



## REQUEST FOR PROPOSAL (RFP): BANKING SERVICES

The Southeastern Minnesota Multi-County Housing and Redevelopment Authority invites you to submit a proposal for banking services.

Additional information about our organization, project & scope of services are provided in subsequent pages.

### Questions Regarding RFP

Inquiries concerning this RFP should be submitted to [admin@semmchra.org](mailto:admin@semmchra.org) using the subject line: "Banking RFP Inquiry" by 4:30pm on July 28, 2023.

### Submission of Proposals

Proposal and supporting documents must be submitted in PDF format via e-mail to [admin@semmchra.org](mailto:admin@semmchra.org) or received by mail at our office located at 134 2<sup>nd</sup> St. E. Wabasha, MN 55981 by 2:00pm on August 4, 2023. Subject line should clearly state: **Proposal Attached-RFP for Banking Services**. Late proposals will not be considered.

### Award of Contract

SEMMCHRA intends to award a contract by September 27, 2023, with the goal of full account functionality by January 1, 2024. All candidates will be informed of a decision after the contract has been awarded.

### Note

All costs related to the submission of this RFP must be assumed by the submitting contractor/firm. No expenses will be reimbursed.

## **REQUEST FOR PROPOSAL**

### **SECTION I. Organizational Overview and Introduction**

The Southeastern Minnesota Multi-County Housing and Redevelopment Authority is a respected expert and a leading advocate for advancing affordable, decent, safe, and sanitary housing and community development for more than three decades. SEMMCHRA and its affiliated entities service area in Southeastern Minnesota includes Dodge County, Fillmore County, Goodhue County, Houston County, Wabasha County and Winona County.

The HRA is operated legislatively by a nine-member Board of Commissioners selected by the respective County for a five-year term with the option of a second five-year term.

### **SECTION II. Scope of Work/Services Required**

The Southeastern Minnesota Multi-County Housing and Redevelopment Authority is seeking proposals for banking services with a qualified bank, which operates an office within the HRA's service area. The HRA's goal is to select a banking institution which will maximize interest earnings, minimize operating costs, and allow flexibility to the HRA in managing its cash.

The financial institution must be a federally or State of Minnesota chartered financial institution and must be able to comply with Minnesota Statutes Chapter 118A relating to Depositories of Public Funds.

It is the intent of the HRA that a single primary bank provides the banking services specified in this request for proposal. The HRA intends to look first to the primary bank to open additional accounts as the need arises. However, nothing in the decision to accept a RFP shall be construed to imply a restriction of the HRA's right and ability to open a separate, special purpose account with another financial institution when it is clearly in the best interests of the HRA to do so or is required by Minnesota Statutes Chapter 118A.

The HRA reserves the right to accept or reject any or all proposals and to waive any specification or requirement deemed to be adverse to the best interest of the HRA. The HRA also reserves the right to request additional information from proposing banks.

The HRA is in no way obligated to award a contract or pay expenses of the proposing banks concerning the preparation or submission of a RFP for banking services.

Our decision to accept a proposal for banking services will be based on many factors but not limited to service, cost, financial strength, and innovation.

The banking institution shall make available adequate, qualified staff to provide the services specified in the Banking Services Proposal. The financial institution shall have the capability to perform all of the required duties specified in this Request for Proposal.

The selected institution will be designated as the HRA's depository for a period commencing on January 1, 2024, and ending on December 31, 2028. The HRA will have the option to extend the contract period for additional two-year periods without repeating the competitive process.

#### A. Financial Structure

The organization's current financial profile is as follows:

- Annual budget: \$10-20 million
- Revenue mix:
  - Tenant Fees: 41%
  - HUD Grants: 37%
  - Levy Revenue: 7%
  - Administrative Fees: 7%
  - Other Grant and TIF Revenue: 7%
  - Investment Income: 1%
- Major expenses:
  - Project Operating Expenses: 33%
  - Section 8 Housing Assistance Payments Expenses: 29%
  - Annual Debt Service Payments: 19%
  - Community Reinvestment Fund, Public Housing, Capital Grant, Tax Increment Financing, Grant, and General Expenses: 18%
  - Administration Expense: 1%
- For more information, please see <https://www.semmchra.org/semmchras-2022-annual-report-is-now-available/>

#### B. Legal Entities

The organization consists of the following legal entities:

- Southeastern Minnesota Multi-County and Redevelopment Authority (SEMMCHRA)
- SEMMCHRA Affordable Housing LLC
- Lake Pepin Plaza, LLC
- Multi-County Builders
- Lewiston Housing Limited Partnership
- O. B. Partnership- Outside signor- USDA Rural Development
- RCIL-Southeastern MN Barrier Free Housing Corporation

