

MEETING DATE: August 8, 2019

TITLE: Authorization to Release RFP for Banking Services

RESOLUTION NUMBER: 19-071

PREPARED BY: Cathy Reynolds

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REVIEWED BY: Administrator Counsel Program Mgr. (Name): _____
 Board Committee Engineer Other:

WORKSHOP ACTION:

| | |
|--|---|
| <input type="checkbox"/> Advance to Board mtg. Consent Agenda. | <input type="checkbox"/> Advance to Board meeting for discussion prior to action. |
| <input type="checkbox"/> Refer to a future workshop (date): _____ | <input type="checkbox"/> Refer to taskforce or committee (date): _____ |
| <input type="checkbox"/> Return to staff for additional work. | <input type="checkbox"/> No further action requested. |
| <input checked="" type="checkbox"/> Other (specify): Final Action on August 8, 2019 | |

PURPOSE or ACTION REQUESTED:

Staff seeks Board approval to release an RFP for banking services.

PROJECT/PROGRAM COST:

There is no projected cost associated with the banking services.

PAST BOARD ACTIONS:

January 10, 2019: The Board named the 2019 depository for District funds at this meeting and directed staff to complete a RFP for banking services. (19-001)

SUMMARY:

In Resolution 17-002 the Board directed that Springsted be retained to complete a Request for Proposals (RFP) for banking services at the end of 2017 and every two years thereafter. The Board again directed that a RFP for banking services be completed in resolution 18-002 in January of 2018. An RFP for banking services was not completed in 2017 or 2018.

As the RFP had not been completed the Board again directed with resolution 19-001 in January 2019 that a RFP for banking services be completed. In accordance with this resolution, staff has coordinated a RFP for banking services with Baker Tilly (formerly Springsted).

The RFP anticipates the transition of all banking services and MCWDs four accounts to the selected bank. (MCWD currently has four accounts: General Fund Checking, General Fund Insured Cash Sweep (ICS), Surety Checking and Surety Savings.) Through the RFP MCWD is seeking to obtain information from proposing banks on required services for wire transfers, ACH, fund availability, collateralization of deposits,

online banking, remote deposit, positive pay, monthly statements and account analysis, overdraft, and stop payment services. Proposing banks submittals will be evaluated based on:

- Financial strength
- Ability to meet the MCWD's current and projected service requirements over the term of the banking agreement (any past experiences with the bank will be taken into consideration)
- Best availability schedule for deposit items
- Capacity to provide a wide range of electronic banking services
- Cost per identified activity, aggregate banking services cost, and corresponding compensating balances (if applicable).
- Best rate of interest paid historically on accounts (including evaluation of indexed rates)
- Best earnings credit rate (ECR)
- Experience and governmental knowledge of bank team
- Quality of references
- Completeness of response to all required items on the standard forms provided

The anticipated timeline for the RFP process is as follows:

Board Approval of RFP: August 8, 2019

RFP Posted: August 9, 2019

Proposals Due: September 6, 2019

Staff Review / Interview: September 9-20, 2019

Selection and Recommendation to Board: September 27, 2019

Start of conversion activities: October 1, 2019

Implementation: November 1, 2019

ATTACHED:

RFP for Banking Services

RESOLUTION

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WHEREAS, the District names a depository for District funds on an annual basis; and

WHEREAS, with the naming of the depository of district funds the Board has directed staff to complete a Request for Proposals (RFP) for banking services in 2017, 2018 and 2019; and

WHEREAS, a RFP has not been conducted in 2017 or 2018; and

WHEREAS, staff has worked with Baker Tilly to prepare a RFP for banking services.

NOW, THEREFORE, BE IT RESOLVED, the Minnehaha Creek Watershed District, Board of Managers hereby authorizes staff to release of the request for proposals for banking services.

Resolution Number 19-071 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: _____.

Secretary Date: _____



**MINNEHAHA CREEK
WATERSHED DISTRICT**

**MINNEHAHA CREEK
WATERSHED DISTRICT
REQUEST FOR PROPOSAL
BANKING SERVICES**

____, 2019

MINNEHAHA CREEK WATERSHED DISTRICT
REQUEST FOR PROPOSAL

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DRAFT

Section 1 – Introduction

A. Summary of RFP

The Minnehaha Creek Watershed District (“MCWD” or the “District”) is seeking proposals from qualified financial institutions interested in providing comprehensive banking services. The MCWD intends to maintain all banking services with one institution in order to maximize its cash flow as well as to minimize its administrative costs. The primary objective of requesting proposals is for the MCWD to determine which bank can offer the highest quality of service at the most reasonable cost. This process also provides the MCWD the opportunity to explore alternative procedural methods that could improve its banking, cash management and customer service capabilities including automating or providing electronic commerce opposed to paper processes. It is also our goal to minimize the time checks received or credit cards taken for payment are credited to the MCWD’s bank account.

