

**City and County of San Francisco**

**Office of the Treasurer and Tax Collector**



**Request for Proposal for Banking & Payment Services**

Date:	May 11, 2012
Pre-Proposal Conference:	June 1, 2012
Deadline for Submission:	August 3, 2012

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## City and County of San Francisco

### Office of the Treasurer and Tax Collector



## Request for Proposal for Banking & Payment Services

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### 1. INTRODUCTION

The City and County of San Francisco (“CCSF”) solicits proposals for banking and payments services from qualified commercial banks and non-bank companies (“Respondents”) that fully and satisfactorily respond to the individual product/service category information requests, banking/payments requirements and questions set forth in Sections Six (6) and Seven (7) of this Request for Proposal for Banking & Payment Services (“RFP”). To be eligible for consideration for this RFP, Respondents must substantially respond to all of the information requests included in Section 8. All of the service categories will be evaluated individually. While it is CCSF’s intention to select a minimum of two (2) commercial banks and as many non-bank companies (“Contractors”) as needed to make certain CCSF’s banking and payment requirements are satisfied, Respondents are encouraged to submit compelling arguments (narrative and pricing) to be selected to manage as much of CCSF’s business as they can competently process.

#### 1.1 CCSF Profile

San Francisco was incorporated on April 15, 1850. It is a chartered city and county form of government. As both a city and a county – the only such jurisdiction in California – San Francisco has a uniquely broad organizational and financial structure including the assessment and collection of property taxes. A summary of CCSF’s key departments is included in Section 1.2.

Annually, CCSF generates approximately 8 million payment transactions amounting to approximately \$13 billion. Revenue sources are in the form of tax collections (property, business, payroll and sales/use), fines and fees for services. Incoming receipts are collected by coin & currency, check, automated clearing house (“ACH”) credit or debit, credit and debit card, and wire transfer. Outbound payments are executed by cash, check, ACH credit, prepaid card, and wire transfer. Total estimated annual volumes for each inbound and outbound product category are included in the Pricing Worksheet accompanying this RFP as **EXHIBIT III**.

In **EXHIBIT IV**, Respondents will find a description of the San Francisco Housing Authority (“SFHA”) together with estimates of its monthly banking and payments transaction volumes. SFHA, which is

funded by both the United States Department of Housing and Urban Development and CCSF, operates in cooperation with CCSF. SFHA requests that Respondents indicate their willingness in their "Proposal Cover Letter" to offer to SFHA pricing identical to that submitted as part of this RFP. If yes and if SFHA determines that Respondents' features and products combined with pricing are of benefit to SFHA, SFHA will undertake, independent of CCSF, negotiations to complete an agreement for banking and payment services.

Please be advised that an amendment to the RFP will be issued shortly with an adjustment to volumes as a result of the inclusion of the banking and payments needs of the City College of San Francisco.

A separate CCSF Request for Proposal for Cardholder Present Merchant Card Processing services and CCSF a Request for Information for Cardholder-Not-Present and E-Check Processing services are being pursued coincidental to this RFP.

## **1.2 CCSF Departments**

CCSF is comprised of approximately fifty (50) departments, eight (8) of which utilize the majority of needed banking and payment services. CCSF's complete catalogue of banking and payments services requirements are incorporated into this RFP as **EXHIBIT I**. Below is a brief description of the business of each of the principal departments whose banking and payment service needs are captured by this RFP. Please refer to **EXHIBIT II** for a summary of the current bank account structure and product utilization for each key CCSF department.

### **1.2.1 Office of the Treasurer & Tax Collector:**

The Office of the Treasurer & Tax Collector ("TTX") leads this RFP and is the primary fiduciary and contractor for bank and non-bank service agreements. All CCSF bank accounts are opened and overseen by TTX and TTX will be the Contractors' primary point of contact during the term of all agreements ("Agreement") resulting from this RFP. TTX, in coordination with the Office of the Controller (see below), establishes and publishes CCSF-wide banking, cash management and payments policies.

TTX serves as the central processor for many of CCSF's banking operations. It supports on-line, in-person and lockbox collection functions on behalf of many CCSF departments and supplies wire and ACH transfer services to those CCSF departments that require execution of such transfers. TTX is implementing the Wausau Financial Systems Enterprise Cashiering solution to process mailed and in-person payments.

TTX oversees and manages balance levels at CCSF operating banks, invests excess cash, acquires cash management and payment services on behalf of other CCSF departments and receives, reviews and approves bank Account Analysis Statements ("AA") and non-bank payment service company invoices.

To read more about the functions and duties of TTX, please refer to the following link: <http://www.sftreasurer.org/>.

### **1.2.2 Office of the Controller**

The Office of the Controller (“Controller”) is responsible for all financial management systems, procedures, internal control processes and reports that disclose the fiscal condition of CCSF to managers, policy makers and citizens. The Controller is also the auditor for CCSF financial and performance audits of departments, agencies, concessions and contracts. In furtherance of these charter-mandated functions, the Controller provides a variety of support services. These include processing CCSF's budget, and developing/maintaining a financial accounting information system for use by all departments.

The Controller is the primary department responsible for preparing and distributing CCSF vendor and contractor payments (check and ACH)<sup>1</sup>, paychecks (check and ACH) for all CCSF employees and other general disbursements.

To read more about the functions and duties of the Controller, please refer to the following link: <http://sfcontroller.org>.

### **1.2.3 Public Utilities Commission -- San Francisco Water – Power – Sewer**

The San Francisco Public Utilities Commission (“SFPUC”) is a department of the City and County of San Francisco that provides retail drinking water and wastewater services to San Francisco, wholesale water to three Bay Area counties, and green hydroelectric and solar power to San Francisco’s municipal departments. Its mission is to provide residential and business customers with high quality, efficient and reliable water, power and sewer services in a manner that is inclusive of environmental and community interests.

The SFPUC Customer Services Bureau is responsible for the billing and collection of utility services and is the primary point of contact for water and wastewater customers. The Bureau maintains over 170,000 water and wastewater service accounts, 2,000 municipal and retail electric services and about 500 land lease accounts totaling about \$600 million in annual revenue.

To read more about the functions and duties of the SFPUC, please refer to the following link: <http://www.sfwater.org/>.

### **1.2.4 San Francisco Municipal Transportation Agency**

The San Francisco Municipal Transportation Agency (“MTA”) is one of America’s oldest public transit agencies and carries over 200 million customers per year. MTA provides transit service within CCSF 24 hours a day, 7 days a week.

MTA operates approximately eighty (80) routes throughout CCSF with stops within 2 blocks of 90% of all residences in CCSF. Operating historic streetcars, modern light rail vehicles, diesel buses, alternative fuel vehicles, electric trolley coaches, and the world famous cable cars, MTA’s fleet is among the most diverse in the world. MTA also oversees CCSF owned parking facilities and parking meters.

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<sup>1</sup> With approval from the Controller, other City departments operate or supervise Revolving Fund, Trust and Escrow accounts and approve/issue disbursements to employees, vendors, service providers, customers, and benefits recipients.

MTA also regulates the taxi industry and other vehicles for hire within CCSF; this includes management and sale of Taxi Medallions.

To read more about the functions and duties of the MTA, please refer to the following link: <http://www.sfmta.org>

### **1.2.5 Department of Human Services**

CCSF Department of Human Services (“DHS”) serves almost 100,000 San Franciscans each year. The people served by HS are those who suffer hardship or who have been unable to participate fully in the social and economic life of the community.

To read more about the functions and duties of the DHS, please refer to the following link: <http://www.sfhsa.org>.

### **1.2.6 Department of Public Health**

CCSF Department of Public Health (“DPH”) operates two Divisions - the Community Health Network (“CHN”) and Population Health and Prevention. CHN is CCSF's health system and has locations throughout CCSF including San Francisco General Hospital Medical Center, Laguna Honda Hospital and Rehabilitation Center, and over 15 primary care health centers. The Population Health and Prevention Division has a broad focus on the communities of CCSF and is comprised of the Community Health and Safety Branch, Community Health Promotion and Prevention Branch, and the Community Health Services Branch.

To read more about the functions and duties of the DPH, please refer to the following link: <http://www.sfdph.org/>.

### **1.2.7 San Francisco International Airport**

The San Francisco International Airport (“SFO”) operates the primary airport serving CCSF and other Bay Area communities. One of the world’s 30 busiest airports, SFO is committed to setting the standard for the industry. This includes being a leader in safety and security, customer service and satisfaction, community relations, environmental commitment, quality of facilities, and financial and economic vitality. SFO was the first major U.S. airport to achieve 100 percent fully automated and integrated baggage screening. Today, efficient operations ensure that passenger screening wait times are among the shortest in the nation.

To read more about the functions and duties of SFO, please refer to the following link: <http://www.flysfo.com>.

### **1.2.8 San Francisco Unified School District**

The San Francisco Unified School District (“SFUSD”) is the eighth largest school district in California, educating over 56,000 students every year.

The mission of SFUSD is to provide each student with an equal opportunity to succeed by promoting intellectual growth, creativity, self-discipline, cultural and linguistic sensitivity, democratic responsibility, economic competence, and physical and mental health so that each student can achieve his or her maximum potential.

To read more about the functions and duties of SFUSD, please refer to the following link: <http://www.sfusd.edu>.

## 2.0 SCHEDULE OF ACTIVITIES

### 2.1 Schedule

CCSF intends to follow the schedule described below to distribute the RFP and receive/evaluate responses from Respondents. CCSF reserves the right to alter the schedule at any time.

ACTIVITY	DATE
RFP issued, posted online	May 11, 2012
Deadline for preliminary inquiries <sup>(1)</sup>	May 25, 2012
Pre-Proposal Conference	June 1, 2012
Pre-Proposal Conference Minutes posted as an addendum to RFP	June 11, 2012
Deadline for final inquiries <sup>(2)</sup>	June 18, 2012
Final addendum to RFP posted	June 29, 2012
Proposals due	August 3, 2012
Respondent Interviews	August 15 - 16, 2012
Selection Date	August 31, 2012

(1) This deadline is the final date for submission of questions which will be addressed at the Pre-Proposal Conference. Questions received after this deadline will not be officially addressed until the final version of the RFP is posted on June 29, 2012.

(2) This deadline is the final date for submission of questions which will be addressed in the final version of the RFP.

### 2.2 Obtaining the RFP

The RFP is available from TTX's website at:

<http://www.sftreasurer.org/rfp>.

### 2.3 Pre-Proposal Conference

To allow CCSF to discuss the RFP with and answer any questions submitted by Respondents and to provide for an equitable dissemination of information, TTX will host a Pre-Proposal Conference at the following time and location:

Date: June 1, 2012  
 Time: 9:00 AM –11:30 AM  
 Location: CCSF City Hall, Hearing Room 400  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102.



Respondents may dial into the meeting using the below call-in number and participant code:

Call-In Number: 877-213-9444  
Participant Code: 689399

Respondents are limited to three (3) in-person attendees at the Pre-Proposal Conference.

### **3.0 TERMS AND CONDITIONS FOR RECEIPT OF PROPOSALS**

Proposals are to be made based upon the contents of this RFP. CCSF will assume no responsibility for any misunderstandings or misrepresentations concerning information provided or conditions given by any of its employees prior to the execution of the Agreement unless it is included in the RFP or related documents.

Respondents submitting proposals to this RFP must deliver one (1) original and ten (10) copies of their proposals together with one (1) electronic version of the proposals in PDF format on a Compact Disc ("CD") or UBS Flash Drive clearly showing the Respondent's name.

#### **3.1 No Proposal**

Respondents that choose not to submit a proposal for an entire or part of a particular service category in Section Seven (7) (Scope of Services) should communicate their intentions by marking the service section: "No Proposal." Respondents are encouraged to submit, if appropriate, an alternate or equivalent service or solution.

#### **3.2 Right to Reject Proposals**

CCSF reserves the right to select Respondents whose proposals, in the sole judgment of CCSF, best meet the needs of CCSF. CCSF shall have the right to request that Respondents provide additional information regarding any particular services or group(s) of services contained in their proposals, and to enter into negotiations with Respondents for said service(s). CCSF reserves the right to reject any and all proposals, to waive any non-material irregularities or informalities in any proposals and to accept or reject any proposed item or combination of items.

The product statistics contained in the RFP are estimates and projections based on recent history. CCSF makes no commitment that the product volumes included in the RFP will materialize. The RFP does not commit CCSF to pay any costs incurred by Respondents in the submission of proposals or in making any necessary studies or designs for the preparation of proposals nor any costs associated with negotiating and completing Agreements for the services.

Respondents are reminded that all technical and business questions concerning this RFP should be submitted by e-mail to the following secure TTX mailbox:

[ttx.rfp@sfgov.org](mailto:ttx.rfp@sfgov.org)

Questions concerning compliance with CCSF's Equal Benefits Ordinance are to be directed to the San Francisco Human Rights Commission ("HRC") at 415-252-2500. Documentation and guidance is also available at HRC's website

<http://www.sf-hrc.org/>

### **3.3 Authorized Signatories**

Bank and payment company personnel who execute the cover letter to the proposal or any other associated documents must be authorized signatories with the full and requisite authority to represent their firm and to enter into a binding Agreement with CCSF.

### **3.4 Late or Facsimile Transmission Proposals**

Proposals received after the stated deadline (see Section 2.1) will not be considered nor will any proposal submitted by facsimile transmission.

### **3.5 Withdrawal of Proposals**

Upon submission of a written request to TTX, Respondents may withdraw proposals at any time prior to the deadline for submission. After the deadline for submission, all proposals shall be firm offers and may not be withdrawn for one-hundred eighty (180) calendar days.

### **3.6 Corrections or Resubmission of Proposals**

No corrections or resubmission of proposals will be accepted after the proposal submission deadline.

### **3.7 Errors and Omissions in the RFP**

Respondents are responsible for carefully and thoroughly reviewing all portions of this RFP. Respondents are to promptly notify TTX, in writing, if Respondents discover any ambiguity, discrepancy, omission or other error in the RFP. Any such notification should be directed by e-mail to TTX promptly after discovery but in no event later than ten (10) working days prior to the deadline for receipt of proposals. Modifications and clarifications to the RFP will be made by addendum as provided below.

### **3.8 Revision of Proposal**

Respondents may revise proposals on their own initiative at any time before the deadline for submission of proposals. Respondents must submit revised proposals in the same manner as the original. A revised proposal must be received on or before the proposal due date. No corrections or resubmission will be accepted after the proposal submission deadline.

In no case will a statement of intent to submit a revised proposal or commencement of a revision process extend the proposal due date for Respondents.

At any time during the proposal evaluation process, TTX may require Respondents to provide oral or written clarification of their proposals. TTX reserves the right to make a selection decision without further clarification of proposals received.

### **3.9 Errors and Omissions in Proposal**

Failure by TTX to object to an error, omission or deviation in Respondents' proposals will in no way modify the RFP or excuse the Contractor from full compliance with the specifications of the RFP or any Agreement negotiated pursuant to the RFP.

### **3.10 Amendment to the RFP**

TTX may modify the RFP prior to the proposal due date by issuing written amendment(s). All amendments will be posted to CCSF's website according to the schedule outlined in Section 2.1. CCSF reserves the right to alter this schedule at any time as necessary. Notwithstanding this provision, Respondents shall be responsible for ensuring that their proposals reflect any and all amendments issued by TTX prior to the proposal due date regardless of when the proposal is submitted. Therefore, CCSF recommends that Respondents review CCSF's website prior to submitting proposals to determine if Respondents have received and responded to all amendments.

### **3.11 Term of Proposal**

Submission of a proposal signifies that the proposed services and prices are valid for one-hundred and eighty (180) calendar days from the proposal due date and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

### **3.12 Financial Responsibility**

CCSF accepts no financial responsibility for any costs incurred by a bank or a payments company in responding to this RFP. Submitted RFPs will become the property of CCSF and may be used by CCSF in any manner deemed appropriate by CCSF.

### **3.13 Respondents' Obligations under the Campaign Reform Ordinance**

Respondents must comply with Section 16.510-2 of CCSF Administrative Code which states:

*No person who contracts with the City and County of San Francisco, for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidate for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and either the completion of, or the termination of, negotiations for such contract.*

If Respondents are negotiating an Agreement that must be approved by an elected local official or the board on which that officer serves, during the negotiation period Respondents are prohibited from making contributions to:

- The officer's re-election campaign
- A candidate for that officer's office
- A committee controlled by that officer or candidate

The negotiation period begins with the first point of contact, either by telephone, in person or in writing when Respondents to this RFP approach any CCSF officer or employee about a particular Agreement, or a CCSF officer or employee initiates communication with a potential Contractor about an Agreement. The negotiation period ends when an Agreement is awarded or not awarded to one or more Respondents. Examples of initial contact include: (i) a Respondent contacts a CCSF officer or employee to promote himself or herself as a candidate for an Agreement; and (ii) a CCSF officer or employee contacts a Respondent to propose that the potential Respondent apply for an Agreement. Inquiries for information about a particular Agreement, requests for documents relating to a Request for Proposals and requests to be placed on a mailing list do not constitute negotiations.

Persons who knowingly or willfully violate Section 16.510-2 are subject to a fine of up to \$500 and a jail term of six (6) months, or both.

### **3.14 Sunshine Ordinance; Proposal as Public Record**

In accordance with CCSF's Sunshine Ordinance (San Francisco Administrative Code Section 67.24[e]), Respondents' bids, responses to RFPs and all other records of communications between CCSF and persons or firms seeking contracts shall be open to inspection immediately after an Agreement has been awarded and will be considered "Public Record" as defined in Section 6252 of the California Government Code. Information provided which is covered by this paragraph will be made available to the public upon request. Nothing in the Sunshine Ordinance requires the disclosure of a private person's or an organization's net worth or other proprietary financial data submitted for qualification of an Agreement or other benefits until and unless that person or organization is awarded the Agreement.

### **3.15 Public Access to Meetings and Records**

If a Respondent is a non-profit entity that receives cumulative total per year funding of at least \$250,000 in CCSF funds or CCSF-administered funds and is a non-profit organization as defined in Chapter 12L of CCSF Administrative Code, Respondent must comply with the reporting requirements of that Chapter. Respondent must include in its proposal (i) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to Respondent's meetings and records, and (ii) a summary of all complaints concerning Respondent's compliance with Chapter 12L that were filed with CCSF in the last two (2) years and deemed by CCSF to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in Respondent's Chapter 12L submissions shall be grounds for rejection of the proposal and/or termination of any subsequent Agreement reached on the basis of Respondent's proposal.

### **3.16 Reservation of Rights by CCSF**

The issuance of this RFP does not constitute an agreement by CCSF that any Agreement will be actually entered into by CCSF. CCSF expressly reserves the right at any time to:

1. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
2. Reissue a Request for Proposals;
3. Prior to submission deadline for proposals, modify all or any portion of the selection for any materials, equipment or services to be provided user this RFP, or the requirements for contents or format of the proposals;
4. Procure any materials, equipment or services specified in this RFP by any other means; or
5. Determine that no Agreement will be pursued.

### **3.17 No Waiver**

No waiver by CCSF of any provision of this RFP shall be implied from any failure by CCSF to recognize or take action on account of any failure by Respondents to observe any provision of this RFP.

### **3.18 Agreement Term**

CCSF intends that any Agreement(s) resulting from this RFP will be for a period of five (5) years. An additional two (2) two-year extensions, optional at CCSF's discretion, may be negotiated.

### **3.19 Cost Limitation**

CCSF requires that the pricing for services offered by any successful Respondents will remain unchanged as quoted in the RFP for the first term of five (5) years.

### **3.20 Acknowledgement of RFP Terms and Conditions**

The CSSF requires that Respondents closely review and execute the Acknowledgement of RFP Terms and Conditions included as Appendix 10.1.0.

## **4.0 PROPOSAL FORMAT, CONTENT & SUBMISSION ADDRESS**

Respondents' Proposal Packages must contain the following materials. Respondents may utilize this section as a "checklist" to assure completeness prior to submitting Proposals.

Be certain, if you intend to submit a proposal, to complete and submit all of the required Vendor Forms listed in Appendix 10.2.0 before you formally submit your proposal packages to CCSF.

1. A cover letter signed by an authorized officer of Respondent listing the service categories to which Respondent is submitting proposals.
2. A sealed envelope labeled "Sections 6, 7 & 8" containing one (1) original and ten (10) copies of the proposal(s) together with one (1) electronic version of the proposal(s) in PDF format on a Compact Disc ("CD") or UBS Flash Drive clearly showing Respondent's name and including the following:

- Proposal Cover Letter
- Response to all of Section 6
- Response to relevant portions of Section 7
- Response to Section 8

In addition, include in the sealed envelope labeled “Sections 6, 7 & 8”, the following:

- Properly executed copy of Appendix 10.1.0.
- Using the directions set forth in Appendix 10.3.0, either your declaration of “no changes” to the Agreement in Appendix 10.5.0 or a marked copy of the Agreement clearly showing your recommended/requested modifications to the Agreement.

For both Appendices 10.1.0 and 10.5.0, you need to provide only one (1) copy of the response inserted with the one (1) original proposal submission. You do not need to insert copies in the ten (1) duplicate sets of the proposal.

3. A separate sealed inner envelope labeled “Pricing Proposal” containing one (1) original “Pricing Proposal” and ten (10) duplicate “Pricing Proposals” for each portion of Section 7 for which Respondent is submitting a Proposal. Include one (1) non-write protected CD of the “Price Proposal.”
4. A separate envelope marked “Human Rights Commission” containing two (2) signed copies of Appendix 10.4.0.
5. Submission Address:

Respondents must deliver complete and properly organized proposal packages to the below address:

BANKING & PAYMENTS PROPOSAL  
 ATTN: Greg Kato  
 Office of the Treasurer & Tax Collector  
 City & County of San Francisco  
 City Hall - Room 140  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102.

## **5.0 SELECTION CRITERIA**

Respondents’ proposals will be evaluated by an Evaluation Panel comprised of CCSF employees representing the key user departments.

Proposals will be judged on the basis of “Best Value” relying on a weighted average Price Per Evaluation Point score produced using the below Evaluation Worksheet:

SCORING CRITERIA	MAXIMUM SCORE WEIGHT
<b>SECTION 6</b>	
Experience & Operational Capability	5
Organizational & Financial Capacity	5
Contracting, Relationship Management, Implementation, Customer Service, Disaster Recovery	20
<b>SECTION 7</b>	
Thoroughness of your specific product category response	5
Product Features	30
Technical Capabilities	30
<b>SECTION 8</b>	
Quality of Section 8 Response	5
<b>Total Points</b>	
	<b>100</b>

Respondents' total five (5) year estimated costs computed in the Pricing Worksheet (**EXHIBIT III**) will be divided by the Total Points computed in the Evaluation Worksheet above to calculate a "Price Per Evaluation Point" for each Respondent.

At least three (3) Respondents with the lowest average weighted "Price Per Evaluation Point" may, but not necessarily will, be invited for in-person discussions of their proposals and to answer any questions from the Evaluation Panel.

Final selections will be made on the basis of the Evaluation Panel's final average weighted "Price Per Evaluation Point" adjusted for any meaningful modifications made as a result of in-person discussions.

## **6.0 RESPONDENT PROFILE: EXPERIENCE, MANAGEMENT, FINANCIAL CONDITION & SAN FRANCISCO BUSINESS ACTIVITIES**

**Respondents must provide answers to the below questions regarding experience, capability, financial condition, contracting, relationship management, customer service, implementation, and business resumption plans:**

**Please provide evidence of your firm's ability to meet each of the following standards:**

### **6.1 Experience & Operational Capability**

1. Respondents must demonstrate that they can meet/satisfy CCSF banking and payment requirements efficiently, accurately and timely. CCSF's largest deposit day, not including an extraordinary day when bond proceeds are received, during the past twelve (12) months was \$144 million. CCSF's largest disbursement day during the past twelve (12) months totaled \$156 million. Extraordinary events – principally due to bond proceeds and payment service - could add as much as \$250 million to these numbers.
2. Respondents must have a minimum of three (3) years relevant experience providing the services for which they submit proposals to this RFP.

3. Respondents' key staff assigned to support CCSF's operating requirements must have a minimum of three (3) years relevant experience delivering and servicing the products required in this RFP.
4. Respondents must provide a minimum of three (3) relevant references (preferably a substantial municipal government), including the name of the reference, a brief statement describing the relationship between Respondent and the reference, and the name, title and telephone number of a contact person at the reference. Please obtain prior approval for CCSF to contact the references.
5. Respondents must provide assurance that the key persons, or similarly qualified persons, assigned to the Agreement have the relevant experience and qualifications required and that the identified key staff, or similarly qualified persons, will be available for the duration of the Agreement.
6. Respondents must demonstrate that they can process CCSF's transaction, payment and information volumes accurately and on time every day without interruption.
7. Respondents must demonstrate that they have the technical expertise and capability to process CCSF's banking and payment transactions accurately and on time every day without interruption.
8. For the products and services in your proposal, have you been audited by the FFIEC and if yes, did you receive a satisfactory rating?
9. Does your bank or firm have any plans that will substantially change any operating platforms, policies or procedures reflected in your RFP responses during the next twelve (12) months? If yes, please describe. Do you have any plans that will change your bank's or firm's financial structure: merger, acquisition, legal or regulatory action, stock buy-back, initial public offering or stock issuance, or capital infusion?

#### 6.2. Organizational & Financial Capacity

Respondents must be able to:

1. Demonstrate Respondents' organizational (i.e. technical, managerial and financial) capabilities to provide the services described in this RFP.
2. Demonstrate that Respondents' have the capacity to integrate the RFP services into their organization.
3. Demonstrate that Respondents are fiscally sound and capable of delivering the RFP services.
4. Supply three (3) years' Annual Reports to Shareholders and Audited Financial Statements.

#### 6.3. Contracting, Relationship Management, Implementation, Customer Service, Disaster Recovery

Respondents must address each of the following questions or requests for information:

1. A copy of CCSF's standard Professional Services Agreement ("PSA") format is included in **Appendix 10.5.0**. Please review the PSA and provide remarks on your bank's/firm's willingness to agree to the terms and conditions set forth in Appendix 10.5.0.
2. For each Service Category proposed by Respondents, the proposal must include a description of Respondents':
  - a. Relationship & Customer Service abilities and commitments:



- Will you assign a dedicated treasury management/account representative(s) to CCSF relationship? Identify the representative(s) you plan to assign to CCSF and provide a resume of his/her/their background and experience. How will credit decisions regarding CCSF relationship be made?
  - Can your bank and/or subcontractors process intra-day withdrawal activities (checks presented, automated clearinghouse credits, wire transfers) that may amount to as much as \$1 billion without encountering internal or external limitations that would delay transaction processing?
  - Will you assign a dedicated customer service officer(s) who covers all of the purchased products/service as a single point of contact to CCSF? Identify the customer service officer(s) you plan to assign to CCSF and provide a resume of his/her/their background and experience.
  - Will you establish Service Level Agreements (“SLA”) for each purchased banking or payment service and agree to liquidated damages for critical misses? If you do publish SLAs for the service categories for which you are submitting a proposal, please provide the SLAs.
  - How can CCSF communicate with the customer service department(s)? Telephone, e-mail, text, webpage? How will CCSF employees access each communication channel? How do you authenticate CCSF employees at the customer service office?
  - What functions can customer service perform for CCSF versus those functions that must be performed in an operations unit?
  - What are each service’s customer service hours?
  - What are your emergency customer service plans?
  - What is your service level agreement (“SLA”) for response times to specific issues in each service category? Do you have published SLAs for key deliverables? If yes, please provide samples.
  - If any of your products are delivered by third parties, describe how customer service is managed in those services.
- b. Implementation plan including resource allocation
- Will you assign a dedicated implementation team to CCSF? Who will lead the implementation project? Provide a resume of his/her/their resume of his/her/their background and experience.
  - Provide a well thought through (reasonably, but not excessively, detailed) implementation plan for the proposed service categories showing CCSF dependencies. Show your best estimate of the start and end date for each proposed service category and any dependencies.
- c. Business resumption and continuity plans and commitments.
- Explain your bank’s/firm’s approach to disaster recovery. For the products for which you are making a proposal, please describe your disaster recovery and business continuity programs including testing and chief compliance officer oversight.
  - Do you test your business resumption plan? How often? When was the last time your plan was fully tested? What were the results of the test?
  - For non-banks, do you have a SAS-70 and will you provide a summary of the audit report?



