



SOUTH SNOHOMISH COUNTY FIRE AND RESCUE REGIONAL FIRE AUTHORITY

REQUEST FOR PROPOSALS | #2403 - BANKING SERVICES CONTRACT

*Issued: February 15, 2024*

*Proposal Deadline: March 7, 2024, at 12:00 PM*

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## Introduction

South County Fire and Rescue Regional Fire Authority (referred to herein as South County Fire and the “RFA”) operates out of fifteen fire stations to provide all hazards response and fire and emergency medical services to approximately 300,000 people in the communities located in Southwest Snohomish County. South County Fire’s service area includes unincorporated areas and the cities of Lynnwood, Mill Creek, Brier, and Mountlake Terrace and provides services to the City of Edmonds under contract.

South County Fire is soliciting proposals to provide banking services that support financial operations. The successful proposal will strike a balance between competitive fees, outstanding client service during implementation and ongoing, and innovative product offerings.

The RFA invites qualified local financial institutions to submit proposals for the provision of banking services as described in the attached specifications. Written proposals using the official forms provided herein must be delivered to South County Fire located at 12425 Meridian Ave S, Everett WA 98208 by 12 PM Thursday March 7, 2024.

## Description of Current Banking Services

The RFA of South County Fire currently maintains three bank accounts: a depository account, an accounts payable clearing account, and a payroll clearing account. Banking activity in each of the accounts is typical of similar entities. Most of the RFA’s deposits go into the depository account and are incoming ACH deposits. Paper checks are also deposited into the depository account by remote deposit capture. Cash deposits are somewhat rare, but when necessary are taken to the counter at a local branch for deposit. Disbursements are made from all three accounts, most commonly by paper check and outgoing ACH payments. Periodically disbursements are made by wire.

The RFA currently utilizes the Snohomish County Investment Pool and the Local Government Investment Pool operated by the State of Washington for the investment of excess cash. Additionally, in the first quarter of 2024 the RFA intends to establish an investment account to hold treasuries and federal government agency securities as part of the implementation of a recently updated investment policy. The relevance to the RFP is to acknowledge that the RFA will be seeking investment custodial services in the near term and that the nature and frequency of investment related transactions may change. The change is not expected to materially affect banking but is mentioned as it may be relevant to proposals for optional banking services mentioned later in the RFP.

## Volume by Activity

2022 Approximate Annual Activity (for reference only)

<u>Type</u>	<u>Count</u>	<u>Value</u>
External Deposits (ACH)	2,917	106,958,986
Remote Capture Deposits	75	13,000,000
Checks Issued	1,915	16,376,101
ACH Payments (Debits)	1,032	95,996,728
Wire Transfers	60	7,500,000

## Time Schedule/Bid Process

The RFA will attempt to follow the timetable below, which should result in the implementation of a banking services agreement by May 1, 2024.

Issue RFP	February 15, 2024
Vendor Questions Due	February 22, 2024
Proposals Due	March 7, 2024
Award Contract	March 25, 2024
Implementation Planning	March 31, 2024
Implementation of Banking Services Agreement	May 1, 2024

## Procedural Instructions

1. RFP Contact
  - i. Upon release of this Request for Proposals (RFP), all communications concerning this RFP must be directed to the Purchasing and Contracts Administrator, Shane Jensen.  
Shane Jensen:  
Phone (425)551-1216  
Email [sjensen@southsnofire.org](mailto:sjensen@southsnofire.org)
  - ii. Unauthorized contact regarding this RFP with other RFA employees may result in disqualification. Any oral communications will be considered unofficial and non-binding on the RFA. Proposers should rely only on written statements included in this RFP or made by the RFP Contact.
2. Questions

- i. All requests for information and questions related to errors, conflicts, or inadequate information shall be made in writing or by e-mail and the response shall be made in like manner. Questions must be received by the deadline listed in the time schedule listed above.
  - ii. All answered questions will be sent out to all those who have registered with the RFP Contact.
3. Disclaimer

