the village of Waunakee

WISCONSIN

REQUEST FOR PROPOSALS
BANKING SERVICES

June 7, 2021

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VILLAGE OF WAUNAKEE

REQUEST FOR PROPOSAL - BANKING SERVICES

1 INTRODUCTION

The Village of Waunakee (the village) invites qualified banking institutions to submit proposals to provide banking services as described in the attached specifications. Sealed bids using the official forms provided herein will be received until 12:00 C.D.T. on July 16, 2021 at the Village Hall, 500 West Main Street, Waunakee, WI 53597.

The Village of Waunakee is a municipality of the State of Wisconsin established in 1892. The village occupies 6.39 square miles on the northwest side of Madison. For the year ending December 31, 2020, the village had total revenues and expenditures of approximately $18,632,600 and $26,441,000, respectively. Currently, banking services are provided by Old National Bank. The village encourages financial institutions to submit the most comprehensive proposal possible offering the highest quality of service while providing opportunities for improving the current management of cash flow. The village is also interested in various technologies that could improve banking, cash management and customer service capabilities.

The village will strive to administer the proposal process in accordance with the terms and dates outlined in this RFP, however, the village reserves the right to modify the activities, timeline, or any other aspect of the process at any time, as deemed necessary. By requesting proposals, the village is in no way obligated to award a contract or pay the expenses of proposing banks in connection with the preparation or submission of a proposal. The award of any contract shall be contingent on the requisite staff and committee/board approvals. Determination of best value to the village shall be based upon, but not limited to, the following considerations: cost; the ability, capacity, and skill of the proposer to provide the services; the ability of the provider to deliver timely services; the character, integrity, reputation, judgment, experience, and efficiency of the provider; and the quality of the provider’s performance on previous contracts with the village. No single factor will determine the final award decision. The banking services contract shall not be an exclusive contract, nor shall the contract preclude the village from obtaining banking or investment services from any other bank.

All costs directly or indirectly related to the presentation of a response to the Request for Proposal (RFP), any oral presentations required to supplement and/or clarify a proposal, and/or reasonable demonstrations which may, at the discretion of the village, be required of you shall be your sole responsibility.

2 CONDITIONS QUALIFYING A BANKING INSTITUTION TO PROPOSE

All proposers are subject to the following conditions:

- Designated Depository - The proposing banking institution must be a qualified depository for public funds pursuant to Wis. Stats. 34.05.
- Location - The village will consider proposals only from banking institutions with business operations which accommodate local deposits that are within the Village of Waunakee limits.
- Safekeeping – The Village will require full collateralization on all demand deposit accounts or a Federal Home Loan Bank Irrevocable Letter of Credit equal to 100 percent (at market) of the funds on deposit.

  If a financial institution chooses to collateralize deposits, it must enter into a "depository agreement" requiring the depository to pledge collateral to secure all the village funds over and above amounts guaranteed by Federal Deposit Insurance Corporation. All securities serving as collateral shall be specifically pledged to the village (not part of a pooled fund) and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution. The custodian shall send statements of pledged collateral to the village Finance Director's office when changes occur but must send statements at least monthly. The type of collateral used must be acceptable to the village. Acceptable collateral types include:

  1. Securities of the U.S. Treasury or U.S. Governmental Agencies as defined by the Federal Reserve.
  2. U.S. government guaranteed securities, such as those issued through the Small Business Administration, are acceptable as long as they are fully guaranteed.
  3. General obligations of municipalities are acceptable to the extent that they are rated highest or second highest by Moody's Investor Service, Inc. (Aaa or Aa1), Standard and Poors Corporation (AAA or AA), or other nationally recognized rating agency.

3 PROPOSAL PROVISIONS

- Requests for additional information and questions should be in writing and directed to Renee Meinholz, Finance Director rmeinholz@waunakee.com. Questions will not be handled after 12:00 p.m. on July 9, 2021. Answers to all questions will be posted July 12, 2021 on the village's website, www.vil.waunakee.wi.us, posted outside the Village Hall, or will be available via email upon request.

- Proposal Form - A proposer shall use the attached Proposal Form [Exhibit A] or copies thereof in submitting a proposal. It is required that the proposal be completed in its entirety. These forms will be available online on the village's website.

  - No Proposal - If a service cannot be met by a proposer, then the term "No Proposal" should be entered on the Proposal Form for that specific service. If a blank is left next to a required service, it will be assumed that the service has no cost to the village.

  - No Cost - If a required service has no cost to the village, then the term "No Cost" should be entered on the Proposal Form for that specific service.

- Authorized Signature - Proposals shall be signed and dated by an official authorized to bind the banking institution in legal matters.