## 7.0 SCOPE OF WORK

The Scope of Work of this RFP consists of four (4) separate categories (with sub-categories) of banking and payment services (refer to Table of Contents).

- 7.1 **GENERAL REQUIREMENTS**
- 7.2 **DISBURSEMENT SERVICES**
- 7.3 **DEPOSITORY SERVICES**
- 7.4 **ELECTRONIC FUNDS TRANSFER SERVICES**

Respondents must respond fully to Section 7.1 to the extent the questions apply to their businesses. Respondents may opt to submit proposals for any or all of the service categories or sub-categories in Sections 7.2, 7.3, and 7.4 (please be sure to respond to the General Requirements portion of each Section (again, to the extent the questions apply to your business)). Respondents shall respond in full to all questions for each of the categories or sub-categories to which Respondents submitting proposals. Depending on how many service categories and sub-categories to which Respondents may submit proposals, Respondents may encounter similar or duplicate questions. This condition exists in order to allow Respondents to respond completely to a single service category or sub-category. Please respond to the duplicate questions by either referencing an earlier answer or simply repeating your answer to the duplicate question. Proposals for each of service category or sub-category will be evaluated separately; each service category or sub-category proposal must be able to stand on its own as complete and independent of other service category or sub-category proposals.

The selection criteria will be weighted separately for each service category or sub-category. Finalists will be selected in each individual category or sub-category, regardless of Respondents' participation or ranking in any of the other categories or sub-categories. Respondents may be selected for more than one category or sub-category should they rank highest among the Respondents for those categories or sub-category of services. CCSF encourages Respondents that may not be able to provide all of the services required by CCSF to submit proposals for any of the RFP's individual service categories or sub-categories.

For those service categories or sub-categories on which your bank/firm wishes to submit a proposal, you must complete **EXHIBIT III** ("Pricing Worksheet") as part of Section 7.0.

The economics of any selection made from this RFP will be based on a combination of (i) unit fees tied to actual volumes, and (ii) not-to-exceed time and material costs for very specific changes to the Agreement (all such changes being negotiated, committed to written form and executed by authorized officers of both CCSF and the Contractor). Additionally, CCSF will implement a liquidated damages provision covering key service level misses. CCSF will consider proposals to structure the Agreement economics differently but reserves the right to select any structure that is in CCSF's best interest.

### 7.1.0 GENERAL REQUIREMENTS

#### 7.1.1 Monthly Account Analysis ("AA") or Invoice

##### Bank Contractor

A bank Contractor will deliver to TTX every month, not later than fifteen (15) calendar days after the end of each month during the term of the Agreement, both a paper copy and an electronic AA statement (consolidated for the group and an individual statement for each bank account) in the ANSI 822 record format showing:

Required data fields:

- statements for each individual bank account plus a group aggregation statement;
- bank account numbers and titles of accounts included in the AA;
- average daily ledger, float and collected balances;
- uniquely identified service charge items incurred by each individual account (for example, information reporting services must be charged at the individual account level rather than aggregated at a single billing account level) ;
- volumes rendered for each service to each account;
- unit price for each service, matching unit prices incorporated into the Agreement;
- total charge per item for each bank account, equaling unit price times volume; and
- total charges for all services rendered to each account, agreeing with the sum of charges for all price points.

Bank Respondents should explain/provide:

- the availability of 822 electronic AA statement output containing the required data fields;
- the available delivery media;
- the availability of group summary with adjustments;
- the availability of individual statements reporting ALL services charges for each account;
- the ability to provide reports on schedule with the required deadline; and
- samples of aggregate and individual bank AA statements
- its service level agreement covering the accuracy of the monthly AA/invoice statement including consistency of pricing to contracted price points. Will you agree to pay liquidated damages/penalties for any monthly instance in which your failure to properly use contracted price points and report volumes accurately results in a 10% variance from an accurate calculation of service charges? If yes, how would you propose setting the damages and/or penalty?

A bank Contractor will be compensated for services correctly charged on the monthly AA statements pursuant to the Agreement resulting from this RFP by a mixture of compensating balances and balance deficiency fees payable within thirty (30) calendar days after CCSF has received a month's accurate and comprehensive AA statement. It is CCSF's intention to pay for as much of the service charges as possible by fees relying on professional management of daily collected balances.

It is CCSF's expectation that it will pay for the majority of monthly service charges by direct payment of fees and CCSF will make all compensation decisions based on its best interests. However, Respondents may, but are not required to, encourage CCSF to pay a larger proportion of each month's calculated fees by compensating balances. Respondents may offer any combination of balance, funds availability, Federal Reserve requirement, FDIC insurance premiums, and earnings credit rates to encourage CCSF to pay with compensating balances. If Respondents wish to encourage the use of compensating balances, they should

submit their offer, including an explanation of how excess earnings credits (if produced) may be used in future months or years, in response to Section 7.1.1 of this RFP and in the appropriate location in **EXHIBIT III**. Respondents must guarantee for the term of the Agreement, including optional extension periods, an explicit formula for the conversion of fees to compensating balances using a widely/publicly quoted, published rate on which monthly earnings credit rates will be determined.

A bank Contractor must provide a monthly AA Statement showing only those price points covered by any Agreement issued as a result of this RFP. The AA Statement will calculate total monthly fees as the sum of individual price points calculated as follows: monthly price point transaction volume x Agreement price = total price point fee.

### **Non-Bank Contractor**

A non-bank Contractor must provide a monthly invoice, not later than twenty (20) days after month end, in a form approved by TTX showing only those price points covered by any Agreement issued as a result of this RFP. The invoice will calculate monthly fees as the sum of individual price points calculated as follows: monthly price point transaction volume x Agreement price = total price point fee.

A non-bank Contractor will be compensated for services correctly charged on the monthly invoice pursuant to the Agreement resulting from this RFP by fees payable within thirty (30) days after CCSF has received an accurate and comprehensive invoice.

In addition to any proposal terms you submit for the delivery, content and payment of invoiced fees, kindly confirm in your proposal your understanding and acceptance of the requirements detailed above.

### **7.1.2 Balance Insurance and Collateralization**

All CCSF balances held on deposit at a bank Contractor must be fully insured, to the maximum level permitted by law, by the Federal Deposit Insurance Corporation (“FDIC”) and for any balances that do not receive insurance protection from the FDIC, the bank Contractor must provide full collateralization of the balances in accordance with State of California Law.

1. Kindly confirm in your proposal your understanding, acceptance of and ability to conform to this requirement.
2. Do you collateralize balances through an established pool or on a separate instrument basis or both?

### **7.1.3 General Bank Account Services**

1. Describe the attributes of the demand deposit account (“DDA”) system on which any CCSF accounts will operate. Does the bank operate a separate Wholesale/Business DDA? Describe the unique characteristics and benefits of using your DDA. What makes your business DDA services unique and superior for the needs of CCSF?
2. Explain the bank’s zero balance account (“ZBA”) service. Does the bank zero balance ledger or collected or either balances? Are intra-day credit balances in a ZBA account recognized in the

master account? Are intra-day debit balances in a ZBA account recognized in the master account? Explain how zero balance accounts affect any intraday credit limits that are assigned to CCSF's relationship. Can specific target balance levels be set for any ZBA?

3. Can the bank block a DDA or ZBA from all check postings (i.e. post no checks)? Can the bank establish a maximum check size that can be paid against a specific DDA or ZBA? Can the bank block a DDA or ZBA for any automated clearinghouse ("ACH") debits? Can the bank filter ACH debits presented to a DDA or ZBA? If yes, explain how the ACH filter works.
4. Explain your intra-day and overnight overdraft policies. How will your bank establish intra-day overdraft limits for CCSF? What is the maximum dollar ACH one (1) day and three (3) day rolling average limits your bank will assign to CCSF's relationship? In the event that CCSF exceeds its intra-day overdraft limit, please explain how you manage that situation. What is your pricing for both intra-day and overnight overdrafts?
5. In the event of a unique emergency situation, CCSF could require an overdraft credit facility as large as \$150 million (for example, on a payroll and retirement payment date, the amount could be as much as \$100 million). Are you prepared to support this requirement and if yes, what will CCSF have to provide to secure this emergency line of credit? Is there a price for this emergency line of credit over and above the pricing quoted in question #4 above?
6. What is your transaction history retention practice? How long are transactions available for retrieval online? How long are transactions available for retrieval offline? Are you willing/able to retain all transaction history for ten (10) years or longer? If longer, what is the maximum time limit?
7. Can you produce bank statements daily, weekly, monthly, on dates specified by CCSF? How long after cut-off are bank statements available? Describe how bank statements are made available: paper, on-line, direct transmission. Provide a sample of a basic bank statement showing checks paid, electronic debits and deposit activity.
8. Do you offer an overnight, automated investment "sweep" service? Describe in detail the mechanics of the daily sweep of funds to and from the investment. What investment choices do you offer in the sweep service? Please provide a prospectus for the funds you believe CCSF would most likely use.
9. Certain CCSF departments partner with non-CCSF organizations to manage disbursements for workman's compensation, special medical benefits payments and other functions overseen and executed by third party administrators. Does your bank have special trust services that will assist CCSF to complete its fiduciary oversight of these accounts/funds? If yes, please explain the functionality of your trust services.
10. Certain CCSF departments maintain escrow accounts into which non-CCSF funds are deposited and held for safekeeping while awaiting, for instance, a court order covering the disposition of the money assets. Does your bank have special escrow account services that will assist CCSF to complete its fiduciary oversight of these accounts/funds? If yes, please explain the functionality of your escrow account services.

11. CCSF acts as guardian for certain San Francisco residents who are indigent or require assistance managing their finances. An account or accounts is/are needed to safely hold these residents' monies with CCSF controlling disbursement of the funds on behalf of the residents. Do you offer "on behalf of accounts" that provide FDIC insurance coverage individually for each person's funds on deposit in the guardian accounts? Does your bank have any special accounts services that will assist CCSF to complete its fiduciary oversight of the guardian accounts? If yes, please explain the functionality of your trust account services.

#### 7.1.4 Online System and Reporting Services

**NOTE: QUESTIONS IN THIS SECTION MUST BE ANSWERED TO THE EXTENT THEY APPLY TO THE SERVICES FOR WHICH YOU ARE SUBMITTING A PROPOSAL. WHENEVER A THIRD PARTY CONTRACTOR PARTICIPATES IN YOUR DELIVERY OF ANY OF THE FOLLOWING SERVICES, PLEASE DISCLOSE SUCH IN YOUR ANSWERS AND EXPLAIN THE CONTEXT OF YOUR ASSOCIATION WITH THE THIRD PARTY.**

##### Online/Electronic Information Reporting

1. Is your online information reporting system owned and operated internally or is the system outsourced through a third party? If through a third party, please identify the third party. Are improvements and changes to the service controlled by the bank or a third party?
2. Describe the electronic banking systems and channels (e.g., Internet, PC, mobile telephone, text message) that may be used to access or be notified of account information or activity.
3. Do you have a demonstration site at which CCSF can preview sample same day and previous day reports available online from your bank/firm? If yes, please provide a link to the site. If no, please provide print samples of all available reports.
4. Do you have mobile reporting services that CCSF can preview? If yes, please refer CCSF to a demonstration site or provide print samples of all available reports.
5. Is your mobile information reporting system owned and operated internally or is the system outsourced through a third party? If through a third party, please identify the third party. Are improvements and changes to the service controlled by the bank or a third party?
6. Can CCSF create customized online or mobile reports? Explain how CCSF may design and receive customized reports.
7. What type of information technology consulting does the bank offer? Please include a pricing sheet for these services
8. Can your bank/firm provide CCSF with a download of historical data? If so, in what format(s)?
9. Can the system report information from other banks? If so:
  - a. What levels of detail are available?

- b. How often is information from other banks updated and available (e.g., next day, same day batch, same day real time)?
- c. When is the updated information first available each day?
- d. Can the reports be delivered to CCSF in BIA Format?

10. Indicate the bank’s capability, in the three (3) below charts, to provide the specified detailed information for each balance and transaction type listed:

Table #1

Transaction Type	Master Account Number	Shadow Account Number	Auxiliary MICR Field	Transaction Date	Transaction Amount	BAI Transaction Code
Deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Return Items	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deposit Correction – Teller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deposit Correction – Vault	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deposit Correction – Proof	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coin and Currency Orders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Misc. Debits and Credits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ACH Debits and Credits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wires	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Merchant Card Deposits with Merchant Reference Number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Identify those Same Day and Previous Day transaction reports your bank/firm can make available to CCSF? For each report you make available, provide the other information requested in columns B, C, D, F, G & H.

Table #2

Balance or Transaction Type	Same Day Information				Previous Day Information			
	A	B	C	D	E	F	G	H
	Available Online?	Available by Mobile Report	Reporting Time(s)	How Often Is Information Daily?	Available Online?	Available by Mobile Report	Reporting Time(s)?	Stored/Available Online for How Many Days?
Ledger Balance	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Collected Balance	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		



Available Balance	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Zero Balance Debits/Credits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Branch Deposits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Vault Deposits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Lockbox Deposits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Wire Credits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
ACH Credits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Merchant Card Credits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Image Cash Letters	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Miscellaneous Credits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Return Items	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Deposit Correction – Teller	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Deposit Correction – Vault	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Deposit Correction – Proof	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Coin and Currency Orders	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Controlled Disbursement Presentments	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Controlled Disbursement Adjustments	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Prepaid Card Funding	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Purchase Card Funding	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Positive Pay Variances	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
ACH Debits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		
Wire Debits	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>		

Identify those inquiry, decision making and payment origination services available through your online reporting system

Table #3

Inquiry, Search and Input Modules	Single User Control	Dual User Control	Multi-Level User Control	Available Authentication Techniques (Password/ID, Certificates, Tokens, Other). Please explain thoroughly.
Positive Pay Entry Input	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Positive Pay Exception Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Coin/Currency Ordering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Stop Payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Returned Item Decisioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ACH Debit or Credit Origination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wire Transfer Origination - Repetitive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wire Transfer Origination – Free Form	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Prepaid Card, Stored Value Card, PayCard Activation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Purchasing Card Activation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

11. Can CCSF customize reports at the account or transaction type/category level in order to see general rather than detailed reporting (for instance, no reporting of ZBA transfers in the Master Account)?
12. Is the detail indicated above available for all formats and delivery options? If not, discuss any variations.
13. Can the bank match a CCSF department location number contained in the auxiliary MICR field to a CCSF department location name, based on information provided by CCSF, in order to report the location name back to CCSF?
14. Can CCSF determine history retention? If yes, for which services?
15. Can the bank provide CCSF with a download of historical data? If so, in what media and format(s)?
16. Does the bank correct deposit location numbers if there is a serial number misread? If not, how are they reported?
17. Do previous day Zero Balance Account (ZBA) reports include float?
18. Discuss the ability of the deposit reporting system to interface directly with CCSF's accounting system and/or treasury workstation used by CCSF. Is there a charge for the interface?
19. Can individual users be restricted to accessing information only on certain accounts or transaction types?

20. What is the delay between the real time transaction and the time it is reported on a Current Day Report?
21. Will you offer tiered/customized reporting by account level or transaction type level (i.e., no ZBA credits or debits, no checks)
22. Discuss the format and delivery options available to CCSF for receiving previous day deposit activity detail files.
  - a. In what formats (e.g., BAI, flat file, etc.) is the daily deposit activity detail file available? Supply file layout specifications and a sample of each format option.
  - b. By what methods can CCSF receive this file (e.g., electronic transmission, Web-based, FTP, third-party data exchange, etc.)? Describe the technical requirements and technical support for each delivery method.
23. Discuss the methods (e.g., web-based, proprietary software, etc.) by which CCSF can view previous day deposit activity detail and balance information. Are other electronic methods available to receive information reports (e-mail, text message, fax)?
  - a. Can information be accessed by multiple users?
  - b. Can information be accessed from multiple locations?
  - c. Can individual users be restricted to accessing information only on certain accounts or transaction types?
  - d. Can users specify the types of information that they want to view?
  - e. What are the hardware and software requirements for each access method?
  - f. What is the minimum bandwidth required for transmission? What is the optimal bandwidth?
  - g. Describe the safeguards against lost data. Do they include built-in back up features and data recovery if processing is disrupted due to power loss or other interruptions?
24. Does your service require a standalone PC? Can your service co-exist on the same PC with other software? What software (names and version numbers) are required to use your online reporting service?
25. Does your mobile reporting service work on the iPhone, Android Phones and/or Blackberry Phones? Also, iPad? What software (names and version numbers) are required to use your mobile reporting services?
26. Are there minimum PC requirements? What are the optimal requirements? Is there a need for any specific software, other than yours, to perform the necessary functions?
27. List any additional peripheral hardware that may be required for optimal performance of your service.
28. Do you permit customization of the software?
29. Can the software be used over a LAN? If so, what are the optimal network requirements necessary to run the software?

30. Describe how authentication tools (see question #10, Table #3 above) are distributed to users. Does CCSF need to identify one or more security administrators or is that function performed by your bank/firm? What are the roles of CCSF security administrators versus functions performed by your bank/firm?
31. Explain how limits (access, functions and dollar limits) are assigned to users. Does your solution offer the ability to provide a report of all listed users and their rights and capabilities? How can CCSF verify that users and limits are properly assigned?
32. Describe your system's controls to ensure that a user's limits cannot be changed without proper authorization.
33. Do you prohibit CCSF's third party administrators from using the service? If third party administrators can use the service, are there special enrollment or control procedures?
34. Can passwords be assigned an expiration date? Is the date assigned by the bank or the Security Administrator?
35. Are passwords user-defined or bank provided?
36. Describe the procedures to be followed by CCSF if a user password is lost or forgotten. Can the password be reset immediately via dual control by the Master User and Security Administrator? What is the turnaround time to obtain a new password?
37. How often does the user authentication expire?
38. Describe the security parameters governing user passwords, including:
  - a. Minimum and maximum length
  - b. Restrictions on content of passwords (e.g., username and password cannot be the same, etc.)
  - c. Mandatory password changes (e.g., initial sign-on, periodic, etc.)
  - d. User-initiated password changes
39. Are usernames and passwords encrypted for storage? If so, what encryption algorithm is used?
40. Are usernames and passwords encrypted for transmission? If so, what encryption algorithm is used?
41. Discuss the process used to identify and authenticate users of the system when logging into the system. Is the authentication methodology provided by a third party? If so, discuss.
42. Are users required to re-authenticate after being signed on to the system for a period of time? If so, how long can users remain on the system before they are required to re-authenticate? Can we modify the time required for re-authentication?

43. Does your service disable or suspend a username after a fixed number of unsuccessful sign-on attempts? If so, can this number be changed?
44. Does the service prohibit a user from being signed on to more than one workstation?
45. How can CCSF disable a user temporarily? Permanently?
46. Do certificates or tokens need to be replaced on a schedule? Describe the replacement process. Can CCSF have a certificate or token disabled temporarily? Permanently?
47. Can the system return a file to CCSF's accounting system(s) that shows all wire transfers, ACH/bulk payments, drafts, and checks that have cleared CCSF's accounts? If so, describe.
48. What options does the bank offer for information reporting via file delivery to CCSF's systems.
49. Can the bank provide CCSF with a CD-ROM of historical data? If so, describe data provided on CD-ROM. What is your pricing for this service?
50. In what formats is information available for retrieval (e.g., BAI, ANSI ASC X12 Transaction Set 821, formatted reports)?
51. What communications protocols are offered for file delivery? Is file delivery via the Internet available?
52. Does the bank maintain any linkages to Value Added Networks (VANs) to deliver information to CCSF? If yes, who are the vendors? Is there any additional cost to CCSF?
53. Can data be exported from the online reporting system to Excel and other software packages? Discuss.
54. Describe the security procedures (e.g., hardware, software, physical) that the bank/firm uses to protect bank/firm systems and customer data from access by bank/firm employees and vendor personnel.
55. Provide information on the frequency of external security audits and who conducts these audits.
56. What log/reporting information is kept to track bank/firm or vendor employees who access CCSF's information or initiate transactions on CCSF's accounts? How long is this information retained?
57. Are Internet-access systems hosted internally by the bank/firm, or by a third party hosting or co-location service?
58. Discuss the type and level of any authentication and encryption methodology used for communicating with customers.
59. Discuss the firewalls and intrusion detection systems that the bank has in place.

60. For the delivery methods listed below, indicate which of the following remittance formats are available to CCSF.

		<i>Remittance Information Formats Delivered to CCSF</i>								
Delivery Methods Available to Customer	BAI	ASC X12			NACHA			UN/EDIFACT	XML	Other:
		820	823	835	CCD	CCD+	CTX			
Mainframe Transmission										
PC Transmission										
Value-Added Bank/Network (VAB/VAN)										
Secure Browser-Based Transmission										
Secure File Transfer Protocol (FTP) Transmission										
Online Balance/Information Reporting System										
E-mail										
Fax										
Paper										
Other:										

61. Indicate what information can be reported through the bank’s on-line balance/information reporting system. Attach sample reports if appropriate.

- a. Information on payment amounts only
- b. Detailed remittance information only
- c. Detailed information on payments and remittances

62. Provide your bank’s average monthly EDI/EFT transaction volumes for payment and remittance detail receipts, as well as the average number of accounts and/or customers served. Provide breakdown by:

- a. Payment/message formats received by the bank
- b. Delivery methods available to customers
- c. Remittance information formats delivered to customers

**7.2.0 Disbursement Services**

**7.2.1 General Service Requirements**

1. Describe your DDA stop payment services. Through which channels can a stop payment be initiated? How are stop payments confirmed? How long are stop payments actively enforced in the bank's records? Can the stop payment timeframe be extended?
2. Describe the methods (e.g., Internet, PC, manually) the bank offers to place stop payments.
  - a. What is the deadline for same day action?
  - b. Will the system verify if a check has been paid before accepting the stop?
  - c. How much history is examined in the verification process?
  - d. How long will the stops remain in effect?
  - e. Can the period be extended?
  - f. Can CCSF request stop payments for a range of checks? What is the limit of the range?
  - g. What time is the system available for placing stop payments?
3. Discuss how the bank processes and reports any CCSF transactions that originated as checks that are converted to ACH debits at the point-of-sale or at a lockbox. How do converted checks affect the following?
  - a. Controlled disbursement presentment totals
  - b. Stop payments
  - c. Account reconciliation
  - d. Positive pay

#### **Account Reconciliation Services**

4. Does the bank offer Account Reconciliation Program ("ARP") services for controlled disbursement and non-controlled disbursement accounts? If ARP service varies between controlled disbursement and non-controlled disbursement accounts, describe the differences.
5. Are both full and partial reconciliation offered? Please provide sample reports.
6. Please specify whether the following ARP options are available at your bank.
 

<input type="checkbox"/> Data Transmission	<input type="checkbox"/> Input	<input type="checkbox"/> Output
<input type="checkbox"/> CD ROM	<input type="checkbox"/> Input	<input type="checkbox"/> Output
<input type="checkbox"/> PC/Internet	<input type="checkbox"/> Input	<input type="checkbox"/> Output
<input type="checkbox"/> Image of ARP Reports		
<input type="checkbox"/> Microfilm	<input type="checkbox"/> PC/Internet	<input type="checkbox"/> CD ROM
<input type="checkbox"/> Archive		
<input type="checkbox"/> Index of checks		
<input type="checkbox"/> PC/Internet	<input type="checkbox"/> CD ROM	<input type="checkbox"/> Archive
<input type="checkbox"/> Imaged in check serial number order		
<input type="checkbox"/> Imaged randomly with indexing		
<input type="checkbox"/> High Order Digit Break		
<input type="checkbox"/> Stale Date Parameters		
<input type="checkbox"/> Maximum Dollar Limits		
<input type="checkbox"/> Fine Sorting of Paid Checks		
<input type="checkbox"/> Automatic Register/Issue File Editing		

- \_\_\_ Sub-Accounting within Accounts
- \_\_\_ Float Analysis
- \_\_\_ Electronic transmission of period-end bank statements
- \_\_\_ Interim bank statements

7. Can CCSF specify a cut-off date for ARP reports? If not, what dates are available?
  - a. Can CCSF specify a cut-off date for bank statements? If not, what dates are available?
  - b. Can cut-off dates for ARP reports and bank statements be independent of each other?
  
8. How soon after the cut-off date will the following be sent?
  - a. For full reconciliation:
    - bank statements
    - canceled checks (or microfilm/CD ROM)
    - reconciliation information
  - b. For partial reconciliation:
    - bank statements
    - canceled checks (or microfilm/CD ROM)
    - reconciliation information
  
9. What is the turnaround time to receive:
  - a. A copy or image of a check?
  - b. The original check (if stored on-site)?
  - c. The original check (if truncated and stored off-site)?
  
10. What reconciliation features does the bank have that distinguish it from other banks?
  
11. What is the bank's cut-off time for:
  - a. Receiving issued check files (for full reconciliation)?
  - b. Receiving adds and deletes?
  - c. Receiving manual issues?
  - d. Transmitting paid check files (for partial reconciliation)?
  - e. Transmitting reconciled check files (for full reconciliation)?
  
12. Describe the process that your bank uses to verify all records have been received and processed.
  
13. On a daily basis, can CCSF transmit multiple issue files to the bank?
  
14. Does your system provide for electronic confirmation of receipt for daily file transmissions?
  
15. Describe your bank's controls to prevent file loss, duplicate transmissions, and acceptance of duplicate returns. Do the controls differ by type of applications? If yes, please explain.



16. Does your bank provide an image capture of paid items?
17. How does your image system capture and report images for damaged checks?
18. What mediums are available for receiving check image detail?
19. Are there any volume limitations for receiving check image detail?
20. Can your system index according to a miscellaneous field that captures a payee identifier (e.g., social security number, vendor number, account number)?