The responsibility for determining and obtaining the full extent of all information needed to respond to the Request for Proposals (RFP) rests with the financial institution. Submission of a proposal constitutes acceptance of the procedures, evaluation criteria, and other instruction of this RFP.
4. Proposal Template and Submittal Instructions

Each proposer shall use the attached Banking Services Proposal Template and attachments (or copies thereof) to submit their proposal. It is required that the proposal template be completed in its entirety except for the optional banking services section of the proposal. An official of the financial institution authorized to bind the financial institution must sign the proposal. The proposal must be valid for a period of not less than ninety (90) calendar days from the date of receipt by the RFP Contact.
5. No Proposal

If a proposer cannot meet a service requirement, then the term "No Proposal" should be entered on the Banking Services Proposal Template for that specific requirement. In the case of a "No Proposal" remark, the proposer may offer an equivalent alternative service. Failure to substantially propose on all basic services may result in bid rejection.
6. References

Proposals for this project must be accompanied by three (3) references of recent successful banking relationships. References with recent implementation experience are desirable.
7. Proposal Deadline

A proposal must be submitted in a sealed envelope or package bearing the title "South County Fire - Banking Services RFP" along with the proposer's name and address. The proposer shall return one (1) signed original and two (2) copies of their completed proposal to the South County Fire 12425 Meridian Ave S Everett, WA 98208, no later than 12 PM on Thursday, March 7, 2024. No faxed, emailed or telephone proposals will be accepted. It is the responsibility of the proposer to ensure that the proposal arrives on time at the correct location. All proposals received later than this time will be returned to the financial institution unopened.

8. Public Information

All proposals and information included therein or attached thereto submitted in response to this RFP shall become public record upon proposal opening. Only under limited circumstances can submittal information be considered proprietary and not subject to disclosure. In no case can a financial institution indicate that their entire submittal is proprietary, and the RFA shall make the sole determination of what information may be considered proprietary based upon the RFA's interpretation of the Public Disclosure laws.

9. Right to Reject Proposals and Waive Informalities

The RFA reserves the right to reject any or all proposals, to waive any nonmaterial irregularities or informalities in any RFP, and to accept or reject any item or combination of items.

10. Execution of Agreement

If a financial institution does not execute an agreement within ten (10) business days of being awarded contract, the RFA may give notice to the financial institution of the RFA's intent to select the next most qualified "proposing financial institution" or call for new proposals, whichever the evaluation team deems most appropriate.

11. Non-Endorsement

As a result of the selection of a financial institution to supply equipment and/or services, the RFA is neither endorsing nor suggesting that the financial institution's equipment and/or services are the best or only solution. The financial institution agrees to make no reference to South County Fire in any literature, promotional material, brochures, sales presentation, or the like without prior express written consent from the RFA.

12. Cost of Preparing Proposals

South County Fire is not liable for any costs incurred by financial institutions in the preparation and presentation of proposals in response to this RFP.

## Required Qualifications

1. Full-Service Financial Institution

A proposer must be a federal or state of Washington chartered financial institution and must be a full-service financial institution capable of providing the full range of required banking services outlined in this Request for Proposal (RFP) for the duration of the contract.

2. Location within the Regional Fire Authority boundaries.

A branch banking facility must be located within the boundaries of South County Fire.

3. Designated Depository

A proposer must be designated by the Washington Public Deposit Protection Commission as a qualified public depository. The qualified designation must remain in effect for the duration of the Banking Services Contract.