- Sealed Proposals - Five (5) copies of the proposal must be submitted in a sealed envelope or package bearing the title "Confidential - Banking Services Proposal Enclosed" along with the proposer's name and address. The proposer shall return the completed Proposal Forms and other pertinent information to the village's Finance Department no later than 12:00 p.m. local time on July 16, 2021. It is the responsibility of the proposer to ensure that the proposal arrives on time at the designated office. Any proposals received after the above time will be disqualified.

- Public Information - All submitted proposals become the property of the village, and information included therein or attached thereto, shall become public record after recommendation for endorsement of the contract is made.

- Proposal Costs - All costs associated with preparation and submission of proposals are the sole responsibility of the proposer.

- Activity Levels - The village does not guarantee that the activity levels as indicated in this proposal will continue at the same level during the contract period. Where activity levels are given, the banking institution, by its proposal, guarantees the unit price cost over the contract term.

3 PROPOSAL PROVISIONS (cont.)

- References - The village requests that a minimum of three references be provided (including name and phone number of contact person) of clients who use a similar scope of banking services. If these cannot be provided, please explain.
- Additional Accounts/Services - It is possible that improvements in operations, methods and changes in internal operating procedures may occur during the period covered by the agreement. Therefore, the village reserves the right to open additional accounts during the term of the contract. Any additional services or modification of existing services and related fees will be subject to negotiation and agreed to by both parties in writing.

4 SELECTION PROCESS

- Right of Rejection by the village - The village reserves the right to reject any or all proposals, to waive any nonmaterial irregularities or informalities in any Request for Proposal and to accept or reject any item or combination of items. For example, the village may accept the bid for checking account services but reject the bid for remote deposit, direct deposit, or direct debit services.

- Evaluation Criteria - An award will be made to the responsible proposer meeting the requirements specified in this Request for Proposal whose proposal offers the highest net earnings or the lowest net cost to the village as calculated from [Exhibit A] and using the proposers interest rate quote. Should there be a tie, the Finance Committee reserves the right to conduct oral interviews where the proposers can demonstrate products, services, etc.

  During the evaluation process, the village and its designated evaluators reserve the right, where it may serve the village's best interests, to request additional information or clarifications from the proposing institution, or to allow corrections of errors or omissions. At the discretion of the village, institutions may be requested to make oral presentations as part of the evaluation process.

  It is anticipated that a recommendation to the village Finance and Budget Committee will be made by August 16, 2021, as to which institution will be awarded the contract for banking services.

- Acceptance of Terms and Conditions - Submission of a proposal shall constitute acknowledgment and acceptance of all the terms and conditions contained in this Request for Proposal. Upon notification of award by the village to the proposer, the proposal for banking services submitted by the selected bank shall constitute a contract for banking services between said bank and the village. Any subsequent agreement or contract resulting from the acceptance of a proposal shall be on forms either supplied by or approved by the village. The village reserves the right to reject or modify any agreement that does not conform to the Request for Proposal and any the village requirements for agreements and contracts.

5 CONTRACT TERMS

- Contract Period - It is anticipated that the selected institution shall be designated as the village's depository for an initial three-year term commencing on or about October 1, 2021, with an option to renew for additional twelve-month periods, as needed.
- Cancellation of Contract - The depository contract shall provide that the village reserves the right to cancel any agreement at any time upon ninety (90) days prior written notice of its intent to terminate any agreement. The designated depository shall provide the village at least one hundred eighty (180) days prior written notice of its intent to terminate any agreement.

6 PROPOSALS REQUIREMENTS

- Cover Letter: The letter should designate the proposing bank, the address of the bank office where the relationship will be domiciled, the address of the local branch, if different, and be signed by an authorized bank officer. No pricing information should be included in the cover letter.
- Table of Contents
- References: Please provide three (3) local government references that are of similar size and scope of service utilization as the village. Include the following information for each reference:
  - Contact Name & Title
  - Name and Address of Government
  - Telephone Number
  - Number of Years as Customer and Services Provided
- Demand Deposit Accounts: The village currently uses one main account that checks are written from. Please describe in detail the ability of the bank to provide services to this account.
- Deposit Compensation: The village compensates for bank services primarily with compensating balances and is charged for any deficiencies based on monthly account analysis. Please provide in detail how the village will be compensated for its balances.
  - Rate: Interest earnings will be computed in strict accordance with the negotiated rate agreed upon. This rate shall be stated by the proposer as a fixed rate. For the proposers' information, the average daily collected balance over the past year was approximately $10,000,000.
    1. Would the proposer be willing to renegotiate the stated rate if a change in economic times occurs?
    2. If so, what condition would the proposer consider a significant enough change to warrant a renegotiation?
  - Disposition of Earnings - Interest shall be calculated for the ending collected balance on a daily basis and paid monthly on the last business day of each month.

6 PROPOSALS REQUIREMENTS

- <u>On-Line Banking Services:</u> The village requires the successful proposer to provide on-line, web-based banking services and software. Please provide a description of the bank's web-based products and services available. At the discretion of the Village, a demo of the on-line banking solution may be requested.

