



REQUEST FOR PROPOSAL: BANKING SERVICES

Deschutes County, Oregon

Date Issued: January 24, 2022
Proposals Due: February 28, 2022

County RFP Website: www.Deschutes.org/rfp

Note: The above RFP website will provide access to the RFP, supporting information and links to associated County documents. If questions are submitted, they will be responded to in writing and posted to the website. If for some reason, you need assistance please see contact below.

County Contact for RFP: Jana Cain, CPA
County Accounting Manager
(541) 385-1411
Jana.Cain@Deschutes.org



To request this information in an alternate format, please call (541) 385-1411 or send email to Jana.Cain@Deschutes.org

REQUEST FOR PROPOSAL

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INTRODUCTION

Deschutes County (County), through the Finance Department (Department), is requesting proposals for banking services for a period of not less than five (5) years and one (1) two-year extension. The purpose of this process is to obtain high quality requisite depository and banking services at a competitive price.

The scope of the contract excludes the following, for which the County has existing contracts that will be retained: 1) lockbox services; 2) third-party safekeeping of purchased investments; 3) courier service for delivery of deposits to financial institution.

A Microsoft Word version of this RFP plus two (2) Excel documents, containing historical County information, is available electronically. Interested parties may view the RFP on the County's website at www.deschutes.org/bankingservicesrfp .

To qualify for consideration, interested financial institutions should submit a letter of interest by February 7, 2022. The letter of interest should provide any requests and questions, along with the name and contact information, including email address, of the authorized representative.

The deadline for submitting proposals is no later than 5:00 pm on Monday, February 28, 2022. Proposals must address all the items listed in this request for proposal, be submitted in a sealed envelope marked "Banking Services Proposal" addressed to:

Jana Cain, Accounting Manager
Deschutes County Finance Department
1300 NW Wall Street, Suite 200
PO Box 6005
Bend, Oregon OR 97708-6005

Contact telephone number: 541-385-1411
Email address: Jana.Cain@deschutes.org

Please include six copies of the proposal. Any questions or concerns with completing the RFP should be submitted in writing prior to February 7, 2022 to the named Contact Person and address provided above.

This RFP will not preclude the County from utilizing services of other financial institutions to complement this agreement and provide convenient banking for customers.

The County reserves the right to reject any and all proposals, to waive irregularities, to retain all proposals submitted and to use any idea in a proposal regardless of whether that proposal is selected, and to cancel this request for proposal if the County determines doing so would be in the public interest.

COUNTY BANKING PROCEDURES

The County provides a full range of services including sheriff's patrol, investigative and correction services, construction and maintenance of roads and bridges, property assessment, tax collection, public and behavioral health services, land use planning, building permitting and inspections, prosecution of criminals, veterans services, justice court, parole & probation, election services, records maintenance, and operation of a landfill, a fair and expo center, and an RV park. The County includes the communities of Bend, Redmond, La Pine, Sisters, Terrebonne, and Brothers. There are approximately 1,200 people employed by Deschutes County.

Deschutes County uses a pooled cash method of accounting, whereby cash from all governmental, proprietary, and fiduciary funds is combined to maximize its earnings' potential. An adequate cash balance is maintained in the Oregon State Treasury's Local Government Investment Pool (the "LGIP") to meet short-term requirements. Other monies are invested in U.S. Treasury securities, U.S. Agency securities and in other authorized investments. Investments are regulated by Oregon Revised Statutes. Electronic transfers are made to and from the LGIP to meet immediate cash needs and maximize earnings.

The County utilizes three depository accounts for the deposits of monies collected and four zero-balance disbursement accounts with a sweep from the primary depository account, that is utilized for employee payroll related disbursements, vendor payments, tax refunds, and workers' compensation payments. The County's software allows for laser printed checks on blank check stock.

The County presently has an Investment Sweep account that daily sweeps the collected funds above the pre-determined compensating balance from the main depository account into an Investment account to maximize interest earnings.

