSE OF AUTH FEE 2 TRANSACTIONS AT .045000	-0.09
12/02/12	FEE	BATCH SETTLEMENT FEE 5 TRANSACTIONS AT .350000	-1.75
12/02/12	FEE	PREMIUM EQUIPMENT SVC PROGRAM	-9.95
12/02/12	FEE	ANNUAL COMPLIANCE SVC FEE	-34.95

ONE PNC PLAZA, PITTSBURGH, PA 15265

001509/000001/202918/A3P0041CPIN002/1510/0001/009820 012 04

YOUR CARD PROCESSING STATEMENT

Merchant Number 469233359881
 Customer Service Website - BusinessTrack.com
 Phone - 1-800-742-5030

Page 5 of 5
 Statement Period 12/01/12 - 12/31/12

FEEES CHARGED

Date	Type	Description	Total
12/02/12	FEE	NON-RECEIPT OF PCI VALIDATION 1 TRANSACTIONS AT 19.950000	-19.95
Total Service Charges			-\$50.97
Total Interchange Charges			-\$105.86
Total Fees			-\$66.69
Total (Service Charges, Interchange Charges, and Fees)			-\$223.52

Fee Type Legend

SC = Service Charges
 IC = Interchange Charges
 FEE = Fees

PENDING FINANCIAL CHARGES AND FEES

Financial charges and fees incurred but not funded during the statement period. See future statements for processing information.

Transaction Type	Date Posted	Description	Net Amount Posted
FEE	12/31/12	AMEX AUTH FEE 1 TRANSACTIONS AT .250000	-0.25
FEE	12/31/12	BATCH SETTLEMENT FEE 9 TRANSACTIONS AT .350000	-3.15
FEE	12/31/12	PREMIUM EQUIPMENT SVC PROGRAM	-9.95
FEE	12/31/12	ANNUAL COMPLIANCE SVC FEE	-34.95
FEE	12/31/12	NON-RECEIPT OF PCI VALIDATION 1 TRANSACTIONS AT 19.950000	-19.95
TOTAL FEES			-68.25
INTERCHANGE	12/31/12	VISA ACCESS FEE 18 TRANSACTIONS AT .026900	-0.48
INTERCHANGE	12/31/12	MASTERCARD ACCESS FEE 2 TRANSACTIONS AT .026900	-0.05
INTERCHANGE	12/31/12	DISCOVER ACCESS FEE 2 TRANSACTIONS AT .026900	-0.05
TOTAL INTERCHANGE			-0.58
SERVICE	12/31/12	AMEX SALES TRANS FEE 1 TRANSACTIONS AT .100000	-0.10
SERVICE	12/31/12	DISCOVER SALES DISCOUNT .038200 DISC RATE TIMES \$525.00	-20.06
SERVICE	12/31/12	MASTERCARD SALES DISCOUNT .038200 DISC RATE TIMES \$100.00	-3.82
SERVICE	12/31/12	VISA SALES DISCOUNT .038200 DISC RATE TIMES \$5,660.00	-216.21
SERVICE	12/31/12	MASTERCARD DEBIT SALES DISC .037700 DISC RATE TIMES \$100.00	-3.77
SERVICE	12/31/12	VISA DEBIT SALES DISCOUNT .037700 DISC RATE TIMES \$1,880.00	-70.88
TOTAL SERVICE			-314.84
GRAND TOTAL			-383.67

TAX GROSS REPORTABLE SALES BY TIN

Total dollar amount of aggregate reportable payment card transactions funded and fully paid by cardholders, for each participating payee, without regard to any adjustments for credits, cash equivalents, discount amount, loss, refunded amounts, or any other amounts per respective tax jurisdiction law.

Month	Description	Total
November	GROSS REPORTABLE SALES-TIN#####1606	\$1,351.98
	2012 YTD Gross Reportable Sales	\$77,503.36

EXHIBIT C

OVERNIGHT INVESTMENT SECURITIES

PERMITTED INVESTMENTS:

- A. **Registered Investment Companies (Money Market Mutual Funds).** Shares in open-end investment funds, provided such funds are: 1) registered under the Federal Investment Company Act of 1940; 2) invested exclusively in the securities specifically permitted under the Virginia Security for Public Deposits Act; 3) similarly diversified, provided that the fund is rated "A" or better by Standard & Poor's and Moody's; and 4) properly registered for sale under the Securities Act (Section 13.1-501 et seq.) of the Code of Virginia.
- B. **Savings Accounts, Time Deposits and Certificates of Deposit.** Instruments of national banks located within the Commonwealth and of banks organized pursuant to Chapter 2, Title 6.1 of the Code of Virginia, provided that such deposits are secured as provided by the Virginia Security for Public Deposits Act.