4. FDIC  
The financial institution must be insured by the Federal Deposit Insurance Corporation (FDIC).
5. Legal Compliance  
The financial institution must comply with all applicable laws, rules and regulations of the State of Washington and the United States.
6. Federal Reserve System  
The financial institution must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.
7. Required Financial Information  
The proposer must provide copies of all documents required by state law (Public Fund Protection Act of 1969, Chapter 193) to the RFP Contact. The financial institution must meet or exceed the requirements outlined therein.
8. Term of Service  
The proposer must be willing to enter into an agreement with an initial term of 4 (four) years with automatic extensions.
9. Change of Circumstances  
The RFA reserves the right to give notice and terminate its Banking Services Agreement, at the sole discretion of the RFA.  
The RFA reserves the right to terminate its Banking Services Agreement without notice if the chosen financial institution, for whatever reason, becomes unable to meet these required qualifications or if the financial institution is sold or merges with another bank.

### Required Banking Services

Each proposer shall submit a comprehensive list of service prices by completing Attachment A. This list will be considered all-inclusive, and the prices shown on the list shall be incorporated into the agreement and will be effective for the duration of the Banking Services Contract. The following categories are the basic package of required banking services:

1. Online Services  
The RFA requires secure online access to its account information and management including but not limited to account balance information, transfers between accounts, deposit transaction details, ACH initiation, positive pay processing, and payment transaction details.
2. Depository
  - i. The financial institution will furnish the RFA with a checking account for incoming revenue and outgoing expenses. Deposits, whether in-person or electronic, are primarily comprised of checks and ACH payments. Disbursements from the main

account will be mainly claims checks and ACH payments, with a small number of monthly wire transfers.

- ii. The financial institution shall automatically present (reprocess) returned deposited items a second time.

3. Electronic Funds Transfer

The RFA requires access to initiate ACH transactions and wire transfers by web-based systems with telephone service as a backup.

4. Positive Pay

The RFA uses positive pay as a method of reducing fraud for its paper checks. The financial institution will allow an upload into the positive pay system and will not require the checks to be entered individually by hand.

5. Account Reporting and Maintenance

- i. Collected Balance Reporting

Through its online service portal, the financial institution will provide the RFA with detailed previous-day reports and a current-day report, including the current collected balance in the RFA's account. These reports need to include details of debits and credits, both cash/check and electronic.

- ii. Deposits

Deposits accepted and/or received by close of business for the branch will be credited to the account on that same day.

- iii. Statements

Monthly Statements showing the overall activity of the RFA's account(s) shall be provided. These reports should include a monthly detailed analysis of the RFA's costs for each account. The monthly statement will include the amount of interest paid or charged as a result of the daily funds balance.

An Annual Statement will be provided following year-end (December 31) showing comparative data for the year by month and by major service cost category to be identified by the RFA. This information will be actual data and shall include columns for units processed and collected, and ledger balances. This report will be provided at no additional cost to the RFA.

- iv. Insufficient Funds

Deposited checks returned for insufficient funds shall be automatically presented for collection a second time.

6. Client Service and Implementation Team

The financial institution shall identify staff members available during normal business hours to assist with routine needs as well as emergent and potentially time sensitive needs. Please name individuals whenever possible and note years of experience servicing public entity clients.

Additionally, please identify staff members available to assist with the implementation of the new banking relationship. For each staff member identified, please note years of experience onboarding new public entity clients. If none, please note years of general onboarding experience.

7. Investments

The successful financial institution will not require a change in the investment activities of the RFA. All investment activities will continue to be handled in accordance with RFA policy and state law.

8. Security of Deposits

The successful financial institution will have measures in place to assure the security of the RFA's deposits and robust procedures to be followed in the event that RFA's account(s) are breached.

9. Security of Branch Locations

The successful financial institution will have measures in place to assure the security of its branch locations, customers, and branch employees.

### Optional Banking Services

In addition to the basic services described above, the RFA requests proposals for optional services. The RFA has a culture of innovation and delivering outstanding value to the community. Proposals are encouraged to propose additional services and/or strategies that are in alignment with our culture of innovation and outstanding community value.

Examples may include additional services that will allow staff to maximize the value of the RFA's resources and investments or product offerings not mentioned above that potentially increase efficiency for the RFA's treasury and investment functions.