  The software should be internet-based and include security measures in place to ensure protection of the village's assets. They should include the use of security tokens or the equivalent for login use. Please also describe your bank's computer maintenance procedures and downtimes. At a minimum, the village wishes to use web-based banking for the following:

  1. Daily Balance Reporting (ledger, available and collected). Stipulate the time at which access is available and describe the system used. Report should include balance and detail reporting. Samples of the reports should be included in the proposal.
  2. Detailed debit and credit postings (cleared checks, deposits, chargebacks, wire transfers in and out, interest payments, etc.).
  3. Initiation of regular recurring wire transfers. Ability to create wire transfer "templates" for such recurring wire transfers. Please describe your security measures for wire initiation/release.
  4. Initiation of ACH debit and credit transactions. Ability to create "templates" for recurring ACH transactions. Please describe your security measures for ACH initiation/origination and ACH reception.
  5. Placement of stop payment orders. Please describe your stop payment services.
  6. Multi-level security for various village staff (e.g. inquiry only vs. full system administrator rights).
  7. Electronic storage of canceled checks for a minimum of 18 months with access granted to the village.
  8. Positive Pay, including the ability to upload a data file or individually enter transactions.
  9. Direct Deposit of Payroll. This is currently in place with 95% of the village's employees participating. There are approximately 4,100 ACH payroll transactions per year. Please describe the bank's procedure for receiving electronic payroll data, including the transmission deadlines and the bank's back-up plans for data transmissions. The village requires immediate notification of any changes or problems and the ability to resend a file or to delete a file.
  10. Remote deposit. Describe the process of remote check deposit, including additional hardware that might be needed.

6 PROPOSALS REQUIREMENTS

- Reporting and Account Analysis: Monthly account analysis reports must be provided by the bank on a timely basis. A sample account analysis format must be provided as part of the proposal. Samples of monthly statements should also be provided. The monthly statements are to be received within five (5) business days of the next month.
- Account Relationship Manager: An account relationship manager must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the relationship manager, familiar with the account, should be designated in the proposal. Stipulate the name and a brief biography of the relationship manager to be assigned to the villages' account.
- Reloadable Police Department uniform cards: The Police Department issues reloadable uniform cards to officers annually. Please describe your ability to provide this service or an equivalent.
- Standard Bank Fee Schedule for Government/Corporate Clients: Please submit with proposal responses.
- Banking Services Bid Form: Please complete the form shown in [Exhibit A].

7 EXHIBIT

PROPOSAL FORM [**Exhibit A**]

INSTRUCTIONS

1. All lines on this form must be completed.
2. If the proposer cannot provide the service as listed below, then the term *"No Proposal"* should be entered on the line item representing that service.
3. If the proposer will not charge for a service, then the term *"No Cost"* should be entered on the line item representing that service.
4. The proposal must be signed and dated by an official authorized to bind the banking institution in legal matters.

PROPOSAL FORM [Exhibit A]

DIRECT FEE PROPOSED		
	Bank Depository Services	Charge Per Item
Depository Services	Account Maintenance	$
Depository Services	Paper credits/deposits	
Depository Services	Electronic credits	
Depository Services	Paper debits/checks	
Depository Services	Electronic debits	
Depository Services	Stop payments	
Depository Services	Returned items, maint	
Depository Services	FDIC assessment fee	
Depository Services	Positive pay per check	
Depository Services	Positive pay - exceptions	
Depository Services	Remote deposit - deposit transmission	
Depository Services	Remote deposit - monthly maintenance	
Depository Services	Remote deposit equipment charge monthly	
Depository Services	Remote deposit equipment charge one-time	
Depository Services	Remote deposit - file storage/viewing capabilities	
Depository Services	Payroll Direct deposit per file	
Depository Services	Payroll Direct deposit per item	
Depository Services	Payroll Direct deposit - monthly maintenance	
Depository Services	Monthly account maintenance	
Online Inquiry	Previous Day Detail	
Online Inquiry	Previous Day Per Item detail	
Online Inquiry	Previous Day Per Item sum	
Online Inquiry	Current Day reporting	
Online Inquiry	Account analysis report	
Online Inquiry	Monthly DDA statement	
Online Inquiry	Stop payment maint. - monthly	
Online Inquiry	Positive pay maint. - monthly	
Online Inquiry	Issue maintenance - monthly	
Online Inquiry	Web images retrieved	
Wire Transfers	Incoming wire transfer	
Wire Transfers	Outgoing wire transfer	
ACH Service	ACH received item	
ACH Service	ACH paid item	
Coin and currency services	Coin and currency processing	
Other	Audit confirms	
Other	Other base level fee not previously listed	

Submitted by:

____ (Banking Institution)

____ (Address)

____ (Address)

____ (Authorized Signature)

____ (Title)

____ (Telephone)

____ (Date)