We encourage you to be creative and educational in your responses. The format must be consistent with the requirements of the RFP. The MCWD desires check protection (positive pay) services, remote deposit, and the use of sweep accounts to maximize the interest earnings for the MCWD. If you believe that your proposed solution or services would be beneficial to the MCWD, we invite you to offer them. Please provide options that may create efficiencies, make improvements, and take advantage of new, applicable technologies.

The MCWD is also interested in what procedures your institution has implemented for the security of your customer’s transactions including but not limited to those discussed within this RFP. These security measures should be considered standard and not optional for purchase. If there are measures that require fees those should be clearly described along with the applicable fee.

The MCWD intends to establish a three-year contract, with an additional three-year renewal option. The conditions of the proposal must remain valid for a minimum contract term of three years. As a matter of policy, the MCWD may issue a RFP for banking services at the end of the term. Either party may cancel the contract for any reason with 90 days written notice.

Proposals shall be submitted electronically to admin@minnehahacreek.org by 4:00 p.m. on September 6, 2019. Responses must address all of the items listed in this request for proposal

Questions or request for clarification may be directed to Cathy Reynolds, Operations Manager, at (952) 641-4503 or email address at creynolds@minnehahacreek.org.

B. MCWD Background

The Minnehaha Creek Watershed District (“MCWD”) is a local unit of government responsible for managing and protecting the water resources in one of the largest and most heavily-used urban watersheds in Minnesota.

The MCWD is responsible for 181 square miles that drain into the Minnehaha Creek and ultimately the Mississippi River. The watershed includes Minnehaha Creek, Lake Minnetonka, the Minneapolis Chain of Lakes, and Minnehaha Falls. There are eight major creeks, 129 lakes, and thousands of wetlands within the MCWD. The MCWD also includes all or part of 27 cities and two townships in Hennepin and Carver counties.

The MCWD uses scientific research and monitoring, public education, grant programs, permitting, and collaborative initiatives with local governments, agencies, and residents, to protect the region’s lakes, rivers, and streams. Protecting and managing these resources is important for recreation, fish and wildlife, the environment, and property values.

Established in 1967, the MCWD was created under the Minnesota Watershed District Act. The 1955 act charged watershed districts with integrating water management efforts among city, county, and state agencies. Districts receive funding through local property taxes.

The MCWD is governed by a seven-member Board of Managers, which is appointed by the boards of Hennepin and Carver counties.

The annual operating and capital budget total approximately \$15 million. The MCWD's cash management systems require an MCWD operating fund checking account, a repo (insurance cash sweep account) for operating reserves, a surety checking account and a surety savings account.

C. Minimum Bank Qualifications

The following is a list of the MCWD's minimum requirements in order for a bank to be considered:

- A banking corporation must be authorized to do business in the state of Minnesota.
- Geographic proximity to the District.
- A banking corporation must comply with federal, state and local laws.
- A banking corporation must have ability to provide collateral on all deposits.
- A banking corporation must submit Community Reinvestment Act (CRA) rating.

Section 2 – Scope of Banking Services

A. Banking Needs

It is the MCWD's intent to select a bank that can provide high-level Banking Services at the most reasonable cost. The selected institution shall be designated as the MCWD depository for an initial three (3) year term which is anticipated to commence November 1, 2019. The contract shall contain an optional renewal clause which may be used for an additional three (3) year period under the same terms and conditions, thereby providing for six (6) years of depository and banking services.

The contract shall provide that the MCWD reserves the right to terminate the contract at any time upon 90 days prior written notice.

The MCWD currently utilizes internet banking for its checking and savings accounts in addition to remote deposit into the operating checking and surety saving accounts.

The MCWD is interested in obtaining check protection (positive pay) services, remote deposit, and the use of sweep accounts to maximize the interest earnings for the MCWD. Any additional services the banking institution may provide that are not specifically outlined within this Request for Proposal and/or recommendations regarding alternative and innovative approaches that would enhance operational efficiency should be included in the proposal, and whether those services are complimentary or fee based. Bidders are encouraged to describe how they can maximize the District's interest earnings on idle funds using these innovative methods.