### **Positive Pay**

21. Is the bank able to match items presented for payment against an electronic file of checks issued by CCSF (i.e., positive pay) and/or transmit checks paid data to CCSF and accept a file of exception items (i.e., reverse positive pay)?
22. Does the bank offer a daily service to compare checks paid against a check issue file and provide the customer with a daily notification of all exception items (i.e., prior day Positive Pay)?
  - a. What is the bank's delivery deadline for notifying CCSF of exception items?  
\_\_\_\_\_ AM/PM                      Time Zone \_\_\_\_\_
  - b. What is the response deadline for the customer's pay/return decisions?  
\_\_\_\_\_ AM/PM
  - a. Are approved exception items automatically added to the issue file for account reconciliation purposes?
  - c. If not, what is the mechanism to add to the issue file for account reconciliation purposes?
  - d. What is the deadline for the transmission of check issuance files to the bank?  
\_\_\_\_\_ AM/PM
23. Does the bank offer a daily service to transmit checks paid data to CCSF and accept a file of exception items (i.e., Reverse Positive Pay)?
  - a. What is the bank's deadline for transmitting paid check data?  
\_\_\_\_\_ AM/PM
  - b. What is the deadline for receiving an exception file? \_\_\_\_\_ AM/PM
  - c. What is the delivery deadline for notifying the customer of actual (non-MICR error/misread) exception items? \_\_\_\_\_ AM/PM
  - d. What is the response deadline for CCSF's pay/return decisions?  
\_\_\_\_\_ AM/PM
24. Does the bank offer a daily service to compare same day checks presented against a check issue file and provide CCSF with a daily notification of all exception items in conjunction with controlled disbursement (i.e., same day Positive Pay)? Can your bank repair any MICR or encoding errors before posting entries to the controlled disbursement account (i.e. perfect presentment)?

- a. What is the bank's delivery deadline for notifying CCSF of exception items?  
\_\_\_\_\_ AM/PM                      Time Zone \_\_\_\_\_
  - b. What is the response deadline for pay/return decisions?  
Same day \_\_\_\_\_ AM/PM  
Next day \_\_\_\_\_ AM/PM
  - c. Are approved exception items automatically added to the issue file for account reconciliation purposes?
  - d. If no, what is the mechanism to add to the issue file for account reconciliation purposes?
  - e. What is the deadline for the transmission of CCSF's check issuance files to the bank?  
\_\_\_\_\_ AM/PM
25. Describe all methods by which the bank can receive the file of all checks issued and voided by CCSF.
26. Describe all methods by which CCSF can send manual issues or deletes to the bank.
27. How are positive pay reports delivered (e.g., phone, fax, proprietary PC software, Internet)?
- a. Is this report integrated with the bank's balance reporting system/software?
  - b. Are MICR errors/misreads deleted from the positive pay report prior to the report being sent/transmitted?
  - c. Are check images integrated with the positive pay report?
  - d. If yes, how are check images delivered?  
Image via a PC \_\_\_\_\_ Image via Internet \_\_\_\_\_  
Other (describe) \_\_\_\_\_
  - e. If no, can check images be delivered separately from the positive pay report upon request? If yes, describe.
  - f. What methods (e.g., phone, fax, proprietary PC software, Internet) can CCSF use to notify the bank of its pay/no pay decision?
28. In the event that the bank does not receive CCSF's pay decision response by the stated deadline, is the default disposition set by the bank or by CCSF? If the bank sets the default, what is the default disposition (e.g., pay, return, optional)?
29. May a dollar threshold be applied to the default disposition (e.g., return all checks over \$500)?

### **7.2.2 Controlled Disbursement**

1. Where is your controlled disbursement point situated? How long have you offered controlled disbursement services through this endpoint? How many average monthly items have cleared your controlled disbursement point in each of the past three (3) years?
2. Is the bank's controlled disbursement service provided by the bank or a correspondent? Do you offer more than one (1) controlled disbursement location? Which location do you recommend for CCSF? What are the unique advantages of your controlled disbursement service?

3. Are the General Bank Account Services answers provided in Section 7.1.3 above applicable to the bank's controlled disbursement product? If not, please explain any differences.
4. Discuss how the bank processes and reports any CCSF transactions that originated as checks that are converted to ACH debits at the point-of-sale or at a lockbox. How do converted checks affect the following?
  - a. Controlled disbursement presentment totals
  - b. Stop payments
  - c. Account reconciliation
  - d. Positive pay
5. What are the average daily total dollars and total items presented to the bank's controlled disbursement site?  
  
Average Daily \$ \_\_\_\_\_ Average Daily Items \_\_\_\_\_
6. Discuss how the bank handles items presented after CCSF is notified of its total daily clearings.
  - a. Are these items posted against the account, or held over and included with the next day's first presentment?
  - b. If these items are held over, discuss whether the bank charges for the held over items and, if so, how the charge is determined.
7. CCSF is considering issuing all check payments against controlled disbursement accounts including vendor/supplier/contractor payables as well as payroll and customer refunds. Does your bank have any restrictions on CCSF's use of the controlled disbursement service?
8. Assuming CCSF uses positive pay including payee verification, will your bank cash controlled disbursement checks in its branches? If yes, what procedures will you follow?
9. CCSF requires that accounts payable, payroll and benefits checks be cashed with proper authentication of the payee at one or more convenient bank branches in San Francisco. CCSF expects this service to be provided free of charge. Will you confirm availability of this service? At which San Francisco bank branch locations will you provide this service?
10. Where is the physical capture of controlled disbursement checks performed?
11. Do reported presentment totals include rejected/damaged items?
12. If the physical capture of checks does not agree with electronic presentment totals, how are discrepancies handled? Describe.
13. If discrepancies result in adjustments to the funding totals, when will CCSF be notified of the discrepancies?

- Same day \_\_\_\_\_ Next day \_\_\_\_\_
- a. If the same day, at what time? \_\_\_\_\_ AM/PM
  - b. If the next day, are rejected checks included in the daily notification?
  - c. If the next day, is there a charge for the use of funds for the period between presentment and posting? If yes, at what rate? \_\_\_\_\_
  - d. Is there a difference in notification of discrepancies for checks over a certain dollar amount? If so, describe.
14. Can third-party ACH debits be charged to the controlled disbursement account? Can the bank block the posting of ACH debits? Can the bank filter ACH debits presented to the controlled disbursement account?
  15. Does the bank have an established maximum dollar value limit that may not be exceeded by an individual check (other than the 10-digit MICR limit)?
    - a. If yes, what is the maximum? \_\_\_\_\_
    - b. Please explain any restrictions regarding individual check amounts.
  16. Are illegible serial numbers repaired for all controlled disbursement checks? If no, are illegible serial numbers repaired as part of the Account Reconciliation for ARP checks?
  17. Discuss the bank's policies and procedures for processing stale-dated items. If CCSF uses positive pay, will CCSF be notified of stale-dated items? If CCSF uses positive pay, can the bank enforce stale-dated items and return stale items unpaid to the bank of deposit?
  18. Does the bank offer payee match as part of its positive pay service? Do branch tellers have access to the positive pay payee match file when negotiating a check for encashment?
    - a. If yes, describe the service.
    - b. If no, discuss any plans to offer this service and a projected timetable.
    - c. What are deadlines for delivery of positive pay files to the bank and what is the elapsed time between the bank's receipt of the positive pay file and the file being used/available at the teller station?
  19. Will the bank reject any checks improperly converted to POP, ARC or BOC under the National Automated Clearinghouse ("NACHA") operating regulations?
  20. If more than one notification is made, what percent of the dollars and items was included in each notification during the previous quarter?
  21. How will CCSF be notified if the daily notification is delayed?
  22. By what methods can CCSF be notified of the amount of checks to be charged to its account? Does the method selected affect the notification time?

23. Does notification of daily clearings (or funding requirements) include both check and ACH debits? If yes, how are ACH totals reported?
- \_\_\_\_\_ Integrated with check information  
\_\_\_\_\_ Reported separately
24. Is high order prefix reporting available? If yes, what information is available (e.g. check numbers, amount)?
25. List CCSF's funding options and identify the requirements and restrictions of each option (e.g., wire, ACH, drawdown, delayed funding).
26. For those funding mechanisms ("ACH") which result in next-day funds, does the bank require compensation for the availability delay? If so, explain.
27. What is the cut-off time for funding the controlled disbursement presentment total?
28. Must a separate account be maintained for funding purposes?
29. Does the bank offer zero balance sub-accounts that may be funded automatically from a designated funding account?
- a. Where will the funding account be located and what transfer mechanism funds the subsidiary account, if not automatic?
  - b. Is there a limit to the number of sub-accounts for each parent?
  - c. How many tiers of accounts are offered?
30. What procedures are used to resolve overdrafts caused by funding failures as a result of:
- a. Improper funding by CCSF?
  - b. The bank's error or delay in notification?
  - c. A Federal Reserve problem?
31. Are any line(s) of credit required for controlled disbursement customers? If so, discuss requirements.

### **7.2.3 Integrated Payables - EDI**

1. Can the bank/firm receive and process a consolidated file containing payments by different payment methods (i.e., wire transfers, ACH/bulk payments, drafts and checks, and/or Virtual Commercial Payment Cards created in CCSF's accounting system, in order to originate transactions and create an issued file for positive pay service? If yes, describe in detail.
  - a. Eligible payment types (including credit/ghost cards)?
  - b. Format languages?
  - c. File transmissions and confirmations?
  - d. Workflow? Timing?

- e. Daily deadlines?
  - f. Reconciliation?
2. How many customers currently use your Integrated Payables service? How many used the services one (1) year ago, two (2) years ago?
  3. Explain the benefits of your Integrated Payables services including:
    - a. How payment recipients are enrolled in your services (if necessary)?
    - b. Whether recipients are paid more promptly than under customary payables processing?
    - c. Whether recipients show a preference for electronic payments and what percent of recipients are willing to be paid by credit card?
  4. For the customer input methods listed below, indicate which of the following payment instruction formats the bank/firm accepts.

		Formats Accepted from Customer								
Customer Input Methods	BAI	ASC X12			NACHA			UN/EDIFACT	XML	Other:
		820	823	835	CCD	CCD+	CTX			
Mainframe Transmission										
PC Transmission										
Value-Added Bank/Network (VAB/VAN)										
Secure Browser-Based Transmission										
Secure File Transfer Protocol (FTP) Transmission										
Web Initiation System										
E-mail										
Other:										

5. For CCSF formats accepted as listed below, indicate which payment and message types the bank/firm is currently able to originate.

Formats Accepted from Customer	Payment/Message Types Originated By Bank											
	ASC X12			NACHA			Check	Fedwire	UN/EDIFACT	SWIFT	CHIPS	Other:
	820	835	813	CCD	CCD+	CTX						

ACH CCD												
ACH CCD+												
ACH CTX												
ASC X12 820												
ASC X12 835												
ASC X12 813												
UN/EDIFACT												
SWIFT												
XML												
Other:												

6. Indicate which payment/message networks the bank/firm employs to originate payments:

- a. ACH
- b. Fedwire
- c. CHIPS
- d. SWIFT
- e. Other: \_\_\_\_\_

7. Is the bank/firm capable of receiving payment file transmissions after the processing cut-off times and processing those files on the next business day? If so, discuss whether there are any timing restrictions or whether payment files can be transmitted to the bank at any time.

8. Describe the bank’s/firm’s ability to originate Federal and state electronic tax payments.

9. Describe the bank’s/firm’s ability to warehouse payment orders.

10. Indicate whether the bank/firm can deliver remittance detail to the receiver of the payment under the following scenarios.

Payment/Message Formats Originated By Bank	Remittance Detail Delivery Options to Receiver							
	Directly with Payment	VAB/VAN	Direct Transmission	Hard Copy	Internet	E-Mail	Fax	Other:
ACH CCD	N/A							
ACH CCD+								
ACH CTX								
ASC X12 820								

ASC X12 835								
ASC X12 813								
Lockbox Check								
Fedwire								
UN/EDIFACT								
SWIFT								
CHIPS								
Other:								

11. Indicate how the bank/firm recommends formatting payments to assist in re-associating the payment with the remittance detail when sent separately by:
  - a. The bank/firm
  - b. CCSF
  
12. Indicate how the bank/firm determines which payment type and remittance detail delivery method is used to originate payments:
  - a. Bank/Firm Determines RDFI Capability
  - b. Bank/Firm Acts on Customer Instructions (e.g., by means of the Payment Method Code [BPR04])
  - c. Bank/Firm Maintains a Receiving Company Database
  - d. Other \_\_\_\_\_
  
13. What type of assistance or services does your bank/firm offer to CCSF’s payees with respect to the delivery of remittance information? Is there an additional fee for this service?
  
14. Discuss how daylight overdraft limits might impact your bank’s/firm’s processing of EDI payments.
  - a. Does the bank/firm use transaction or file dollar limits for payments?
  - b. Is CCSF informed of its limit?
  - c. What procedures are followed when CCSF exceeds its limit?
  - d. When setting limits for ACH originations, does the bank/firm distinguish between credits and debits?
  
15. Provide your bank’s/firm’s average monthly EDI/EFT transaction volumes for payment and remittance detail origination, as well as the average number of accounts and/or customers served. Provide breakdown by:
  - a. Customer input methods
  - b. Payment/message formats originated by the bank



16. Are any of the bank's/firm's EDI processes (e.g., IT, Operations) outsourced? If yes, describe and include diagrams of file and payment flows.
17. Describe how the bank/firm processes ACH return items and how customers are notified of these returns. Does the bank/firm offer ACH return item reporting using the ANSI X12 827 transaction set?
18. When and how does your bank/firm post ACH debits and credits in terms of ledger and collected balances (e.g., memo posting policy and frequency)?
19. Provide a listing of all ANSI X12 transaction sets and versions of each that your bank/firm supports.
  - a. How many customers are using each transaction set listed?
  - b. Describe how the bank/firm responds to new versions of ASC X12 standards and in what time frame.
  - c. Do any of the transaction sets used by the bank/firm differ from the ASC X12 standard? If so, discuss.
20. List all UN/EDIFACT messages supported by the bank/firm.
21. Does the bank/firm currently offer any Web-based service that would help CCSF use EDI with its non-EDI capable vendors and customers? If yes, describe the service. If no, discuss any plans to offer this service and a projected timeline.
22. Indicate which methods of transmission security the bank/firm currently supports.

Security Methods	Mainframe	PC	Internet	VAB/VAN	Other:
Hardware-Based Data Encryption					
Software-Based Data Encryption					
Hardware-Based Message Authentication					
Software-Based Message Authentication					
Automatic Call/Dial Back					
Other:					

23. Does the bank/firm require that a particular security method be used? If so, describe.
24. Does the bank/firm require that CCSF use a specific encryption algorithm? If so, describe the requirement and discuss the bank's/firm's capability to accept alternative algorithms.
25. Indicate which acknowledgment and control features the bank/firm supports:

- a. ASC X12 997 Functional Acknowledgment
  - b. ASC X12 824 Application Advice
  - c. ASC X12 831 Control Totals
  - d. Other: \_\_\_\_\_
26. Describe the bank's/firm's procedures for tracing payments and remittance detail after release for each of the payment mechanisms that the bank/firm uses.
27. Describe the controls the bank/firm has in place (e.g., editing, audits) to protect data integrity, ensure that payment files are not duplicated or lost, verify data syntax, etc.
28. Describe the hardware, software and physical/data security supporting your bank's/firm's EDI processing. Are any activities outsourced to third parties?
29. What historical/archival policies and procedures does the bank/firm maintain for payments and remittances?

#### **7.2.4.0 Card Disbursement Tools**

***INFORMATION NOTE:** Certain CCSF departments are interested in the new, continued or expanded use of a stored value/prepaid card product to accomplish check and cash replacement functions such as:*

- a. Payroll
- b. Retiree Payments
- c. Student on-campus functions (student id, food service, vending, etc.)
- d. Benefits/entitlement distributions
- e. Transit and parking programs
- f. Medical program payments
- g. Disbursements to recently released inmates

*You are encouraged to supply as much information as possible to inform CCSF of the capabilities, limitations and opportunities available to use your stored value/pre-paid card payment tools to improve the efficiency and lower the costs of CCSF disbursement functions.*

#### **7.2.4.1 Stored Value/Prepaid/PayCard Services**

1. Is your card program processed in-house, is processing outsourced, or is the program offered through a third-party?
2. If outsourced or offered through a third-party, identify the vendor/partner. Is there an expiration of your relationship with the third party vendor/partner? If yes, what is the expiration date?
3. How long have you or the vendor/partner been delivering a pre-paid card or other type of stored-value product?

4. If you are a bank, do you require CCSF to open a new and separate demand deposit account with you to operate the pre-paid card program? If yes, describe why it is necessary. If you are a non-bank vendor, how do you handle the need for a required separate demand deposit account for the program?
5. Is your pre-paid card product branded (e.g., Visa, MasterCard) or non-branded?
6. Do you offer a “closed loop” pre-paid card service? If yes, provide as much detail as possible including how acceptance of the card works and through whom?
7. Is your prepaid card product signature-based, PIN-based, or both?
8. Do you issue a magnetic stripe card or a CHIP card? If magnetic stripe, do you have plans to migrate to a CHIP card? If yes, will it be EMV compliant? Will it be “Chip and Signature” or “Chip and Pin”?
9. Can the card be customized to include CCSF logos or artwork?
10. Are all deposits in your pre-paid card program FDIC-insured? Are recipient funds insured separately even if managed in a co-mingled/pooled account?
11. Does your pre-paid card comply with rules, regulations, and guidelines for stored value/pre-paid cards, e.g., Treasury Department, FFIEC rules, NACHA rules, Federal Reserve Regulation E, OCC guidelines? Has your service been reviewed by your regulator? If yes, what was the last rating received?
12. Are recipient credit and “know your customer” checks required to qualify for your pre-paid card? Explain the reasons why or why not.
13. Is a cardholder signature required for the pre-paid card application? Explain why or why not. Explain when a signature may be required and when it may not be required.
14. By what method will CCSF send initial enrollment information to you? Internet, paper, file transfer?
15. How are initial cards ordered for cardholders? Describe the process and include whether cards can be ordered via the Internet or in a batch method.
16. Once a pre-paid card is ordered, how long does it take a cardholder to receive via U.S. mail? Can a cardholder request delivery of a replacement card via overnight delivery?
17. How are PINs initially created?
18. Can the cardholder select and establish the PIN? If yes, what are the procedures involved with this process?
19. Are PINs mailed or received via Integrated Voice Response (IVR)?

20. Can a cardholder change/choose his/her PIN after receipt of the pre-paid card? If yes, describe how this process works.
21. Do the pre-paid cards have expiration dates? If yes, how often do they expire and how are cards replaced?
22. Do you offer "instant issue" cards?
  - a. If yes, how does CCSF receive supplies of cards?
  - b. Can cards be ordered via the Internet?
  - c. How can instant issue cards be funded?
23. What amount of time is required, after CCSF's transfer to you of a CCSF cardholder's payment information, to load funds on the cards?
24. Is there a limit on the number of credit/payroll transactions that can be loaded on a cardholder's card in one month? Explain.
25. Is there a minimum or maximum payment limit per week/month/payroll period? Explain.
26. What options do you have for loading value onto cards? (e.g., real-time load, batch, telephone)
27. Can CCSF commingle the pre-paid card transactions we transmit in the same file with our direct deposit or other ACH transaction data?
28. In the event of overpayment or incorrect payment, what options do you offer to remove or add value to a card?
29. Who is responsible for cardholder balance escheatment?
30. Describe any other features or future enhancements to the card.
31. Do you offer any other value-added services for stored value/pre-paid card/PayCard program(s)?
32. At what time on the payment date are the funds available to the recipient?
33. How much money can a cardholder obtain via one transaction at an ATM?
34. If the card can be used as a debit card, how much can a cardholder receive as cash back during a POS transaction?
35. Can your card be used to pay bills or make purchases online? Can the cardholder pay recurring bills with your card?
36. Can a cardholder transfer funds to a different and separate account using the IVR?

37. Do you allow tax levies or garnishments against the pre-paid card? Explain which apply, why or why not, and how you handle.
38. Can the cardholder access all dollars and cents that are loaded on the card? If yes, explain how this process works.
39. Can a secondary card (for a spouse, dependent, etc.) be issued with a different name? Can charges on the card be reported by separate user?
40. Do you offer check writing ability? If yes, how does the cardholder obtain check stock?
41. Does check writing require pre-authorization? If yes, describe how the pre-authorization is accomplished.
42. What ATM/branch locations are available for cardholders to withdraw funds?
43. What POS/debit networks are available with your stored value/pre-paid/PayCard product(s)?
44. Can a cardholder use the card internationally? Explain
45. What happens to the funds on inactive cards or cards held by terminated recipients who still have a balance?
46. What liability, if any, does a cardholder have for fraud? If applicable, provide examples of scenarios that would trigger the liability.
47. What liability, if any, does CCSF have for fraud? If applicable, provide examples of scenarios that would trigger the liability.
48. Can overdrafts occur? Explain the circumstances in which overdrafts can occur and what you do to mitigate the possibility of overdrafts.
49. Who is responsible if a cardholder terminates his/her relationship with CCSF before an overdraft is satisfied with another payment period's deposit?
50. How are lost/stolen cards handled? How does a cardholder report a lost/stolen card?
51. Can your pre-paid card product, one-time or recurring, be used for payments such as incentives, petty cash, or employee travel reimbursement? If so, describe any requirements for these payments different from the use of the pre-paid card for payroll. Explain any differences for one-time very recurring payments.
52. If your pre-paid card is used for both payroll and other payments as referenced above, how do you maintain separation of the two uses if required by CCSF?

53. Can your firm automatically allocate individual transactions to different expense categories based on CCSF's general ledger accounting structure? If so, describe the various options or methods available for allocating transactions. If not, recommend how CCSF might segregate and allocate transaction data to the appropriate expense categories
54. Can your stored value/pre-paid/PayCard be used for services in addition to those listed in the **INFORMATION NOTE** (7.2.4) above? If yes, describe the services and how they are handled.
55. Are there hardware and software requirements for using your stored value/pre-paid/PayCard? If yes, provide a system schematic detailing the proposed hardware configuration, including all required hardware components, system software, and communication links where applicable.
56. Provide a brief written description to accompany the hardware configuration. The description should include the general rationale for the configuration, including the major technical, processing, volume, performance, and capacity considerations.
57. What communications networks, if any, are required by your product? How do these fit our standards and environment?
58. Identify the protocol that works best with your product. What types of file transfer protocols are recommended?
59. Are there system constraints?
60. Describe what technical support is available and the hours it is available.
61. What support do you provide for recreating files that may have been corrupted, lost or destroyed?
62. What physical and software security measures do you take to protect the confidentiality of CCSF's transaction information?
63. How quickly after a transaction has been conducted is information available?
64. Provide a description of the reporting packages you offer. Include whether your package has exporting or e-mail capabilities.
65. Is the information available through your reporting package accessible at any time? If not, what days and hours is it available?
66. What standard reports are available through the reporting packages? Provide samples of available reports.
67. How frequently can reports be generated?
68. Can reports be generated for various levels of our organizational structure? List options for report generation to managers and functional staff personnel.

69. Describe how you provide privacy for personal cardholder data.
70. Listing of current cardholder accounts
- a. A summary of total number of loads and amounts
  - b. A summary of total number of ATM withdrawals and amount
  - c. A summary of total number and dollar amount of PIN or signature-based debit transactions
  - d. Summary of closed, activated, active and inactive cards
71. Can reports be generated for various time frames or accounting periods?
72. Provide a description of the information offered to each cardholder and how the information can be accessed. Provide samples.
73. Does each cardholder receive monthly statements? In what format (paper, electronic) are the statements available? Does your approach to providing statements comply with Reg. E?
74. Does each cardholder have inquiry and transaction history access to his/her account? Describe the formats or methods offered.
- a. Mailed monthly paper statement
  - b. Automated VRU (voice response unit)
  - c. Internet
  - d. Customer service
  - e. E-mail
  - f. ATM
  - g. Other
75. How quickly after a transaction has been conducted can a cardholder review the transaction?
76. Do you provide a toll free telephone number for cardholder customer service?
77. How will you notify a cardholder if his/her card has been blocked or reported lost/stolen by another party?

#### **7.2.4.2 Purchasing Card**

1. What card platform(s) does your purchasing card program employ (e.g., American Express, MasterCard, Visa, or other)? Why? If more than one is used, which would you recommend for a CCSF program and why?
2. Do you issue a magnetic stripe card or a CHIP card? If magnetic stripe, do you have plans to migrate to a CHIP card? If yes, will it be EMV compliant?
3. How many suppliers accept your purchasing card?

- a. Worldwide
  - b. In North America
  - c. In San Francisco
  - d. Provide Level II and Level III Data
4. What third-party processor is used for authorization and transaction posting?
  5. Do any third-party partners perform other functions, such as systems support or customer service? If so, explain.
  6. Discuss settlement terms.
    - a. What billing cycles are available?
    - b. What options are available for statement delivery?
    - c. What are payment terms from statement date?
    - d. What options are available for CCSF to make payment (e.g., EDI, ACH, check)?
  7. Do you have the capability of billing multiple CCSF departments and receiving payment from those separate departments?
  8. How do you handle merchant education, support and enrollment?
  9. Describe any unique features provided by the issuer's product that we should consider.
  10. Does the program provide the option of customizing the card with a corporate logo? If so, is there a charge?
  11. Describe the card controls and usage restrictions supported by your program:
    - a. CCSF level restrictions
    - b. Cardholder level restrictions
    - c. Department level restrictions
    - d. Merchant Category Code/Standard Industry Classification (MCC/SIC) restrictions
    - e. Cash advance restrictions
    - f. Dollar limits
    - g. Velocity restrictions (i.e., frequency of use)
  12. What are the liabilities of CCSF and CCSF's employees in the event of fraud, abuse or loss of a card? Do you provide fraud insurance? If so, what are the stipulations and fees associated with the insurance?
  13. Does your program screen transaction activity for fraud patterns? If yes, explain. If no, is this capability planned for future implementation and if so, when?
  14. Provide statistics on fraud associated with your purchasing card program.
  15. Can you issue or reproduce lost charge slips? Is there a charge for reproduction? What is the typical turnaround time for you to provide copies of charge slips?



16. Describe your card management process including:
  - a. New card issuance
  - b. Cancellation of cards
  - c. Modification of card parameters (e.g., dollar limits, MCC restrictions, etc.)
  - d. Lost/stolen cards
  - e. Replacing cards (including “emergency” situations)
  - f. Modifying a cardholder’s profile
17. What are the hardware and software requirements for using your card transaction reporting software?
18. What technical support is available for reporting and what hours is support available?
19. Do you have a disaster recovery plan? If so, provide a description of the plan, including the time required to become fully operational after a disaster.
20. What security measures do you take to protect the confidentiality of CCSF’s transaction information?
21. Describe the level of detail available on purchasing card transactions.
22. Describe the formats or methods offered for distribution of transaction data and the frequency of distribution (e.g., daily, weekly, monthly):
  - a. Paper reports
  - b. File transmission options
  - c. Internet
  - d. E-mail
23. How quickly after a transaction occurs is the information available?
24. Provide a general description of the reporting you offer:
  - a. Is the information available through your reporting accessible at any time? If no, what days and hours is it available?
  - b. Can T&E and fleet expenses incurred with your card product be tracked and reported separately?
  - c. Can your system provide reports regarding 1099 and minority-owned vendors? How complete is the information in these reports?
  - d. What reports are available regarding sales and use taxes?
  - e. For transactions that are reported without separate sales tax, 1099 status or minority-owned business status detail, how do you suggest we meet our tracking and reporting needs relative to such information?
  - f. What are your international transaction reporting capabilities?
  - g. What are your vendor reporting capabilities?
25. Describe reporting capabilities.

