



REQUEST FOR PROPOSAL FOR COMMERCIAL BANKING SERVICES

RFP Issue Date: Wednesday, May 8th, 2019

RFP Due Date: Monday, June 10th, 2019

Goodhue County, Minnesota
509 W. 5th Street
Red Wing, MN 55066

To effectively promote the safety, health and well-being of our residents

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I. Administrative Information

1.01 Purpose

Goodhue County (the “County”), is requesting proposals from qualified Financial Institutions (“Banks”) for depository, cash management, and general banking services. The County desires to review its banking costs, interest rate yield potential, and explore potential services that could benefit the financial security or efficiencies of the County’s operation. This RFP is designed to provide Banks with the information necessary for the preparation of competitive bid proposals. The RFP process is for the County’s benefit and is intended to provide the County with competitive information to assist in the selection process.

1.02 Background Information

Goodhue County is located approximately 30 minutes southeast of the Twin Cities along the Mississippi River. Goodhue County was incorporated on March 5, 1853 and is named after James Madison Goodhue (1810–1852), who published the first newspaper in the territory, *The Minnesota Pioneer*. Goodhue County consists of over 46,464 residents, making it the 20th largest county in Minnesota, and is served by over 320 employees. The County covers 780mi.² and consists of 10 cities, including Red Wing, Cannon Falls, Zumbrota, Pine Island, Kenyon, Goodhue, and Wanamingo; 21 townships; and 18 unincorporated communities.

The Goodhue County Board of Commissioners consists of five commissioners elected from five districts in the County. All Commissioners serve overlapping four-year terms of office. Each member of the Board serves on various committees. The Board appoints the County Administrator who is the chief executive officer of the County. They are responsible for the administration of Board policy and for the management of the various County departments.

The County’s functions and employees are divided among 15 departments. Two of these departments, Attorney and Sheriff, are headed by department heads who are elected to office. The remaining department heads are appointed by the County Board. The County provides a full range of services including health and social services; tax assessment and collection; judicial, law enforcement and jail services; the construction and maintenance of over 400 miles of highways, three park facilities, and one landfill; planning and zoning; and general administrative services.

In 2007, Mr. Scott Arneson was hired as the County Administrator and is responsible for the County budget. Goodhue County’s 2019 Budget is \$66,734,178 with an approved levy of \$35,963,370. The 2019 Net Tax Capacity is \$78.7m, up 2.67% from 2018 generating an additional \$2,050,278 in new taxes. The County has \$19,209,830 in outstanding debt for year ending 2018 with a debt service payment of \$219,000. The County has an investment portfolio of over \$32 million, generating \$658,000 in investment earnings in 2018.

1.03 Issuing Officer

The Issuing Officer, identified below, is the sole point of contact regarding the RFP from the date of issuance until selection of the successful Bank.

Brian Anderson
Finance Director
Goodhue County
509 W. 5th Street.
Red Wing, MN 55066
Phone: 651-385-3043
Brian.Anderson@co.goodhue.mn.us

1.04 Method of Communications

From the issue date of this RFP until the announcement of the successful Bank, Banks may only contact the Issuing Officer via email concerning this RFP or with hard copy documents as outlined in the RFP. Oral communications and facsimile transmissions will not be accepted.

1.05 Restriction on Communications

Banks may be disqualified should they contact any County Board Member or employee other than the Issuing Officer regarding the RFP.

1.06 Procurement Timetable

The County has made every effort to include sufficient information within this RFP for a bank to prepare a responsive, comprehensive proposal. The following dates are set forth for the informational and planning purposes; however, the County reserves the right to change the dates:

Action	Date
Issuing Request for Proposal:	Wednesday, May 8 th , 2019
Requests for Clarification Due:	Wednesday, May 29 th
RFP Submittal Deadline:	Monday, June 10 th 4:30 pm CDT
Interviews Scheduled:	Wednesday, June 19 th
Selection of Successful Bank (Informal Selection):	Wednesday, June 26 th
Approval by County Board (Formal Selection):	Tuesday, July 2 nd
Approximate Implementation Start Date:	Monday, August 5 th , 2019