The MCWD has the following specific accounts that it proposes to have the bank administer:

- MCWD Operating Account
- Repo (Insured Cash Sweep Account)
- Surety Checking Account
- Surety Savings Account

The following section will outline the various services desired by the MCWD (denoted in terms of required and optional). For the understanding of proposing banks, the MCWD will outline average account volumes for existing services by the MCWD [Table 1]. In addition, the MCWD asks all banks to please describe any products not specifically mentioned in the RFP that the bank believes would be beneficial to the MCWD.

AVERAGE MONTHLY VOLUME OF TRANSACTIONS

| | balance | Average transactions per month | | | | | | | Per year |
|------------------|--------------|--------------------------------|--------------|----------|----------------|---------------------------------|------------------------|-------------------|------------|
| | | # ACH | ACH Payments | # Checks | Check Payments | # Sweeps (Withdraw and Deposit) | # Credit Card deposits | # Remote Deposits | Wires Sent |
| General Checking | \$20,000 | 20 | \$315,000 | 54 | \$500,000 | 18 | 10 | 5 | 10 |
| General Savings | \$13,324,364 | 0 | | | | 18 | 0 | 0 | 0 |
| Surety Checking | \$13,187 | 0 | 0 | 4 | \$10,000 | 0 | 0 | 0 | 0 |
| Surety Savings | \$1,917,479 | 0 | 0 | | | | 0 | 2 | 0 |

Table 1: Volume

B. Wire Transfer Services (required)

The MCWD wires funds online on a repetitive and non-repetitive basis to other banks. It is estimated that the MCWD has one (1) outgoing wire per month for general checking. Wire transfers ordered by the MCWD and not received by the destination party will be traced from origin to destination to ascertain the party responsible for receiving the transfer. If necessary, adjustments will be made for any lost interest or charges resulting from a “fail” to consummate a bond or loan payment. The bank must have adequate backup systems in the event of computer or other failure.

Please describe the following services:

- Policy on daylight overdrafts, including aggregation of accounts and wire deadlines.
- Ability of the MCWD to initiate and monitor wire transfers online.
- Ability to create and store recurring/repetitive wire instructions/templates.
- Ability to create and store future-dated wire instructions.
- Security measures for wire initiation and approval

C. ACH (required)

Currently, the MCWD processes an average of 20 ACH debits per month from the general checking account. The average number of ACH credits for the MCWD is 20 per year for checking. Proposing banks must provide ACH services for both debit and credit transactions. The MCWD requires the ability to generate ACH transactions for vendor payments and provider transmittals. In addition, the MCWD requires all proposing banks to provide the MCWD with an in-depth, monthly statement of all ACH transactions, via PDF.

In their proposals, Banks should include information regarding ACH:

- Methods of transmission
- Cut-off times
- Security features related to processing direct deposits
- Pre-notification policy and cost
- Re-presentation of checks (RCK) through ACH on a specific date

D. Availability of Funds (required)

The MCWD expects all banks to submit a funds availability schedule. The bank must guarantee availability of funds to the MCWD on terms at least as favorable as stipulated on the fund's availability schedule. Furthermore, banks should describe one-day, two-day availability and wire requirements. The proposing bank's application should include information on the Bank's policy regarding receiving same day credit for deposits. Furthermore, please describe whether expedited availability is offered.

E. Monthly Statements and Account Analysis (required)

The MCWD requires monthly account statements electronically, that show a listing of deposits and withdrawals with detail and the amount of interest earned on interest-bearing accounts per month within five (5) business days after month end.

Additional requirements:

- Numeric check sorting will be completed by the bank.
- Imaging of cancelled checks (front and back) available online.
- If the bank has a standard reconciliation product, please provide a detailed description as well as any differentiating characteristics.
- Also, provide a full range of modes of communication possible with your product and any enhancements that are available to reduce time and/or costs, improve check fraud prevention, streamline data presentation, etc. This information should be submitted as a separate addendum to the application.

The MCWD requires a full account analysis on a monthly basis. The format for the analysis should be designed to accommodate the information contained in the contract. The analysis must identify the quantity, unit charge, and extended price for all items charged.

The earnings credit for collected balances and earnings rate shall be shown on the analysis. The Bank shall deliver the Account Analysis Statement to the MCWD no later than ten (10) calendar days following the end of the statement period.