- a. Can reports be generated for various time frames or accounting periods?
  - b. What are the inquiry and ad hoc reporting capabilities of your system?
  - c. Can reports be generated for various levels of our organizational structure? List options for report distribution to managers, functional staff personnel and cardholders.
  - d. Can you produce customized reports and statements? If so, are there additional costs for customized report programming?
26. Can you automatically allocate individual transactions to different expense categories based on CCSF's general ledger accounting structure?
- a. If so, describe the various options or methods available for allocating transactions.
  - b. If not, recommend how we might be able to segregate and allocate transaction data to the appropriate expense categories.

### **7.3.0 Depository Services:**

#### **7.3.1 General Service Requirements**

1. What are your policies regarding acceptance of checks for deposit? Will you accept instructions from CCSF with a list of acceptable payee names for CCSF depository accounts? Describe your check endorsement policies.
2. Discuss how incoming wire transfers are reported to a CCSF DDA. What help can your bank provide to assist CCSF identify the originator of a wire transfer unknown or unrecognized by CCSF?
3. Describe the bank's night drop, vault (via armored courier, virtual), ATM, branch service options, and/or specialty depository services – both physical and non physical.
  - a. Is pricing different for utilizing these different deposit options?
  - b. Are any processing applications outsourced to a third party? If so, name the vendor(s) and describe the application(s).
  - c. Describe the physical security features used to protect CCSF's employees using external deposit options such as night drops, ATMs, etc.
4. What is the cut-off time to ensure same day ledger credit?
  - a. For the various deposit options proposed, address any differences in ledger cut-off times.
  - b. Address any differences for cash versus checks, drafts, etc.
  - c. Are there any options that might affect this cut-off time (e.g., provisional credit, delayed verification, etc.)?
5. Are there any benefits or requirements to separating cash and checks for the proposed deposit solution?
6. Do you require that checks and currency be on separate deposit tickets?

7. Explain the bank's policy and procedures for acceptance and deposit of checks in foreign currency and/or drawn on foreign banks.
8. What is the limit, if any, on the number of deposit tickets that can be included in one deposit bag?
9. Do you require that cash be deposited in standard straps only? Is there a penalty for depositing non-standard straps?
10. Do you accept loose and/or rolled coin for deposit at vault, branch, and night drop locations?
11. Provide an availability schedule for the deposit service options proposed.
  - a. How do you determine and calculate the availability of deposited items?
  - b. Do you give immediate availability for on-us items?
  - c. Do you calculate availability by item or formula?
  - d. Is there an accelerated schedule? If so, how often is it updated?
  - e. Is the schedule flexible? For example, can accommodations be made for high volume accounts or pre-encoded checks?
12. What are the requirements for depositing unencoded checks (e.g. pack size, audit tapes)?
13. Do you accept pre-encoded checks?
  - a. Provide a copy of the bank's instructions for pre-encoded checks.
  - b. Is there a discount for pre-encoded checks?
  - c. Describe your encoding quality monitoring process.
  - d. Do you charge for rejected items once they exceed your allowable reject rate? If so, discuss.
14. What courier services are provided, if any, for pick-up and delivery of check deposits? If not made available by the bank, what third-party couriers are available and/or recommended? What is the cut-off time for same day credit?
15. Do you accept image cash letters? Describe your service. What is the deadline for delivery of an image cash letter for same day ledger credit? Attach technical specifications for the image cash letter if available.
16. Will CCSF order deposit tickets and other supplies through the bank or directly from a vendor? How are the charges handled?
17. Will you accept deposit tickets from a third-party printer? List any limitations and attach a specification sheet.
18. Can deposit tickets contain an auxiliary MICR field for our location and/or transaction information? What is the maximum number of usable digits in this field?
19. How many copies of each deposit ticket does the bank require?

20. What are the requirements for deposit bags?
  - a. How are these bags obtained?
  - b. What are the fees for these bags?
  - c. Are there any restrictions on deposit bags provided by the customer?
  - d. What is the approval process for customers who have custom bags?
  - e. How do you communicate to your branches which bags are acceptable?
21. Will all of your branches accept immediate and post-verification deposits at the teller line?
22. Will the branch provide a validated deposit slip and provisional credit with post-verification at the time the deposit is handed to a teller? If provisional credit is given, when does verification take place?
23. Discuss the bank's procedures for post-verification.
  - a. How many bank employees are present when deposit bags are opened?
  - b. Where are the bags opened?
  - c. What additional security measures are employed?
24. Discuss the bank's procedures for processing night deposits.
  - a. How many bank employees are present when deposit bags are opened?
  - b. Where are the bags opened?
  - c. What additional security measures are employed?
  - d. How will you return the validated deposit receipts to CCSF and within what time frame?
  - e. Describe any fees associated with this service.
25. Will the bank identify and adjust all discrepancies?
  - a. If not, at what dollar amount do you write off discrepancies?
  - b. Do you adjust the deposit amount or process an adjusting debit or credit?
  - c. What is the standard procedure for reporting deposit adjustments and what additional options are available (e.g., electronic reporting with location ID attached, adjustment copies to multiple locations, etc.)?
  - d. What information do you provide to CCSF regarding a deposit adjustment (e.g., deposit bag number, denomination breakdown, etc.)?
  - e. Describe any fees related to adjustment processing.
26. What is the bank's policy on receipt of tampered bags?
27. Describe security at the cash vault center. What fraud prevention procedures are in place?
28. Does the bank assess charges for deposit conditioning?

29. What evidence materials (i.e., logs, video tapes) will the bank make available to CSSF in the event of a deposit investigation? How long does the bank archive such materials for retrieval and use in investigations?
30. CCSF has, in the past, been advised by a depository bank that certain bills were counterfeit. After further review, it was learned that the bills were in fact valid. How is your system able to prevent this from happening?
31. Does the bank have an automated coin/currency ordering service? Describe the deposit and change order procedures, cut-off times, security, and other features of this system.
32. Describe change order procedures and restrictions for branch pickup.
33. For cash vault and branch change orders, discuss whether or not there are minimum purchase requirements (e.g., standard straps of currency and full boxes of coin)? Is a discount offered for purchasing standard amounts and/or using standard change orders? What settlement options are available for change orders (e.g., cash, check, debit to account, wire, etc.)?

Can return items be automatically re-deposited? If so, how many times<sup>2</sup>?

- a. Is this service optional by location?
  - b. Can copies of all re-deposited return items be provided to the depositing location or designated department office? If so, within what time frame?
  - c. Provide information about the bank's re-presented check entry (RCK) program.
  - d. Are returned items available for viewing online?
34. Provide the bank's standard return item and reroute processing instructions. List any non-standard options that are available.
  35. Can the bank post returned items to an account different from the original deposit account?
  36. Can you provide a detailed return item transmission to CCSF? If not, when do you plan to have the service available?
    - a. Does the transmission include both returns and reroutes?
    - b. Is there a separate record for each returned item?

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<sup>2</sup> Automated ICL NSF processing requires an X9.37/X9.100-181 formatted file format containing only items originated through ImageRPS. The original 15 digit item sequence number from the outbound check detail record must be provided in the return file exactly as sent in the origination file. The location of this field in the return record can be configured. Manual data entry of this number from the image can be performed if visible. If the trace number is not provided, manual research will need to be performed.

· Automated ACH return processing requires a NACHA compliant return file containing only items originated through ImageRPS. The file should contain a single return detail record and a single-addenda per return item. The original 15 digit trace number from the outbound ARC detail record must be provided in the return file exactly as sent in the origination file. The location of this field in the return record can be configured. If the trace number is not provided, manual research will need to be performed.

- c. Can these records identify the depositing location and the type of item being returned (e.g., personal check, traveler's check, money order, etc.)?
- d. Indicate which of the following details the bank can report:

- Checking account and ABA number
- Check number
- Check amount
- Original deposit date
- Reason code
- Full name on check
- Complete address
- Phone numbers
- Driver's license number and state
- Check date

- 37. Does the bank refuse return items not sent through the system within a particular time frame? If so, what is this time frame?
- 38. Do you assign float to return items?
- 39. Describe your capabilities to interface with third-party providers of negative databases?
- 40. Describe the check and document imaging capabilities of your service.
  - a. Do they include online CCSF access to paid items, deposit items, return items, and adjustment images?
  - b. Can the images be downloaded for storage?
  - c. If not currently available, when do you plan to implement image services?
  - d. What are the hardware and software requirements for CCSF?
  - e. List any third party vendors used to provide images to CCSF
  - f. How long are images available online vs. on media?
- 41. Does the service capture the image of the front and back of the check?
- 42. How many fields can be used as an indexed field? Can users define which fields are used as indices?
- 43. Does your service have the ability to create a non-proprietary image export file that can be imported into an industry standard image storage and retrieval solution?
- 44. Describe the process used for ensuring high quality check images.
  - a. Does your service use IQA (Image Quality Acceptability) / IQU (Image Quality Usability)?
  - b. Where is the quality control verification process performed (e.g., CCSF site, your site, etc.)?
- 45. Do you provide check conversion services such as Accounts Receivable Conversion (ARC) and Back Office Conversion (BOC) and/or an image exchange paper process?

- a. If so, describe the services.
  - b. If not, discuss any plans to offer this service and when it will be offered to CCSF.
46. Does your bank accept image cash letters in X9.37 format? If yes, describe the service in detail including technical specifications, transmission deadlines and requirements, balancing and image quality standards.

### **7.3.2 Secure Safe Services**

1. Are your Secure Safe Services delivered through an in-house offering or do you contract all or part of the service through a third party?
2. Describe your capabilities to provide provisional credit in conjunction with armored car smart safe solutions.
3. What time does the bank need to receive cash deposit information in order to post to today's transaction activity?
4. Are the bank's processes for deposit posting and reconciliation automated?
5. What armored car companies and safe companies do you work with?
6. Do you allow clients to either lease or own smart safe equipment?
7. Describe the process of coordinating the installation of this product.
8. What schedule for cash delivery to your vault do you support? (Once, twice, multiple times a week?)

### **7.3.3 Wholesale Lockbox Services**

1. Are your lockbox services delivered through an in-house operation or do you contract all or part of the service through a third party?
2. Do you operate a lockbox service in San Francisco? If your lockbox operation is not in San Francisco, what is the effect of using a San Francisco post office box address to your operations?
3. Are you willing to service a San Francisco post office box owned and paid for on a direct basis by CCSF?
4. List your schedule for post office pickups of wholesale lockbox mail for weekdays, weekends and holidays.

5. What is the distance to the post office and the average length of time between the pickup of items at the post office and delivery to your lockbox department? Is the courier an outside service or internally managed? If internally managed, is it under lockbox management?
6. Do you have a unique five-digit zip code assigned exclusively for receipt of wholesale lockbox items?
7. Describe the receipt and handling of remittances delivered by private services (e.g., FedEx, UPS, courier) to the lockbox for processing.
8. Describe the lockbox department's processing workflow. Highlight your quality control checkpoints and the components that are directly controlled by the lockbox manager. Include a schematic or flow chart of the processing procedures.
9. What controls do you have in place to ensure accurate and timely processing of all remittances per CCSF specifications?
10. Describe your procedures to ensure full confidentiality as required by HIPPA for medical service payments both during processing and in archiving.
11. If changes are made to CCSF's processing instructions, how are these changes communicated? How do you ensure that specifications are adhered to when assigned persons are unavailable?
12. If a copy of the check is required along with the envelope and remittance advices, are the items matched up or provided separately?
13. If a copy of the check is required, how is that copy made and what other information is available on the check copy document (e.g., batch #, item #, check amount included in deposit, processing time)? Provide a sample.
14. How do you handle original items if imaging and/or data capture and transmission is used (e.g., archive, destroy)?
15. What are the deposit times for your lockbox service and how are they determined?
16. What is your ledger cut-off time for lockbox deposits? Include weekends and holidays. What is the latest mail pickup to be included in the last deposit? Will you process and deposit all of CCSF's payments on the same ledger day as received? If not, when are these items deposited?
17. How would you handle remittances requiring significant amounts of data entry (e. g. healthcare explanations of benefits)? Describe your value added key entry services.
18. Do you offer intelligent character recognition (ICR) technology in lieu of data entry? If so, what is your "hit rate" of automated data capture?
19. Can you tailor its service to accommodate CCSF's procedures for processing checks marked "paid-in-full," post-dated checks, stale dated checks, checks missing a payee and checks missing a



- drawer's signature? If so, describe requirements. If not, what is your policy for handling these items?
20. Can you supply "whole-tail" lockbox services in which payment history or information provided by CCSF enables you to create a "virtual coupon" while processing a check payment?
21. Discuss how you handle cash payments received by a lockbox.
22. Discuss how you handle checks received in foreign currency and/or drawn on foreign banks?
23. Do you offer multiple payee service?
24. Do you offer imaging services for wholesale lockbox? If so, describe.
25. If imaging is offered, which of the following documents can be imaged:
- Checks
  - Front and Back
  - Front Only
  - Remittance Documentation
  - Correspondence (no check enclosed)
  - Envelopes
  - Other
26. Is duplex imaging of the invoice/accompanying remittance documentation available? If so,
- a. Is it possible to only image the back when necessary (not blank)?
  - b. Is there an additional fee for this service?
  - c. If not, how do you determine which side is imaged?
27. Are images captured during the normal process or must they be captured by re-passing the documentation?
28. Are images captured in black & white, color or grey scale? Can this be specified at the lockbox level? Describe any available options to vary this by service (e.g., color for browser viewing and black & white for image file transmission)
29. Can additional remittance data capture (e.g., invoice number, net amount) be included as part of the image index for search purposes? Describe.
30. Can images be accessed on the same day they are processed? If so, by what methods?
- Web Browser
  - Image File Transmission
  - Other

31. If images can be accessed using a Web browser, describe the recommended hardware and software.
32. How soon after the images are captured are they available for online viewing?
33. For what period of time are images available online (e.g., 30 days, 90 days)?
34. What frequency options (e.g., daily, weekly, monthly) do you offer for issuing images to CCSF on CDs or DVDs? Discuss the security measures associated with these CDs/DVDs.
35. Can images from all lockboxes for a specific client, regardless of physical processing location, be consolidated onto a single CD/DVD? Explain available options for grouping lockboxes on CD/DVD.
36. Are checks and document images available via a long-term image archive hosted by you? If yes, state the number of years available (e.g., 7 years).
37. If images can be transmitted directly to CCSF via bulk file, specify the image transmission format (e.g., XML, bank proprietary format, customized per client).
38. Describe your processes for ensuring that all checks are imaged and that all check and document images are readable (i.e., clear, straight, not overlapping).
39. What security measures are in place to prevent unauthorized access to online images?
40. Can the original paper remittance detail be mailed to CCSF?
  - a. If yes, describe the options available for returning paper remittance information to CCSF.
  - b. If no, describe your short-term retention period and subsequent paper destruction process.
41. Describe the major functions of the transit department's procedures and how they interface with the lockbox department. Which department encodes checks processed by lockbox?
42. Describe how you will compute the availability that is passed to CCSF's lockboxes (e.g., by item, fractional availability, float factor, other). Which department is responsible for the assignment of availability?
43. If you determine availability by individual check endpoint, present your latest availability schedule that will apply to our lockbox. Include a separate weekend schedule, if applicable. If this schedule does not pertain to checks of all dollar sizes, explain.
44. How many availability schedules are offered to your lockbox customers?
  - a. Is the schedule you are offering us your best, and is it the same schedule you provide to Phoenix-Hecht (most current release) and other lockbox models?
  - b. If not, quantify the difference and explain how we can obtain your best availability and the extra charge, if any.

45. Is availability assignment made continuously as checks are released for collection, or is assignment made at specific times during the day? Explain.
46. Can you offer an availability endpoint analysis for lockbox items/deposits? If yes, how frequently is this analysis performed, and is there a charge for this service?
47. How do you handle return items on the lockbox account? Are there special fees associated with the processing of returned items? Are data capture and reporting available for return items?
48. Do you support the conversion of consumer checks and eligible corporate checks to ACH debits (ARC) at a lockbox?
  - a. If yes, describe your services.
  - b. If no, discuss any plans to offer this service and when it will be offered to CCSF.
49. Describe your procedures for the capture and transmission of remittance detail, such as account or invoice number, MICR line or other data for automated posting of accounts receivable records.
  - a. Describe methods to assure validity of data.
  - b. Do you retain the actual check in the lockbox department until data capture is completed or send the check for collection prior to data capture?
  - c. What back-up arrangements exist should the system fail?
50. In what standard formats do you transmit? Will you customize?
51. Do you initiate file delivery or do you offer dial-in file retrieval service
52. What communications software is used?
53. What is the earliest transmission time you can offer without affecting the ability to deposit all mail received for a ledger credit day? Describe your procedures if we were to choose an earlier transmission time.
54. Describe procedures to ensure that transmissions are received successfully and contain all remittance payment detail.
55. How do you notify CCSF that the file is available for pickup or viewing data transmission?
56. What is the backup in the event that the transmission of remittance detail cannot be successfully completed?
57. For a given day's lockbox activity, at what time of day can you report the total amount that will be credited to our account? If multiple deposits are made during the day, do you report these deposits same day or is there a reporting cut-off during the day?
58. Does CCSF's deposit reporting deadline determine lockbox receipt processing cut-off for same-day ledger credit?

59. In **EXHIBIT III** (Pricing Worksheet), 6 lockboxes are expected to produce approximate monthly volume of 3,000 envelopes/checks. Please set your pricing in **EXHIBIT III** based on these volumes. However, for information purposes only, what would your baseline prices be if volumes increased to 8 lockboxes and 53,000 monthly envelopes/checks?

**7.3.4 Integrated & Special Receivables Processing**

1. Is your integrated and special receivable processing service operated in-house or do you contract with a third party?
  
2. Indicate which of the following payment and message formats the bank is currently capable of receiving:
  - a. ACH CCD
  - b. ACH CCD+
  - c. ACH CTX
  - d. Other ACH Standard Entry Class (SEC) Codes: \_\_\_\_\_
  - e. Fedwire
  - f. CHIPS
  - g. Lockbox Checks
  - h. ASC X12 820 Payment Order/Remittance Advice (Indicate versions supported)
  - i. ASC X12 823 Lockbox (Indicate versions supported)
  - j. ASC X12 835 Health Care Claim Payment/Advice (Indicate versions supported)
  - k. Other ASC X12 Transaction Sets: \_\_\_\_\_
  - l. UN/EDIFACT (Indicate messages supported)
  - m. SWIFT (Indicate messages supported)
  - n. Other: \_\_\_\_\_
  
3. Indicate which format translations the bank provides for the delivery of payment and remittance detail.

		Remittance Information Formats Delivered to Customer								
Payment and Message Formats Received By Bank	BAI	ASC X12			NACHA			UN/EDIFACT	XML	Other:
		820	823	835	CCD	CCD+	CTX			
ACH CCD										
ACH CCD+										
ACH CTX										
Fedwire										
CHIPS										
Lockbox Checks										

UN/EDIFACT										
SWIFT										
ASC X12 820										
ASC X12 835										
ASC X12 823										
Other:										

4. Please indicate which of the following types of electronic payments you are capable of receiving into a lockbox or other automated receivables collection system. For each payment type you process, please explain the workflow in detail:
  - a. Home Banking Payments & Files
  - b. Wire Transfers
  - c. ACH-CCD Format
  - d. ACH-CCD+ Format/Vendor Express
  - e. ACH-CTX Format
  - f. EDI Payments - ASC X12
  - g. Remote Deposit Check Files
  - h. Other
  
5. Do you accept (or have plans to accept) receivable payments for municipalities/counties through your Automated Teller Machines, kiosks, branch tellers, or through third party partnerships? Please describe the workflow in detail.
  
6. Discuss how you handle each type of electronic payment listed in question one that is received into a lockbox or through other automated receivables collection system:
  - a. How do you notify CCSF that it has received an electronic payment in the lockbox or receivables collection system?
  - b. How are electronic payments posted to a CCSF DDA? When does this occur, and how is availability assigned?
  - c. How can CCSF access payment and remittance information (e.g., Internet, PC, e-mail, fax)?
  - d. Are you capable of transmitting a file containing electronic payment and remittance information to CCSF? If so, discuss the transmission formats and the timing of the transmissions.
  
7. Can your service make automatic correction/adjustment decisions for electronic payments before a daily deadline?

**7.3.5 Remote Deposit Services**

1. Are your Remote Deposit Services processed through in-house or are any or all of the functions delivered through a third party contractor?

2. Provide a brief description and general workflow of your remote deposit service capabilities.
3. Does the remote deposit service support paper deposit tickets for processing?
4. Does your service allow the deposit total to be entered before the scanning of checks?
5. Is there a limit on the number of checks that can be contained in a single deposit? If so, describe.
6. Does your service allow CCSF to make multiple deposits in a single day? If so, discuss any limitations.
7. How will CCSF's depositing department be notified of deposit corrections and/or adjustments?
8. Describe the process used for balancing and correcting deposits transmitted to the bank by CCSF.
9. Does your service offer the ability to adjust data using recognition technology (e.g., Magnetic Ink Character Recognition (MICR), Optical Character Recognition (OCR), and Intelligent Character Recognition (ICR)) that was not captured correctly by the scanner?
  - a. If yes, please describe.
  - b. If no, does the service allow the addition, deletion, and rescanning of checks during both the correction and balancing functions?
10. Does your service offer the ability to print CCSF's endorsement on checks? If so, can the endorsement be customized?
11. Does your service require a check to be endorsed before it is imaged?
12. Does your service offer the ability to print processing details (e.g., depository site) on scanned checks? If so, discuss any limits on the types or amount of information that can be printed and/or the placement of the printed information on the check.
13. Are there any open user defined fields for transaction information in the record for each scanned check? If so, how many and what are the limitations on the fields?
14. Is your service able to aggregate files from multiple sites? If so, discuss any limitations on the number and/or location of sites that can be aggregated.
15. Describe the procedures for handling exception items (e.g., MICR rejects, piggy back images, torn documents) received in a CCSF deposit transmission and all associated charges and fees for exception processing.
16. Describe the procedures CCSF would use to process non-standard check items (e.g., money orders, food stamps, credit card checks).
  - a. Will we need access to a branch to process these items?
  - b. Will we need deposit slips to process the items listed above?

17. What methodology does the remote deposit service use to identify duplicate items?
18. What period of time does the remote deposit service retain the images to detect duplicates?
19. Explain whether the remote deposit service can detect duplicates from multiple scanners (e.g., two scanners in one office).
20. Is your funds availability schedule for remote deposited items different than the standard depository schedule?
21. What is the standard deadline for same-day ledger credit of funds? Are later deadlines available? If so, are there any fees associated with the later deadline?
22. Can files be sent after the standard deadline for same-day ledger credit? If so, discuss how availability of funds is assigned to items included in these files.
23. Do you plan to accelerate float availability to the depositor as clearing partners begin to exchange images rather than clearing paper substitute checks? If so, discuss.
24. Describe your steps for processing remote deposit items that are returned as unpaid.
25. Can you automatically redeposit return items which are processed as remote deposit transactions?
  - a. How many times is the item presented for payment?
  - b. Can the user dictate re-presentation dates?
  - c. Do you support electronic presentment of returned items (RCK)?
26. How do you process items returned for reasons other than insufficient funds (e.g., stop payments, account closings)?
27. Do you make images available for checks that are re-deposited as an ACH check converted RCK item?
28. Describe the process CCSF would use for transmitting check and deposit information.
29. CCSF will use the Wausau Financial Services Cashiering deposit system. Do you have experience receiving remote deposit files from the Wausau Financial Services Cashiering system?
30. What transmission protocols does your service support?
31. What is the minimum bandwidth required for deposit transmission? What is the optimal bandwidth?
32. Does the remote deposit service have the capability to detect duplicate file transmissions? If so, how is CCSF notified of duplicate file transmissions?

33. Will CCSF receive an acknowledgement of transmissions that you have successfully received? Will CCSF receive an end of day notification of all deposits received or notification that no deposits were received each business day?
34. If CCSF's transmission is interrupted for any reason, can we resend a transmission? What safeguards are in place to prevent duplicate items?
35. Does the remote deposit service have any scheduled times the service will be unusable? If so, provide schedule.
36. Describe the safeguards against lost data. Do they include built-in back up features and data recovery if processing is disrupted due to power loss or other interruptions?
37. What safeguards do you have in place to prevent tampering with the data that is transmitted by CCSF?
38. Does your service allow us to create deposits offline and transmit them at a later time?
39. Does your service determine when to process for check conversion to an Account Receivable (ARC), Back Office Conversion (BOC) and/or an image exchange paper process?
40. Is the user able to add information to the exclusion table for items that cannot be converted to ACH?
41. Does your service allow processing of scannable documents and non-check documents? If so, does it employ the following:
  - a. 1-D Barcode Recognition
  - b. 2-D Barcode Recognition
  - c. Mark Sense Detection
42. Does your solution offer the ability to provide a report of all listed users and their rights?
43. Do you offer deposit reconciliation services which may be applied to remote check deposits?
44. Does your solution pass along scanner location identifier to the depository bank?
45. For CCSF departments with multiple locations, is there a consolidated report which may be used as an audit trail or for department reconciliation? If so, please attach sample reports which detail:
  - a. The deposit detail (check information)
  - b. The deposit summary
  - c. Any scanner identification/location codes if the capability exists
46. Does your solution provide any reporting of deposits? Please describe all standard reporting available.



47. Does the proposed solution provide management and operational report capabilities and management monitoring/control of all solution processes and workflows?
48. Does the solution provide recognition statistics that allow management to determine the success rates of automated recognition technology?
49. Describe the check and document imaging capabilities of your service.
50. Does the service capture the image of the front and back of the check?
51. Describe the process used for ensuring high quality check images.
  - a. Does your service use IQA (Image Quality Acceptability) / IQU (Image Quality Usability)?
  - b. Where is the quality control verification process performed (e.g., CCSF site, your site)?
52. Describe the process for handling an image that you believe to be substandard after CCSF has already successfully processed the deposit.
  - a. How soon would CCSF be notified that the image(s) is substandard?
  - b. How are deposits adjusted for substandard images? Do you adjust the deposit amount or create an adjustment entry?
53. How does your service store images (e.g., separate database, files within remote deposit application)?
  - a. What is the maximum number of images that can be stored?
  - b. How and with what frequency are image files backed up?
54. Describe the process CCSF would use to find and view imaged items.
55. Describe the methodology your service uses to index image data.
56. How many fields can be used as an indexed field? Can CCSF define which fields are used as indices?
57. Does your service have the ability to create a non-proprietary image export file that can be imported into an industry standard image storage and retrieval solution?
58. Do the images that are saved in your storage location qualify as legal evidence? Discuss.
59. Do the users access the service over the internet using a user-friendly GUI (Graphical User Interface) for the front-end and/or back-end system?
60. Can the product operate within a Web browser?
61. Describe in detail the service's scanner options including the model of the scanners, speed,

volumes, and size and specification sheet if available.