Exhibit D

CASH BALANCES AS OF DECEMBER 31, 2012	
ACCOUNT NAME	ACCOUNT BALANCE
Water	776,660.88
Water-Debt Service	1,376,199.26
Water Capital Escrow (availability fees)	234,191.40
Water Development Escrow	70,190.06
Subtotal Water	2,457,241.60
Sewer	212,272.72
Sewer Development Escrow	322,003.38
Sewer Capital Escrow (availability fees)	739,861.51
Sewer Compliance	133,910.74
Subtotal Sewer	1,408,048.35
Highway	142,323.62
General Fund	2,623,703.48
Payroll	64,240.94
Money Market-General Fund	2,171.40
Business Super Now-General Fund	32,943.10
Money Market-General Fund	287,267.68
General Fund Capital Escrow Account	50,847.95
Certificate of Deposit	525,489.72
Certificate of Deposit-Police Dept	36,451.32
Special Project Account (Pinewood)	19,883.40
Pinewood Heights Escrow	36,087.74
S. Church Street Account	42,552.88
Subtotal General Fund	3,721,639.61
Beautification Fund	7,815.11
Money Market-Beautification	61,051.05
Subtotal Beautification	68,866.16
TOTAL ALL FUNDS	7,798,119.34

**PROPOSAL FORM –RFP FOR BANKING SERVICES
ATTACHMENT A - RFP SUBMISSION FORM**

SECTION I – COMPANY IDENTIFICATION AND OWNERSHIP DISCLOSURE

Company _____
Address _____
Contact Person _____ Title _____
Telephone No. _____ Fax No. _____ Email _____
Organized under the laws of the State of _____
Principal place of business at _____
Federal Id Number _____ Registered Agent _____
State Corp. Commission Registration No. _____ (attach Certificate of Good Standing)

List the names and addresses of all persons having ownership of 3% or more in the company:

Name	Address
_____	_____
_____	_____
_____	_____

The Town of Smithfield requests, as a matter of policy, that any consultant or firm receiving a contract of award resulting from a formal solicitation issued by the Town shall make certification as specified below. Receipt of such certification, shall be a prerequisite to the award of contract and payment thereof.

SECTION II – EMPLOYEES NOT TO BENEFIT - I (we) hereby certify that if the contract is awarded to our firm, partnership, or corporation, that no employee of the Town of Smithfield, or members of his/her immediate family, including spouse, parents or children has received or been promised, directly or indirectly, any financial benefit, by way of fee, commission, finder’s fee, political contribution or any similar form of remuneration on account of the act of awarding and/or executing this contract.

SECTION III – CONFLICTS OF INTEREST - This solicitation is subject to the provisions of VA Code Ann. Section 2.1-639.2 et seq., the State and Local Government Conflict of Interests Act. The Offeror [] is [] is not aware of any information bearing on the existence of any potential organizational conflict of interest.

SECTION IV – COLLUSION - I certify that this offer is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting an offer for the same services, materials, supplies, or equipment and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of the State and federal law and can result in fines, prison sentences, and civil damage awards. I hereby certify that the responses to the above representations, certifications, and other statements are accurate and complete. I agree to abide by all conditions of this RFP and certify that I am authorized to sign for my company.