Daily deposits of cash and checks prepared by the County Treasurer's Office are transported by a courier service to its bank each afternoon in downtown Bend. The courier service is contracted separately by the County. In addition, several County Departments in Bend, Redmond, and La Pine make deposits into the County's depository account.

The County offers direct deposit of payroll, utilizes check protection ("Positive Pay") services and ACH filter blocks. The County uses Munis financial software and creates an ACH file for direct deposits. The County also utilizes online origination of outgoing ACH transactions. The County utilizes 7 remote deposit scanners at different locations.

The County seeks to improve operational and cash management efficiencies that may be available with alternative systems and procedures and will look to its bank for creativity, expertise, and flexibility.

BANKING SERVICES PROPOSAL INSTRUCTIONS

Your response to the County's RFP must follow the enclosed Proposal Response Format, in the exact order listed. The banking services the County has identified for inclusion in the RFP include: (A) Required Banking Services, (B) Optional Banking Services, and (C) Conditions Qualifying a Bank to Propose. Additionally, other information is requested under the heading (D) Other Instructions.

Any proposal that does not address or cannot provide all of the required banking services elements or conditions qualifying a financial institution to propose, or does not provide the information requested in "other instructions", will be excluded from consideration unless the deviations are considered immaterial by the selection committee. The selection committee is comprised of the County CFO and other persons designated by the CFO.

All proposals are considered public records subject to disclosure to the extent that any information contained within the proposal is not exempt under Oregon Public Records Law. The Applicant must specifically identify in the proposal what information, if any, is considered exempt and the Applicant shall assume all responsibilities for such defense. The County will endeavor not to disclose such information to the extent allowed under Oregon law. Pricing is not considered proprietary information and is not confidential in nature.

Should there be any changes made in the RFP, a written addendum will be provided to all parties and will include any required adjustments in schedule dates. This addendum may be published on the internet or emailed to those identified.

NOTE: All proposals submitted in response to this Request for Proposal (RFP) shall become the property of Deschutes County and may be utilized in any manner and for any purpose by Deschutes County. Be advised that proposals and all documents submitted in response to this RFP are subject to public disclosure as required by applicable state and/or federal laws. If you intend to submit any information with your proposal which you believe is confidential, proprietary, or otherwise protected from public disclosure (trade secret, etc.), you must separately bind and clearly identify all such material. The cover page of the separate binding must be **red**, and the header or footer for each page must provide as follows: "Not Subject to Public Disclosure." Where authorized by law, and at its sole discretion, Deschutes County will endeavor to resist disclosure of properly identified portions of the proposals.

A. REQUIRED BANKING SERVICES

- A1. A general account and six zero-balance sweep accounts.
- General – deposits, disbursements, and sweep activity
 - Room Tax – room tax deposits
 - Property Tax – property tax deposits
 - Payroll – payroll payments, disbursed monthly
 - Accounts Payable – vendor payments, disbursed weekly
 - Workers’ Comp – workers’ compensation payments, disbursed daily
 - OPC Refunds – property tax & room tax refunds
- A2. Check protection (“Positive Pay”) services for Payroll, Accounts Payable, OPC, and General accounts. In the future there may be a need for additional accounts that require check protection (“Positive Pay”). We currently transmit the data utilizing an excel (.xls) file format which matches check number, date, and amount.
- A3. Six separate accounts for various departments not covered by positive pay and are not zero-balance accounts. These accounts are maintained separately, and other County departments are responsible for bank reconciliations.
- Bail – checking account
 - Inmate Trust – checking account
 - Fair Premiums – checking account
 - Fairgrounds – imprest account
 - Tax – imprest account
 - Legal – imprest account
- A4. Automated account reconciliation services (daily download of transactions for all accounts). Data is imported utilizing an excel (.xls) file format.
- A5. Provide blocks and filters that can limit electronic credits and debits by Originating ID and limit debits by dollar amount on ACH transactions (“Electronic Payment Authorization”).
- A6. Capable of providing merchant bankcard services.
- A7. Automatic redeposit of returned checks a second time if the instruments are initially dishonored due to “NSF” notations. NSF fees are to be assessed against the monthly analysis.
- A8. County requires that all deposits delivered to the bank by 5:00 p.m. will be given ledger credit balance that same day.