1.07 Proposal Submittals

Proposals must be clearly marked and submitted in a sealed envelope plainly marked on the outside: "Banking Services Proposal" no later than **4:30 pm, Monday, June 10th, 2019**. Late submissions after the deadline or proposals delivered via fax will not be accepted. Banks shall submit their proposal to the issuing officer as follows:

- a. One (1) pdf copy (emailed to brain.anderson@co.goodhue.mn.us and,
- b. Four (4) identical hardcopy proposals must be submitted and labeled as follows:

Goodhue County
Attention: Brian Anderson, Finance Director
Banking Services Proposal
509 W. 5th Street
Red Wing, MN 55066

1.08 Questions and Requests for Clarifications

Banks are invited to submit questions and requests for clarifications regarding the RFP via email to the Issuing Officer on or before the date specified in the Procurement Timetable. If the questions or requests for clarifications pertain to a specific section of the RFP, the page and section number(s) must be referenced.

1.09 Proposal Clarification Process

The County reserves the right to contact a Bank after the submission of proposals for the purpose of clarifying a proposal to ensure mutual understanding. The County will not consider information received if the information materially alters the content of the proposal. An individual authorized to legally bind the Bank shall sign responses to any request for clarification. Responses shall be

submitted to the County within the time specified in the request. Failure to comply with requests for additional information may result in rejection of the proposal as noncompliant.

1.10 Presentations

Banks may be required to make a presentation of the proposal. The presentation, if necessary, will occur at the County's offices. The determination as to need for presentations, the location, order, and schedule of the presentations is at the sole discretion of the County.

1.11 Amendment to the RFP

The County reserves the right to amend the RFP at any time. If the amendment occurs after the closing date for receipt of proposals, the County may, in its sole discretion, allow Banks to amend their proposals in response to the amendment.

1.12 Reference Checks

The County reserves the right to contact any reference to assist in the evaluation of the proposal, to verify information contained in the proposal and to discuss the Bank's qualifications.

1.13 Information from Other Sources

The County reserves the right to obtain and consider information from other sources concerning a Bank, such as the Bank's capability and performance under other contracts.

1.14 Verification of Proposal Contents

The content of a proposal submitted by a Bank is subject to verification.

1.15 Evaluation of Proposals Submitted

Proposals that are timely submitted and are not subject to disqualifications will be reviewed in accordance with Section 1.06.

1.16 Selection Decision

All Banks submitting a proposal will be notified of the selection decision.

1.17 Cost of Preparing the Proposal

The costs of preparation and delivery of the proposal are solely the responsibility of the submitting Bank.

1.18 Disqualifications

The County may reject proposal outright for any of the following reasons:

- a. The Bank fails to deliver the proposal by the due date and time.
- b. The Bank states that a service requirement cannot be met.
- c. The Bank's response materially changes a service requirement.
- d. The Bank's response limits the rights of the County.
- e. The Bank fails to include information necessary to substantiate that it will be able to meet a service requirement.
- f. The Bank fails to respond to the County's request for information, documents, or references.
- g. The Bank fails to include any necessary signature.
- h. The Bank presents the information requested by this RFP in a format inconsistent with the instructions of the RFP.
- i. The Bank provides misleading or inaccurate responses.

1.19 Rejection of Proposals

The County reserves the right to reject any or all proposals, in whole and in part, received in response to this RFP. The County may waive any non-substantial irregularities in form of proposal or process. Issuance of this RFP in no way constitutes a commitment by the County to award a contract. This RFP process is for the County's benefit and is intended to provide the County with competitive information to assist in the selection of a Bank to provide services. This RFP is not intended to be comprehensive and each Bank is responsible for determining all factors necessary for submission of a comprehensive proposal.

1.20 Confidential Treatment and Public Records and Requests

The County shall treat all information submitted by a Bank as public information following the conclusion of the selection process unless the Bank properly requests that information be treated as confidential at the time of submitting the proposal. Minnesota Statute Chapter 13 governs the County's release of information. Banks are encouraged to familiarize themselves with Chapter 13 before submitting a proposal. The County will copy, disclose and permit examination of public records as required to comply with the Government Data Practices Laws.