Signature _____ Date _____
Name (Printed) _____ Title _____

OFFEROR MUST RETURN THIS FORM WITH PROPOSAL

Attachment B - Pricing Form						
Service Group 1 - Banking Services						
Banking Service	December			October		
	Total Volume (1)	Charge Per Item	Monthly Charge	Total Volume (1)	Charge Per Item	Monthly Charge
General Fund Account						
Deposits/Credits (Counter)	39	\$	\$	45	\$	\$
Deposits/Credits (Remote)	80	\$	\$	18	\$	\$
Deposited Items	do not have a count	\$	\$	do not have a count	\$	\$
Checks Paid	156	\$	\$	120	\$	\$
Deposit Items Returned/Charge Back	3	\$	\$	0	\$	\$
Deposit Items Returned/Resubmitted	3	\$	\$	0	\$	\$
Wire Transfers - Incoming	0	\$	\$	0	\$	\$
ACH Transfers - Incoming	34	\$	\$	18	\$	\$
ACH Transfers - Outgoing	0	\$	\$	0	\$	\$
Wire Transfers - Outgoing	1	\$	\$	0	\$	\$
Stop Payments	0	\$	\$	0	\$	\$
Check Copies	0	\$	\$	0	\$	\$
Master Card/VISA/Discover Merchant's Account	9	\$	\$	10	\$	\$
Master Card/VISA/Discover Sterling Payments Account	19	\$	\$	3	\$	\$
Total		\$	\$		\$	\$
Payroll Account						
Deposits/Credits (Counter)	2	\$	\$	3	\$	\$
Deposits/Credits (Remote)	0	\$	\$	0	\$	\$
Deposited Items	2	\$	\$	0	\$	\$
Checks Paid	51	\$	\$	51	\$	\$
ACH Transfers - Incoming	0	\$	\$	0	\$	\$
ACH Transfers - Outgoing	228	\$	\$	219	\$	\$
Stop Payments	0	\$	\$	0	\$	\$
Check Copies	0	\$	\$	0	\$	\$
Total		\$	\$		\$	\$
Highway Account						
Deposits/Credits (Counter)	1	\$	\$	0	\$	\$
Deposited Items	1	\$	\$	0	\$	\$
Checks Paid	42	\$	\$	28	\$	\$
Stop Payments	0	\$	\$	0	\$	\$
Check Copies	0	\$	\$	0	\$	\$
Total		\$	\$		\$	\$
Water Account						
Deposits/Credits (Counter)	5	\$	\$	8	\$	\$
Deposited Items	23	\$	\$	32	\$	\$
Checks Paid	50	\$	\$	39	\$	\$
Deposit Items Returned/Charge Back	0	\$	\$	0	\$	\$
Deposit Items Returned/Resubmitted	0	\$	\$	0	\$	\$
ACH Transfers - Incoming	16	\$	\$	20	\$	\$
Stop Payments	0	\$	\$	0	\$	\$
Check Copies	0	\$	\$	0	\$	\$
Total		\$	\$		\$	\$
Sewer Account						
Deposits/Credits (Counter)	1	\$	\$	1	\$	\$
Deposited Items	1	\$	\$	1	\$	\$
Checks Paid	42	\$	\$	34	\$	\$
Deposit Items Returned/Charge Back	0	\$	\$	0	\$	\$
Deposit Items Returned/Resubmitted	0	\$	\$	0	\$	\$
ACH Transfers - Incoming	0	\$	\$	0	\$	\$
Stop Payments	0	\$	\$	0	\$	\$
Check Copies	0	\$	\$	0	\$	\$
Total		\$	\$		\$	\$

Other: (Items that bank would like to propose)							
	1						
	2						
	3						
	4						
	5						
NOTE: if the offering bank is unable to provide the designated banking service, then the words "NO PROPOSAL" should be placed in the appropriate column.							
BANK NAME							
PREPARED BY							
SIGNATURE					DATE		

**ATTACHMENT B – PRICING FORM
SERVICE GROUP 2 - CUSTODIAL SERVICES**

PRICING SCHEDULE

(Monthly volume may vary depending on economic conditions- Some of these services may not be used)

Banking Service	Price per Unit	Charge Per Item	Monthly Charge	Annual Charge
Custodial service fee	1	\$	\$	\$
Book entry buy, sale, maturity	1	\$	\$	\$
Physical buy, sale, maturity	1	\$	\$	\$
Outgoing wires	1	\$	\$	\$
TOTAL		\$	\$	\$

Other: (Items that bank would like to propose)

1. _____
2. _____
3. _____
4. _____
5. _____

NOTE: if the offering bank is unable to provide the designated banking service, then the words "NO PROPOSAL" should be placed in the appropriate column.

BANK NAME _____

PREPARED BY _____

SIGNATURE _____ DATE _____

**ATTACHMENT B – PRICING FORM
SERVICE GROUP 3 – LINE OF CREDIT SERVICES**

PRICING SCHEDULE

Banking Service	Interest Rate Options	Are you proposing for Line of Credit Services
\$500,000 Line of Credit		
\$1,000,000 Line of Credit		

Offerors are to insert their proposed interest rate terms.

NOTE: if the offering bank is unable to provide the designated banking service, then the words "NO PROPOSAL" should be placed in the appropriate column.

BANK NAME _____

PREPARED BY _____

SIGNATURE _____ DATE _____

**ATTACHMENT B – PRICING FORM
SERVICE GROUP 4 - PURCHASE CARD SERVICES**

PRICING SCHEDULE

Banking Service	Average Monthly Volume	Are you proposing for Purchase Card Services
Purchase Card rebate	\$5,500	

Offerors are to insert their proposed rebate schedule below based on purchase volume. Note that the Town’s purchase card volume varies significantly from \$5,000 to \$10,000 per month depending on travel and other obligations of the Town. The Town’s current credit limit is \$25,000 with a maximum of \$2,000 per individual user card.