- A9. Full-service bank branch located in Bend, Oregon with additional depository facilities conveniently located near County operations.
- A10. County is to be given credit as collected funds for all items that are cleared by the bank on the same day as the deposit is made. Items deposited that clear at institutions located within the Federal Reserve Region will be considered collected funds within one business day at a maximum. The bank will credit the County's account for incoming wire transfers on the day received regardless of the time of receipt during the day.
- A11. Monthly checking account statements with images of both deposited checks and cleared checks provided to the County within five (5) business days after month end.
- A12. The bank will provide online banking services to the County for daily and monthly reporting of account balances, managing controlled disbursements, collected and ledger balances, stop payment requests, returned checks, confirmations, detailed debits and credits, and image access for all warrants, checks, and deposits.

The County shall not be charged or penalized if an overdraft results because the account balance information is not available by 8:00 a.m.

- A13. Online banking should also provide the ability to electronically transfer balances between accounts as well as the ability to process ACH credit and debit files and perform wire transfer payments. The security administration provided within the on-line banking system should accommodate multiple users with different security levels relative to many different accounts.
- A14. Monthly account analysis statement combining all the accounts, clearly defining services, ledger and collected balances, credits for balances in excess of uncollected funds, and costs incurred by the County. All fees and costs of service are to be charged against the account analysis. A separate monthly account analysis statement is required on the Workers' Compensation Payable account. Monthly account analysis statements shall be provided not later than fifteen (15) business days after the end of each month. The County is requesting an annual settlement date on all account analysis charges.
- A15. The bank must maintain wire transfer facilities through the Federal Reserve Bank System. In addition, the bank must be both a sending and receiving financial institution on the Automated Clearing House (ACH) system.
- A16. The County will provide all checks utilized. The bank will provide encoded deposit slips utilizing location codes that identify the depositor to the County at no additional cost. This locator should be included with electronic reporting and on the bank statement. The County presently uses a duplicate carbonless deposit slip.
- A17. The bank shall provide single use secure deposit bags for courier deposits to the County at no additional cost.

- A18. If the County develops a need for additional accounts or services during the term of the banking services agreement, those new accounts or services shall be provided with the most favorable conditions as apply to other customer accounts.
- A19. Remote deposit capture online services enabling the electronic capturing of check images and data. Transmitting that information for deposit and clearing of these check items. Please state capabilities and costs.
- A20. Based on the account structure outlined in A1. indicate minimum peg balance required in the General Account for sweep account activity.
- A21. Direct Deposit of County Payroll - Describe the pricing and procedures you propose for direct deposit of County payroll. Briefly include pre-noting details, direct transmission format requirements, timing requirements of data exchange, and other details you consider relevant. Data is currently being transmitted by the County on approximately 1,100 employees utilizing an excel (.xls) file format with a cutoff time of transmittal by 2:00 pm for credit the following morning to individual employee's accounts.
- A22. The bank shall indicate the primary resource personnel and location of such personnel who will provide banking services to the County within the scope of this agreement. One primary bank officer should be designated for communication purposes. In addition, the bank shall identify liaison staff members as well, on the basis of "primary" contact people and "backup" contact people who will be available during County business hours to assist in resolving issues. The resource personnel should be knowledgeable in government services and authorized to represent the bank.
- A23. An explanation of disaster recovery and backup procedures that are in place to protect the County and the bank in the event of disaster to either entity or both.
- A24. The bank shall define, in detail, the rates and formula for calculating any charges resulting from an overdraft of minimum balance required of sweep account, (1) if balance drops below a pre-defined peg balance, (2) if account does not have sufficient balance to cover sweeps, (3) if there are insufficient collected funds to cover sweeps.
- A25. All stop payments shall be charged against the account analysis. Describe the effective length of the request and renewals. Are stop payments necessary for issued checks with a void Positive Pay in place? Is a log of current stop payments available?

