



COCHISE COUNTY PROCUREMENT DEPARTMENT

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24-19-TRE-01

Attachment 2 – Scope of Work

1.0 INTENT

The Cochise County Board of Deposit is seeking proposals from qualified banks that agree to perform the duties of the County Servicing Bank for the period of July 1, 2024, through June 30, 2027. The contract may be extended by one two-year period contingent upon agreement by both parties. The Bank shall be notified in writing of the County's intention to extend the contract period at least ninety (90) calendar days prior to the expiration of the original contract period.

The Board of Supervisors, serving as the Board of Deposit (“County”), will determine the successful offeror in the manner required by statute. Only those proposals which conform to the specifications set forth and which are responsive to all matters included in this request shall be considered. It is the intent of the Board of Deposit to designate the most responsive and responsible proposer who best meets the County's needs as the servicing bank. Determination of the responsive and responsible proposer who best meets the County's needs shall be based upon the Criteria of Evaluation as listed in Part Three Section 3.5, including but not limited to the following:

- Bank experience
- Bank personnel assigned to account
- Response to the Scope of Work
- References
- Bank services fee schedule
- Bank earnings credit rate
- Line of credit offered and interest on line of credit
- Method of calculation of collateral.
- Additional data - most recent annual report, most current bank rating and copies of all agreements

However, the Board of Deposit reserves the right to reject any or all proposals, to award separate contracts for bank services and for registering warrants, or extending a line of credit, and to waive any informalities in the proposals.

The bank may also submit a proposal to perform the duties of the servicing bank for the Clerk of the Superior Court. Any such proposal shall respond to all matters specified in the "Clerk of the Superior Court." The respective public officials reserve the right to designate a single qualified bank as the servicing bank for both sets of tasks, or to award separate contracts, depending upon the best interest of these public entities.

2.0 Definitions:

Terminology used in this Scope of Work is intended to be generic in nature and consistent with meanings that have been defined through general use and/or accepted trade practices. Where variant meaning may exist, the County Procurement Representative will determine the applicable interpretation.

3.0 General Requirements for Cochise County Treasurer's Office:

The servicing bank will be required to act as the principal depository and banking agent for the Cochise County Treasurer's Office. In such capacity the servicing bank will be required to handle the majority of the deposit and disbursement activity for all phases of county government, including those political subdivisions which maintain funds with the Cochise County Treasurer and Clerk of the Superior Court. The servicing bank is not authorized to debit or credit County accounts for supplies or corrections without prior notification and authorization by an account signatory.

3.1 Deposits

The County Treasurer receives and deposits, on an annual basis, in excess of \$2,500,000,000.00. These deposits are in the form of cash, checks, warrants, drafts, direct deposits, electronic funds transfers and incoming wire fund transfers.

Those checks written on the servicing bank shall be deemed to be collected funds for the purpose of investments immediately upon deposit. In the event that the bank may propose a different treatment for other checks, this shall be specified in the proposal. This treatment will be considered in the cost analysis of the proposal, if the bank proposes that such funds not be immediately available for deposit.

Should deposits be received by direct wire or electronic funds transfers, notification to the Office of the Treasurer shall be given the same day not later than 12:00 noon. Written notification of deposit shall be given by the following day. All ACH information shall be provided to identify depositing agency and recipient of the funds.

Written notification to the Office of Treasurer shall be given on all deposit corrections, regardless of the dollar amount.

The Treasurer's Office also requires that a unique location number be issued for each county entity in order that each deposit can be identified.

3.2 Disbursements

The County Treasurer disburses over \$2,000,000,000.00 during the fiscal year, which is represented by approximately 65,000 checks (approximately 4,000 in checks and 61,000 warrants). Checks will only be honored one year from the date of issue. Stop payment orders will remain in effect on all canceled checks.

3.3 Collateral

The servicing bank will be required to comply with the collateral requirements for public depositories, as stated in A.R.S. § 35-323, as well as all other requirements specified by the Arizona Statutes for servicing banks. The servicing bank shall be required to notify the County Treasurer

of their method of calculating the required amount of collateral, provide a list of all account covered under the pledged collateral and specify the report form used including all authorized signatures.

3.4 Statements

To facilitate the bookkeeping in the Treasurer's Office, the servicing bank shall provide monthly statements, including images of canceled checks and deposit slips for each month's business, showing all activity on the accounts. A monthly statement will be required by the 5th working day of the following month for all County accounts.

3.5 Warrants and Warrant Processing

Warrants drawn against the County Treasurer average approximately 61,000 per year and are payable through the servicing bank. They are MICR encoded with the servicing bank's transit number, warrant account number, warrant number, fiscal year and County fund codes. The servicing bank shall pay for Cochise County warrants on the same basis as they pay for checks drawn against the bank; most banks consider this a zero-balance account. The average daily total of warrants is approximately \$1,100,000.00. The bank shall process stop payments on warrants in the same manner as checks.

The electronic detail, which corresponds to the online information, must be available daily, no later than 11:00 AM, local standard time, to the County Treasurer.

All rejected or missing warrant items shall be reconciled immediately. To aid in the reconciliation the servicing bank shall provide the County Treasurer with a direct contact person in the bank department responsible for the preparation of the computer file and printouts.

New County fund numbers shall be added as needed. Fiscal and calendar year shall be changed automatically and in a timely manner.

The servicing bank will be required to process and present to the County Treasurer all warrants issued prior to July 1, 2018, but which remain outstanding at the expiration of the agreement.