NOTE: if the offering bank is unable to provide the designated banking service, then the words “NO PROPOSAL” should be placed in the appropriate column.

BANK NAME _____

PREPARED BY _____

SIGNATURE _____ DATE _____

**PROPOSAL FORM – RFP FOR BANKING SERVICES
ATTACHMENT C - COMPENSATING BALANCE METHODS
For Service Group 1: Banking Services Only**

Compensating balances shall be related to the cost of Bank Services according to the following formula:

$$\frac{365}{\text{\# Days in Month}} / (1 - \text{Reserve Requirement})^* = \text{Earning Allowance}^{**} = \text{Collected Balances Required to Support \$1.00 of Service}$$

Monthly Service Charge x Collected Balances Required to Support \$1.00 of Service = Compensating Balance

* The bank shall use reserve requirement as of June 30, 2012.

** The earning allowance rate shall be as of June 30, 2012. The Offeror shall prepare and provide the Town a six (6) month history of earning allowance rates.

TO BE COMPLETED BY OFFEROR

$$\frac{365}{\text{\# Days in Month}} / (1 - \text{R.R.}) = \text{Earnings Allowance} = \$ \text{_____} \text{ Collected Balances Required to Support \$1.00 of Services}$$

$$\text{\$ _____ Monthly Service Charges} \times \text{\$ _____ Collected Balances Required to Support \$1.00 of Services} = \text{\$ _____ Compensating Balance}$$

The formula and calculations above must be used and completed by all Offerors proposing on Services Group 1. Offerors are encouraged to also propose alternate computation formulas that will result in better returns for the Town. Alternate computations should be detailed below or on a separate sheet.

BANK NAME _____

PREPARED BY _____

SIGNATURE _____ DATE _____

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE		RESPONSE	
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT		YES/NO/ COMMENT	FEE, IF APPLICABLE
SERVICE GROUP 1: GENERAL BANKING			
1.1	Confirm that the financial institution is either a national banking association, federal savings and loan association or federal savings bank located in Virginia or a bank, trust company or savings institution organized under Virginia law and that the bank is a Qualified Public Depository as defined by the Virginia Securities for Public Deposits Act, Chapter 44, Title 2.2.		
DEPOSIT PROCESSING			
1.2	Provide the address and distance of the branch nearest to: Town Hall, 310 Institute Street, Smithfield, VA 23430.		
1.3	What is the ledger cutoff time for deposits?		
1.4	Can checks, currency, and coin be included in the same deposit or are split deposits required?		
1.5	Does the bank accept loose and/or rolled coin for deposit at branch locations?		
1.6	Is there a fee for depositing loose or rolled coin?		
1.7	What type of deposit bags does the bank allow/require?		
1.8	Does the bank provide these bags?		
1.9	Does the bank charge a fee for these bags?		
1.10	Are there any restrictions on deposit bags provided by the customer?		
1.11	How are deposits credited?		
1.12	Are items immediately verified?		
1.13	Can returned items be automatically redeposited?		
1.14	How many times can a return item be redeposited?		
1.15	Does the bank offer any options that may increase the collection of "bounced" checks?		
1.16	Can the bank provide a detailed return item transmission to the Town?		
1.17	Does the return item report identify the payer's name, depositing location and the type of item being returned?		
AVAILABILITY OF DEPOSITS			
1.18	How do you determine and calculate availability of deposited items?		
1.19	Do you calculate availability by item or formula?		
1.20	Provide a copy of the availability schedule proposed to use for the Town.		
1.21	Is this the best schedule?		
1.22	If this is not the best schedule, quantify the difference and explain how the Town may obtain the bank's best availability schedule.		
1.23	Describe the extra charge, if any, for obtaining the best availability schedule.		
END-OF-DAY OVERDRAFTS			
1.24	What are the fees and interest charges associated with overdrafts?		
1.25	How are overdraft charges calculated?		
1.26	Is there a fee per check or per occurrence when there is an overdraft?		
1.27	Is there a daily cap on fees?		
STOP PAYMENTS			
1.28	How are stop payments orders placed?		
1.29	Can stop payments be placed online?		
1.30	Are stop payment requests effective immediately?		
1.31	If stop payment requests are not immediate, for a check that is presented to the bank today, what is the latest time for a stop payment request to be placed and be effective?		
1.32	How long will the stop payment remain in effect?		
1.33	Are there different stop payment term options?		
1.34	Can stop payments be automatically renewed?		
1.35	How long can stop payment requests be renewed?		
1.36	Is there an associated fee for each stop?		