- a. Do you offer a multi-tray feeder solution for high volume scanners?
  - b. What is the average expected lifetime volume for the scanners?
62. What are the procurement and fulfillment services for supported scanners?
  63. Describe the repair and maintenance activity that is common for your solution and equipment.
  64. Does the remote deposit service provide a warranty on its hardware? If so, provide the details.
  65. What supplies are needed for the ongoing operation of the scanner (e.g., ink cartridges)?
  66. Describe your process and expected timeframe to repair or replace malfunctioning equipment at the user's location.
  67. Can CCSF use its own scanning equipment with your remote deposit service?
  68. Does your service assign a unique customer identifier?
    - a. If so, can it be modified?
    - b. How is it established?

#### **7.4.0 Electronic Funds Transfer Services**

##### **7.4.1 Automated Clearinghouse Services**

1. CCSF will want to originate ACH entries both by direct transmissions and via an Internet connection.
  - a. How many customers use these methods of ACH origination at the bank?
  - b. Include any alternate methods that might meet CCSF's needs.
2. Discuss the bank's methodology for determining debit and credit exposure limits.
  - a. What factors do you use to determine debit and credit exposure limits?
  - b. Will CCSF be told what its exposure limits are?
  - c. Are the limits set by account, by account group, by a Cash Management Agreement per CCSF (the net balance of all accounts of CCSF considered as if it were one account)?
  - d. What information must CCSF provide in order for you to determine those limits?
  - e. Are these limits negotiable?
  - f. How often will these limits change?
  - g. How do you determine limits when pre-funding is required?
3. Provide a detailed grid describing how you would monitor CCSF's daily activity (by account, department, CCSF) and compare it to the exposure limits you expect to establish for CCSF.

- a. How and when will CCSF be notified if we are near our exposure limit?
  - b. What would happen to a file if we exceed the limit?
  - c. How do we remedy the situation if we exceed our limit?
4. Does the bank have a file limitation for maximum dollar amounts or number of entries?
  5. What are the hours of operation of your ACH processing unit?
    - a. What is the contact information for normal business hours?
    - b. What is the contact information for issues that occur outside of normal business hours?
  6. Explain your suggestions for business resumption in the event, particularly for payroll, that CCSF is unable to deliver an ACH file to the bank in a timely manner. Will you hold a payroll file on behalf of CCSF and release it for processing in the event that CCSF is unable to deliver a payroll file to you?
  7. Explain your business resumption in the event, particularly for payroll, that the bank’s ACH operations are unable to execute CCSF’s ACH activity for one or more days.
  8. Using the following table format, explain the cut-off times, relative to Settlement Date, for CCSF initiation of ACH entries, including book transfer. Please specify cut-off time differences between credits and debits (if applicable).

Customer Input Method	Cut-Off Time		
	Book Transfer (Same Day Settlement)	Next Day Settlement	2 or more Days Settlement
Direct Transmission			
Internet			
PC			

9. Describe the bank’s procedures regarding late transmissions of files. Is it possible to transmit a file and have it processed after the cutoff with proper notification to the processing unit?
10. Does the bank outsource any of the proposed services? If so, provide the name and address of any third-party processor. List the services that they provide, how long they have provided these services to the bank, and discuss any anticipated changes in the relationship.
11. Describe the procedures for setting up origination company IDs. Are multiple originator names allowed in your structure for one department?
12. How does the bank notify CCSF of administrative returns? What tools and/or processes are available to CCSF to minimize administrative returns?

13. What is the bank's maximum retention period for future dated entries?
14. What service does the bank provide for CCSF to modify and/or delete a transaction prior to the file being released to the ACH operator?
  - a. What modifications and/or deletions can be made?
  - b. How does CCSF provide the bank with instructions?
  - c. If modifications and/or deletions are permissible, what is the deadline for receiving instructions to modify and/or delete a transaction?
  - d. Who can make these requests?
  - e. How is security determined?
  - f. If an entry is deleted from a file, can the rest of the file then be released?
15. What service does the bank provide for CCSF to reverse a transaction or file that has been released to the ACH operator?
  - a. What are the procedures and deadlines for CCSF reversing a file? Batch? Item?
  - b. Describe your bank's process for reversing files, batches and items.
  - c. What security procedures are used? Do you provide standard request forms?
  - d. How is CCSF notified of the results of the attempted reversal?
16. Does the bank accept both debits and credits on the same file? If so, are there any additional requirements?
17. Does the bank provide a database of ACH member institutions? If so, describe.
  - a. How often is this database updated and communicated?
  - b. How does CCSF access this database?
  - c. Is there any charge for access?
18. Describe the bank's process for ACH returns and Notifications of Change on originated entries.
  - a. When will the funds for returned entries be posted to CCSF's account?
  - b. Describe reporting methods in the Information Reporting section of this RFP.
19. How does the bank handle system upgrades? How is CCSF notified of upgrades? Is there a charge for upgrades or are they included in the standard maintenance?
20. Can CCSF build a database of repetitive entries? If so, please describe whether the repetitive entries reside on CCSF's P.C. or the bank's internet system.
21. Can you process cross-border ACH entries using the International Standard Entry Class Code? Explain how your cross-border service operates? Describe any limitations about which CCSF should be aware.

22. What are your plans if and when same-day ACH entries are enabled? How could CCSF use this service to improve its cash management and payment operations?
23. Do you offer an ACH "positive pay" service? If yes, please describe.
24. What version of Windows is required? Will the system be compatible with higher versions?
25. Does the application support use of a LAN, WAN or modem pool?
26. Will assistance with software installation be provided? Is on-site assistance available? If so, is there any charge for such assistance?
27. What training does the bank provide? Is on-site training available? If so, is there any charge for such training?
28. Specify the ACH data provided on current/intraday and previous day reports. Provide sample reports.
29. By what methods can CCSF receive returned entries and Notifications of Change?
  - a. Please describe what options are available.
  - b. When is this information available?
  - c. What information is provided?
  - d. Can CCSF receive returned entries via a different reporting method than Notifications of Change? For example, receive returned entries via transmission and Notifications of Change via internet reporting.
  - e. Please provide sample reports.
30. By what methods can CCSF receive information regarding re-deposited entries?
  - a. When is this information available?
  - b. What information is provided?
  - c. Are re-deposited entries included with ACH returns and Notifications of Change?
  - d. Please provide sample reports.
31. Can returned entries be individually posted in your information reporting service?
  - a. What supporting information can the bank provide to reconcile the entries?
  - b. How will this information be made available to CCSF?
32. How will the bank provide CCSF with information contained in ACH addenda record and electronic data interchange (EDI) entries? Please provide sample reports.
33. On what day (e.g., origination date, settlement date, pre-funding date) and at what time is CCSF required to fund ACH credits? Can this funding requirement change?
34. Are there any limitations on the type of DDA account in which ACH files can be settled?

35. What time on settlement date will CCSF receive availability for ACH credits received? For debits originated?
36. When will settlements for this service be reported?
37. Does the bank provide simultaneous settlement between debits and credits?
38. What is the bank's policy on having the settlement entry included in the origination file (e.g., balanced file)?
39. Do you operate represented check services in-house or do you contract through a third party?
40. Do you offer a represented check service for returned checks (RCK)? If so, describe the features of the service:
  - a. Eligible checks
  - b. Notice requirements
  - c. Levy of collection fees
  - d. Number of presentments
  - e. Return of entries
  - f. Responsibility for retention of original returned item
41. Please describe your bank's experience with check conversion, including the number of customers using the service, the number of items processed and the length of time you have been converting these payments.
42. Does your bank store Notification of Change information related to check conversion entries and use the change information for future check conversion entries?
43. Please describe what type of implementation support your bank is able to provide for this service.
44. Does your bank offer assistance with creating an opt-out file for check conversion?
45. What type of assistance can the bank provide for the decisioning of items and the parsing of the MICR line data?
46. Do you offer same day credit for on-us check conversion entries?
47. Please describe options available for managing returns (re-deposits, encoding errors) related to check conversion and the settlement impacts to CCSF accounts.
48. How does the bank notify CCSF of administrative returns and what tools are available for correcting these returns?
49. What is the bank's return rate on administrative returns, specifically returned for R03 and R04?
50. Do you automatically dishonor inaccurate or untimely returns?

51. How do you manage encoding errors?

#### **7.4.2 Wire Transfer Services**

1. Briefly describe all wire transfer initiation products currently supported by the bank. Indicate which product is recommended for our application.
2. How does your bank handle same-day transfers between CCSF accounts (“book transfers”)? At what time must an instruction be received for same day availability in the receiving account? Can book transfers be made from a CCSF account to the account of another within your bank?
3. Does the bank offer the following methods of initiation? Provide the number of customers using each method of initiation offered.
  - a. Telephone
  - b. Fax
  - c. PC
  - d. Internet
  - e. CPU to CPU
  - f. Automatic standing transfer
4. For each method listed above, describe the process of initiation, approval and release.
5. Do any of the methods listed above provide for remote user initiation or release, (e.g., if branches/subsidiaries wish to input, but home office wants the control of release)? If so, describe by method.
6. Does the bank offer a LAN version of its PC system?
7. Does the bank's system offer batch input of wires? If so, what is the maximum volume of transfers allowed in each batch? Can repetitive and free-form wires be in the same batch?
8. Is there any manual processing involved in executing either a repetitive or free-form wire transfer that has been initiated via one of the automated input vehicles (e.g., Internet, telephone, PC, CPU to CPU)? If so, describe.
9. What provisions are in place to allow CCSF to initiate a priority wire transfer requiring special handling and immediate release? Is there an additional charge for this service?
10. For free-form wire transfers, does the bank offer an online name/ABA/CHIPS search file to facilitate processing? How is this file updated? Can the bank download current data to this file to update it? Can the file be downloaded to CCSF's mainframe?
11. Can the system handle file imports of transactions from a treasury workstation?
12. Can ACH payments be initiated through the wire transfer initiation screens?

13. Describe the process for canceling a wire transfer:
  - a. Is this process manual or automated? Explain.
  - b. What is the deadline for receipt of an instruction to guarantee cancellation of a wire transfer?
  - c. What is the deadline for best efforts cancellation of a wire transfer?
  - d. What is the process for retrieval of funds?
  - e. Is there a charge for canceling a wire transfer?
14. Describe your process for recalling a wire when requested by CCSF. What additional charges are involved?
15. Does the bank's system offer self-administration for user maintenance and user deletes via the Internet and/or PC method? If so, please list the user functions that are available.
16. For the Internet, PC and CPU to CPU methods, what systems are in place to allow for secure messaging for returns, recalls, investigations, and miscellaneous requests?
17. What are the opening hours and the cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution? List by type of transfer and method of communication.

Type of Transfer	Input Method					Automatic Standing Transfer
	Telephone	Fax	PC	Internet	CPU to CPU	
Intradistrict (within Fed district)						
Interdistrict (between Fed districts)						
Book transfer/Internal						
Drawdown						
International						

18. What is the cut-off time for incoming domestic wire transfers to receive same day credit?
19. Does the bank provide end of day time extensions for processing if Fedwire hours are extended? If so, how would CCSF be advised?
20. Describe the bank's procedure for providing payment confirmation information (e.g. reference numbers) upon acceptance and execution of the payment order, including the availability and method of delivery of:
  - a. Internal confirmation/sequence number
  - b. Federal Reserve reference number



21. How soon after wire execution would an internal *bank* confirmation/sequence number (not the Fed Reference number) be available?
22. How long does it take for the Fed Reference number to be available for a wire assuming no repairs are needed and there are sufficient funds in the account? Explain any delays.
23. Does the bank offer standard and custom confirmation, reject and processed reports? Provide sample reports.
24. Have there been interruptions in the processing of wire transfers due to the bank managing its net debit cap? What steps are you taking to ensure uninterrupted service?
25. How is the status of transfers tracked by CCSF once the transfer is in the system (input, approved, released)? How does this differ for telephone initiated wire transfers?
26. At what point does the bank assume legal liability for executing a wire transfer? How is that event identified?
27. What is the bank's policy in the event of a wire transfer failure for which receipt of instructions has been confirmed to CCSF?
28. How and when is CCSF notified of wire transfer that is rejected by the receiving bank?
29. Does the bank's wire transfer system have the capability of warehousing instructions for future value dated wire transactions? If so, what are the limitations? How many days/months in advance? Is the warehouse function limited to certain types of wire transfers and/or certain types of initiation methods? Explain.
30. Can the wires be input, approved and released so they will be executed automatically on value day? Will the wire transfer system provide a tickler report of warehoused transfers that are pending current day release?
31. Is it possible to cancel a previously warehoused wire transfer request before value day? On value day?
32. What time future value dated wires are automatically executed on the value date? Can an execution/release time be specified by CCSF?
33. What options does the bank offer for the establishment of repetitive transfers?
  - a. Mail
  - b. Electronic transmission
  - c. Internet
  - d. PC
  - e. Other (describe)
34. Does the bank have an on-line repetitive wire transfer setup function? If so, describe.

- a. Can CCSF structure a new repetitive wire transfer number online without relying on an exchange of paper documents with the bank?
  - b. Can CCSF assign its own transfer numbers or names?
35. How much time is required to set up a new repetitive wire using the online function? Can this be done in real-time? How long before we receive confirmation from the bank?
  36. How long does it take to set up transfers via written request?
  37. To avoid rekeying, can a repetitive transfer be created when inputting a free form wire transfer?
  38. Are repetitive transfers stored on CCSF's PC or the bank's system? Can the transfers be stored on both? Explain. Does the bank charge for repetitive transfer template storage on its system?
  39. What are the bank's repair rates for incoming and outgoing wires?
  40. Under what circumstances do incoming and outgoing wires require repair?
  41. What are the bank's procedures and average time frames for repairing incoming and outgoing wires?
  42. Under what conditions would the bank not repair a wire? What are the bank's procedures in these cases?
  43. Does the bank provide CCSF with reports tracking wires requiring repair and the reasons for reject? If so, how are they provided?
  44. When and how is CCSF notified of wire transfer repairs?
  45. What is the average turnaround time for responding to inquiries about failed wire transfers?
  46. What efforts are being made to increase the rate of incoming and outgoing wires going straight through without exception handling?
  47. If either the originating or receiving bank makes an error, how are back value adjustments handled:
    - a. Between banks
    - b. On CCSF's AA
    - c. When notifying the customer
    - d. How would the adjustment be calculated?
  48. Is CCSF charged for wire transfer investigations, incoming repairs, and/or outgoing repairs? If so, how and under what circumstances?

49. Describe how the bank transacts international payments and the use of correspondents in that process.
50. What are the lead times for initiating a value dated international payment? What are the cut-off times for transacting international payments (incoming/outgoing)? Provide a cut-off schedule for each world time zone to which your bank transfers funds.
51. List any international same-day value transactions that are available and cut-off times.
52. Specify the bank's initiation methods for international payments (e.g., telephone, telex, fax, PC, Internet, CPU to CPU).
53. Discuss any differences in the processing of domestic and international wire transfers. Is the bank's international wire operation part of its domestic wire transfer operation? Are customer service and operations contacts the same for international transfers and domestic transfers?
54. What information is available to confirm initiation and release of an international transfer and what methods are available to communicate that information?
55. Can the bank transfer to any bank worldwide? Are there country or currency restrictions? If so, how are they handled?
56. Can the bank facilitate international transfers between accounts within its own bank on a worldwide basis?
57. How are beneficiary charges handled?
58. Describe how the bank determines exchange rates when processing international wire transfers. Discuss any differences based on method of origination.
59. Is current day information real-time or batch?
  - a. If real-time, what information is available via which delivery system?
  - b. If batch, how frequently is the information updated?
60. What detailed information is provided on incoming and outgoing wire transfers on a *current* day basis (e.g., amount, payor, comment field, date received, time received, Fed Reference number)? Provide sample reports.
61. Will the reporting system have the ability to report current day wire activity since CCSF's last access?
62. What detailed information is provided on incoming and outgoing wire transfers on a *previous* day basis, (e.g., amount, payor, comment field, date received, time received, Fed Reference number)? Provide sample reports.

63. Will the bank provide wire transfer inquiry by status, (*e.g.*, warehoused wires, pending wires, confirmed wires), amount, and dollar ranges? Provide sample reports.
64. Is incoming and outgoing electronic funds transfer information provided on the same report or on separate reports? Provide sample reports.
65. Is a debit or credit advice mailed or faxed for each transfer? Is the advice sent automatically? If so, will CCSF have the option of stopping the advice generation? Is there an explicit charge for advices? Does the bank offer optional summary advices for debits and credits?
66. Does the bank operate its own wire transfer system in-house? If not, is the system purchased and customized? Who is the vendor? Do all of the bank's branches and affiliates utilize the same system?
67. Describe the most recent major hardware and/or software upgrade and when each was completed, if applicable.
68. Does the wire transfer system reside on the bank's central computer system? Does CCSF interact with that system?
69. Is the system a PC-resident system or an Internet product? If so, is it a stand-alone product or part of a family of information products? What are the hardware and software requirements for the wire transfer system?
70. Is the bank's wire transfer system exclusively dedicated to that function? If no, describe the other functions that share the system.
71. Can the system receive a file of wire transfers, ACH/bulk payments, drafts and checks created in CCSF's accounting, ERP and/or TWS system(s) in order to originate transactions and create an issued file for positive pay service? If so, describe.
72. What levels and types of security safeguards exist when initiating and releasing wires for each method below? Describe:
  - a. Telephone
  - b. Fax
  - c. PC
  - d. PC connected to a LAN
  - e. Internet
  - f. CPU to CPU
73. Describe all bank-imposed authorization requirements for repetitive and free-form wires. Are authorization requirements the same for repetitive and free form wires initiated by all of the methods listed above? If not, how do they differ?
74. Are CPU or PC transmissions to the bank encrypted or authenticated? At what level and on what fields? Describe procedures in the event a violated transmission arrives at the bank.

75. What protocols are available and recommended for communicating CPU to CPU?
76. What is the bank's policy if CCSF owns and operates a dedicated lease line?
77. Describe the security features when utilizing ERP system interfaces for batch wire file-initiated payments?
78. Can user passwords be restricted to certain functions, such as:
- \_\_\_\_\_ Debit Account
  - \_\_\_\_\_ Repetitive Only
  - \_\_\_\_\_ Data Enter Only
  - \_\_\_\_\_ Approve Only
  - \_\_\_\_\_ Inquiry Only
  - \_\_\_\_\_ Other (Describe)
79. What controls has the bank put in place to prevent wire transfer fraud? What has been the bank's experience with fraud in the wire transfer area?

## 8.0 SOCIALLY RESPONSIBLE BANKING & PAYMENT SERVICES QUESTIONS

PLEASE USE THE MATRIX IN EXHIBIT V TO ASSIST WITH YOUR RESPONSES TO SECTION 8.0

**SUCCESSFUL CONTRACTORS WILL BE REQUESTED TO UPDATE RESPONSES TO THE BELOW QUESTIONS AT LEAST ANNUALLY.**

- 8.1 Management and San Francisco “Footprint”
- A. Respondents must provide the following information:
1. The number of company employees who work in San Francisco
  2. The number of members of Senior Management who live in San Francisco
  3. The number of members of Senior Management who work in San Francisco
  4. The number of members of the company’s Board of Directors who live in San Francisco
  5. The number of office locations and total square footage owned or leased by the company in San Francisco
    - a. Conventional Bank Branches
    - b. In-Store Bank Branches
    - c. Automated Teller Machines
    - d. Non-Bank branch locations
    - e. Offices
    - f. Data Centers
    - g. Operations facilities
- 8.2 Home Mortgage Issues
- A. How many properties received foreclosure notices from Respondent in each year 2009-2011?
1. Please provide information broken down by race, ethnicity, and census tract. In addition, please provide the percentage of modifications that:
    - a. Resulted in lower monthly payments
    - b. Reduced interest rates
    - c. Reduced principal
    - d. Deferred payments
    - e. Increased principal
- B. Participation in Principal Reduction Programs
1. Does Respondent participate in the HAMP Principal Reduction Alternative program? If so, how many loans have been modified under this program? Please provide information broken down by race, ethnicity, and census tract. In addition, please provide the percentage of modifications that:
    - a. Resulted in lower monthly payments
    - b. Reduced interest rates
    - c. Reduced principal
    - d. Deferred payments

- e. Increased principal
- 2. Does Respondent participate in the CalHFA Hardest Hit Fund Keep Your Home California principal reduction program? If so, how many loans have been modified with principal reduction under this program? Please provide information broken down by race, ethnicity, and census tract. In addition, please provide the percentage of modifications that:
  - a. Resulted in lower monthly payments
  - b. Reduced interest rates
  - c. Reduced principal
  - d. Deferred payments
  - e. Increased principal
- 3. How many other non-HAMP modifications has Respondent offered in the applicable time period? Please provide information broken down by race, ethnicity, and census tract. In addition, please provide the percentage of modifications that:
  - a. Resulted in lower monthly payments
  - b. Reduced interest rates
  - c. Reduced principal
  - d. Deferred payments
  - e. Increased principal
- 4. What percent of loans serviced for non-Government Sponsored Enterprise investors have received principal reduction modifications from Respondent?
- C. Tenants
  - 1. Does Respondent have a policy of offering tenants in foreclosed properties one year leases, as Fannie Mae does?
  - 2. Does Respondent allow tenants to continue to rent the properties, at least until the properties are sold to bona fide third party purchasers?
  - 3. Does the Respondent have a policy that the realtor that notices the tenant about possible eviction or contacts the tenants is not allowed to also list the property for sale?
  - 4. Does Respondent return security deposits to tenants, as it is required to do?
- D. Home Lending
  - 1. Percent of prime loans to: borrowers of color and to lower income borrowers, by census tract.
  - 2. Does Respondent participate in FHA program?
  - 3. Does Respondent have a loan program with flexible underwriting designed for lower income borrowers? If so, how many loans have been made?

### 8.3 REO Property

- A. Does Respondent give nonprofits REO “first look” priority and three months in which to gather funds for purchase? How many REO’s have been purchased by nonprofits?
  - 1. If Respondent does not give 3 months, what is the length of time allotted for nonprofits to purchase prior to bids by other buyers or investors?

- B. Is there a gifting program for nonprofits? How many REO's have been gifted to nonprofits each year from 2009-2011?
  - C. Real Estate Owned (REO) Property Maintenance
    - 1. Number of REOs in San Francisco
    - 2. Percent of REOs in San Francisco in move-in condition based on FHA standards
    - 3. Are San Francisco businesses hired to fix up or manage San Francisco properties? How many of these are minority-, women- or disabled-owned businesses?
    - 4. Percent of San Francisco REO sales to owner occupants
    - 5. Number of San Francisco REOs sold to nonprofit organizations at reduced or no cost
- 8.4 Affordable Rental Housing
- A. Number of loans for affordable rental housing made, level of income of tenants relative to area median income, number of units
  - B. Loans made to nonprofit housing developers
- 8.5 Small Business Lending
- A. Lending to businesses with revenues of \$1 million or less
    - 1. Total lending
      - a. Total number
      - b. Total dollar amount
    - 2. Loans in lower income census tracts
      - a. Total number
      - b. Total dollar amount
        - i. Loans of \$100,000 or less to businesses
      - c. Total lending
        - I. Total number
        - II. Total dollar amount
      - d. Loans in lower income census tracts
        - i. Total number
        - ii. Total dollar amount
    - 3. Loans of \$100,000-250,000 to businesses
      - a. Total lending
        - I. Total number
        - II. Total dollar amount
      - b. Loans in lower income census tracts
        - I. Total number
        - I. Total dollar amount
        - II. Loans of \$250,000 or more to businesses
      - d. Total lending
        - I. Total number
        - II. Total dollar amount



- e. Loans in lower income census tracts
  - I. Total number
  - II. Total dollar amount
  - IV. Loans to minority-owned, women-owned and disabled-owned businesses
- 4. Loans to minority-owned, women owned, and disabled-owned businesses
  - a. Total number
  - b. Total dollar amount
  - c. Further break down the dollar amount and number of business loans to the following ethnic groups:
    - I. African-American owned businesses
      - Total number
      - Total dollar amount
    - II. Asian-American owned businesses
      - Total number
      - Total dollar amount
    - III. Latino-American owned businesses
      - Total number
      - Total dollar amount
    - IV. Native-American owned businesses
      - Total number
      - Total dollar amount
        - 1. Loans to women-owned businesses
          - Total number
          - Total dollar amount
        - 2. Loans to disabled-owned businesses
          - Total number
          - Total dollar amount
- 8.6 Contracting with Businesses in San Francisco
  - A. Vendor purchases from businesses whose principal headquarters is in San Francisco
    - 1. Number of contracts
    - 2. Total spent
  - B. Total dollar amount of vendor purchases from minority-owned, women-owned and disabled-owned businesses whose principal headquarters is in San Francisco
    - 1. Please report purchases from African American, Latino, Asian American, and Native American businesses
    - 2. Total dollars spent for all purchases
- 8.7 Consumer Lending and Services
  - A. What is the monthly maintenance fee for the Respondent's "basic" checking account, and what is the schedule of fees that is associated with this account?

- B. Does Respondent clear checks from high value to low value?
- C. Does Respondent offer second chance checking accounts or similar products that provide accounts to customers with a non-fraud Chex System history?
- D. What is Respondent's policy on offering overdraft protection services?
- E. Does Respondent or any of your subsidiaries have investments in, provide letters of credit, or make loans to payday lenders?
- F. Does Respondent offer any loan product with an APR above 36%, including a "payday" style product, direct deposit advance or similar product?
- G. Does Respondent offer a payday loan alternative of a 6-12 month consumer loan that has less than 36% APR, including the pricing for the loan?
- H. Does Respondent charge surcharges if a customer without an account at Respondent redeems EBT, other government entitlements, or unemployment at your ATMs?