B. OPTIONAL BANKING SERVICES

- B1. Please state what your bank can provide in terms of an automatic overnight investment account. Be certain that what is proposed is legal under Oregon State Statutes. The County reserves the right to request and negotiate with more than one financial institution without additional formal competitive procurement processes, in order to obtain optimum earnings during the contract period.
- B2. Semi-annual review of analysis statements by bank representative with CFO and staff to identify anomalies, problems, or opportunities for lower cost and improved services.
- B3. Purchase / prepaid cards capabilities and costs.
- B4. Utilizing electronic payment vs. paper check, benefits, costs, security, etc.
- B5. Provide details of cash deposit fees. Cash deposits significantly increase during the annual County Fair.

C. CONDITIONS QUALIFYING A BANK TO PROPOSE

Banking institutions submitting proposals must meet or exceed the following minimum criteria:
(Indicate this by checking YES or NO next to each item)

- C1. Comply with Oregon Revised Statute (ORS) Chapter 295 governing the collateralization of public funds?
YES _____ NO _____
- C2. Be an approved Qualified Depository for Public Funds on the Oregon State Treasury website at the following? <https://www.oregon.gov/treasury/public-financial-services/public-depository-information/pages/list-of-qualified-depositories.aspx>
YES _____ NO _____
- C3. Have a full-service bank branch located in the City of Bend?
YES _____ NO _____
- C4. Be a member of the Federal Reserve System and have access to all its services?
YES _____ NO _____
- C5. Be insured by the Federal Deposit Insurance Corporation (FDIC)?
YES _____ NO _____
- C6. Be able to facilitate transfers to and from the Local Government Investment Pool managed by the Oregon State Treasurer's Office?
YES _____ NO _____
- C7. Be a full-service bank capable of providing, at a minimum, the services described in the Required Banking Services section of this Request for Proposals?
YES _____ NO _____
- C8. Be a federally or State of Oregon chartered financial institution?
YES _____ NO _____
- C9. Work with the County on implementing technological advancements that would be cost effective for the County? Proposals regarding these kinds of services should be described separately as "optional services".

YES _____ NO _____

C10. Agree to assign experienced and dedicated staffs who are committed and capable of servicing the County's accounts?

YES _____ NO _____

C11. Be able to facilitate NACHA formatted Automated Clearing House "ACH payments"?

YES _____ NO _____

D. OTHER INSTRUCTIONS

- D1. The proposal may include services in addition to those set forth in Parts A and B of this solicitation which the County may wish to consider and acquire. The County reserves the right to solicit comparable information on such services from all other banks responding to this request for proposal.
- D2. Include the bank and staff profiles with a description of the bank's experience in providing services to the public sector, including staff resources dedicated to the public sector. Include three (3) Oregon public sector references, including a brief description of the services provided and a contact person and telephone number for each client identified.
- D3. Describe your organizational structure, identifying the process used in making decisions regarding the County's accounts. (i.e., decisions made at a local level versus regional level).
- D4. Include a sample of any service agreements your bank requires.
- D5. Include copies of audited financial statements for the past two years.
- D6. Include a schedule of all bank service fees covering all services your bank can provide.
- D7. Proposer shall complete and submit the Pricing Matrix (Exhibit A). State for what period of time the rates you propose will remain unchanged. Note any additional fees not included on the matrix.
- D8. Identify the index the earnings rate on the general account would be pegged to, listing the last six months' applicable rates.
- D9. Though the County will normally attempt to keep the collected balance as low as possible, the earnings credit for the collected balance will be used to offset charges. Describe how the carryforward is used in determining the earnings credit and the related settlement interval, monthly, quarterly, annually? Describe in detail the method of calculating the earnings credit and any applicable reserve requirements. Explain any charges that would not be offset by compensating balances.
- D10. Include a detailed description of the bank's online services available to the County and all its capabilities. Provide pricing for online services if applicable.
- D11. Include a sample of the monthly detailed statement.
- D12. Include a sample of the monthly account analysis.