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE		RESPONSE	
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT		YES/NO/ COMMENT	FEE, IF APPLICABLE
1.37	How are stale checks over six months handled?		
ACH PROCESSING: INITIATED BY THE TOWN			
1.38	What are the different ACH file transmissions options available?		
1.39	What are the transmission deadlines for ACH files?		
1.40	How are returned and rejected ACH transactions handled?		
1.41	What information does the bank provide to assist in identifying returned and rejected ACH transmissions?		
1.42	When is this information available?		
ACH PROCESSING: INITIATED EXTERNALLY			
1.43	On incoming ACH credits, what level of detail is available with ACH Addendums (invoice number, etc.)?		
1.44	How is this information transmitted to the Town?		
1.45	Can information be downloaded and automatically coded for entry into the Town's accounting system?		
1.46	What formats are available?		
1.47	Describe the financial institution's ability to block unauthorized ACH debits?		
1.48	If the bank provides ACH debit blocking, what level of filtering can be applied?		
1.49	Does the bank offer Universal Payment Identification Code? (Ability to mask visible account numbers to reduce the risk of unauthorized direct debits)		
WIRE PROCESSING			
1.50	Describe the process of initiating wire transfers.		
1.51	If wire transfers can be initiated online, describe the system's security features.		
1.52	Can varying degrees of authorization be set on (i.e. multiple authorizers, maximum dollar amounts, etc.)?		
1.53	Does the bank offer its customers dual control release options (secondary approval levels) for electronically initiated transfers?		
1.54	Describe dual control release options for electronically initiated transfers if applicable.		
1.55	What is the cut-off time for same-day wire transfers?		
INTRA-BANK ACCOUNT TRANSFERS			
1.56	Describe the process of initiating an intra-bank account transfer?		
1.57	Does the bank offer its customers dual control release options (secondary approval levels) for electronically initiated transfers?		
1.58	Describe dual control release options for electronically initiated transfers, if applicable.		
1.59	What is the cut-off time for same-day intra-bank account transfers?		
BALANCE REPORTING			
1.60	Describe the reports that will be available to the Town through the bank's balance reporting system. Include sample reports.		
1.61	How will the Town access the reporting system?		
1.62	Will the reporting system provide beginning and ending ledger (book) balances, collected balances, available balances, and float assignment?		
1.63	What current day reporting is available through the reporting system?		
1.64	Does the bank's deposit reporting system report electronic transactions (e.g. ACH, wire) as well as paper documents?		
1.65	Can reports be customized?		
1.66	Is there an additional charge to customize reports?		
1.67	How many business days of balance history are stored on the reporting system for current day reporting?		
1.68	How many business days of balance history are stored on the reporting system for previous day reporting?		

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE			
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT		RESPONSE	
		YES/NO/ COMMENT	FEE, IF APPLICABLE
1.69	Are electronic images stored on the reporting system?		
1.70	How does the bank charge for accessing electronic stored images (per item viewed / per item charge on all items)?		
1.71	How long are electronic images stored on the reporting system and available for customer access?		
OVERNIGHT INVESTMENT/INVESTMENT SWEEP			
1.72	What short-term investment vehicle(s) does the bank propose to use for the overnight investment or sweep of the Town's demand deposit accounts?		
1.73	Does a reserve requirement apply to the proposed overnight or sweep option?		
1.74	Provide return history for the twenty-four month period from July 2010 through June 2012.		
1.75	If a sweep is proposed, what time of day is the sweep deadline?		
1.76	Is sweep at the end-of-day or next-day?		
1.77	What applicable fee (if any) applies for funds swept into this investment vehicle? How is the fee calculated?		
1.78	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 class of shares, including ticker symbol or CUSIP, which is being proposed.		
EARNINGS CREDIT RATING			
1.79	Does the Town have the option of compensating the bank on either a fee or balance basis?		
1.80	Is the price the same for the fee or balance basis option?		
1.81	If fees are different, what is the difference?		
1.82	How is your bank's earnings credit determined, adjusted, and applied?		
1.83	Explain the impact of the bank's reserve requirement, the formula for converting service charges to balance requirements.		
1.84	Provide rate history for the twenty-four month period from July 2010 through June 2012.		
1.85	What time frame does your bank use when reviewing balances for deficiency or excess (e.g. rolling 12 month average, calendar quarter, calendar year, etc.)?		
1.86	Will the bank cash the Town's payroll checks without charge to the employee?		
1.87	What is the charge for employees' to cash a payroll check, if applicable?		
1.88	Is a check cashing agreement required for employees to cash a payroll check?		
1.89	If a check cashing agreement is required for employees to cash a payroll check, include a copy.		
1.90	Do you offer the Town the ability to change earnings calculations based on interest rate fluctuations to maximize earnings?		
1.91	Provide a sample analysis statement for the Town's accounts.		
1.92	How soon after month-end is the analysis statement mailed?		
1.93	Does the bank offer electronic analysis and bank statements?		
1.94	Will the bank pass on FDIC or FICO charges to the Town?		
1.95	If charged, how are the FDIC or FICO charges computed?		