If the bank proposes that a reserve account for this activity be maintained, the requirements of the reserve shall be specified in the proposal and be considered as a cost of service. The Treasurer requests collected funds and earnings credits on any such account to be applied to the analysis to offset the bank charges.

The servicing bank is not required to register warrants in connection with these banking services. If the bank proposes to register warrants, it shall state the amount of interest that will be charged and any limits or restrictions on such registration or redemption. The County reserves the right to make a separate contract for registering warrants or credit line.

Registered warrants will be accepted by the bank the next day after delivery of warrants in the event the Treasurer is unable to process all registered warrants on the day received.

3.6 Stopped Payments

The bank shall provide for processing of stop payments on line. All stop payment orders on checks and warrants shall stay in effect until the bank will no longer accept the item.

3.7 Line of Credit

Cochise County requests a credit line of \$20,000,000.00.

If the bank anticipates agreeing to extend a revolving line of credit, it is requested to state the terms, conditions, limits and applicable rates for such a credit line and list the process and time line to increase a credit line, if necessary. When the Treasurer makes a payment on a line of credit and pays the amount of interest quoted, no additional interest will be charged due to the bank's failure to post the payment on the correct day. The servicing bank shall be required to adjust all errors regardless of the amount. A monthly statement will be required by the 5th working day of the following month for all credit line accounts

3.8 Electronic Funds Transfers

The increased demand for Electronic Funds Transfers (EFT) makes it necessary for the Treasurer to remit various payments both by debit and/or credit EFTs. The servicing bank will be required to arrange these transfers. The Treasurer also receives EFT deposits. The servicing bank is required to provide same day notification of all EFT deposits and copies of all addenda information accompanying each EFT deposit. Separate accounts may be required to clear EFTs, sure pay and related corrections.

3.9 Data Processing Requirements

An automated system of processing warrants shall require the servicing bank to capture essential warrant information (auxiliary field for identification and amount field) from the magnetic ink encoding on the warrants. The Cochise County Information Technologies Department requires this information via the public internet. The Cochise County Treasurer requires a list of this file and the warrants sorted into the same sequence (auxiliary field). Specifications for the servicing bank contract shall include the computer file transmission, report and sorted warrant images. Technical data as they relate to the aforementioned specifications are as follows:

3.10 Report Requirements

Requirements for reports are available upon request.

3.11 Bank Service

Costs shall be paid, to the extent possible, from accruing credit. All remaining earnings shall be carried forward during the remaining term of the contract, with any excess accrued earnings paid to the County at the end of the contract term. Account maintenance, including debiting and crediting of the account and distributing funds, is required. Various other functions may be considered for inclusion in the contract at the County's option on cost and need. These may include but not be limited to the following:

- Printing and production of checks, warrants, and deposit slips
- Collection services, including postage and insurance on items requiring special handling
- Wire transfer of funds

- Electronic transfer of funds
- Overnight repurchase agreement investments
- Computer information interchange services
- Transportation of County items, if required
- Armored car services, if available
- Issuance of cashier's checks, drafts and domestic or foreign payment orders
- Security clearing and safekeeping service
- Stop payment processing for checks and warrants
- ACH clearing for internet tax payments, both credit card and E-check

The servicing bank must specify each and every proposed requirement for reserve accounts, float accounts, non-interest-bearing CDs or any limitation on the use of funds that would be required in connection with the services proposed.

The servicing bank will provide access to their databases online.

3.12 Sure Pay Services

The County reserves the right to make a separate contract for sure pay services.

3.13 Merchant Card Services

The Justice of the Peace (JP) Court card processing has moved to the Clerk of the Court and the Treasurer may obtain merchant card services through providers on a separate contract.

3.14 General Requirements for Clerk of the Superior Court:

The Clerk of the Court currently has three accounts; two are checking accounts and one is a savings account. The annual cash flow/amount of annual deposits is approximately \$1,750,000.00, with an estimated 5,657 annual deposit items. The estimated annual number of checks processed (disbursed) is 3,500.

3.15 Bank Account Maintenance:

- Monthly bank statement for accounts must be provided with documentation supporting all entries on the statements within five (5) banking days after calendar month end.
- The servicing bank must provide for the necessary printing of checks and deposit slips for the Clerk's two checking accounts.
- The servicing bank shall have personnel available to answer questions pertaining to transactions which require explanation and to affect accounts opening/closing and transfers as required.
- The servicing bank shall establish a blanket authorized signature file which will cover all accounts opened at the contracted bank in the name of the Clerk of the Superior Court
- All servicing bank fees shall be waived.

3.16 Deposit Services

All deposits must be credited to the Clerk's ledger balance immediately upon receipt. The Clerk shall take appropriate steps to facilitate the quickest possible collection of deposits by the servicing bank, such as multiple daily deposits when necessary.

3.17 Currency and Coin Services:

Fees for the following services shall be waived:

- Currency purchases
- Coin purchases
- Coin bags and wrappers
- Locking bank bags

3.18 Stopped Payments

The Clerk's Office shall have the ability to stop payments telephonically by designated personnel other than authorized signers.

3.19 Accept/Return

The servicing bank shall give credit for stopped, voided and canceled issues; and accept, return and give credit for forged issues whenever returned with a certification of forgery.

3.20 Merchant Card Services

This service is optional. The County currently processes an average number of 500 transactions totaling \$96,400.00 monthly at 7 locations. The County would require terminals, a monthly break down of transactions by location and a merchant account that deposits to the servicing account nightly. All fees must be stated, and balancing method identified in the proposal.

3.21 Other Services:

The Vendor shall provide armored car services for the Bisbee and Sierra Vista locations.