Please describe the following account services:

- What is the proposing bank's resolution process?
- What is the duration report images are maintained online?
- When will reports be made available and through what medium (e.g. online, email)?

F. Collection and Deposit Services (required)

The MCWD deposits an average of approximately 1 deposit per month in person with 1 remote deposit per week to be credited to the proper accounts. The Bank shall supply bank deposit slips and other banking supplies as needed by the MCWD. The Bank must provide an availability schedule for funds deposited via cash deposit, wire transfer, checks, and ACH credit.

The MCWD requests that all proposing banks describe their services, including:

- Cutoff times and requirements by location (vault, teller, branch, etc.),
- Deposit locations and reconciliation services availability

G. Collateralization of Deposits (required)

All financial institutions acting as a depository for MCWD funds must agree to pledge collateral to secure all MCWD funds. All securities serving as collateral shall be specifically pledged to the MCWD and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution.

The securities must have a fixed rate and a single maturity rate of ten (10) years or less. Acceptable securities are securities of the U.S. Treasury, or U.S. government agencies as defined by the Federal Reserve. The amount of collateralization necessary will vary during the year but will be approximately 105% of deposits at the bank in excess of FDIC coverage.

MCWD requires at least a quarterly report certifying such collateral.

Submission of proposal by a bank is considered a confirmation agreement to the conditions of collateralization described above. In addition, please include the name of the designated custodian of these deposits.

H. Online Banking Services (required)

The MCWD requires a full array of on-line banking services such as ability to view the status of checks, stop-payments, on-line wire transfers, etc. The system should be secure, easy to use and web-based.

Furthermore, all proposing banks must include information on how banking data can be interfaced with the MCWD's financial management system Sage 50, and what support (i.e. – online services training) would be available under the contract.

In addition, the MCWD requests that banks provide a detailed description of their online services and their ability to provide the following basic services:

- Reporting
 - o Daily balance reporting – summary
 - o Daily balance reporting – detail (with check detail and images)
 - o Daily ACH and wire with full addenda information
 - o Current day reporting
 - o Intra-day reporting (real time or delayed), optional
- Execution of Transactions
 - o Transfers between accounts
 - o Initiation of wire transfers
 - o Initiation of stop payment orders
 - o Positive pay actions including time requirements
 - o Initiation of ACH transactions; recurring ACH debit collection or credit transactions
 - o Maintenance of wire transfer templates
 - o Stale-dating of checks
 - o EDI services, remote collection, controlled disbursement
 - o Confirmations availability and format
- Internal Controls
 - o Online cleared check information and images
 - o Multi-level security administration requirements
 - o Positive pay reports (including imaging of exception items)
 - o Management access training for the MCWD's system administrator

I. Overdraft Processing (required)

The MCWD will attempt to minimize overdraft situations; however, there may be times overdrafts will occur. It is anticipated these overdraft situations will not exceed \$10,000, if and when they do occur.

In addition, the MCWD requests that all banks include a description of the overdraft processing services they provide, including: (a) rate basis for overdrafts; (b) rate basis and definition of “daylight overdrafts”; and, (c) whether accounts are aggregated for calculation/fee purposes.

Customer Overdraft Processing – The MCWD requests that all banks include a description of their overdrafts on NSF checks deposited to MCWD accounts. Include how many times the bank will run/process a check, in the instance of an overdraft.

J. Positive Pay (required)

Positive Pay services are highly desirable. Along with the proposing bank’s application, please include a sample report.

The MCWD also requests that banks describe their services, including:

- What is the recommended service delivery method (i.e. direct transmission, online, or other)? What are the hardware/software requirements?
- What controls are in place to protect against lost files and duplications of transmissions?
- Does the bank provide automatic file receipt acknowledgements? If so, how?
- Describe the role of any third-party processor used by the bank to provide this service.
- What is the bank’s deadline for transmitting files/data?
- What is the process for notifying the bank of a single check or small check run outside of the regular batch file?
- How does the MCWD notify the bank of voided and stop payment checks?
- Does your bank have payee verification?
- Is the positive pay service fully implemented at all bank branches?
- How does the bank handle exception (“paid not issued”) items?
- Does the bank offer a daily listing of exception items?
- Are there defaults available for each account to either automatically return or pay on exception items?
- What is the timeline for reporting exceptions to the MCWD?
- How are exceptions reported to the MCWD? Will an image be available?
- What is the timeline for the MCWD to act on any exceptions?
- What are the hours of operation of this service unit?