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE		RESPONSE	
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT		YES/NO/ COMMENT	FEE, IF APPLICABLE
SERVICE GROUP 2: INVESTMENT CUSTODY SERVICES			
2.1	Confirm that you propose to provide custody through the firm's trust department.		
2.2	List the total number and market value of accounts held by the trust department as of December 31 for the following years: 2010, 2011, and 2012.		
2.3	Describe your organization's commitment to providing custody services.		
2.4	What office or location will provide custody services?		
2.5	When does the bank credit interest and dividends?		
2.6	Are security transactions settled on an actual or contractual basis?		
2.7	How will the bank compensate the Town for fail float?		
2.8	Describe any sub-custodial arrangements that would be used for fixed-income securities belonging to the Town if applicable. Include a description of the arrangements used for the delivery of physical securities.		
2.9	What short-term investment vehicle(s) does the bank propose to use for the overnight sweep in the Town's custody accounts?		
2.10	Does a reserve requirement apply for the proposed overnight sweep option?		
2.11	What time of day is the cash sweep deadline? Is it end-of-day or next-day sweep?		
2.12	Provide repurchase agreement return history for the twenty-four month period from July 2010 through June 2012.		
2.13	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 class of shares, including ticker symbol or CUSIP, which is being proposed.		
2.14	Provide a complete listing of associated fees and/or administrative charges.		
2.15	Is the sweep option automated?		
2.16	If sweep option is not automated, what process does the bank use to ensure cash balances are invested?		
2.17	What payment options are available? (EFT, EDI, Check, Automatic Debit, etc.)		
REPORTING			
2.18	Describe the frequency and format of custody reports that will be provided to the Town. Include sample reports.		
2.19	Is information provided information to clients through an online inquiry/reporting service? Are customized reports available at no additional charge through this online inquiry/reporting service?		
2.20	What source is used for market valuation of securities?		
2.21	What is the lag time between trade execution, availability of online transaction data, and the settlement of the transaction to the reporting system?		

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE			
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT		RESPONSE	
		YES/NO/ COMMENT	FEE, IF APPLICABLE
SERVICE GROUP 3: LINE OF CREDIT SERVICES			
3.1	Confirm if you propose to provide one or both of the requested lines of credit		
3.2	Explain how the interest rates would be calculated for each line		
3.3	What documentation would be required from the Town to approve one or both lines		
3.4	What procedures are required to initiate a draw on the line(s)		
3.5	How soon would the requested funds be available to the Town		

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE		
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT	RESPONSE	
	YES/NO/ COMMENT	FEE, IF APPLICABLE
SERVICE GROUP 4: PURCHASING CARD PROGRAM		
4.1 Describe the financial institution’s ability to provide purchasing card services.		
4.2 Provide information on the daily volume processed by the financial institution for all clients.		
4.3 What differentiates your service from that of other providers?		
4.4 What card platform(s) does your program employ (e.g., MasterCard, Visa, American Express or other)?		
4.5 If more than one is used, which would you recommend for the Town and why?		
4.6 Provide a detailed overview of the software that supports the company’s commercial card program.		
4.7 Specify the levels of data captured by your procurement card.		
4.8 Discuss settlement terms.		
4.9 What billing cycles are available?		
4.10 How will the Town receive billing statements?		
4.11 What are the payment terms from “statement date”?		
4.12 Describe the card controls and usage restrictions supported by the issuer’s program including but not limited to: Company level, cardholder level, Department level, Merchant Category Code/Standard Industry Classification (MCC/SIC), Cash advance, Dollar limits, and Limitations to Preferred Suppliers.		
4.13 What are the liabilities of the Town and employees in the event of fraud, abuse or loss of a card?		
4.14 Provide a rebate schedule for card activity at various usage levels and payment terms.		
4.15 Are there any exceptions to the rebate schedule (i.e. large ticket items, etc.)?		
4.16 In addition to rebate incentives, how do you partner with customers to achieve further cost reductions?		
4.17 Provide examples of successful implementation for clients.		
4.18 What were the organization issues, solutions and results of this implementation?		
4.19 Describe customer service support for cardholders.		
4.20 Provide any further information about your product offering and capabilities that you feel would facilitate the evaluation and selection process for the Town.		
REPORTING		
4.21 Describe the reporting provided to cardholders and the Town.		
4.22 What information is included in the standard report format?		
4.23 What online reporting is available? Provide sample reports.		
4.24 Describe the electronic data available online that can be downloaded.		
4.25 In what format is information available?		
4.26 Can charges be broken down by card number and a department number?		
4.27 Can individual transactions be automatically coded and for entry into the Town’s accounting system?		
4.28 Are any additional reconciliation management tools available?		
GENERAL INFORMATION+A301		
4.29 What are the various services that you provide for the implementation and operation of the purchase card program?		
4.30 How is your purchase card different from others?		