#### C. Account Information

- 20 Savings Accounts: \$1,800,000
- 12 Checking Accounts: \$1,671,565
- 5 Certificates of Deposits: \$603,291
- Investment Account actively managed: \$1,765,395
- Total Value of all accounts: \$5,840,251

#### D. Required Services and Capabilities

The bank selected will be responsible for providing the following services:

- Checking, savings, and investment accounts
  - Primary checking account with ability to view and download all transactions
  - Ability to provide security to all accounts similar to Positive Pay
  - Ability to provide a product that provides onsite check scanning capabilities
  - CDARS or IDC/MMAX account to ensure all deposits are FDIC insured, or similar

- capabilities
  - Payroll checking account with automatic transfer, otherwise carrying \$0 balance (payroll is direct deposit, bi-weekly, through 3<sup>rd</sup> party service)
  - Interest bearing savings account
- Online banking services
  - Full online capabilities with ability to download detail of all accounts
  - Ability to have multiple user accounts with access and permissions determined on a by-user basis
- Electronic Funds Transfers
  - ACH Transaction Services including Debit Block/Filter and Remote Deposit
  - Ability to transfer Federal and State taxes and Flex payments
  - Ability to receive electronic transfers from Federal and State agencies for grant and state payments
  - Ability to transfer/upload files for payroll direct deposits
  - Ability to receive account reconciliations and analysis data on-line
  - Ability to retrieve and download current & prior period monthly statements on-line
  - Ability to transfer funds between HRA accounts
- Returned Item Processing:
  - NSF checks must be processed twice before being returned to the HRA. All checks that are not paid are to be returned to the HRA. The proposer shall indicate the per item charge for all returned items.
- Bank Statements:
  - For statement purposes, the cutoff date for all HRA accounts shall be the last day of each calendar month. Statements shall be delivered to the HRA no later than the 10<sup>th</sup> of the month. An example Bank Statement should be included in the response.
- Stop Payments:
  - Stop payment orders shall be issued to the bank by telephone or on-line and confirmed in writing. Upon receipt of the stop payment order the financial institution shall immediately examine their records and inform the HRA if the check has been paid. If the check has not been paid, the institution shall immediately execute the stop payment order.
- Account Analysis:
  - A separate analysis showing the activity in each of the HRA's accounts for the calendar month shall be delivered to the HRA no later than the 20<sup>th</sup> of the month. The HRA anticipates that proposed banking services will, in part, be compensated by the credit earned on average collected balances.
- Direct Deposit for Payroll:
  - The HRA offers and encourages direct payroll deposit for its employees. The HRA pays its employees bi-weekly on Fridays. Deposits must be made into the employees' account by 8:00 a.m. on payday. The proposer shall provide the timelines associated with payroll direct deposits and if possible, alternatives to the standard timeline, as well as the associated costs.
- Wire Transfers:
  - The proposer shall provide wire service for outgoing transfers from the HRA Bond Fund. Outgoing wire transfers may only be made with the approval of the Trustee (U.S. Bank Trust National Association). Wire transfers shall occur within three (3) business days of receipt of the project revenues. Instructions may be given in writing or through computerized transmissions.

- Signature Requirements:
  - The institution shall allow separate signature requirements for each account based on the legal entity and type of account.
- Designated Contact Personnel:
  - The proposer shall designate an account executive who shall serve as the overall representative to the HRA for all banking services.
- Designation of HRA Representative:
  - The HRA shall identify to the successful proposer the names (and signatures, where required) of all persons authorized to make inquiries on HRA accounts, and all persons authorized to provide instructions for wire transfers, intra-bank transfers, and other services.

### SECTION III. Proposal Requirements

Proposers must submit a detailed proposal which includes, at a minimum the following:

#### A. General Information

- Name of financial institution
- Contact Person
- Title
- Mailing Address
- Telephone Number
- E-mail

#### B. Organizational Overview & Qualifications

- Describe the financial institution, including history & scope of practice
- Identify key measures of financial strength, including any applicable ratings
- Provide copies of two most recent annual financial reports
- Provide ownership information, including a statement of any recent or foreseen mergers and/or acquisitions
- State what percentage of your investment portfolio is in commercial buildings
- Describe your ability to actively manage investments that ensures SEMMCHRA would get the best rates in the market.