K. Stop Payment Services (required)

Proposing banks must be able to provide stop payment services for the MCWD upon contract appointment and initiation. It is expected that the banking services provider would be required to process ten (10) per year.

The MCWD requests that all banks describe their stop payment services including: (a) online stop payment services; (b) confirmation requirements; and (c) duration of stop payments (e.g. four months, six months, etc.) and renewal processing options.

L. Interfacing with Remote Deposit Software (required)

The MCWD uses an Epson scanner for its remote deposits. The MCWD request that all banks describe their remote deposit services including: (a) online process and if the services of a third-party processor is utilized; (b) deposit confirmation reports; and (c) timeline for availability of funds.

M. Fraud Prevention, Detection, and Resolution (required)

Describe in detail the bank’s mechanisms for detecting and protecting against fraudulent transactions, as well as resolution of issues if fraud or unauthorized transactions occur. This should include procedures for screening transactions to determine proper authorization, responsibility for reversing and or recovering from unauthorized or fraudulent transactions, and the bank’s insurance coverage for such events.

N. Additional Services (optional)

It is highly encouraged for proposing banks to provide information on the following services, if they are available to the MCWD.

Services include:

- Purchasing Card Services
- Payment Card Services
- Account Reconciliation Service
- Corporate trust & Investment services
- One-time NSF processing

These services are not a requirement of contract by the MCWD, but the information allows the MCWD to understand more about the bank’s abilities. If a service is not provided by the bank, please mark “Service Not Provided.”

Section 3 – Bidding Instructions

A. Timeline (detailed)

The MCWD has made every effort to include enough information in this RFP for a bank to prepare a responsive proposal. The MCWD encourages banks to submit the most comprehensive and competitive proposal possible. The MCWD reserves the right to retain all proposals submitted and to use any ideas in a proposal, unless protected by copyright, regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the RFP, unless clearly and specifically noted in the proposal submitted, and confirmed in the contract between the MCWD and the bank selected.

The MCWD 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 banks. The MCWD will not reimburse the respondents to this RFP for any expenses incurred in preparing proposals, or for the attendance at interviews. This RFP does not obligate the MCWD to accept or contract for any services.

| TIMELINE | |
|---|-------------------|
| RFP Posted | August 9, 2019 |
| Submit names of representatives and questions | August 19, 2019 |
| Response to questions provided | August 26, 2019 |
| Proposal submission | September 6, 2019 |

| | |
|---------------------------------|----------------------|
| Proposal review | September 9-20, 2019 |
| Final selection | September 26, 2019 |
| Notification to proposing banks | September 27, 2019 |
| Start of conversion activities | October 1, 2019 |
| Implementation | November 1, 2019 |

The timing of the proposal process is as follows:

MCWD’s Deadline to Respond to Questions

MCWD staff will schedule time to speak with bank representatives seeking additional information about the proposal process and the RFP. The MCWD requests that the bank provide names of the representatives and all questions about the proposal process and the RFP by August 19, 2019. This information must be received by 4:00 p.m. via email to creynolds@minnehahacreek.org.

Proposal Submission

Proposals must be emailed to the MCWD’s Office no later than 4:00 p.m., September 6, 2019.

Proposal Review

MCWD staff will evaluate all proposals and summarize the findings. It is anticipated that the review process will be completed by September 20, 2019.

Proposals Accepted

The MCWD Board of Managers will make the final selection September 26, 2019, based on the recommendation of MCWD Staff. After the selection is made, the bank will have thirty (30) days to complete negotiations. If negotiations do not result in the execution of a contract in the allotted time, the MCWD will give notice to the bank that the MCWD will contact the next most qualified proposing bank or call for new proposals.

Notification

We anticipate sending written notification to all banks regarding the outcome of the review and contract award process by September 27, 2019.

Implementation

The bank to which the contract is awarded will be required to coordinate with MCWD staff all the activities necessary to ensure a smooth transition. Conversion activities will begin upon notification and projected completion date is November 1, 2019.

MCWD staff will make every effort to administer the proposal process in accordance with the terms and dates discussed in this RFP. However, the MCWD reserves the right to modify the proposal process and dates as deemed necessary.