A proposal may include optional proposals for other services that the proposer feels would be in the best interest of the RFA. The "Selection Criteria" set forth herein applies to the selection of a financial institution for optional banking service(s).

### Compensation

The financial institution will be compensated for the services provided on a mutually agreed-upon schedule. The following procedures will be followed:

1. The financial institution will compute the actual cost to service the account based on the transaction volumes and the actual services provided.
2. The financial institution will compute the average collected funds balance and calculate a service charge credit against the costs determined in #1 above. The earnings rate on these

balances will be a factor in the consideration of each proposal. The use of a sweep account is acceptable.

3. The financial institution will compute the difference between the account service charge in #1 above and in the service charge credit computed in #2 above. Direct billing for service charges is acceptable, if accompanied by a notification (invoice, receipt, etc.) of such charges.
4. If the charges exceed the credit, the RFA shall compensate the financial institution for the excess charges.
5. If the service charge credits exceed the service charges for the account, the financial institution should include a statement of the value of the excess service charge credits. The allowable use of the excess service charge credits, if any, and carryforward period will be mutually agreed to in the banking services contract.
6. The charges calculated in this section shall be the sole compensation to the financial institution for account services provided.

## Evaluation Criteria for Selection of Banking Services Proposal

The basic required banking services proposal will be evaluated in combination with any optional service proposals. Proposals should identify the cost for the basic required banking services separate from any description and cost proposals for optional services.

All proposals from qualified public depositories that pass the completeness test and financial strength/capacity tests will then be ranked based upon three factors: total cost to the RFA for basic required banking services, the qualifications and experience of the client service and implementation team, and the relevance and attractiveness of optional services.

The “total cost to the RFA for basic required banking services”, is defined as the lowest combination of projected monthly service costs, highest earnings factor specified in financial institution's proposal, and the resulting compensating direct fee, and the cost of transitioning to a new financial institution.

When making the final decision, the RFA also will consider:

- The financial institution’s ability, knowledge, and background in successfully providing banking services. Experience in municipal banking services is preferred.
- Branch & staff availability and qualifications including the credentials and experience of the person(s) assigned to be the RFA’s Relationship Manager/Team.
- Comprehensiveness of services provided: Overall capabilities of the financial institution to meet the required service levels described in this RFP.
- The bank’s efforts to understand our banking needs and goals, and the innovation the financial institution demonstrates in introducing optional services.
- In the case of interest-bearing demand accounts, current & historical interest rates.

The RFA reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by RFA legal counsel. The RFA further reserves the right to select the financial institution which, in its opinion, provides the best combination of service quality and costs to the RFA.

## #2403 - Banking Services Proposal Template

Shane Jensen, Procurement and Contracts Administrator  
South County Fire  
12425 Meridian Ave S  
Everett, WA 98208

Shane Jensen:

We have read the Request for Proposal (RFP) for #2403 - Banking Services and fully understand its intent. We certify that we have adequate personnel, equipment, and facilities to fulfill the requirements. We understand that our ability to meet the criteria and provide the required services shall be judged solely by South County Fire.

The undersigned, a financial institution maintaining a branch office within the boundaries of South County Fire and Rescue Regional Fire Authority certifies that the completion of this Bid Response is a binding commitment to provide the banking services requested as proposed herein. We are submitting the following documents in support of our proposal:

1. Attachment A, Proposal for Banking Services
2. Attachment B, Banking Services Supplementary Questions & Documents

It is understood the above information will be used as evidence of our ability to meet the capital structure requirements necessary to service this account. It is further understood that all information included in, attached to, or required by this RFP shall become public record upon delivery to the RFA.

Submitted By:

Financial Institution Name	Date
Authorized Signature	Title
Printed Name	Contact Info

ATTACHMENT A  
PROPOSAL FOR BANKING SERVICES

REQUIRED BANKING SERVICES

Please respond to all items below and attach any additional supplemental documents. You may use a separate sheet of paper to respond, or you can contact the RFA Contact to request a Word version of this document.

