

City of **Onalaska**[✓]

**Municipal Banking Services
Request for Proposal**

July 1, 2024

Project Title: Banking Services for the City of Onalaska 2025-2027

Submittal Due: 4:00 PM Local Time, Friday August 2, 2024. There will not be a public opening for these proposals.

Late Proposals: Any proposal received by the City after the exact time and date specified will not be considered.

Withdrawal of Proposals: Proposals may be withdrawn by written notice received at any time prior to the proposal closing date and time. Proposals may also be withdrawn in person by a representative of the firm, provided that the representative signs a receipt for return of the proposal.

Label the sealed envelope of the submittal: "Banking Services RFP #2024-02"

The following requirements must be completed in full:

1. Two (2) original copy of the completed proposal.
2. One (1) electronic copy via pdf if emailed or may be included on a jump drive or sent via a third-party file system. If submitting the electronic version via email, it is recommended that you confirm receipt.

Mail or Deliver Proposal to: City of Onalaska
Attention: Sabrina Steger
415 Main Street
Onalaska, WI 54650

The City of Onalaska reserves the right to reject any and all proposals not judged to be in the best interest of the City.

Questions for further information on this RFP may be directed to:

City of Onalaska
Attn: Sabrina Steger
415 Main Street
Onalaska, WI 54650
608-781-9530 x 220
ssteger@onalaskawi.gov

GENERAL INFORMATION

The objective of this procurement process is to select a bank, or other financial institution, that will serve as the City of Onalaska and the Community Development Authority (hereinafter identified only as the “City”) as depository and provide high quality financial services.

The City of Onalaska is reviewing banking services and seeks proposals from financial institutions who maintain an office within a reasonable distance from the City offices, located at 415 Main St., Onalaska, WI. We encourage providers to submit the most comprehensive proposal possible offering the highest quality of service and support, coupled with the best pricing. The City of Onalaska is interested in taking advantage of technological advances to improve banking service, cash management, and customer service, while conserving employee resources devoted to banking.

Responders are encouraged to be innovative and educational in their proposals. While the submitted proposals must be consistent with the requirements of this RFP, please include any additional information and products that would be beneficial.

The City of Onalaska intends to establish an initial three-year contact, with an option to renew for an additional two years. Service fees and interest rates related to the checking accounts may be renegotiated after the initial three-year contract. The City of Onalaska must maintain the right to terminate the contract for any reason with sixty (60) days written notice.

TIMELINE

Distribution of RFP	July 1, 2024
Proposals due	August 2, 2024 at 4:00 pm
Interviews (at our option)	Weeks of August 12 th and 19 th
Formal Approval by Council	September, 2024
Begin Implementation	October 1, 2024
Implementation complete	November 1, 2024

We will make every effort to administer the proposal process in accordance with the terms and dates discussed in the RFP. However, we reserve the right to modify the proposal process and dates as appropriate for the City of Onalaska.

MINIMUM REQUIRED FINANCIAL INSTITUTION QUALIFICATIONS

To qualify as a provider and to maintain the depository agreement in good standing, the depository financial institution must:

1. Be a qualified public depository as prescribed by Wisconsin State Statutes 34.01(5) and 34.09. Institutions must meet or exceed the requirements outlined therein.
2. Be a full-service financial institution capable of providing at a minimum the required banking and investment services identified in this Request for Proposal.
3. Be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF).
4. Agree to assign experienced and dedicated staff that is committed to and capable of serving the City's accounts.
5. Exceed all minimum regulatory capital requirements to be "well capitalized".
6. Fully collateralize all City deposits exceeding FDIC or NCUSIF insurance limits. Collateral should be in the form of a perfected security interest in pledged securities evidenced by completion of a Security Agreement and a tri-party agreement with a third-party custodian, meeting the City's investment policy requirements. The provider, through the third-party custodian, will be responsible for providing evidence of collateralization monthly and/or at the request of the Finance Director/Treasurer. A Federal Home Loan Bank Letter of Credit is also an acceptable means of securing the deposits.
7. Please certify that you have a Disaster Recovery Plan in place.
8. The Provider agrees to the fullest extent permitted by law, to indemnify, defend and hold harmless, the Purchaser, and its agents, officers and employees, from and against all loss or expense including costs and attorney fees by reason of liability for damages including suits at law or in equity, caused by any wrongful, intentional, or negligent act or omission of the Provider, or its (their) agents and / or subcontractors which may arise out of or connected with activities covered by this contract.
9. Provider agrees that in order to protect itself as well as the Purchaser and the City, its officers, Boards, and employees under the indemnity provisions set forth in the paragraph above, Provider will at all times, during the terms of this contract, keep in force insurance policies issued by an insurance company authorized to do business and licensed in the State of Wisconsin. Unless otherwise specified in Wisconsin Statutes, the types of insurance coverage and minimum amounts shall be as follows:
 - a) Workers' Compensation: minimum amount statutory
 - b) Comprehensive General Liability: \$1,000,000 per occurrence and in aggregate for bodily injury and property damage
 - c) *Excess Liability coverage: \$1,000,000 over the General Liability and Automobile Liability Coverage's

ACCOUNT DESCRIPTION

Please reference Attachment A for a summary of anticipated volume levels on the account. The City of Onalaska maintains ten checking accounts with a total average collected balance of \$2,782,000; one main checking account, a secondary checking account with nominal volume, CDA checking account, Section 125 checking account and five (5) merchant settlement accounts. The peak at tax collection time is \$9,000,000, with a representative month being \$1,200,000. In addition to the checking accounts, the City maintains twenty-seven (27) money market accounts, with a total average balance of approximately \$20,000,000 and has 9,000,000 with Dana Investments. These money market accounts may or may not be awarded to the same bank that is awarded the other banking services. This portion of the RFP is highly dependent upon interest rate and willingness to collateralize the deposits. All accounts must have a calendar month-end statement cut-off cycle.

The City of Onalaska does not guarantee the activity levels as indicated in this proposal will continue at the same level during the contract period. Where activity levels are given, the financial institution, by its proposal, guarantees the unit price over the contract term.

REQUIRED SERVICES AND FORMAT OF PROPOSAL

For the City of Onalaska to adequately compare and evaluate proposals objectively, all proposals must be submitted in accordance with this format:

Section 1 – Financial Institution and Staff Profile:

- a) **Experience:** Describe your institution's overall experience, as well as experience in providing services to the public sector. Provide three references most comparable to our size and financial needs that we may contact. With the references, please include a brief description of the services provided and contact information for each client described. If your financial institution is rated by Moody's and Standard and Poor's, or another third-party rating service, please provide the rating.
- b) **Relationship Manager:** Describe the relationship team that will be assigned to service our relationship. Describe individual roles, their responsibilities and briefly detail credentials and related banking experience.
- c) **Compliance and Exceptions:** Include a statement to confirm your institution's compliance to our minimum qualifications. If you cannot meet a requirement, or recommend a different service than requested, please list any exceptions.

Section 2 – Deposit Processing: List the nearest branch location to the City of Onalaska offices located at 415 Main St, Onalaska, WI. Include hours of operation and deposit cut-off times. Describe your recommended deposit method (merchant window, night drop, remote electronic deposit, virtual vault, drop box, armored car pick-up, etc.). Describe the institution's requirements/procedures for deposit preparation and for requesting change/currency orders. What are the procedures for depositing coins? Include information on the institution's processing of returned/released items in this section. Currently, the City has all NSF items redeposited. The City requires they be notified of any deposit errors. Attach a copy of the financial institution's availability schedule.

Currently, the City of Onalaska does utilize remote check deposit and has two onsite. Be sure to include any charges for scanners.

Section 3 – Disbursements/Account Reconciliation: The City of Onalaska does currently utilize Positive Pay service, Describe the financial institution's ability to provide Positive Pay, including the method and format of issue file input and report/file output. Describe the financial institution's check truncation services, on-line image access capabilities and any estimated costs if used. Please include the length of time the images are available on-line.