B. Required Background Information

The following lists information that the bank must submit with proposal forms:

- Identify key measures of the bank’s financial strength, (e.g. capital ratios, credit ratings, asset quality, earnings, liquidity, sensitivity to market risk, deposits, and loans).
- Confirmation that the bank will communicate to the MCWD any changes in its credit rating or bank rating during the contract period.

- A copy of the annual financial report for the past two (2) years. The bank will be required to submit its annual financial report for each year of the contract.
- Proof of current standing as an eligible public depository.
- Community Reinvestment Act (CRA) rating and rating authority. Include information on the bank's CRA activity within the government's jurisdiction.
- Bank locations (main office and branches in and near the MCWD's offices).
- Funds availability schedule and policy (if it differs from schedule).
- A copy of the bank's proposed custodial agreement for the collateral pledged to secure the government's account, if applicable. Requirement for execution of the agreement under FIRREA requirements.
- Confirmation that the bank will adhere to government's collateral policy.
- Bank's disaster recovery plan (back-up sites and system back-up process).
- Description of the bank's dispute resolution and customer service/feedback process.
- Incentives offered by the bank for transition or retention.
- Designated account representative. (Representative should have sufficient decision-making authority within the bank in order to resolve issues. In addition, the representative should have a strong understanding of government's operations).
- Back-up staff person.
- Information on key management and staff members that would be assigned to the account.
- Three (3) references of customers who have used services similar to those included in this request. Please provide name, address, telephone number and a contact person for each reference.
- Fee attachment listing pricing for required and optional services. Complete the cost proposal form (see Other Attachments section) by providing the per item unit costs, any monthly, annual and setup fees for the listed services. If there is no charge for the particular service, please enter "No Cost." If there are unit charges, monthly charges, annual charges or setup fees for services not listed, please add to the cost proposal form.
- Historical rate attachment that gives the average of interest bearing options for the prior 12 months (interest bearing accounts, money market accounts, ECR, and sweep rates)
- Transition plan approach and timeline defining implementation periods and defined responsibilities.
- A summary of what differentiates your products/services from other providers.

- A summary of new services or features the bank plans to offer, and within what time frame.
- Any additional information, which you believe to be relevant to this RFP, and your capabilities to provide the services requested.
- A statement regarding any recent or foreseen merger or acquisition.

C. MCWD Standard Procurement Process

- The MCWD intends to enter into a formal banking services agreement with the awarded bank that will incorporate all provisions of the RFP and bank response.
- The supplemental service proposal form is for optional services that the MCWD would like to consider, such as credit card services (see Section 5 Other Attachments).
- The MCWD reserves the right to reject any or all bids, and select the best bid in the opinion of the MCWD.
- The MCWD reserves the right to eliminate any individual service contained in the proposal, if based on analysis, the fees for providing the service are excessive, or if the service proposed can be performed in an alternative manner.
- Banks are required to separately list their exceptions to RFP specifications, exceptions will otherwise be invalid.
- Unauthorized changes of the specifications, forms, or terms may not be made. Otherwise the response will be considered invalid.
- The MCWD reserves the right to proceed to the next bank in their selection if selected bank fails to enter into a subsequent contract/agreement within 30 days of notification of award.
- A subsequent contract/agreement may be terminated by either party with written notice.

Section 4 – Proposal Submission & Evaluation

A. Submission Process

All proposals from interested banks must be emailed to admin@minnehahacreek.org and received on or before 4:00 p.m. on September 6, 2019.

Proposals will be time-stamped via email delivery upon receipt and held until the established due date. Proposals will not be opened publicly or disclosed to unauthorized persons. A record of proposals will be established, which will include for every proposal the name of the entity submitting the proposal, a description sufficient to identify the services offered, and the date and time the proposals were received.

B. Evaluation Process

Proposals will be evaluated by MCWD staff based on the criteria set forth below. MCWD staff will make a recommendation to the MCWD Board of Managers. All proposals submitted will be the

primary document upon which each proposal will be evaluated. All proposals will first be screened to determine minimum institution qualifications as outlined in this RFP.

It is the MCWD's desire to select the bank that will provide the best overall value to the MCWD. Best value is based not only on cost, but also includes the ability to provide quality desired services and support and to achieve administrative efficiency.