Any request for confidential treatment of information must be included in the transmittal letter with the Bank's proposal. In addition, the Bank must enumerate the specific grounds in Minnesota Statute Chapter 13, or other applicable law, which support treatment of the material as confidential and explain why disclosure is not in the best interest of the public.

Pricing information cannot be considered confidential information. The request for confidential treatment of information must also include the name, address, and telephone number of the person authorized by the Bank to respond to any inquiries by the County concerning the confidential status of the materials.

Any proposal submitted which contains confidential information must be conspicuously marked as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire proposal as confidential may be deemed non-responsive and disqualify the Bank.

If the Bank designates any portion of the RFP as confidential, the Bank must submit an additional copy of the proposal marked "Public Copy" from which the confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the proposal as possible. The Bank's failure to request confidential treatment of material will be deemed by the County as a waiver of any right to confidentiality that the Bank may have had.

1.21 No Conflict of Interest

By submitting the proposal document to the County, the Bank agrees that it certifies that no relationship exists or will exist during the contract period between the Bank and the County that interferes with fair competition or is a conflict of interest. The County reserves the right to reject a proposal or cancel the award if, in its sole discretion, the County determines any relationship exists that could interfere with fair competition or conflict with the interests of the County.

1.22 Proposal Certification

By submitting the proposal document to the County, the Bank agrees that it certifies that the contents of the proposal on behalf of the Bank are true and accurate. The Bank acknowledges that it meets the Minimum Banking Requirements and the Proposed Scope of Work and Service Requirements of the RFP and that it has not knowingly made any false statements in its proposal.

1.23 Release of Claims

By submitting a proposal, the Bank agrees that it will not bring any claims or cause of action against the County based on any misunderstanding concerning the information provided herein or concerning the County's failure, negligence or otherwise, to provide the Bank with pertinent information as intended by the RFP.

1.24 Definition of Contract

The full execution of a separate written contract shall constitute the making of a contract for services, and no Bank shall acquire any legal or equitable rights relative to the goods or services to be provided in connection with this RFP until a separate written contract, with terms and conditions acceptable to the County, has been fully executed by the County and the successful Bank. By submitting a proposal, each Bank acknowledges that any selection of a successful Bank by the Authority under this RFP, including, without limitation, any verbal or written notice thereof provided by or on behalf of the Authority, shall not create any contractual rights or other obligations between the County and the successful Bank until a separate, written contract with terms and conditions acceptable to the County has been executed by the County and the successful Bank.

1.25 Agreement Not Exclusive

Any agreement resulting from this RFP shall not be an exclusive agreement between the parties and the County is entitled to enter into similar agreements or arrangements with any other party.

II. Current Commercial Banking Services

2.01 Checking Accounts

The County currently maintains nine checking accounts with the following activity:

- a. The County's main checking consist of two accounts. One for deposits, transfers in and out, along with wire transfers. The second account is linked to the first and acts as a check clearing account. At the end of the day, money is swept from the first account to cover the checks that cleared the second account.
- b. Payroll activity is designated to a separate checking account. Outside vendors pull the amounts due for payroll and issue payroll checks from their own accounts.
- c. The County has a checking account to handle the Flex program activity. The Flex program is administered by an outside vendor. The vendor issues employee checks from their own account and pulls the money once a week from the HRA account. The County initiates a wire transfer from the Flex account to reimburse the HRA account.
- d. The County has an employee HRA account. This account doesn't receive deposits. Employees have been drawing down their balances in this account. Once their balances are used there will be no further need for this checking account. The HRA program is administered by an outside vendor. The vendor issues checks from their own account and pulls the money once a week from this account.
- e. The Health and Human Services Department has two accounts. The first assist with child support payments and the second for a social welfare fund account where County is representative payee for social security and/or supplemental security income for beneficiaries.
- f. The Sheriff's Department has two accounts. One is used for the Adult Detentions Center and the other is used for Sheriff sales.