8.8 Community Investments by Respondent

- A. Total cash grants to nonprofit organizations offering services in San Francisco
  - 1. Portion of those grants for housing or economic development activities
    - a. Total community development investments
  - 2. Portion of those for Low Income Housing Tax or New Market Tax Credits
  - 3. Portion to local CDFI's or CDC's
  - 4. Other

8.9 Please describe other leadership activities not mentioned above.

## 9.0 EXHIBITS

## EXHIBIT I

## CCSF BANKING &amp; PAYMENTS REQUIREMENTS

ACCOUNT SERVICES	REQUIRED SERVICES	COMMENTS
Bank Account Services		
	Demand Deposit Accounts	
	Daily statement cut-off	
	Weekly statement cut-off	
	Monthly statement cut-off	
	Agency/department assigned cut-off dates	
	Controlled Disbursement Accounts	See statement cut-off requirements above
	CCSF Administered Trust Accounts	See statement cut-off requirements above
	Third Party Administered Trust Accounts	See statement cut-off requirements above
	Full Account Reconciliation Plan:	
	Electronic Bank Statements	
	Check Images on CD	
	Full Account Reconciliation Plan Reports:	
	Checks Issued	
	Check Paid	
	Checks Paid with No Issue Register	
	VOIDS	
	Cancels	
	Stop Payments	
	Stale Checks	
	Partial Account Reconciliation Plan	
	Electronic Bank Statements	
	Check Images on CD	
	Partial Account Reconciliation Plan Reports:	
	Checks Paid	
	Stop Payments	
	Deposit/Location/Unit Reconciliation Plan	
	Deposit/Location/Unit Reconciliation Plan Reports	
	Checks Paid/Debits Sorted by Identifier	

	Deposits/Credits Sorted by Identifier	
	Positive Pay:	Perfect Presentment is a "Nice To Have"
	Payee Management	
	Stale Date Management	
	Direct File Transmission	
	Online Register Input	
	Reverse Positive Pay	
	Zero/Target Balance Accounts	
	Maximum Check Dollar Amount Limits	
	No Checks Post Controls	
	ACH Debit Blocking	
	ACH Debit Filtering	
	Stop Payments	13 & 25 month cycles
	Online Stop Payment Origination	
DDA Balance Protection		
	FDIC Balance Insurance	
	Balance Collateralization	
Account Billing & Special Services		Flexible billing cycle (quarterly, semi-annual)
	Electronic AA	822/BAI file transmission
	Earnings Credit Rate	
	Ledger Overdrafts	
	Collected/Available Overdrafts	
		Individual account billing: an account is billed separate from the rest of the family of accounts.
		Carry forward or excess earnings credits
		Ability to negotiate an earnings credit rate for more than 1 month

DEPOSITORY SERVICES -- CHANNEL	REQUIRED SERVICES	COMMENTS
Remote (Secure Safe) Acceptance		
	Remote (on site) Secure Safe Service -- Coin Deposited	
	Remote (on site) Secure Safe Service -- Cash Deposited	

	Remote (on site) Secure Safe Service -- Checks Deposited	
Branch		
	Coin Deposited	
	Currency Deposited	
	On-Us Check Deposited	Encoded & Unencoded
	Local Check Deposited	Encoded & Unencoded
	Transit Check Deposited	Encoded & Unencoded
	Foreign checks	Currencies accepted & process for clearance/settlement
	Foreign Currency	Residents donate cash. Will Bank accept on behalf of City?
Vault		
	Loose Coin	
	Bagged Coin	
	Rolled Coin	
	Loose Bills	
	Strapped/Faced Bills	Encoded & Unencoded
	On-Us Check Deposited	Encoded & Unencoded
	Local Check Deposited	Encoded & Unencoded
	Transit Check Deposited	Encoded & Unencoded
Image Cash Letter		
	Image Cash Letter Transmission	
	On-Us Images Deposited	Encoded
	Local Images Deposited	Encoded
	Transit Images Deposited	Encoded
	Returned Images Represented	
	Returned Images Charged Back	
Remote Deposit/Electronic Check Deposit		
	Monthly Maintenance	
	Remote Deposit Image Scanner Device	
	Accounts Receivable Conversion Items Deposited	
	Back Office Conversion Items Deposited	
	Point of Presentation Conversion Items Deposited	
	On-Us Images Deposited	Encoded
	Local Images Deposited	Encoded

	Transit Imaged Deposited	Encoded
Automated Clearinghouse		
	E-Checks Originated	
	ACH Credits Received	
Wire Transfer		
	Domestic Wire Transfers Received	
	Foreign Wire Transfers Received	Foreign Exchange in rare situations
Card Services		
	Merchant Card Receipts Deposited	Direct credit or ACH
Lockbox		
	Standard Wholesale Lockbox	
	Check conversion to Image	
	Check conversion to ARC	
	Sorting Check with Document	
	Keystroke of Document Data	
	Transmission of Keystroke Data to Agency Systems	Transmission of https
Home Banking Collections		
	Concentration of Home Banking Dollars & Information	
	ACH receipt of dollars from Home Banking Services	
	Electronic file updates to Department receivable systems	

DISBURSEMENT SERVICES - PRODUCT TYPE	REQUIRED SERVICES	COMMENTS
Paper Checks		
	Vendor Checks	
	Payroll Checks	
	Benefit Payment Checks	
	Pension Checks	
	Miscellaneous Checks	
	Branch Check Encashment	Employees, Vendors, Benefit Recipients

Automated Clearinghouse		
	Vendor Payments	
	Payroll Payments	
	Benefits & Entitlement Payments	
	Pension Payments	
Wire Transfer		
	Browser based wire origination with strict "commercially reasonable security procedures"	
	Ability to create repetitive wire templates under dual/multiple control	
	Domestic Standing (Repetitive) Wires	
	Domestic One Time Wires -- Multiple location Create, Approve, Release	
	Cross Border Standing (Repetitive) Wires	US & Foreign Currency Wires
	Cross Border One Time Cross Wires -- Multiple location Create, Approve, Release	
Card Payments		
	Purchasing Card	
	Payroll Cards	Credit or Debit
	Benefits Cards	Credit or Debit
	Prepaid Cards	Students/Health Donor Programs/ETC.
	Online user and card activation tools	
Disaster Recovery/Preparation		
	Prearranged/preauthorized payment instructions for Payroll, Benefits, Deferred Compensation Payments	

REPORTING SERVICES - PRODUCT TYPE	REQUIRED SERVICES	COMMENTS
Reporting Services & Account Management		
	Next Day Ledger/Collected/Available Reporting	
	Same Day Ledger/Collected/Available Reporting	
	Next Day Total Debits Reporting	
	Next Day Total Credits Reporting	
	Intra-Day Debits Reporting	
	Intra-Day Credits Reporting	
	Controlled Disbursement Clearing Totals	
	Automated Clearinghouse Debit & Credit Totals	

	Wire Transfer Debit & Credit Reporting	
	Check Status Lookup	
	Paid Check Image Retrieval	
	Stop Payment Initiation	
	Positive Pay Exception Report	
	Positive Pay Approval Input	
	Positive Pay Manual Input	
	Remote Deposit/Electronic Check Deposit Reporting	
	Deposited Check Image Lookup	
	Returned Check Report	
	Returned Check Redeposit Instruction	
	ACH Returned/Rejection Report	
	Notifications of Change Report	
	Lockbox Deposit Report	
	Online data available for 180 days	
	Automated notifications (e-mail/text message)	E-Mail/Text
	835 file delivery	For DPH
	Electronic Bank Statement delivery by transaction or https	
	Electronic AA delivery by transmission or http	
Business Resumption		
	Hot back-up balance reporting	
	Hot back-up transmissions	
	Hot-back-up https file delivery	



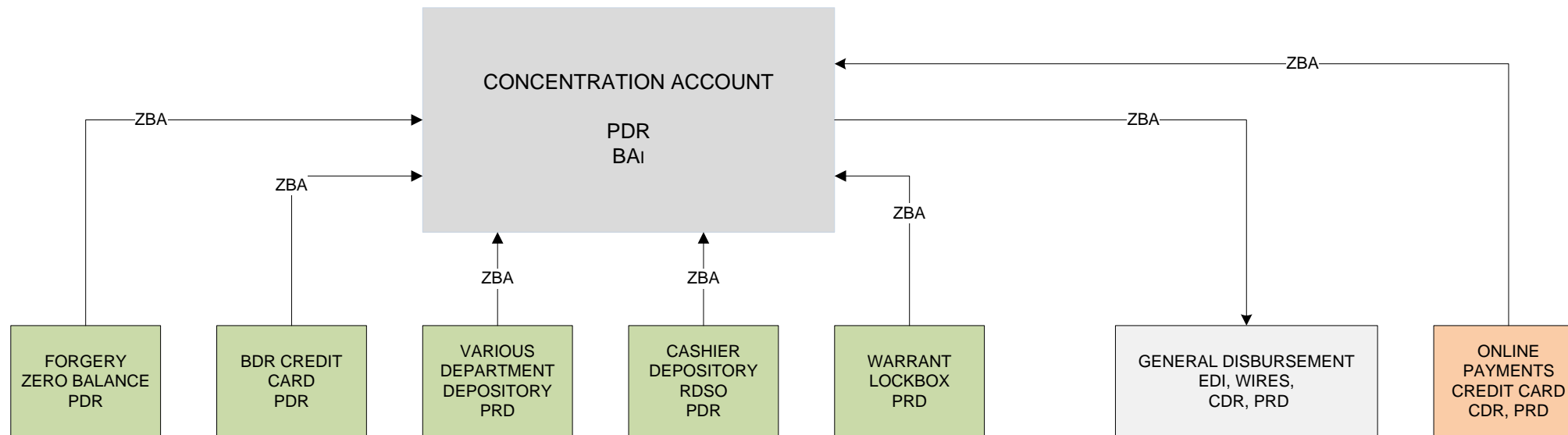
EXHIBIT II

CCSF BANK ACCOUNT STRUCTURE

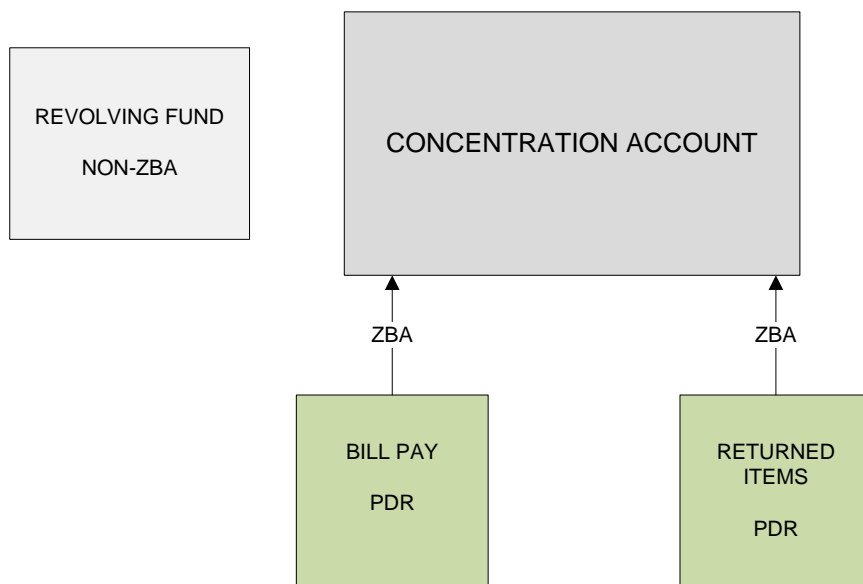
EACH SECTION DISPLAYS CURRENT BANK ACCOUNT STRUCTURE AND PRIMARY SOURCES OF REVENUE FOR EACH DEPARTMENT  
EXCEPTION - THE OFFICE OF THE CONTROLLER DOES NOT HAVE ANY SIGNIFICANT REVENUE SOURCES

A. THE OFFICE OF TREASURER & TAX COLLECTOR

BANK #1



**BANK #2**



### Property Tax Revenue



- Secured Property Tax
- Supplemental Property Tax
- Unsecured Property Tax
- Delinquent Property Tax
- Special Assessment

### Business Tax Revenue



- Business Registration
- Payroll Expense Tax
- Hotel/Parking/Utility Tax
- Permits and Licenses
- Cigarette Litter Abatement Fee

### Delinquent Collections



- SFGH
- DBI
- Fire
- Others

### Various Revenue



- Passport Application Fees
- Dog Licenses

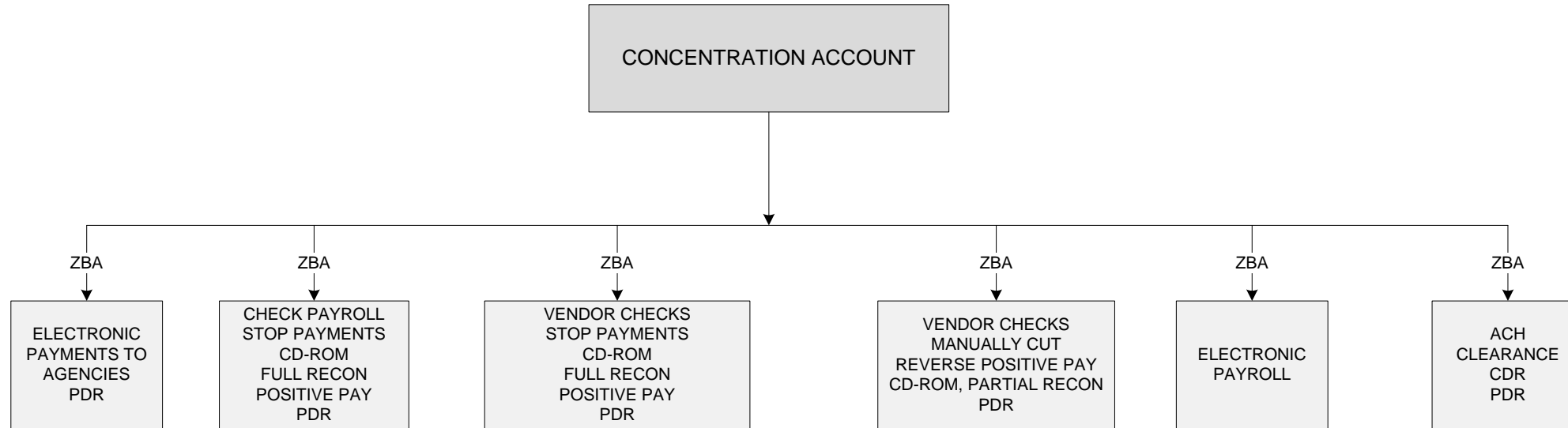
### Revenue Collected for Other Agencies



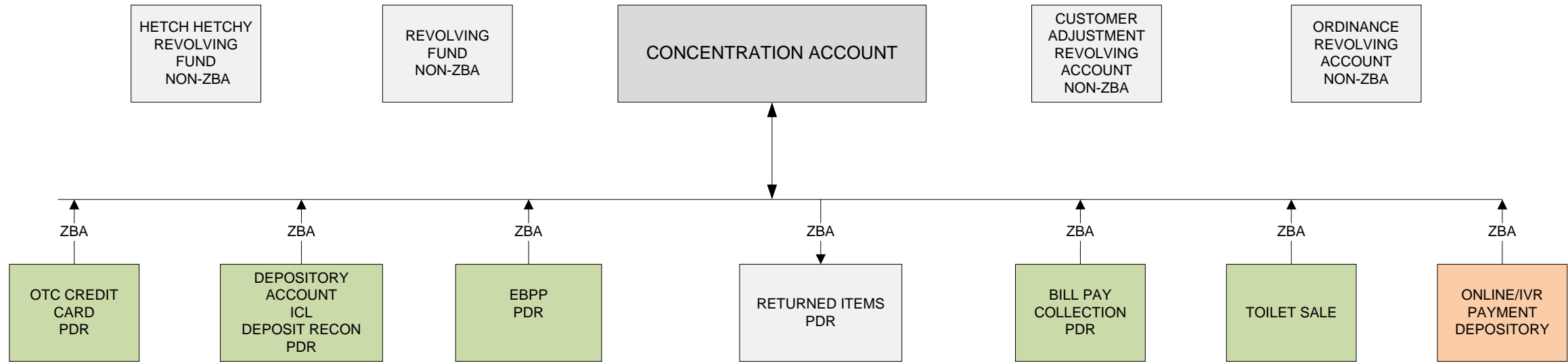
- PUC (Water Payments)
- DPW (Permit and Fees)
- Rec&Park (Swim Tickets, Golf Cards)

**B. OFFICE OF THE CONTROLLER**

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**C. PUBLIC UTILITIES COMMISSION: SAN FRANCISCO WATER – POWER - SEWER**





### Water Enterprise Revenue

- Sale of Water
- Federal Debt Service Subsidy
- Interest Income
- Proceeds from Bonds



### Hetch Hetchy Water & Power

- Sale of Electricity
- Sale of Water
- Sale of Natural Gas and Steam
- Proceeds from Bonds
- Interest Income

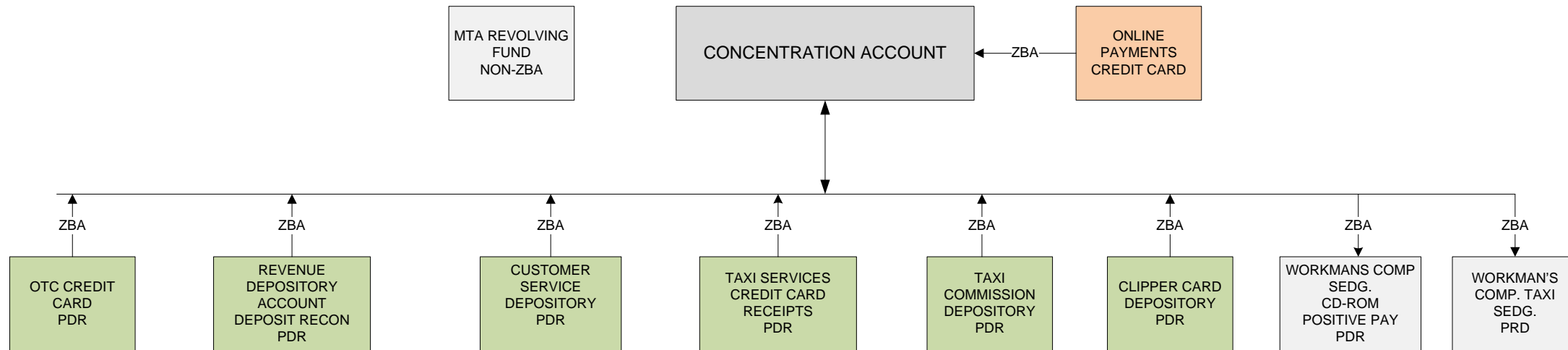


### Wastewater Enterprise Revenue

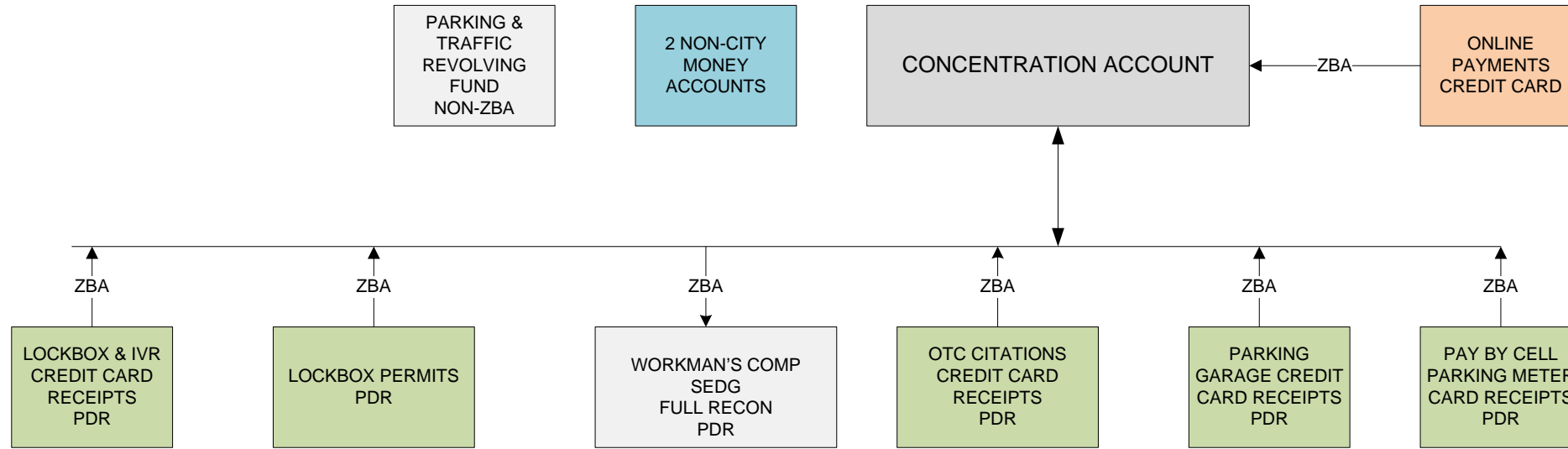
- Sewer Service Charges
- Interest Income

D. SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

Revenue and Customer Service Unit



Sustainable Street







- Transit Fares
- Cash and Credit Card Fare Sales
- Clipper Program Revenue



#### Taxi Services



- Parking and Traffic Fees and Fines
- SFPark Program
- Parking Garages
- Parking Meters and Lots (Wireless, Coin Operated and Pay by Credit Card)
- Parking Citations
- Parking Permits

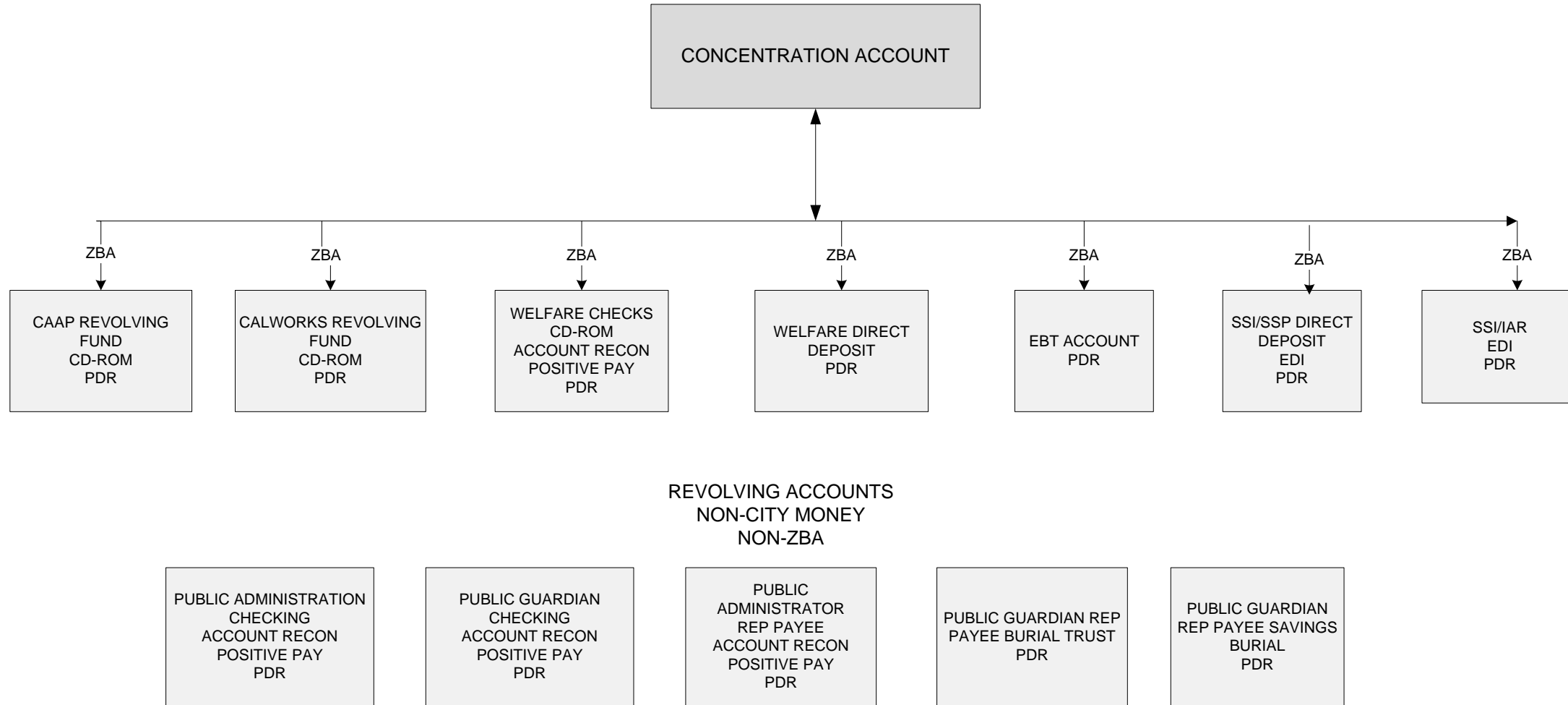


#### Various Revenue

- Operating Grants
- Advertising
- Interest Income
- Rental Income
- Intergovernmental Revenue
- Hotel Revenue
- Tow Surcharges

**E. DEPARTMENT OF HUMAN SERVICES**

**BANK #1**



**BANK #2**

REVOLVING ACCOUNTS  
NON-ZBA

GENERAL REVOLVING

FIELD EXPENSE

CALWORKS  
ACCOUNT RECON  
POSITIVE PAY

CAAP  
ACCOUNT RECON  
POSITIVE PAY



Childcare Programs  
 -Child Care  
 -Adoption Services  
 -Foster Parent Services



Employment Services  
 -Employment and Job Training  
 -First Source Hiring Program  
 -Employee Recruitment Services



Housing and Homeless Services  
 -Emergency Shelter  
 -Help for Homeless Families  
 -Project Homeless Connect  
 -The Homeward Bound Program  
 -Rental Assistance  
 -Low-Income Housing  
 -Eviction Prevention Services



Food Assistance  
 -Food Stamps  
 -School Meals



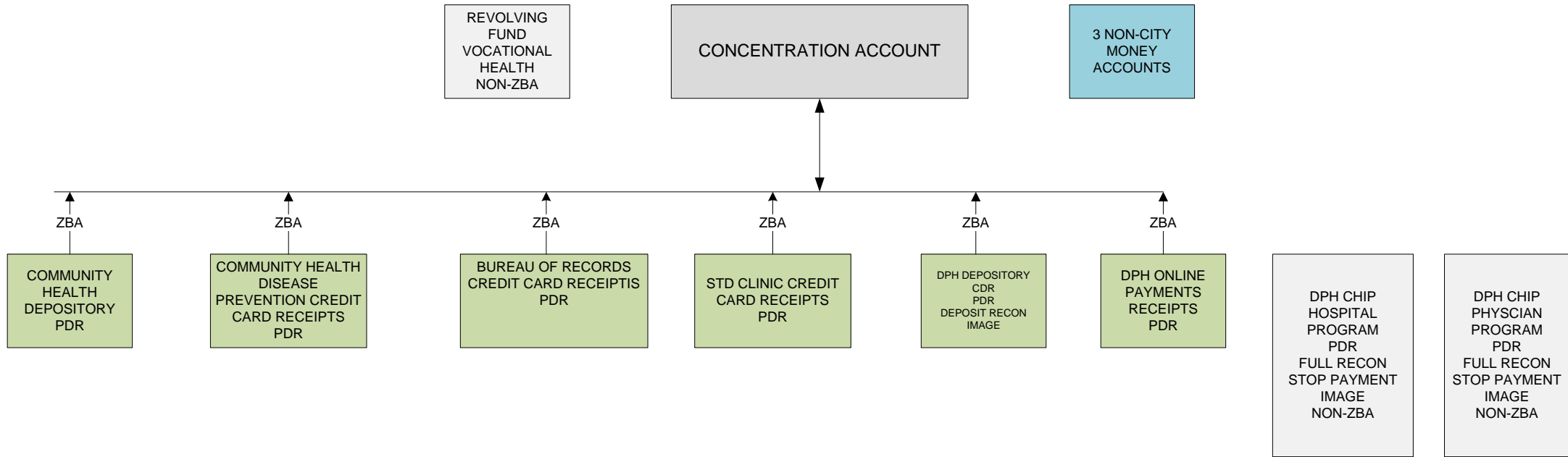
Department of Aging and Adult Services (DAAS) Programs  
 -Adult Protective Services  
 -In-Home Supportive Services  
 -Low-Cost Meals For Seniors  
 -Information, Resources, Advocacy and Legal Services  
 -County Veterans Service Office  
 -Services for Frail Seniors and Their Families  
 -Public Guardian, Public Administrator and Representative Payee Program