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE		
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT	RESPONSE	
	YES/NO/ COMMENT	FEE, IF APPLICABLE
THE PURCHASE CARD		
4.31 Can the cards be issued to individuals?		
4.32 Can the cards be issued to Departments?		
4.33 Can the cards be issued to Cost centers?		
4.34 Is there a method of making the card distinct to the Town?		
4.35 What options are available for setting transaction limits and total expenditures per card?		
4.36 What are the methods of suspension and cancellation?		
4.37 What are the various methods of security, control and confidentiality for cards?		
4.38 Can controls be applied to individual merchants, in addition to merchant categories?		
4.39 What are the steps for fraudulent misuse and seizing a card?		
4.40 What Town benefits and vendor benefits would be received by using your purchase card?		
FEES		
4.41 Will you provide the purchase card program at no cost?		
4.42 If there is a fee, please describe?		
4.43 Is there a usage incentive discount of rebate?		
4.44 If yes, please describe.		
PAYMENT OF BILLS		
4.45 What are the payment term options of the program?		
4.46 What are the payment methods available (EDI, Electronic Funds Transfer, Automatic Debit, Cheque, etc.)?		
4.47 What are the available payment terms option with the merchants accepting your product (ie. discount rates, reduced payment terms etc.)?		
4.48 List billing/payment procedures available.		
MERCHANTS		
4.49 Please state range of industrial businesses that accept your card? (percentage & number).		
4.50 What program, if any, do you have in place to increase your acceptance level with potential merchants?		
4.51 What fees will you charge the Town's suppliers?		
4.52 Do the fees referred to in 4.51 decline based on the volume of business with a particular vendor? (if yes, please explain)		
REPORTS/STATEMENTS		
4.53 Can reports be consolidated by individual/department/vendor?		
4.54 Can reports be generated for repetitive purchases and vendor history?		
4.55 Can you provide detailed vendor reports of products purchased (for example, large volume vendors)?		
4.56 Can exception reports be generated for unusual purchases, dollar values, etc.?		
4.57 Please provide samples of reports and statements along with explanations.		
4.58 In what format are billing statements/billings provided?		

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE		
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT	RESPONSE	
	YES/NO/ COMMENT	FEE, IF APPLICABLE
4.59	What are the data options available for statements, ie., taxes, registration numbers, material description, expenditures, etc.?	
4.60	What is the frequency of statements?	
4.61	Can statements for cardholders be consolidated into one statement?	
4.62	Can reports be "customized"? (please explain)	
4.63	What kind of reports software do you have?	
4.64	What level of tax information can you provide?	
4.65	Please identify your communication network with merchants (ie. data transmission - how is data captured, keyed in at POS or "swiped").	
4.66	Describe the "mapping" of transactions in detail. Can you allocate charges to specific cost centers?	
4.67	Can you supply copies of merchant receipts for each transaction?	
	DISPUTE RESOLUTION	
4.68	What are the procedures for dispute resolution?	
4.69	How will you facilitate the timely resolution of disputed charges?	
	DATA RETENTION	
4.70	How long are transaction slips retained for?	
4.71	How long are statements retained for?	
4.72	How long are electronic transmission documents retained for?	
	LIABILITY	
4.73	What would the maximum Town liability be for any unauthorized use of the card? Unauthorized use means a use that did not benefit the boards and was made by someone other than the cardholder.	
4.74	Would Town liability for any unauthorized use of the card end when notification of loss, theft, or cancellation has been received by the supplier?	
	PROJECT MANAGEMENT	
4.75	What staff resources will be available for the Town to contact regarding the ongoing administrative requirements of the purchase card program?	
	IMPLEMENTATION	
4.76	Please indicate the number and type of staff your institution will assign to the Town for the implementation of this project.	
4.77	How long will these people be available to assist with the implementation? Please explain in detail how your institution will work with the Towns current base of vendors to facilitate the implementation of the purchase card.	
	EXPERIENCE/REFERENCES	
4.78	What experience do you have implementing purchase card programs in other public sector organizations?	
4.79	Provide (5) references of public sector customers who have utilized your services, within the last three (3) years, for requirements similar to those described in the Request for Proposal? References should include the name of the organization/firm, contact person's name, and telephone number.	
4.80	How many public sector clients in Virginia have terminated services in the last three years?	
	ADMINISTRATION	
4.81	Can card maintenance be performed from a website?	
4.82	Does the Town's card administrator have access to card transactions on line?	
4.83	If the administrator has access to card transactions, is this information real time?	