If your financial institution does not or cannot meet a service requirement, then the term "No Proposal" should be entered in the table for that specific requirement. In the case of a "No Proposal" remark, the proposer may offer an equivalent alternative service. The RFA retains the right to select any and/or all items listed in this questionnaire as services to be provided by the financial institution receiving the contract.

If there are other services your financial institution can provide that would benefit the RFA, please describe those items in the section labeled Optional Banking Services and include the cost of those services and describe how they would benefit the RFA.

1. Required banking services to be provided:

REQUIRED BANKING SERVICES	ABLE TO PROVIDE SERVICE
Online services	
Depository	
Electronic fund transfer	
Direct deposit	
Positive pay	
Overdraft protection	
Account reporting, maintenance, and service	
Competitive bidding – Interim financing	
Investments	
Security of deposits	

Security of branch locations	
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2. Charges for Services: (Please state your fees for the following services. If there is no cost enter "none".)

ITEM	UNIT PRICE	ESTIMATED MONTHLY VOLUME	ESTIMATED MONTHLY COST	COMMENTS
<b>General Account Services:</b>				
Monthly Account Maintenance		1		
Paper Statement Fee		1		
Electronic Statement Fee		1		
Deposit Assessment Fee				
Earnings Credit Rate				
Negative Collected Rate				
Daily earnings rate on sweep account or interest-bearing checking account				

<b>Depository Services:</b>				
Deposits Posted		6		
Checks Processing, Per Item		10		
ACH Credits (Received Items)		250		
Checks Written		160		
ACH Debits (Transactions Originated)		80		
Returned Deposit Item - Check		5		
Stop Payment, Per Item				
Currency & Coin Deposited, per \$100				

ITEM	UNIT PRICE	ESTIMATED MONTHLY VOLUME	ESTIMATED MONTHLY COST	COMMENTS
Negative Balance Fee				

<b>General ACH Services:</b>				
ACH Online Monthly Maintenance		1		
ACH Batches Originated		6		
ACH Returns Online Reporting				
Direct deposit charges (please itemize)				

<b>Wire Transfer Services:</b>				
Wire Voice PIN Maintenance		1		
Incoming Domestic Wire				
Outgoing Domestic Wire		1		
Repetitive Wire Transfer		4		
Wire Transfer Receipts				

<b>Online Banking Services:</b>				
Multi User Business Online Banking, per User		3		
Bus Online Extended History - 18mo		1		
Token Security		4		

<b>Other Charges (List and Describe)</b>				

Optional Banking Services

Describe any optional banking services by whatever means fits the proposal. Please include estimated costs or earnings resulting from the optional services.

ATTACHMENT B  
BANKING SERVICES SUPPLEMENTARY QUESTIONS & DOCUMENTS

REQUIRED BANKING SERVICES

Please respond to all items below and attach additional documents as needed. You may use a separate sheet of paper to respond, or you can contact the RFA Contact to request a Word version of this document.

1. Who is the contact at your financial institution for questions regarding this proposal?

Name	Title
Email	Phone

2. List the address(s) and hours of operation at one or more branch offices within the RFA and the hours of operation for non-branch services, including your customer service team if they are not located in the nearest branch office.
3. List of other public entities your financial institution does business with.
4. Submit at least three (3) references (preferably from current local government customers) who can attest to the Bank's experience as it relates to providing banking services. The references must include contact name, title, e-mail address, telephone number and services used.
5. Document Samples: Please attach the following sample documents:
  - i. Monthly checking account statement.
  - ii. Monthly account analysis.
  - iii. Annual account statement.
  - iv. Audited Annual Financial Report for the most recent fiscal year.
  - v. SEC and/or Moody's credit rating or comparable rating.
  - vi. Copy of latest Public Depository Liability Report as submitted to the Public Deposit Protection Commission.
6. Funds Available: Provide a funds availability schedule. Describe one-day, two-day availability and wire requirements.
7. Online services:
  - i. Security: Provide information on the security methods used during online access (MFA, token use, etc.).