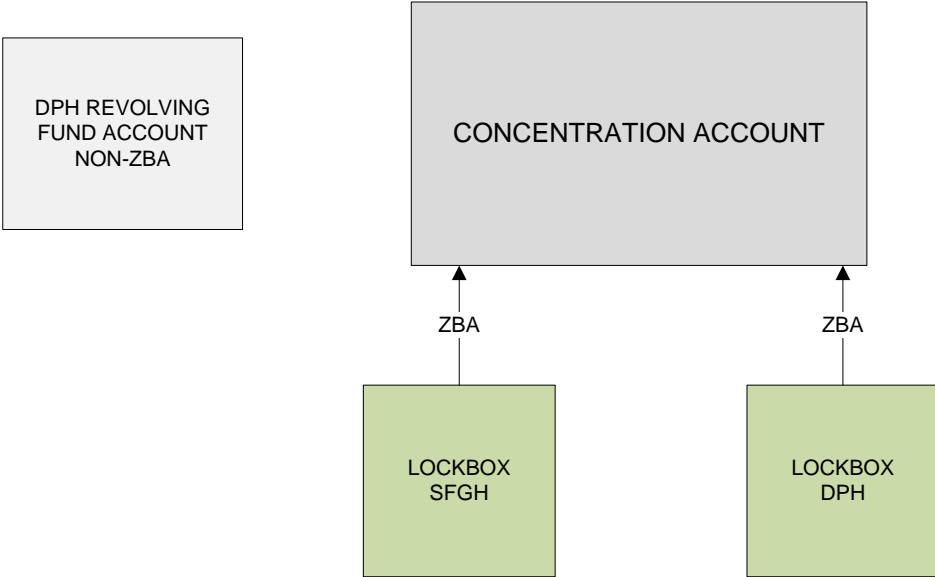
Health Care Programs  
 -Medi-Cal Program through CALWORKs  
 -Healthy Kids Program  
 -Healthy San Francisco Program

E. DEPARTMENT OF PUBLIC HEALTH

**BANK #1**



**BANK #2**





San Francisco General Hospital



Laguna Honda Hospital



Community Health

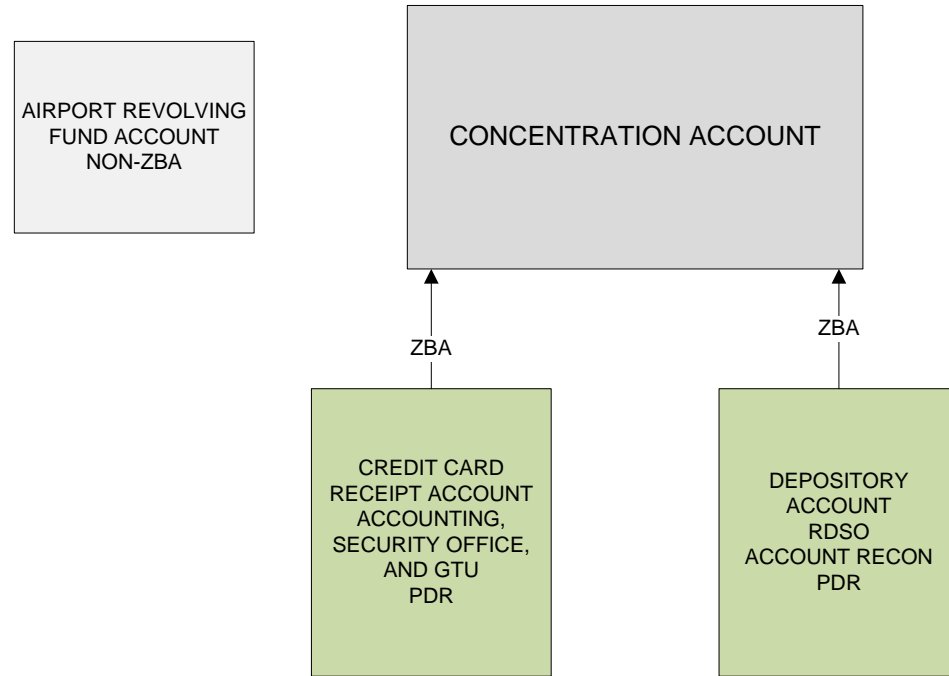


Mental Health

F. SAN FRANCISCO INTERNATIONAL AIRPORT

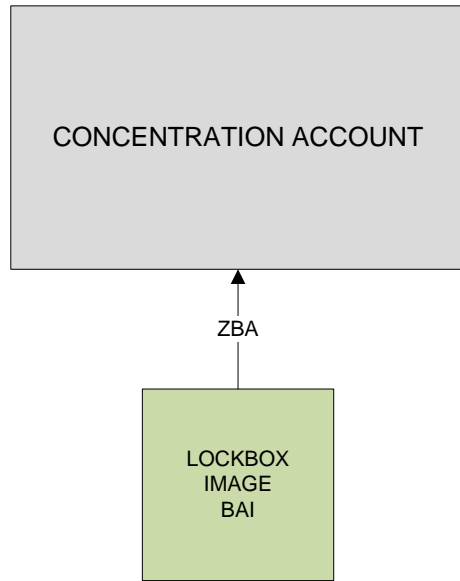
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**BANK #1**





**BANK #2**





### Aviation Revenue

- Terminal Rental
- Landing Fees



### Ground Transportation Revenue

- Public and employee parking facilities (long term, daily, garages, valet)
- Taxi AVM
- Registration and inspection services
- Bond Collection



### Consession Revenue

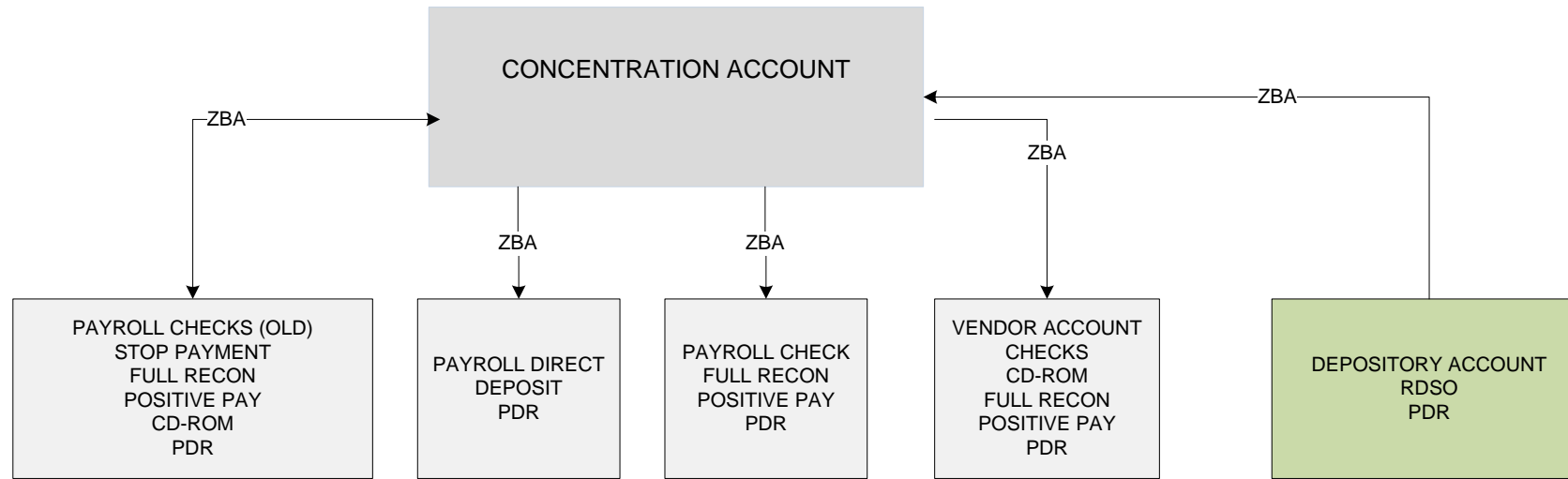


### Various

- Cargo and Storage Facilities Rental
- Telecommunication Access Services Revenue
- Delinquent Collections (through Turbodata)
- Fines (collected through San Mateo County Court)
- Vending Machines (collections by custodians)

G. SAN FRANCISCO UNIFIED SCHOOL DISTRICT

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District Revenue  
- School tuition and fees



State and Federal Revenue  
-California Department of Education Child Development Division  
-Federal Child and Adult Care Food Program



Various Revenue  
-Sales Tax  
-Leases and Rentals  
-Interest  
-Charter School Admin Fees  
- Redevelopment and Permit Fees

**EXHIBIT III**  
**PRICING WORKSHEET**

**PLEASE COMPLETE & SUBMIT THE EXCEL FILE TITLED “PRICING  
WORKSHEET”**

## EXHIBIT IV

### SAN FRANCISCO HOUSING AUTHORITY DESCRIPTION; BANKING & PAYMENTS NEEDS; & VOLUMES

#### San Francisco Housing Authority Description

##### MISSION

*"The Mission of the San Francisco Housing Authority is to deliver safe and decent housing for low income households and integrate economic opportunity for residents."*

The San Francisco Board of Supervisors established the San Francisco Housing Authority ("SFHA") in 1938. SFHA is the oldest housing authority in California and the 17th largest in the country. Since its inception, the SFHA's Conventional Public Housing Department has grown to include over 40 developments located throughout San Francisco.

In 1974, the Housing Choice Voucher Program (formerly "Section 8") was introduced to the SFHA. Over 10,000 individuals and families have been served through the Housing Choice Voucher Program.

Today, the San Francisco Housing Authority serves over 20,000 individuals residing in San Francisco.

To read more about the functions and duties of SFHA, please refer to the following link: <http://www.sfha.org/>.

#### Summary of Currently Used Bank Products

- Master Concentration Account (1)
  - Deposit Activity
    - Lockbox Credits: check payments received from property tenants
    - Incoming Wire Transfers: funding from HUD and CCSF
    - ACH Received Items
    - Branch Deposits: checks, coin & currency received from property tenants
    - Check and ACH blocks
    - Balance & Transaction reporting
- Zero Balance Disbursement Accounts (3)
  - Payroll
    - ACH Direct Deposit of Payroll
    - Paper Checks with Account Reconciliation and Positive Pay (payee verification)
    - Payroll Tax payments
    - ACH Debit Blocks
    - File transmission through web interface
    - Transaction reporting
  - Vendor Payables
    - ACH payment
    - Paper Checks with Account Reconciliation and Positive Pay (payee verification)
    - ACH Debit Blocks
    - File transmission through web interface

- Transaction reporting
- Housing Assistance Payments to Landlords
  - ACH payment
  - Paper Checks with Account Reconciliation and Positive Pay (payee verification)
  - ACH Debit Blocks
  - File Transmission through web interface
  - Transaction reporting

### Estimated Monthly SFHA Transaction Volumes

San Francisco Housing Authority Estimated Monthly Transaction Volumes	
Demand Deposit Accounts	4
Zero Balance Accounts	3
Deposit Tickets	33
Electronic Credits	67
Paper Checks	1,222
Electronic Debits	89
Deposited Items - on us	100
Deposited items - local	1,840
Deposited items - regional	350
Deposited items - transit	2,485
Deposited items returned	12
Returned item maintenance	1
Redeposited returned items	10
Check filter maintenance	2
Partial A/R with Positive Pay	3
Partial A/R checks paid	1,200
Positive Pay Exceptions	30
A/R Transmission output	3
A/R Transmission per item	1,130
Stale Date Maintenance	3
Current Day online reporting	1
Current Day items reported	300
Previous Day online reporting	4
Previous Day items reported	2,500
ACH Receive report	3
ACH Settlement report	4
Book transfer maintenance	2
Stop payment maintenance	3

Stop payments	5
Positive Pay maintenance	3
Incoming Wire Transfers	1
Wire Advice	1
Image account maintenance	3
Image archive per item	1,200
Image archive - CD	1
Image item retrieved online	4
Lockbox maintenance	1
Lockbox deposits	22
Lockbox items deposited	4,425
Lockbox data entry	8,840
Web tax payments	9
Web tax report	1
ACH maintenance	1
ACH items originated - transit	3,945
ACH items originated - on us	155
ACH file confirmation	9
ACH received item	55
ACH account blocks	2
ACH account filter	1
ACH returned items	5
ACH notification of change	30



**EXHIBIT V**  
**RESPONSES TO SECTION 8.0**

**PLEASE COMPLETE & SUBMIT THE EXCEL FILE TITLED  
“RESPONSES TO SECTION 8.0”**

## 10.0.0 APPENDICES

### 10.1.0 ACKNOWLEDGEMENT OF RFP TERMS AND CONDITIONS

#### HOW TO RESPOND TO THIS APPENDIX

By submitting a Proposal, the Respondent, on behalf of itself and its Partners/Subconsultants acknowledges and agrees that:

1. **RESPONDENT AUTHORIZATION:** The signatories are authorized by the Respondent to make representations for the Respondent and to obligate the Respondent to perform the commitments contained in its Proposal.
  
2. **RESPONDENT SELECTION:** *Based on Proposals received to this Request for Proposals (RFP), it is the intent of the Office of the Treasurer & Tax Collector to select the highest scoring and most responsive Respondent for contract negotiations. This RFP does not in any way limit the CCSF's right to solicit contracts for similar or identical services if, in the CCSF's sole and absolute discretion, it determines Proposals received are inadequate to satisfy its needs.*
  
3. **CONTRACT NEGOTIATIONS:** **The CCSF will select the highest scoring Respondent(s) with whom the Office of the Treasurer & Tax Collector staff will commence contract negotiations. If a satisfactory contract cannot be negotiated in a reasonable time with the selected Respondent, then the Office of the Treasurer & Tax Collector, in its sole discretion, may terminate negotiations and begin contract negotiations with next highest scoring Respondent. The selection of any Respondent for contract negotiation shall not imply acceptance by the CCSF of all terms of the Proposal, which may be subject to further negotiation and approvals before the CCSF may be legally bound thereby.**
  
4. **NO GUARANTEE OF WORK OR COMPENSATION:** There is no guarantee of a minimal amount of work or compensation for any of the Respondents selected for contract negotiations.
  
5. **COMPLIANCE WITH LAWS AND REGULATIONS:** IT MUST COMPLY WITH ALL APPLICABLE STATE, FEDERAL, AND LOCAL LAWS. IN THE EVENT ANY GOVERNMENTAL RESTRICTIONS MAY BE IMPOSED WHICH WOULD NECESSITATE ALTERATION OF THE MATERIAL, QUALITY, WORKMANSHIP OR PERFORMANCE OF THE ITEMS OFFERED ON THIS PROPOSAL PRIOR TO THEIR DELIVERY, IT SHALL BE THE RESPONSIBILITY OF THE SUCCESSFUL RESPONDENT TO NOTIFY THE CCSF AT ONCE, INDICATING IN ITS LETTER THE SPECIFIC REGULATION WHICH REQUIRED SUCH ALTERATIONS. THE CCSF RESERVES THE RIGHT TO ACCEPT ANY SUCH ALTERATIONS, INCLUDING ANY PRICE ADJUSTMENTS OCCASIONED THEREBY, OR TO CANCEL THE CONTRACT.
  
6. **STAFFING:** The key individuals listed and identified in the Proposal will be performing the work and will not be substituted with other personnel or reassigned to another project by the Respondent/Contractor without the CCSF's prior approval or request. The CCSF, in its sole discretion, shall have the right to review and approve all staff assigned to provide services throughout the duration of the contracts negotiated under this RFP. Such approval by the CCSF will not be unreasonably withheld. If selected for interviews, the Respondent's key individuals, including partner/subconsultant representatives, will be required to meet with the CCSF prior to selection for contract negotiations.

7. LEAD ROLE: The selected Respondent(s) will be expected to take the lead role in project management and staff coordination. Proposals should factor this assumption into pricing.

8. CCSF'S APPROVAL RIGHTS OVER SUBCONSULTANTS AND SUBCONSULTANT PAYMENTS: THE CCSF HAS APPROVAL RIGHTS OVER THE USE OF ALL SUBCONSULTANTS. RESPONDENTS MUST IDENTIFY ALL SUBCONSULTANTS IN THEIR PROPOSALS AND THESE SUBCONSULTANTS MUST CONFORM TO ALL CCSF POLICIES REGARDING SUBCONSULTANTS. FURTHERMORE, EACH RESPONDENT UNDERSTANDS, ACKNOWLEDGES, AND AGREES THAT IF IT SUBCONTRACTS WITH A THIRD PARTY FOR SERVICES, THE RESPONDENT ACCEPTS RESPONSIBILITY FOR FULL AND PROMPT PAYMENT TO THE THIRD PARTY. ANY DISPUTE BETWEEN THE RESPONDENT AND THE THIRD PARTY, INCLUDING ANY PAYMENT DISPUTE, WILL BE PROMPTLY REMEDIATED BY THE RESPONDENT. FAILURE TO PROMPTLY REMEDY OR TO MAKE PROMPT PAYMENT TO A THIRD PARTY (SUBCONSULTANT) MAY RESULT IN THE WITHHOLDING OF FUNDS FROM THE RESPONDENT BY THE CCSF.

9. CCSF RESOURCES: The CCSF will arrange for contractor's access to equipment and data as deemed appropriate by the CCSF.

10. ADMINISTRATIVE REQUIREMENTS: see *APPENDIX 10*.

It must fulfill the CCSF's administrative requirements for doing business with the CCSF prior to contract award. Fulfillment is defined as completion, submission and approval by applicable CCSF agencies of the forms and requirements referenced in *APPENDIX 10.2*.

11. THE CITY'S TERMS AND CONDITIONS: see *APPENDIX 10*.

It is willing and able to meet all of the CCSF's terms and conditions as stated in the CCSF's standard professional services agreement ("Agreement") template (see *APPENDIX 10.4*). Respondents wishing to negotiate modification of other terms and conditions must attach a copy of the CCSF's Agreement referring to the specific portion of the Agreement to be changed, and show proposed changes (deleted sections with a strikeover and added sections in boldface type). The CCSF's selection of any Respondent who proposes changes to the CCSF's Agreement terms shall not be deemed as acceptance of the Respondent's proposed changes.

12. TERM OF COST AND WORK EFFORT ESTIMATE: SUBMISSION OF A PROPOSAL SIGNIFIES THAT THE PROPOSED SERVICES AND PRICES ARE VALID FOR TWO (2) YEARS FROM THE CCSF'S NOTICE OF INTENT TO AWARD A CONTRACT FROM THIS RFP AND THAT THE QUOTED PRICES ARE GENUINE AND NOT THE RESULT OF COLLUSION OR ANY OTHER ANTI-COMPETITIVE ACTIVITY.

The CCSF may award contract(s), based on Proposals received without discussion. A Respondent's initial cost and work effort estimate should, therefore, be based on the most favorable terms available. The CCSF reserves the right to accept other than the lowest price offer and reject all Proposals that are not responsive to this RFP.

13. RELEASE OF LIABILITY: The Respondent hereby releases all individuals, entities and firms from all claims and losses that may arise from said individuals, entities or firms providing information, comments, or conclusions to inquiries that the CCSF may make regarding the qualifications of any individual or firm seeking to be selected as a consultant or subconsultant in connection with this RFP. This release is freely given and will be applicable whether or not the responses by said individuals, entities or firms are accurate or not, or made willfully or negligently.

14. **FINANCIAL RESPONSIBILITY FOR PROPOSAL COSTS:** The CCSF accepts no financial responsibility for any costs incurred by a firm in responding to this RFP. Proposals will become the property of the CCSF and may be used by the CCSF in any way deemed appropriate.

15. **PROJECT TIMELINE:** Actual contract periods may vary, depending upon service and project needs. Any Respondent selected for a contract must be available to commence work no later than sixty (60) days after commencement of contract negotiations. This RFP provides the CCSF with the ability to exercise options allowing for a total contract period of five (5) years plus two (2) two (2) year optional extension periods. It will be the responsibility of any Respondent selected for contract negotiations to disclose, before negotiations commence, any limitations that may impact its ability to complete work in accordance with anticipated deliverables and timelines.

16. **OBJECTIONS TO RFP TERMS:** Should a Respondent object on any ground to any provision or legal requirement set forth in this RFP, the Respondent must, not more than ten (10) calendar days after the RFP is issued, provide written notice to the Office of the Treasurer & Tax Collector setting forth with specificity the grounds for the objection. The failure of a Respondent to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of any such objection.

17. **EXCEPTIONS TO THIS RFP:** All information requested in this RFP must be supplied. Respondents may clearly identify any exceptions to the RFP in this section and must provide a written explanation to include the scope of the exceptions, the ramifications of the exceptions for the CCSF, and the description of the advantages or disadvantages to the CCSF as a result of exceptions. The CCSF, in its sole discretion, may reject any exceptions or specifications within the Proposal. Respondents may also provide supplemental information, if necessary, to assist the CCSF in analyzing Proposals.

**18. ERRORS AND OMISSIONS IN RFP: Respondents are responsible for reviewing all portions of this RFP. Respondents are to promptly notify the Office of the Treasurer & Tax Collector, in writing, if the Respondent discovers any ambiguity, discrepancy, omission or other error in the RFP. Any such notification should be directed to the Office of the Treasurer & Tax Collector promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of Proposals. Modifications and clarifications will be made by addenda as provided below.**

19. **INQUIRIES AND COMMUNICATIONS REGARDING RFP:** Inquiries regarding the RFP and all communications (excluding actual proposal submissions) including notifications related to, exceptions or objections to, or of an intent to request written modification or clarification of, the RFP must be directed by e-mail (fax is not acceptable) to the TTX secure mailbox:

[ttx.rfp@sfgov.org](mailto:ttx.rfp@sfgov.org)

20. **CHANGE NOTICES:** The Office of the Treasurer & Tax Collector may modify the RFP, prior to the Proposal due date, by issuing written addenda. Addenda will be posted on the 'Contract Opportunities' section of the Office of the Treasurer & Tax Collector website at: <http://www.sftreasurer.org/rfp>. The Office of the Treasurer & Tax Collector will make reasonable efforts to post notification of modifications in a timely manner. Notwithstanding this provision, the Respondent shall be responsible for ensuring that its Proposal reflects any and all addenda issued by the Office of the Treasurer & Tax Collector prior to the Proposal due date regardless of when the Proposal is submitted. Therefore, the CCSF recommends that

the Respondent call the Office of the Treasurer & Tax Collector or check the Office of the Treasurer & Tax Collector website before submitting its Proposal to determine if the Respondent is aware of all addenda.

21. **REVISION OF PROPOSAL:** Respondent may revise a Proposal on the Respondent's own initiative at any time before the deadline for Proposals. The Respondent must submit the revised Proposal in the same manner as the original. A revised Proposal must be received on or before the Proposal due date.

22. **CONFLICTS OF INTEREST:** The successful Respondent will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III, Chapter 2 of CCSF's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. The successful Respondent will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the CCSF if it becomes aware of any such fact during the term of the Contract.

Individuals who will perform work for the CCSF on behalf of the successful Respondent might be deemed consultants under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the CCSF within ten (10) calendar days of the CCSF notifying the successful Respondent that the CCSF has selected the Respondent.

RESPONDENTS are strongly advised to consult with their legal counsel regarding their eligibility to submit a PROPOSAL for this RFP or subsequent RFQs/RFPs.

23. **RESPONDENT'S OBLIGATIONS UNDER THE CAMPAIGN REFORM ORDINANCE:** Respondent must comply with Section 1.126 of the S.F. Campaign and Governmental Conduct Code, which states:

No person who contracts with the CCSF for the rendition of personal services, for the furnishing of any material, supplies or equipment to the CCSF, or for selling any land or building to the CCSF, whenever such transaction would require approval by a CCSF elective officer, or the board on which that CCSF elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and the later of either (1) the termination of negotiations for such contract, or (2) three (3) months have elapsed from the date the contract is approved by the CCSF elective officer or the board on which that CCSF elective officer serves.

If a Respondent is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the Respondent is prohibited from making contributions to:

- the officer's re-election campaign
- a candidate for that officer's office
- a committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a contractor approaches any CCSF officer or employee about a particular contract, or

a CCSF officer or employee initiates communication with a potential contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the contractor. Examples of initial contacts include: (i) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (ii) a city officer or employee contacts a contractor to propose that the contractor apply for a contract. Inquiries for information about a particular contract, requests for documents relating to a Request for Qualifications or Proposals, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

- a) Criminal. Any person who knowingly or willfully violates section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
- b) Civil. Any person who intentionally or negligently violates section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
- c) Administrative. Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

For further information, Respondents should contact the San Francisco Ethics Commission at (415) 581-2300.

24. SUNSHINE ORDINANCE: In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request. Respondent understands that any writing presented under this RFP may be subject to public disclosure.

**25. PUBLIC ACCESS TO MEETINGS AND RECORDS:** If a Respondent is a non-profit entity that receives a cumulative total per year of at least \$250,000 in CCSF funds or CCSF-administered funds and is a non-profit organization as defined in Chapter 12L of the S.F. Administrative Code, the Respondent must comply with Chapter 12L. The Respondent must include in its Proposal (1) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to Respondent's meetings and records, and (2) a summary of all complaints concerning the Respondent's compliance with Chapter 12L that were filed with the CCSF in the last two (2) years and deemed by the CCSF to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the Respondent shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in Respondent's Chapter 12L submission shall be grounds for rejection of the Proposal and/or termination of any subsequent Agreement reached on the basis of the Proposal.

**26. RESERVATIONS OF RIGHTS BY THE CCSF:** The issuance of this RFP does not constitute an agreement by the CCSF that any contract will actually be entered into by the CCSF. The CCSF expressly reserves the right at any time to:

- A. Waive or correct any defect or informality in any Proposal, response, or response procedure;
- B. Reject any or all Proposals;
- C. Reissue a Request for Qualifications or Request for Proposals;
- D. Prior to submission deadline for Proposals, modify all or any portion of the selection procedures, including deadlines for accepting Proposals, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the Proposals;
- E. Procure any materials, equipment or services specified in this RFP by any other means; or
- F. Determine that no project will be pursued.

**27. NO WAIVER:** NO WAIVER BY THE CCSF OF ANY PROVISION OF THIS RFP SHALL BE IMPLIED FROM ANY FAILURE BY THE CCSF TO RECOGNIZE OR TAKE ACTION ON ACCOUNT OF ANY FAILURE BY A RESPONDENT TO OBSERVE ANY PROVISION OF THIS RFP. FAILURE BY THE DEPARTMENT TO OBJECT TO AN ERROR, OMISSION OR DEVIATION IN THE PROPOSAL IN NO WAY WILL MODIFY THE RFP OR EXCUSE THE RESPONDENT FROM FULL COMPLIANCE WITH THE SPECIFICATIONS OF THE RFP OR ANY CONTRACT AWARDED PURSUANT TO THE RFP.

**28. CONTRACT NEGOTIATIONS:** The CCSF will select the most qualified and responsive Respondent with whom the Office of the Treasurer & Tax Collector staff will commence contract negotiations. If a satisfactory contract cannot be negotiated in a reasonable time with the selected Respondent, then the Office of the Treasurer & Tax Collector, in its sole discretion, may terminate negotiations and begin contract negotiations with the next highest scoring Respondents it deems qualified. The selection of any Respondent for contract negotiation shall not imply acceptance by the CCSF of all terms of the Proposal, which may be subject to further negotiation and approvals before the CCSF may be legally bound thereby.