The total accounts had an average monthly collected balance of approximately \$5.4 million with the sweep checking account maintaining an average monthly balance of \$4.8 million or \$2m daily. In addition, the County processes on average 500-600 ACH money transfers per month. The County also processes \$56m in May for the first tax settlement and \$47m in October/November for the second tax settlement to all taxing jurisdictions.

2.02 Corporate Credit Cards

The County currently utilizes credit card services through a financial service other than its primary banking service provider. However, the County is interested in exploring a new credit card program through this new contract.

2.03 Investments

The County currently manages an investment portfolio of approximately \$32 million with various other financial institutions and brokerages. The County may transfer their investment portfolio to another third party or safekeeping account in the future. Investments of excess cash is performed by wire transfer of funds to the appropriate third party custodian or appropriate destination. Under the County's current banking arrangement, all wire transfers (repetitive and non-repetitive) are set-up, initiated, approved, and executed on a personal computer with secure Internet access using a bank-supplied on-line system. In addition, the County currently has one account with Minnesota Association of Governments Investing for Counties (MAGIC), and makes periodic transfers to or from this account. A contract with the successful Bank does not guarantee or preclude future investment opportunities with the County but will have a chance to openly bid on future investments.

III. Content of Proposal

3.01 Responses to Proposed Scope of Work & Service Requirements

In order to be considered for the RFP, the Bank must provide responses to all the statements and inquiries in the order given below. Bank shall address each item under the Proposed Scope of Work and within the Service Requirement under Section 5 in this RFP. In your response, please reference each section, e.g.: 4.01, 4.02, 4.03, etc.

3.02 Letter of Interest

Include a letter, signed by a person authorized to legally bind the Bank, express the Bank's interest in being considered as the County's commercial banker. The letter shall also include:

- a. The Bank's mailing and location addresses, e-mail address, and telephone number.
- b. The location of the Bank's main headquarters and the number of branches it has in Minnesota and throughout the United States.
- c. Any request for confidential treatment of information shall be included in the transmittal letter in addition to the specific statutory basis supporting the request and an explanation why disclosure of the information is not in the best interest of the public. The transmittal letter shall also contain the name, address and telephone number of the individual authorized to respond to the County about the confidential nature of the information.
- d. The Bank shall guarantee in writing the availability of the services offered and that all proposal terms, including price, will remain firm a minimum of one hundred eighty days (180) days following the deadline for submitting proposals.

3.03 Minimum Banking Requirements

In order for a Bank to be considered as the County's Commercial Banker, the Minimum Banking Requirements must be met by the Bank, including information from its primary operating company, and addressed in written format as part of the formal RFP:

- a. Bank must be chartered in Minnesota and have bank locations within Goodhue County, Minnesota.
- b. Bank must have direct access to the check clearing, collection, and wire transfer services of the Federal Reserve.
- c. Bank must provide ratings information from a recognized credit rating agency (e.g. Moody's, S&P Global, etc.) or bank rating agencies (e.g. Veribanc, Highline, etc.)
- d. Bank must include information on the Bank's Community Reinvestment Act activity.
- e. Bank must provide proof of current standing as an eligible public depository.
- f. Bank must provide confirmation that the Bank will adhere to the County's collateral requirements.
- g. Bank must indicate if they are or have been subject to a consent order, issued within five years of the date of the RFP, for improper sales practices placed by the Consumer Finance Protection Bureau or other Federal or State regulatory agencies such as the US Federal Reserve Bank for questionable misconduct.
- h. The successful Bank will not assign, transfer, convey, or otherwise dispose of the contract, title of interest, or power to execute such a contract to any person, or any other bank, firm, or corporation without previous consent in writing of the County.
- i. Bank agrees that it will not engage in, nor permit agents or employees of the bank, or such subcontractors as the bank may employ, to engage in unlawful discrimination in the employment of persons because of race, age, color, ancestry, national origin, religious creed, political opinion of affiliations, sex, material status, disabilities, or applicable State or Federal employment laws.