Submitted proposals will be judged on the following evaluation criteria:

- Financial strength
- Ability to meet the MCWD's current and projected service requirements over the term of the banking agreement (any past experiences with the bank will be taken into consideration)
- Best availability schedule for deposit items
- Capacity to provide a wide range of electronic banking services
- Cost per identified activity, aggregate banking services cost, and corresponding compensating balances (if applicable).
- Best rate of interest paid historically on accounts (including evaluation of indexed rates)
- Best earnings credit rate (ECR)
- Experience and governmental knowledge of bank team
- Quality of references
- Completeness of response to all required items on the standard forms provided

The MCWD reserves the right to reject any and all proposals, to waive any information or irregularities in any proposal, and to use any idea in a proposal regardless of whether that proposal is selected.

Section 5 – Other Attachments

- Annual Financial Report located on the MCWD website here:
<https://www.minnehahacreek.org/about/district-finances/audit>
- Standard contract documents:
 - Cost Proposal Form
 - Supplemental Service Proposal Form
 - Banking Services Proposal Certification

Cost Proposal Form

INSTRUCTIONS

1. All lines on the form must be completed.
2. If the proposing institution cannot provide the service as listed below, then the term “No Proposal” should be entered on the line representing that service.
3. If the proposed banking institution will not charge for a service, then the term “No Cost” should be entered on the line representing that service.
4. If there is no per-item cost for a particular service but an annual fee is charged, enter the amount in the “Annual Cost” column.
5. The proposal must be signed and dated by an official authorized to bind the banking institution in legal matters.

| Direct Fee Proposed | | | | | | |
|--------------------------------|---|------------|-------------------------------------|--|------------------------|--------------------|
| Service | Standard Units/per month (unless noted) | Unit Price | Monthly Fee (based on unit pricing) | Annual Cost (monthly fee x 12 + annual fees) | Setup Charges (if any) | Total (in dollars) |
| Debit Items/Checks | | | | | | |
| Credit Items/Deposits | | | | | | |
| Cash Deposits | | | | | | |
| Returned Items | | | | | | |
| Returned Items- Redeposit | | | | | | |
| Stop Payments | | | | | | |
| Deposit Slips | | | | | | |
| Deposit Bags | | | | | | |
| Wire Incoming and Outgoing | | | | | | |
| Direct Deposit Items | | | | | | |
| ACH Debit | | | | | | |
| ACH Credit | | | | | | |
| Internet Account Access | All accounts | | | | | |
| Check Imaging With Archival CD | All accounts | | | | | |
| Positive Pay | | | | | | |
| Remote Deposit | | | | | | |
| Other Charges | | | | | | |

SUBMITTED BY:

(Banking Institution)

(Address)

(Authorized Signature)

(Title)

(Telephone)

(E-mail address)

(Date)

DRAFT

Supplemental Service Proposal Form

INSTRUCTIONS

1. The proposing banking institution shall give a brief description of the supplemental banking services, along with proposed costs. Supplemental services are those not included in cost Exhibit A.
2. If no proposal is being made on a supplemental banking service, the term "No Proposal" should be entered for that particular service.
3. If the proposing banking institution will not charge for a supplemental service, then the term "No Cost" should be entered for that particular service.
4. The proposal must be signed and dated by an official authorized to bind the banking institution in legal matters.
5. A fee schedule should be provided if cost varies by type of transaction.

SUPPLEMENTAL SERVICE

Credit Card Service*: _____
MasterCard/Annual Fee: _____
VISA/Annual Fee: _____
Authorization Fee: _____
Transaction Fee: _____

Purchasing Cards: _____
Setup Fee: _____
Transaction Fee: _____
Authorization Fee: _____

Other Innovations/Enhancements: _____
Description: _____
Cost: _____

*The proposer is requested to provide direction on establishing card liability, i.e. personal versus entity wide. Such discussion should also include information related to setting credit limits on such cards

SUBMITTED BY:

(Banking Institution)

(Address)

(Authorized Signature)

(Title)

(Telephone)

(E-mail address)

(Date)

DRAFT

Banking Services Proposal Certification

I, the undersigned, an authorized representative of _____
_____ whose address is: _____,
_____ have read and thoroughly
understand the specifications, instructions and all other conditions of the request for proposal
issued for banking services.

Acting on my behalf of my bank, which is listed above, I do attest that the services offered by us
meet the specifications of the MCWD in every respect, (check one)
_____ without exceptions or _____ with exceptions (attached).

We, therefore, offer and make this bid to furnish the MCWD with the banking and investment
services detailed in our proposal at the prices indicated.

(Banking Institution)

(Address)

(Authorized Signature)

(Title)

(Telephone)

(E-mail address)

(Date)