#### C. Services and fees

- Describe the services available to meet the needs outlined above (Sec. II) as well as any and all associated fees, minimum balances, interest rates, etc.
  - Costs not included on the proposed fee structure sheet (**attachment "A"**), but which the financial institution proposes to charge, must be individually itemized, and thoroughly explained.
  - Include details on sweep account options and, if a money market fund is used provide a prospectus
- Provide a brief summary of the lines of credit options you offer and the rates
- Provide a brief description of the online reporting services offered, including sample reports, and a sample monthly statement
- Provide a brief explanation of your commitment to implementing new technologies

- Provide a detailed depository agreement, including an availability schedule
- Provide a sample of your standard contract terms
- Payment for Services
  - The financial institution's method of compensation for services performed must be clearly stated in the bid proposal.
  - Financial institutions that utilize minimum balance requirements, interest bearing accounts, compensation accounts, and/or fee schedules must clearly state the basis for their compensation.
  - This information must include, but is not limited to, the schedule for bank fees and minimum balance requirements, if any.

D. References

- Contact information for three (3) specific professional references including at least two (2) non-profit clients, for whom the financial institution has provided similar banking services

Section IV. Evaluation Criteria

Proposals shall be reviewed and evaluated by the Finance Committee. The following criteria will be considered to evaluate proposals received; however, the Committee may consider any other criteria it deems relevant with respect to the best interests of the HRA. The criteria, *not* listed in priority order, include the following:

- Overall capabilities of the bank to meet the required service levels described in this RFP
- The thoughtfulness in understanding our banking needs and goals, and the creativity the bank shows in introducing new technologies and efficiencies which exceed proposal requirements
- Cost of services
- Investment earnings rate and ability to actively manage investments.
- Clarity, simplicity, and understandability of the Bank Statement(s)
- Any other factors that we believe would be in the HRA's best interest.

**Attachment A  
Proposed Fee Structure**

<b>Services Analyzed</b>	<b>Number Units Per Month</b>	<b>Unit Price</b>	<b>Service Charge</b>
ACH - Return Item	1		
ACH Block Per Account	1		
ACH Items Received DRS & C	88		
ACH Orig. – Base/File Fee	1		
ACH Orig. - Debit/Credit	250		
ACH Revd. - Credit	8		
ACH Revd. - Debit	7		
ACH Received	60		
Basic Banking Addl Acct-Mo Base	4		
Basic Banking Fee	1		
BEB ACH Files Originated	10		
BEB ACH Items Originated	365		
BEB Additional Accounts	29		
BEB Deluxe Package	2		
BEB XFR Credit	80		
BEB XFR Debit	79		
Book Transfer	1		
Cash Deposited	1650		
Checks Paid	150		
Deposit Return Item	3		
Deposited Items – Regional	18		
Deposited Items– Local	40		
Deposited Items– Non-Local	1		
Deposited Items– On-Us	40		
Deposited Items– Transit	70		
Deposits	3		
FDIC Assessment	239		
Internet ACH Base Fee	5		
Internet ACH Batch Release	2		
Internet ACH Two Day Item	291		
Internet Received Item	1		
Maintenance Fee	12		
MC (Merchant Capture or Similar Product) Items Deposited – Local	193		
MC (Merchant Capture or Similar Product) Items Deposited – Non-Local	44		

MC (Merchant Capture or Similar Product) Items Deposited – On-Us	3		
MC (Merchant Capture or Similar Product) Items Deposited – Regional	1		
MC (Merchant Capture or Similar Product) Items Deposited – Transit	1		
MC (Merchant Capture or Similar Product) Deposit	25		
MC (Merchant Capture or Similar Product) Maintenance	1		
Positive Pay (or Similar Service)	1		
Positive Pay (or Similar Service) Accounts	4		
Positive Pay (or Similar Service) Exception Item	154		
Positive Pay (or Similar Service) Monthly Fee	1		
Positive Pay (or Similar Service) Per Item Fee	154		
Positive Pay (or Similar Service) Exception Items	7		
Posted Credit	4		
Posted Debit	1		
Return Item Redeposited	1		
Return Item-Chargeback	4		
Returned Original ACH Credit	1		
Reverse Positive Pay (or Similar Service) Accts.	9		
Stop Payments	1		
Total ACH Positive Pay (or Similar Service) Accounts	12		
Total ACH Positive Pay (or Similar Service) Exception	1		
Total Premium Alert Email	34		
Total Premium Alert SMS TR	1		
Total Wire Incoming Report	2		
Wire Transfers-Incoming-Domestic	2		
Wire Transfers-Incoming-Straight Through	2		
Wire Transfers-Outgoing	1		