- ii. List online services available and note if there are any services that are only available in-person or over the phone.
  - iii. Balance Reporting:
    - a. What time is previous-day information available for access by the customer?
    - b. Does the financial institution provide current day information?
      - How frequently is this information updated throughout the day?
      - What transaction types are available on current day reports?
    - c. How many days of history can be accessed through the system?
    - d. Please provide a sample printout of the daily online balance information.
8. Direct deposit: Explain the security structure and requirements for direct deposit including the minimum number of working days prior to the date of payment that the RFA would be required to provide the transmission information. Indicate if you use a corresponding institution to facilitate direct deposit services.
9. Electronic funds transfer:
- ACH:
- i. What is the recommended service delivery method for an ACH batch?
  - ii. Does the software offer the ability to manage security and access levels by user?
  - iii. What controls are in place to protect against lost files and duplications of transmissions?
  - iv. Does the financial institution provide automatic file receipt acknowledgements? If so, how?
  - v. What are the hours of operation of the ACH support unit?
  - vi. Describe the procedures used to verify accurate and secure receipt of transmissions.
  - vii. How does the financial institution handle file, batch and item reversals and deletions?
  - viii. Provide information on how wire transfers would be initiated and processed.
10. Positive Pay:
- i. What is the recommended service delivery method for a positive pay batch?
    - 1. What are the hardware/software requirements?
    - 2. What are the file format specifications?
  - ii. What is the bank's deadline for transmitting files/data?
  - iii. What is the process for notifying the financial institution of a single check or small check run outside of the regular batch file?

- iv. How does the RFA notify the financial institution of voided and stop payment checks?
  - v. Does your financial institution have payee verification?
  - vi. Is the positive pay service fully implemented at all financial institution branches?
  - vii. Exceptions:
    - a. How does the financial institution handle exception (“paid not issued”) items?
    - b. Does the financial institution offer a daily listing of exception items?
    - c. What is the timeline for reporting exceptions to the RFA?
    - d. How are exceptions reported to the RFA? Will an image be available?
    - e. What is the timeline for the RFA to act on any exceptions?
  - viii. What are the hours of operation of this service unit?
11. Payment of Fees: Respondents will need to provide information on the following:
- i. The effective rate and formula used to calculate the service charge credit for collected fund balances.
  - ii. The proposed method for setting rates on a compensating certificate of deposit.
  - iii. A time frame proposed to pay any additional fees not offset by the service charge credit.
  - iv. Whether a service charge credit/debit can be carried forward to the next period.
12. Overdraft line of credit: Describe the mechanism and fee for handling possible overdraft situations.
13. Errors and Adjustments
- i. Describe your adjustment process for resolving deposit discrepancies.
  - ii. At what dollar amount do you write off discrepancies?
  - iii. Do you adjust the deposit amount or process an adjusting debit or credit?
  - iv. Describe how inquiries requiring research and adjustment are handled by the Bank. Are there established turn-around times for research and adjustment items? If yes, specify.
14. NSF/Returned Items:
- i. Describe processing procedures.
  - ii. What are the fees?
  - iii. Are there any other related services available?
15. Security:
- i. What security features are in place to minimize the risk of unauthorized transactions?
  - ii. Describe the procedures the proposer will follow in the event the RFA’s account(s) are breached, including how the RFA will be indemnified in the event of loss.

16. Disaster Recovery:

- i. What disaster recovery plans does the financial institution have to avoid interruptions in service?
- ii. How quickly can backup facilities be activated?
- iii. What disaster recovery services can the financial institution provide to the RFA if we are unable to operate from our own facilities?

17. Implementation: Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.

## EXHIBIT B: INSURANCE DOCUMENTS AND OTHER ATTACHMENTS

Please attach current insurance documents and other documents as needed. For attachments that represent a response to one of the above questions, please list them in the space below and reference the question number that the document is responsive to.