IV. Proposed Scope of Work & Service Requirements

4.01 Contract Length

The County currently anticipates that the duration of any resulting contract will be for an initial period of six (6) years from August, 2019, or any agreed upon date. The County will have the sole option to extend the contract following expiration of the initial six-year period by providing the selected Bank with written notice. The resulting contract may be terminated at the County's discretion, with or without cause, after thirty (30) days' written notice to the Bank.

4.02 Checking and Depository Account

The county currently has nine checking accounts. The county's main activity occurs in two checking accounts. One for deposits, transfers and wires (depository account) and the other for check activity (sweep account). The bank monitors the sweep account balance and moves funds as needed from the depository account. The County has identified the following tasks for this project. These tasks are suggestive and intended as a general guideline. The bank is encouraged to recommend alternative tasks, scopes, and services that may be appropriate.

4.03 Service Support

The Bank agrees to assign an experienced and specific staff member who will act as account manager and will serve as a point of contact for all of the County's accounts. The Bank must also have an operation center or a correspondent bank in the City of Red Wing. Please provide the

name of the specific staff member, the location of the Bank and the location in which they operate from.

4.04 On-Line Security

The Bank must provide a high level of on-line security. Please describe the security features of the Bank's on-line access.

4.05 On-line Services

The Bank must have an electronic, on-line system providing bank account information of all current information. Prior day's activity must be available to the County by 8:00 am CDT the next business day. If the County does not have computer access on a particular day, the information must be available by telephone at no additional charge to the County.

The processing of stop payment notices, online issues, issue cancellations, exceptions and other account maintenance or confirmation assistance should also be offered through the on-line system via secure Internet access or by telephone at no additional charge to the County.

If a County administrator(s) cannot manage access to all services, please provide a description of the services that can and cannot be managed on-line.

4.06 Deposits

The Bank shall have the ability to accept a variety of electronic payment and deposit services used by the County in connection with investment transactions, transfers of Federal and State Funds to the County, and other payments to the County. This includes payments from the Federal Reserve Wire System and the Automated Clearing House (ACH). The Bank shall guarantee immediate credit on all wire transfers and ACH upon receipt. Additionally, funds are deposited in person daily with the bank by County staff. Please address the Bank's ability to meet these requirements.

4.07 Payments

The County disburses payments by issuance of checks or ACH for all expenses, except for investments, vendor initiated pull, and for other authorized wire transfers. The County will furnish check stock in accordance to the bank's processing standards.

The Bank shall provide the County the capability to send wire transfers through the Federal Reserve Wire System or through ACH electronically. The County may require that these transfers be same day or for a future date.

4.08 Payroll Services

The County's vendor pulls the money in three lump sums. The vendor also issues the payroll checks from their own account. Occasionally the county will issue a manual check from the payroll account. The vendor returns the money for H.S.A and then the H.S.A vendor pulls that money from the payroll account.

The Bank must honor all valid payroll checks or bank issued "payroll" cards presented by County employees at any bank branch location.

4.09 Account Reconciliation

The Bank must make available monthly bank statements for each account within ten (10) working days after the last calendar day of each month. The statement must include a summary of beginning cash balance, deposits/credits, checks/debits, ending cash balance, check

cleared/paid date, electronic image copies of cancelled checks, and date and amount of deposits along with description of each transaction. No transaction may be combined with other transactions and must be identifiable by its description.

The Bank must accept positive pay files. At months end the bank must provide the County with an outstanding check reconciliation report and a cancelled check report.

4.10 Account Analysis Reports

The Bank must make available Monthly Account Analysis Reports within ten (10) working days after the last calendar day of the month for each account. This report shall include an average daily cash balance, Federal Reserve requirements, average daily float, average collected balance, earnings allowance, and transaction volumes and prices, including, but not limited to, account maintenance, deposits, checks paid, wire and intra-account transfers in and out, and returned checks.

4.11 Availability of Funds

The Bank shall guarantee the availability of all other checks and deposits based on the Availability Schedule provided by the bank's Proposal Submission Package.

4.12 On-Line Account Information / Reporting (180 day minimum)

Provide a brief description of these capabilities.