29. CERTIFICATION: EACH RESPONDENT HEREBY CERTIFIES THAT IT HAS CAREFULLY EXAMINED THIS REQUEST FOR PROPOSALS AND DOCUMENTS ATTACHED HERETO FOR TERMS, CONDITIONS, SPECIFICATIONS, COVENANTS, REQUIREMENTS, SERVICES, ETC. AND THE RESPONDENT CERTIFIES THAT IT UNDERSTANDS THE PROJECT TYPES REQUESTED, THAT THE RESPONDENT HAS KNOWLEDGE AND EXPERTISE TO PROVIDE THE PROJECT TYPES SUBMITTED FOR CONSIDERATION, AND THAT ITS PROPOSAL IS BASED UPON THE TERMS, CONDITIONS, SPECIFICATIONS, SERVICES, AND REQUIREMENTS OF THIS RFP AND ATTACHMENTS. BY ITS SIGNATURE ON THE PROPOSAL TO THE RFP, THE RESPONDENT CERTIFIES THAT ITS PROPOSAL IS MADE WITHOUT PRIOR UNDERSTANDING, AGREEMENT, OR CONNECTION WITH ANY CORPORATION, FIRM OR PERSON SUBMITTING A PROPOSAL FOR THE SAME MATERIALS, SUPPLIES, OR EQUIPMENT, AND IS IN ALL RESPECTS FAIR AND WITHOUT COLLUSION OR FRAUD, SO THAT ALL PROPOSALS FOR THE PURCHASE WILL RESULT FROM FREE, OPEN AND COMPETITIVE PROPOSING AMONG ALL VENDORS, IN COMPLIANCE WITH THE CCSF'S LAWS.

30. ACCEPTANCE: SUBMISSION OF ANY PROPOSAL INDICATES A RESPONDENT'S ACCEPTANCE OF THE CONDITIONS CONTAINED IN THIS RFP UNLESS CLEARLY AND SPECIFICALLY NOTED OTHERWISE IN THE PROPOSAL. THE CCSF MAY DISCONTINUE ITS SELECTION, CONTRACT NEGOTIATIONS, OR CONTRACT AWARD PROCESSES WITH ANY RESPONDENT IF IT IS DETERMINED THAT THE RESPONDENT HAS NOT ACCEPTED THE RFP TERMS AND CONDITIONS CONTAINED HEREIN.

**Each Respondent, as part of its Proposal, must submit this document signed by a representative(s) authorized by the Respondent to make representations for the Respondent and to obligate the Respondent to perform the commitments contained in its Proposal.**

Acknowledged and Agreed:

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Firm Name  
\_\_\_\_\_  
City, State  
\_\_\_\_\_  
Phone Number  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Firm Name  
\_\_\_\_\_  
City, State  
\_\_\_\_\_  
Phone Number  
\_\_\_\_\_  
Date



## Appendix 10.2.0 CCSF's Administrative Requirements (Vendor Forms)

- The CCSF can only do business with Respondents that have fulfilled the CCSF's requirements.
- The CCSF may only evaluate proposals from Respondents that at the time of Proposal submission have already fulfilled the administrative requirements for doing business with the CCSF. Proposals that fail to meet this requirement may be deemed non-responsive.
- Fulfillment of this requirement will be verified prior to presenting proposals to the Evaluation Team. Fulfillment is defined as completion, submission to the Office of the Treasurer & Tax Collector and approval by applicable CCSF agencies (Human Rights Commission, Treasurer/Tax Collector, Office of Contract Administration, Risk Management, etc.) of these forms.
- To help us help you, please send all of these forms directly to the Office of the Treasurer & Tax Collector Contact below. We will inform you if your firm needs to complete documentation requirements directly with other CCSF departments.

### HOW TO RESPOND TO THIS ATTACHMENT

#### NEW TO CITY BUSINESS?

If your firm has never done business with the CCSF before, please review, complete and submit the forms referenced and linked here as soon as possible and in advance of your Proposal to the contact listed below.

#### NOT YOUR FIRST TIME DOING BUSINESS WITH THE CITY?

Even if your firm has done business with the CCSF before, it is best to check on the status of your completion of the CCSF's requirements with the contact listed below to ensure your firm is not precluded from contract award based on outstanding administrative requirement issues. The CCSF vendor number you list in the Attachment V Executive Summary section serves as partial verification that the Respondent has completed the CCSF's administrative requirements. Please be sure that your firm has fulfilled all City requirements as defined in the third bullet point above.

#### CONTACT

Contact Greg Kato at (415) 554-6888 or at [greg.kato@sfgov.org](mailto:greg.kato@sfgov.org) for information and assistance on meeting these requirements.

## FORMS AND REQUIREMENTS

[http://www.sfgov.org/site/oca\\_page.asp?id=26550](http://www.sfgov.org/site/oca_page.asp?id=26550)

- A. **Vendor Profile Application** – establishes basic vendor information  
Vendor Profile Application Instructions  
Commodity Codes for Reference in Filling Out Application
- B. **IRS Form W-9** – establishes federal and state tax status  
<http://www.irs.gov/pub/irs-pdf/fw9.pdf>
- C. **Business Tax Declaration** – establishes San Francisco business tax status  
[http://www.sfgov.org/site/oca\\_page.asp?id=26550#P-25](http://www.sfgov.org/site/oca_page.asp?id=26550#P-25)  
Note that based on how this declaration is filled out, Respondents may be required to additionally register for a business tax certificate and pay business taxes. See instructions on the Declaration form.
- D. **HRC Form 12B-101 (Declaration: Nondiscrimination in Contracts and Benefits)** – establishes determination of how Respondent provides benefits to employees with spouses and to employees with domestic partners.  
[http://www.sfgov.org/site/sfhumanrights\\_index.asp?id=4584](http://www.sfgov.org/site/sfhumanrights_index.asp?id=4584)  
Note that this form and documentation of benefits should be discussed directly with the Human Rights Commission, as the determining authority. Please contact the Human Rights Commission at 415-252-2500 for assistance.
- E. **Minimum Compensation Ordinance Declaration**  
[http://www.sfgov.org/site/uploadedfiles/olse/mco/MCO\\_DeclarationForm07-05.pdf](http://www.sfgov.org/site/uploadedfiles/olse/mco/MCO_DeclarationForm07-05.pdf)  
  
More information: [http://www.sfgov.org/site/olse\\_index.asp?id=27459](http://www.sfgov.org/site/olse_index.asp?id=27459)
- F. **Health Care Accountability Ordinance Declaration**  
[http://www.sfgov.org/site/uploadedfiles/olse/hcao/HCAO\\_DeclarationForm07-05.doc](http://www.sfgov.org/site/uploadedfiles/olse/hcao/HCAO_DeclarationForm07-05.doc)  
  
More information: [http://www.sfgov.org/site/olse\\_index.asp?id=27461](http://www.sfgov.org/site/olse_index.asp?id=27461)
- G. **Insurance**  
Fulfillment of the CCSF's insurance requirements is **not required as part of your Proposal.** However, fulfillment prior to Contract award is required.

The CCSF is self-insured, so at minimum per the CCSF's standard insurance requirements, it will need to be added to a contractor's General Liability and Auto Liability policies as an additional insured. The CCSF needs a formal endorsement showing that the primary insured's policies have been amended to specifically add "the City and County of San Francisco, its officers, agents and employees" as an additional insured. The General and Auto Liability policy number(s) should appear on the endorsement. Based on the type of service being provided and the amount of risk to the CCSF, other insurance coverages may be required.

### Appendix 10.3.0 Terms and Conditions

Respondents, if selected for Contract negotiations, will be required to enter into such Contract(s) substantially in the form of the City and County of San Francisco Standard Professional Services Agreement (P-500), as attached. There is no need to sign this document as part of your Proposal; the signature process will occur after Contract negotiations have concluded.

#### HOW TO RESPOND TO THIS ATTACHMENT

1. Respondents that do not submit proposed changes will be assumed to accept all of the CCSF's terms and conditions and shall submit a statement to that effect, in lieu of submitting proposed changes as part of the "Original" of your Proposal (your Proposal copies do not need to include this statement).
2. Respondents wishing to negotiate modification of other terms and conditions must attach a copy of the CCSF's Agreement referring to the specific portion of the Agreement to be changed, and show proposed changes (deleted sections with a strikeover and added sections in boldface type). The proposed changes need to be included in the "Original" of your Proposal (your Proposal copies do not need to include this Attachment).

The CCSF's selection of any Respondent who proposes changes to the CCSF's Agreement terms shall not be deemed as acceptance of the Respondent's proposed changes.

Failure to timely execute the Contract(s), or to furnish any and all certificates, bonds or other materials required in the Contract, shall be deemed an abandonment of a Contract offer. The CCSF, in its sole discretion, may select another firm and may proceed against the original selectee for damages.

Respondents are urged to pay special attention to the requirements of applicable conflict of interest laws (§23 in the Agreement), Administrative Code Chapters 12B and 12C, Nondiscrimination in Contracts and Benefits (§34 in the Agreement), the Minimum Compensation Ordinance (§43 in the Agreement), the Health Care Accountability Ordinance (§44 in the Agreement), and the First Source Hiring Program (§45 in the Agreement), as set forth herein.

## Appendix 10.4.0 LOCAL BUSINESS ENTERPRISE FORMS

### *Human Rights Commission Contact*

If you have any questions concerning the HRC Forms and to ensure that your response is not rejected for failing to comply with these requirements, please call **Romulus Asenloo, the Human Rights Commission Contract Compliance Officer for the Office of the Treasurer & Tax Collector at (415)252-2539** or by e-mail at [romulus.asenloo@sfgov.org](mailto:romulus.asenloo@sfgov.org). The forms will be reviewed as part of the pre-qualification process.

### HOW TO RESPOND TO THIS ATTACHMENT

Each RFQ or RFP process requires a new submittal of HRC Attachment 2 forms at the following link:

<http://www.sf-hrc.org/Modules/ShowDocument.aspx?documentid=1173>  
<http://www.sfgov.org/site/uploadedfiles/sfhumanrights/dbc/HRC%20Attach%202%20AEPS%200107.doc>  
 €

- (1) Form 2A-HRC Contract Participation Form
- (2) Form 2B-HRC "Good Faith Outreach" Requirements Form
- (3) Form 3-HRC Non-Discrimination Affidavit
- (4) Form 4-HRC Joint Venture Form (if applicable), and
- (5) Form 5-HRC Employment Form

Please submit **two (2)** copies of Forms 2A, 2B, 3 and 5 (and Form 4 if Joint Venture response) with your response. The forms should be placed in a separate, sealed envelope labeled "HRC Forms" as part of the "Original" of your response submission (your response copies do not need to include this Attachment).

If these forms are not returned with the response, the response may be determined to be non-responsive and may be rejected.

#### 1. Local Business Enterprise Goals and Outreach

The requirements of the Local Business Enterprise (LBE) and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance") shall apply to this RFQ. More information regarding these requirements can be found at [http://www.sfgov.org/site/sfhumanrights\\_page.asp?id=45141](http://www.sfgov.org/site/sfhumanrights_page.asp?id=45141).

#### 2. LBE Subconsultant Participation Goal

The LBE subconsulting goal for this project has been waived. However, if any unforeseen opportunities arise during the performance of this contract, all respondents are strongly encouraged use best efforts to engage certified Local Business Enterprise firms as subconsultants.

#### 3. Link to LBE Subconsultant Directory

[http://sfgov.org/site/uploadedfiles/sfhumanrights/directory/vlist\\_1.htm](http://sfgov.org/site/uploadedfiles/sfhumanrights/directory/vlist_1.htm)

#### **4. Good Faith Outreach to Select LBE Subconsultants**

Each firm responding to this solicitation shall demonstrate in its response that it has used good-faith outreach to select LBE subconsultants as set forth in S.F. Administrative Code §§14B.8 and 14B.9, and shall identify the particular LBE subconsultants solicited and selected to be used in performing the contract. For each LBE identified as a subconsultant, the response must specify the value of the participation as a percentage of the total value of the goods and/or services to be procured, the type of work to be performed, and such information as may reasonably be required to determine the responsiveness of the response. LBEs identified as subconsultants must be certified with the San Francisco Human Rights Commission at the time the response is submitted, and must be contacted by the Respondent (prime contractor) prior to listing them as subconsultants in the response. Any response that does not meet the requirements of this paragraph will be non-responsive.

#### **5. Documentation of Good Faith Outreach Efforts**

In addition to demonstrating that it will achieve the level of subconsulting participation required by the contract, a Respondent shall also undertake and document in its submittal the good faith efforts required by Chapter 14B.8(C) & (D) and HRC Attachment 2, Requirements for Architecture, Engineering and Professional Services Contracts.

Responses which fail to comply with the material requirements of S.F. Administrative Code §§14B.8 and 14B.9, HRC Attachment 2 and this RFQ will be deemed non-responsive and will be rejected. During the term of the contract, any failure to comply with the level of LBE subconsultant participation specified in the contract shall be deemed a material breach of contract. Subconsulting goals can only be met with HRC-certified LBEs located in San Francisco.

#### **6. LBE Participation and Rating Discounts**

The City strongly encourages responses from qualified LBEs. Pursuant to Chapter 14B, the following rating discount will be in effect for this pre-qualification process (as well as subsequent Requests for Proposals/Requests for Quotes issued to the pre-qualified pool) for any Respondents who are certified by HRC as a LBE, or joint ventures where the joint venture partners are in the same discipline and have the specific levels of participation as identified below. Certification applications may be obtained by calling HRC at (415) 252-2500.

The rating discount applies at each phase of the selection process. The application of the rating discount is as follows:

- (1) A 10% discount to an LBE; or a joint venture between or among LBEs; or
- (2) A 5% discount to a joint venture with LBE participation that equals or exceeds 35%, but is under 40%; or
- (3) A 7.5% discount to a joint venture with LBE participation that equals or exceeds 40%; or
- (4) A 10% discount to a certified non-profit entity.

Joint Venture Rating Discounts If applying for a rating discount as a joint venture: The LBE must be an active partner in the joint venture and perform work, manage the job and take financial risks in proportion to the required level of participation stated in the response, and must be responsible for a clearly defined portion of the work to be performed and share in the ownership, control, management responsibilities, risks, and profits of the joint venture. The portion of the LBE joint venture's work shall be set forth in detail separately from the work to be performed by the non-LBE joint venture partner. The LBE joint venture's portion of the contract must be assigned a commercially useful function.

**Appendix 10.5.0 Standard City and County of San Francisco Professional Services Agreement Template**

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102-4685**

**Agreement between the City and County of San Francisco and**

**[insert name of contractor]**

This Agreement is made this **[insert day]** day of **[insert month]**, 20 **[insert year]**, in the City and County of San Francisco, State of California, by and between: **[insert name and address of contractor]**, hereinafter referred to as “Contractor,” and the City and County of San Francisco, a municipal corporation, hereinafter referred to as “City,” acting by and through its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing.”

**Recitals**

*WHEREAS, the [insert name of department] (“Department”) wishes to [insert short description of services required]; and,*

*WHEREAS, a Request for Proposal (“RFP”) was issued on [insert date], and City selected Contractor as the highest qualified scorer pursuant to the RFP; and*

*WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,*

*WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number [insert PSC number] on [insert date of Civil Service Commission action];*

*Now, THEREFORE, the parties agree as follows:*

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

*THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.*

2. **Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from [insert beginning date] to [insert termination date].
3. **Effective Date of Agreement.** This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.
4. **Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.
5. **Compensation.** Compensation shall be made in monthly payments on or before the [insert day] day of each month for work, as set forth in Section 4 of this Agreement, that the [insert title of department head], in his or her sole discretion, concludes has been performed as of the [insert day] day of the immediately preceding month. In no event shall the amount of this Agreement exceed [insert whole dollar amount in numbers and words -- no pennies and no ".00"]. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by [insert name of department] as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

*The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of HRC Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of HRC and Contractor of the omission. If Contractor's failure to provide HRC Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until HRC Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using HRC Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.*

6. **Guaranteed Maximum Costs.** The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.
7. **Payment; Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All



amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled “Notices to the Parties.”

**8. Submitting False Claims; Monetary Penalties.** Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**9. Disallowance.** If Contractor claims or receives payment from City for a service, reimbursement for which is later disallowed by the State of California or United States Government, Contractor shall promptly refund the disallowed amount to City upon City’s request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement. By executing this Agreement, Contractor certifies that Contractor is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Contractor acknowledges that this certification of eligibility to receive federal funds is a material terms of the Agreement.

**10. Taxes**

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a “possessory interest” for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a “change in ownership” for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

**11. Payment Does Not Imply Acceptance of Work.** The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

**12. Qualified Personnel.** Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

**13. Responsibility for Equipment.** City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

**14. Independent Contractor; Payment of Taxes and Other Expenses**

a. **Independent Contractor.** Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is

obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. **Payment of Taxes and Other Expenses.** Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

## 15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

- 1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and
- 2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and
- 3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.
- 4) Professional liability insurance, applicable to Contractor's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

- 1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

**16. Indemnification.** Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of

facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**17. Incidental and Consequential Damages.** Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

**18. Liability of City.** CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

**19. Liquidated Damages.** By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of **[insert whole dollar amount in words and numbers -- no pennies and no ".00"]** per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that City will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. City may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to deliver to City within the time fixed or such extensions of time permitted in writing by Purchasing.

## 20. Default; Remedies

a. Each of the following shall constitute an event of default (“Event of Default”) under this Agreement:

1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- |   |                                       |
|---|---------------------------------------|
| 8. Submitting False Claims; Monetary Penalties.     | 37. Drug-free workplace policy        |
| 10. Taxes   | 53. Compliance with laws              |
| 15. Insurance                                       | 55. Supervision of minors             |
| 24. Proprietary or confidential information of City | 57. Protection of private information |
| 30. Assignment                                      | 58. Graffiti removal                  |

2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors’ relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor’s property or (e) takes action for the purpose of any of the foregoing.

4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor’s property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors’ relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and

regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

## **21. Termination for Convenience**

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

- 1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.
- 2) Not placing any further orders or subcontracts for materials, services, equipment or other items.
- 3) Terminating all existing orders and subcontracts.
- 4) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- 5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.
- 6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.
- 7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

- 1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.
- 2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services

and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the services or other work.

d. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. City's payment obligation under this Section shall survive termination of this Agreement.

## **22. Rights and Duties upon Termination or Expiration**

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

- |   |   |
|---|---|
| 8. Submitting false claims                                      | 24. Proprietary or confidential information of City     |
| 9. Disallowance   | 26. Ownership of Results                                |
| 10. Taxes   | 27. Works for Hire                                      |
| 11. Payment does not imply acceptance of work                   | 28. Audit and Inspection of Records                     |
| 13. Responsibility for equipment                                | 48. Modification of Agreement.                          |
| 14. Independent Contractor; Payment of Taxes and Other Expenses | 49. Administrative Remedy for Agreement Interpretation. |
| 15. Insurance   | 50. Agreement Made in California; Venue                 |
| 16. Indemnification   | 51. Construction  |
| 17. Incidental and Consequential Damages                        | 52. Entire Agreement                                    |
| 18. Liability of City   | 56. Severability  |
|   | 57. Protection of private information                   |



Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

**23. Conflict of Interest.** Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

**24. Proprietary or Confidential Information of City.** Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

**25. Notices to the Parties.** Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: **[insert name or title of department contact person, name of department, mailing address, and e-mail address; fax number is optional]**

To Contractor: **[insert name of contractor, mailing address, and e-mail address; fax number is optional]**

*Any notice of default must be sent by registered mail.*

**26. Ownership of Results.** Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

**27. Works for Hire.** If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the

property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

**28. Audit and Inspection of Records.** Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

**29. Subcontracting.** Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

**30. Assignment.** The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

**31. Non-Waiver of Rights.** The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

**32. Earned Income Credit (EIC) Forms.** Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently

pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

### **33. Local Business Enterprise Utilization; Liquidated Damages**

a. **The LBE Ordinance.** Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

#### **b. Compliance and Enforcement**

1) **Enforcement.** If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

2) **Subcontracting Goals.** The LBE subcontracting participation goal for this contract is **[insert number]** %. Contractor shall fulfill the subcontracting commitment made in its bid or proposal. Each invoice submitted to City for payment shall include the information

required in the HRC Progress Payment Form and the HRC Payment Affidavit. Failure to provide the HRC Progress Payment Form and the HRC Payment Affidavit with each invoice submitted by Contractor shall entitle City to withhold 20% of the amount of that invoice until the HRC Payment Form and the HRC Subcontractor Payment Affidavit are provided by Contractor. Contractor shall not participate in any back contracting to the Contractor or lower-tier subcontractors, as defined in the LBE Ordinance, for any purpose inconsistent with the provisions of the LBE Ordinance, its implementing rules and regulations, or this Section.

3) **Subcontract Language Requirements.** Contractor shall incorporate the LBE Ordinance into each subcontract made in the fulfillment of Contractor's obligations under this Agreement and require each subcontractor to agree and comply with provisions of the ordinance applicable to subcontractors. Contractor shall include in all subcontracts with LBEs made in fulfillment of Contractor's obligations under this Agreement, a provision requiring Contractor to compensate any LBE subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if Contractor does not fulfill its commitment to use the LBE subcontractor as specified in the bid or proposal, unless Contractor received advance approval from the Director of HRC and contract awarding authority to substitute subcontractors or to otherwise modify the commitments in the bid or proposal. Such provisions shall also state that it is enforceable in a court of competent jurisdiction. Subcontracts shall require the subcontractor to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination of this contract and to make such records available for audit and inspection by the Director of HRC or the Controller upon request.

4) **Payment of Subcontractors.** Contractor shall pay its subcontractors within three working days after receiving payment from the City unless Contractor notifies the Director of HRC in writing within ten working days prior to receiving payment from the City that there is a bona fide dispute between Contractor and its subcontractor and the Director waives the three-day payment requirement, in which case Contractor may withhold the disputed amount but shall pay the undisputed amount. Contractor further agrees, within ten working days following receipt of payment from the City, to file the HRC Payment Affidavit with the Controller, under penalty of perjury, that the Contractor has paid all subcontractors. The affidavit shall provide the names and addresses of all subcontractors and the amount paid to each. Failure to provide such affidavit may subject Contractor to enforcement procedure under Administrative Code §14B.17.

### **34. Nondiscrimination; Penalties**

a. **Contractor Shall Not Discriminate.** In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. **Nondiscrimination in Benefits.** Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. **Condition to Contract.** As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

**35. MacBride Principles—Northern Ireland.** Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

**36. Tropical Hardwood and Virgin Redwood Ban.** Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**37. Drug-Free Workplace Policy.** Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees

that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

**38. Resource Conservation.** Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

**39. Compliance with Americans with Disabilities Act.** Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

**40. Sunshine Ordinance.** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

**41. Public Access to Meetings and Records.** If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

**42. Limitations on Contributions.** Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City’s Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of

negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

#### **43. Requiring Minimum Compensation for Covered Employees**

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to

comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

#### **44. Requiring Health Benefits for Covered Employees**

*Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.*

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter



fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

#### **45. First Source Hiring Program**

##### **a. Incorporation of Administrative Code Provisions by Reference.**

*The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.*

##### **b. First Source Hiring Agreement.**

*As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:*

1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and

procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

6) Set the term of the requirements.

7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. **Hiring Decisions**

*Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.*

d. **Exceptions**

*Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.*

e. **Liquidated Damages.**

*Contractor agrees:*

1) To be liable to the City for liquidated damages as provided in this section;

2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

(a) The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

(b) In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. **Subcontracts.**

*Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.*

**46. Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, “Political Activity”) in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City’s Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor’s use of profit as a violation of this section.

**47. Preservative-treated Wood Containing Arsenic.** Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term “preservative-treated wood containing arsenic” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**48. Modification of Agreement.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

**49. Administrative Remedy for Agreement Interpretation.** Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

**50. Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**51. Construction.** All paragraph captions are for reference only and shall not be considered in construing this Agreement.

**52. Entire Agreement.** This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

**53. Compliance with Laws.** Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

**54. Services Provided by Attorneys.** Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

**55. Supervision of Minors.** Contractor, and any subcontractors, shall comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) of any person who applies for employment or volunteer position with Contractor, or any subcontractor, in which he or she would have supervisory or disciplinary power over a minor under his or her care. If Contractor, or any subcontractor, is providing services at a City park, playground, recreational center or beach (separately and collectively, "Recreational Site"), Contractor shall not hire, and shall prevent its subcontractors from hiring, any person for employment or volunteer position to provide those services if that person has been convicted of any offense that was listed in former Penal Code section 11105.3(h)(1) or 11105.3(h)(3). If Contractor, or any of its subcontractors, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then Contractor shall comply, and cause its subcontractors to comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. Contractor shall provide, or cause its subcontractors to provide City with a copy of any such notice at the same time that it provides notice to any parent or guardian. Contractor shall expressly require any of its subcontractors with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subcontractor. Contractor acknowledges and agrees that failure by Contractor or any of its subcontractors to comply with any provision of this section of the Agreement shall constitute an Event of Default. Contractor further acknowledges and agrees that such Event of Default shall be grounds for the City to terminate the Agreement, partially or in its entirety, to recover from Contractor any amounts paid under this Agreement, and to withhold any future payments to Contractor. The remedies provided in this Section shall not limited any other remedy available to the City hereunder, or in equity or law for an Event of Default, and each remedy may be exercised individually or in combination

with any other available remedy. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

**56. Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

**57. Protection of Private Information.** Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, “Nondisclosure of Private Information,” and 12M.3, “Enforcement” of Administrative Code Chapter 12M, “Protection of Private Information,” which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

**58. Graffiti Removal.** Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City’s property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor’s (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term “graffiti” means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner’s authorized agent, and which is visible from the public right-of-way. “Graffiti” shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

*Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.*

**59. Food Service Waste Reduction Requirements.** Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

**60. Slavery Era Disclosure**

a. Contractor acknowledges that this contract shall not be binding upon the City until the Director receives the affidavit required by the San Francisco Administrative Code's Chapter 12Y, "San Francisco Slavery Era Disclosure Ordinance."

b. In the event the Director of Administrative Services finds that Contractor has failed to file an affidavit as required by Section 12Y.4(a) and this Contract, or has willfully filed a false affidavit, the Contractor shall be liable for liquidated damages in an amount equal to the Contractor's net profit on the Contract, 10 percent of the total amount of the Contract, or \$1,000, whichever is greatest as determined by the Director of Administrative Services. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Contractor from any Contract with the City.

c. Contractor shall maintain records necessary for monitoring their compliance with this provision.

**61. Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

**CITY**

**CONTRACTOR**

Recommended by:

[company name]

\_\_\_\_\_  
 [name]  
 [title]  
 [department]

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

Approved as to Form:

Dennis J. Herrera  
 City Attorney

I have read and understood paragraph 35, the City’s statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

By: \_\_\_\_\_  
 [name of Deputy City Attorney]  
 Deputy City Attorney

Approved:

\_\_\_\_\_  
 [name of authorized representative]  
 [title]  
 [optional: address]  
 [optional: city, state, ZIP]

\_\_\_\_\_  
 Naomi Kelly  
 Director of the Office of Contract  
 Administration, and  
 Purchaser

City vendor number: [vendor number]

**Appendices**

- A: Services to be provided by Contractor
- B: Calculation of Charges