Section 4 – ACH and Wire Transfer Services: Are you a member of the Federal Reserve Financial institution wire system? If not, who is your correspondent financial institution? Describe your incoming and outgoing wire transfer services. Include safeguards, security measures, and notification options offered. Internet initiation is preferred. Can wire transfers be made the same day that checks are deposited?

Please describe your ACH processing system and include information on ACH Debit filters. The City currently sends a NACHA-ready file for direct deposit of payroll.

Section 5 – Information Reporting: Describe the electronic communication system, including previous day balance and transaction information. The City of Onalaska intends to use the internet to interact with the financial institution wherever possible, including accessing copies of deposited checks and cancelled checks. Please attach a sample of your previous day balance and transaction report.

Section 6 – Collected Balances: Describe your vehicle recommendation to pay for service charges and/or earning interest on balances. At a minimum, include earnings credit rates, interest bearing checking, sweep, and money market. Include the historical average monthly rates for the past 6 months for each of the options.

Section 7 – Pricing Matrix: Provide the pricing for services proposed in Attachment A. This is an average monthly service level. Include the method by which fees are collected, and if you propose an earnings credit rate (ECR).

Section 8 – Credit Cards: The City uses credit cards regularly for purchases, and has 12 cards. Total spend in 2023 was \$229,080, with a year-to-date spend for 2024 of \$182,964. Monthly spend averages \$25,000. Please provide a proposal to handle this activity. Please provide normal credit limit for credit cards for municipalities of our size.

EXHIBITS TO BE INCLUDED IN PROPOSAL

Exhibit A – Contract Samples: Include contracts or agreement samples for the banking services that are specific to the services represented in the RFP.

Exhibit B – Account Analysis – Provide a sample of your account analysis statement.

Exhibit C – Conversion Plan: Describe the overall plan to coordinate and ensure a smooth transition from the current provider. The institution must also provide training to our personnel for the operation and use of the services and automated systems for all areas of service.

Exhibit D – Service Enhancements: Based upon information presented in our RFP and your financial institution's knowledge of the public sector, describe any enhancements that we should consider to improve operational or cash management efficiencies. Describe any other information not previously mentioned that the financial institution believes should be given consideration.

EVALUATION OF PROPOSALS

The contract awarded will be based upon many factors including, but not limited to, service, cost, financial strength, technology, and innovation. No single factor will determine the final decision to award. Evaluation criteria will include the following:

- **Strength and Stability of Financial institution:** The financial institution's financial standing among its peers and the associated credit quality ratings. (10 points)
- **Comprehensiveness of Service Provided:** Overall capabilities of the financial institution to meet the service levels described in this RFP. (10 points)
- **Assigned Relationship Manager/Team:** The credentials and experience of the person(s) assigned to our relationship. (10 points)
- **Charges for Services:** The amount of proposed charges and interest rates on balances, or the compensating balance required and the services it will cover. (30 points)
- **Service Enhancements:** The financial institution's efforts to understand our needs and goals, and the creativity the financial institution shows in introducing new technologies and efficiencies to improve our current practices and procedures. (15 points)
- **Public Sector Experience and Resources:** The financial institution's experience in providing service to the public sector, as well as dedicated resources and personnel. (20 points)
- **Other Factors/References:** Any other factors (including references) that would be in our best interest to consider which were not specifically described above. (5 points)

FINAL COMMENTS

The City of Onalaska reserves the right to reject any and all proposals, cancel all or part of this RFP, waive any minor irregularities, and request additional information from proposing financial institutions.

We may request interviews of our top-rated respondents. The intent for interviews is to clarify our understanding of the pricing schedule and confirm the perceived benefits of these proposals.

We sincerely appreciate the efforts all the financial institutions and their respective staffs have put forth in responding to the Banking Services Request for Proposal. Thank you for considering partnering with the City of Onalaska.