- a. Same day reporting of ACH and Wire receipts.
- b. Date range / transaction type search feature.
- c. Access to images of cleared checks.
- d. Detail of wire transfers and ACH's.
- e. Access to on-line deposits and check images.

4.13 Interest on Excess Bank Balances

The Bank shall provide options to enable the County to earn interest (earnings allowance) on the total demand deposit balance if the County and bank agree to a direct fee payment system or to earn interest on the excess cash balance in each demand deposit account in excess of required compensating balances if a compensating balance system is chosen. Please outline your method and rate to earn interest.

4.14 Compensation

The County currently pays for banking services through earning credit based service charges. An earnings credit is applied to an average collected balance to offset the total service charges. The County is willing to entertain bank compensation methods.

4.15 ACH and Check Fraud

The Bank shall provide the option of using a "positive pay" or similar system by which the check number, amount of each check, and payee can be transmitted each business day from the County to the bank via electronic file. This information shall be electronically matched to checks presented against the County's accounts and provided to branches to help make decisions on cashing checks presented to tellers. The County then has the ability to instruct the bank to return any checks that do not match the information provided.

4.16 Implementation / Conversion Plan

Bank must provide an implementation/conversion plan for the transition of services. Please provide a listing of steps, responsible party, and approximate duration of each step. Also any one-

time set up fees, consulting or support fees charged for customer assistance should be included in your proposal.

4.17 Corporate Credit Card Program

The County currently utilizes credit card services through a financial service other than its primary banking service provider. However, the County is interested in exploring a new credit card program through this new contract. Therefore, the Bank must provide an on-line user controlled credit card program and include the following functionalities:

- a. Online/real time user administration.
- b. Allow restrictions for card purchases, i.e. office supplies only, gas only.
- c. Ability of Administrator to make changes to spending limits for a day, a week, etc.
- d. Ability to map expenses to general ledger codes and the County's chart of accounts.
- e. Online submission of receipts and supervisor approval.

Please provide a description of your corporate credit card program, including features, functions and any limitations.

4.18 Daylight Overdraft Protection

The Bank must provide Daylight Overdraft protection in an amount agreed upon by the Bank and the County. The daylight overdraft protection will be provided at no additional cost to the County.

4.19 Other Services

The Bank shall provide all standard banking services not specifically referenced in this RFP. These include, but are not limited to cashier's checks, deposit bags, and deposit slips.

4.20 Additional Services

The Bank may offer the County additional services not otherwise specified in this RFP. In this event, a supplemental attachment should be prepared and included with the proposal describing the additional services offered in detail and indicating the cost, if any, for these services.

V. Evaluation of Bid Proposals

5.01 Introduction

This section describes the evaluation process that will be used to determine which bid proposal provides the greatest benefits to the County. The evaluation process is designed to award the contract not solely based on cost, but rather based on the best combination of services provided, cost and other relevant factors.

5.02 Evaluation Committee

The County intends to conduct a comprehensive, fair and impartial evaluation of bid proposals received in response to this RFP. An Evaluation Committee will review and evaluate the proposals. The Evaluation Committee will make a recommendation to the County Administrator and the County Board for final approval.

5.03 Evaluation Criteria

The Evaluation Committee will evaluate all proposals and make an award recommendation to the County Administrator and County Board using the following criteria, which are listed in no particular order.

- a. Quality of Service (40%) - the ability to meet the County's current and projected service requirements, capacity to provide a wide range of on-line services, on-line security, the experience of assigned staff, and quality of references.
- b. Cost (40%) – cost per identified activity and aggregate service costs, earnings credit rate and/or interest rate, and availability of funds schedule.
- c. Completeness and Conciseness of Response (10%) – the manner in which the Bank's proposal has addressed the required items included in this RFP.
- d. Financial Strength (5%)
- e. Commitment to the County (5%) – Willingness to partner with the County to support its mission.

5.04 Non-Discrimination Clause

The County will not discriminate against any interested Bank or individual on the grounds of race, creed, color, sex, age, disability or national origin in the contract award.