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE		
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT	RESPONSE	
	YES/NO/ COMMENT	FEE, IF APPLICABLE
4.84	If the administrator's access is NOT real time, please describe the delay period.	
4.85	Can all reports/statements be accessed on demand, on-line?	
	OTHER	
4.86	Provide any other information detailing functionality of your card program (attach a separate sheet if necessary).	

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE		
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT	RESPONSE	
	YES/NO/ COMMENT	FEE, IF APPLICABLE
THIS SECTION PERTAINS TO ALL SERVICE GROUPS		
QUALIFICATIONS AND EXPERIENCE		
5.1	Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees.	
5.2	Provide the address of the office location(s) that will service the account,	
5.3	Describe the experience of the financial institution in providing similar services for other governmental agencies.	
5.4	Provide ratings for the bank and bank holding company from at least two of the following agencies: Standard & Poor's, Moody's, or Fitch.	
5.5	If the Offeror is not rated by two of these rating organizations, provide other evidence of the institution's credit quality.	
5.6	Discuss the firm's current capital structure, adequacy, and coverage.	
PERSONNEL		
5.7	Provide the name, title, address, phone number, fax number and email address of the primary contact person(s) assigned to this account.	
5.8	Provide biographical information on the individuals that will be directly involved in the management of the Town's account.	
5.9	Describe the experience of these employees in working with public agencies.	
5.10	Describe the proposed role of each with regard to the Town's account. (Name the team member who will be responsible for each proposed Service Group)	
5.11	For each individual, show the number of years of experience in this field and the number of years with your firm.	
5.12	Describe whether a specific customer service representative or a customer service department will be assigned to handle day-to-day transactions for the Town.	
CONTROLS		
5.13	Describe the electronic and/or manual system used to provide the proposed services along with backup and recovery capabilities.	
5.14	Describe the bank's security procedures for its information reporting system, both for access and information protection.	
5.15	Describe the types of insurance and bonding carried.	
5.16	Include a copy of the bank's most recent reports issued in accordance with the Statement of Auditing Standards-70 (SAS70) for any processes or systems relevant to the services under this RFP.	
IMPLEMENTATION / CONVERSION		
5.17	Provide a conversion plan for transitioning each of the proposed Service Groups to your financial institution.	
5.18	Who will be responsible for coordinating the transition for each of the proposed services?	
5.19	Indicate the bank's plans for educating and training Town employees in the use of your bank's systems.	
NEW SERVICES & IDEAS		
5.20	Does the bank offer electronic bill payment services? If so, describe the services offered and the pros/cons of this service.	
5.21	Describe any new services or ideas that will enhance the Town's utilization of banking services described in Service Groups 1 – 4.	
5.22	Please provide any additional information that your bank believes to be pertinent but not specifically requested elsewhere in the RFP.	

ATTACHMENT D - GROUP SPECIFIC QUESTIONNAIRE			
SERVICE DESCRIPTION/SUBMITTAL REQUIREMENT		RESPONSE	
		YES/NO/ COMMENT	FEE, IF APPLICABLE
THIS SECTION PERTAINS TO ALL SERVICE GROUPS			
QUALIFICATIONS AND EXPERIENCE			
COST INFORMATION			
5.23	Is the bank willing to guarantee the proposed fees for the entire term of the contract (up to five years)? If not, for how long are the fees guaranteed?		
5.24	Can fees be invoiced to the Town rather than debited directly from the Town's accounts?		
5.25	If the Town chooses to use compensating balances, are there any charges that could not be paid in this way?		
5.26	Provide a complete fee schedule for all of the services described in your financial institution's proposal using Association of Finance Professionals (AFP) Service Codes, if possible. A list of services currently used with volume levels is provided in Attachment B. Fees related to all services described in the proposal must be listed – even if the service is not shown on the schedule. Also, include any one-time or set-up charges, research fees, minimum fees and all other fees that will be charged. Include any incentives or price breaks offered based on volume, timeliness of payment, rebates or other measures.		