- D13. Each proposer is requested to include a proximity study showing the nearest depository facility your financial institution provides, as well as other locations within Deschutes County.
- D14. Briefly describe your proposed implementation plan and related timetable, including any required training and how your staff can assist the County in making the transition to your financial institution. The plan should provide the County with sufficient detail to allow for a reasonable estimate of the complexities and costs.

ANTICIPATED SCHEDULE FOR SELECTION AND AWARD OF CONTRACT

Distribute Request for Proposals	January 24, 2022
Letter of Interest / Questions from Proposers	February 7, 2022
Deadline for County Responding to RFP Questions	February 16, 2022
Proposals Due	February 28, 2022
Evaluate Proposals	February 28 - March 14, 2022
Interview Finalists (if necessary)	To be determined
Recommendation to Board of County Commissioners / County Administrator	On or before March 14, 2022
Anticipated Notice of Intent to Award Contract	March 18, 2022
Anticipated Contract Negotiations	March 2022
Award Contract	March 2022
Transition	March – April 2022
Effective Date of New Contract	May 4, 2022

Note: This is the County's desired project schedule. The County reserves the right to modify the schedule.

EVALUATION CRITERIA

It is the intent of Deschutes County to select the bank most qualified to provide the best value to the County for its banking activities. Best value is based not only on cost, but also includes the ability to provide quality desired services and support.

1. Cost of service; overall cost to provide the most efficient means to manage the County's cash assets. 50%
2. Services provided; ability to provide all the minimum requirements and a proven record of technological capabilities, with plans for continued advancement / innovation. Accessibility to branches and services. 25%
3. Communication and interpersonal skills; ability to be responsive on an ongoing basis; a track record of effective working relationships with clients. Desirable to have existing public sector clients with record of positive relationships. Understanding the nature and scope of the work involved and being able to present an effective response to accomplish the work. 20%
4. Cost and effort impact on the County required implementing changes proposed by the bank. 5%
5. Financial condition; stability of current conditions and proven track record of effective management decisions. (Rating is acceptable or unacceptable). A/U

DESCHUTES COUNTY
PROPOSAL RESPONSE FORMAT

For Banking Services

Please respond to the County’s RFP in the exact order as listed. Items are indexed to correspond with the numbers in the RFP instructions presented earlier. Additional comments may be added on a separate attachment; however, they must be clearly referenced to a line number on the response form.

There is a maximum 20-page limitation for the proposal submissions documents. Resumes, mandatory submission forms, and supplemental information will not be counted in the maximum 20-page limitation. Any additional information that a proposer deems appropriate may be included and submitted as an additional section after the required responses.

A. REQUIRED BANKING SERVICES

- A1 – A19. Can your bank provide these services (Y / N)?
- A20. Minimum peg balance required in General Account for sweep account.
- A21. Direct Deposit of County Payroll
- A22. Identify Assigned Personnel
- A23. Disaster Recovery / Backup Procedures
- A24. Rates and Formula for Overdraft Charges
- A25. Stop Payments

B. OPTIONAL BANKING SERVICES

- B1. Investment Account
- B2. Semi-Annual Review of Analysis Statement
- B3. Purchase / Prepaid Cards Capabilities and Costs
- B4. Electronic payment vs. Paper Check

C. CONDITIONS QUALIFYING A BANK TO PROPOSE

- C1 – C11. Answer the listed questions

D. OTHER INSTRUCTIONS

- D1. Other Services Offered
- D2. References
- D3. Organization Structure
- D4. Service Agreements
- D5. Provide Audited Financial Statements
- D6. Provide a Schedule of all Bank Service Fees
- D7. Complete Pricing Matrix (Exhibit A)
- D8. Earnings Credit Rates
- D9. Earnings Credit Methodology
- D10. Sample of on-line Balance Report
- D11. Sample of Monthly Detailed Statement
- D12. Sample of Monthly Account Analysis
- D13. Proximity Study of Bank Branch Locations
- D14. Implementation Plan and Timetable

Deschutes County
Request for Proposal
Banking Services

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 by Deschutes County for banking services.

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

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

Bank Name: _____

Address of Home Office: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____