

Public Hospital District No 2, Snohomish County
DBA: Verdant Health Commission
Request for Proposal (RFP)
Banking Relationship Services

Purpose of request

The Public Hospital District No 2, Snohomish County (District) is soliciting proposals for a primary banking relationship. The bank chosen by the District must be able to offer the full range of banking services required by this RFP. The District is soliciting competitive proposals in order to develop a banking relationship that provides maximum services and competitive pricing.

The District reserves the right to reject any and all submittals and to waive irregularities and informalities in the submittal and evaluation process. This RFP does not obligate the District to pay any costs incurred by the respondents in the preparation and submission of this proposal. Furthermore, the RFP does not obligate the District to accept or contract for any expressed or implied services. The decision to contract with any financial institution will be based on many factors including but not limited to: services available, service levels, overall cost, quality references, financial strength and level of commitment to the community.

Candidates are invited to direct written questions in advance of submitting a proposal to Lisa King, Director of Finance, lisa.king@ssccfh.org. Questions must be received by 2:00 pm, December 2, 2011. Answers will be posted to the website by 4:00 pm on December 9, 2011. Our website address is www.sccfh.org.

Time Schedule

Issued RFP November 28, 2011
Deadline for Submitted Proposal..... December 12, 2011
Chosen Bank Notified of Decision.....January 18, 2011

Delivery of Proposal

All proposals should be delivered to:

Lisa King, Director of Finance
Public Hospital District No 2, Snohomish County
DBA: Verdant Health Commission
PO Box 2606
Lynnwood, WA 98036

All proposals must be sealed and clearly marked "RFP-Banking Services". No faxed, emailed or telephone proposals will be accepted. All proposals must be received by 4:00 pm, December 12, 2011.

Proposals should be provided in a simple, straight-forward manner with a concise description of capabilities to satisfy the requirements of the request. Emphasis should be on completeness and clarity of the content. Three (3) copies of the proposal must be received no later than the date and time specified in the above paragraph. An electronic copy should also be included on a CD.

Introduction

Bank of America Merrill Lynch currently provides banking services to the District.

The District maintains the following types of accounts:

- General operating account
- Warrant clearing account
- Workers compensation clearing account

The District deposited over \$10,000,000 during 2011. Payroll is prepared bi-weekly for 11 employees by Paychex Corporation. Checks issued for accounts payable are currently processed weekly with an average of 10 checks per run. Five (5) to ten (10) ACH payments are processed on the 15th of the month for programs. A minimum of two (2) wire transfers are completed on the first of the month.

Mandatory Requirements

- Authority to offer banking services – must hold a charter from the State of Washington or the United States Government.
- Access to Federal Reserve System – must be a member of or have access to all services.
- Must be in compliance with all laws, rules and regulations of the State of Washington and the United States.
- Public Deposit Protection Act – must be a Washington State qualified depository for public funds and must be in compliance with RCW 39.58 with a capital structure sufficient to accommodate the District's cash/investment management daily needs up to \$15,000,000. Must maintain this qualified designation throughout the duration of the banking relationship.
- Insured by the Federal Deposit Insurance Corporation (FDIC).
- Must have branches in Snohomish County, Washington.
- Ability to supply web-based information reporting systems and allow multiple users with different security levels access to account data.
- Provide month-end bank statements.
- Ability to provide loans and lines of credit.
- Ability to provide direct deposit services.

General Requirements

The term of the contract shall be for two (2) years, with the option to extend the contract for additional years at the expiration of the term. The District intends to begin receiving services by March 1, 2012 or as soon as practical.

The bank must agree that if deposits by the District cause the bank to collateralize with the Washington PDPC amounts above normal requirements, no additional cost shall be assessed or assigned to the District including lowering of earnings rates on compensating balances.

Investment activities of the District are not related to the appointment of a bank to provide banking services. The bank must provide the District with means to conduct its investment activity, including but not limited to providing wire and safekeeping services if requested.

Any agreement for banking services as a result of this request for services is in no way intended to grant or guarantee an exclusive banking services relation between the District and the selected bank.

The selected bank must, upon authorization from the Director of Finance or the Superintendent, allow reasonable access to bank records by the auditors which may be auditing the records of the District. The bank shall also cooperate in any prosecution of misuse or misappropriation of District funds.

All submitted proposals and information included therein or attached thereto shall become public record upon opening and accordingly subject to public disclosure as it may apply to the District. Upon opening, all proposals shall become the property of the District.

The banking services agreement shall provide that the District reserves the right to cancel any agreement at any time upon sixty (60) days' notice of its intent to terminate the agreement. The District does not agree to use all services which may be included in a banking services agreement. The District may cancel the agreement with less than sixty (60) days' notice if the District finds that the terms of the agreement have been violated and the bank does not take immediate steps to meet the violated terms. The bank shall provide the District at least sixty (60) days' prior notice of its intent to terminate the agreement.

The District reserves the right to cancel its banking services agreement without a sixty (60) days' notice if the District finds that the bank ceases to be a qualified public depository per the Washington PDPC, banking relationship becomes unsatisfactory, or the bank is sold, merged, or acquired by another bank.

The District reserves the right to reject any and all proposals, to waive any non-material irregularities or informalities in any proposal and to accept or reject any item or combination of items in any proposal.

The selected bank will designate a relationship manager and client services contact for all services and routine inquiries.

Specific Requirements

General operating account: The District requires a general operating account for claims processing and payroll. This account may also receive deposits, process Automatic Clearing House (ACH), Electronic Federal Tax Payment System (EFTPS), and wire transfers.

Warrant clearing account: The District requires a ZBA clearing account for all warrants issued out of the general operating account for claims processing.

Workers compensation clearing account: The District requires a ZBA clearing account for all warrants issued relating workers compensation claims administered by Berkley Risk Administrators Company, LLC (BRAC).

Wire transfer services: The bank will be required to provide wire transfer services. Wire service credit and debit notices shall be delivered to the District the day following the transaction. The bank will inform the District of the time schedule for processing outgoing wire transfers and will honor all outgoing wire requests by the District within the appropriate time schedule and available funds.

Deposit services: The bank shall provide at least one (1) locking deposit bag. The bank shall also provide night deposit services. The bank will receive direct payments or deposits to the District accounts other than from the District. In these instances, the bank shall provide the District on the next banking day a receipt of the transaction.

Statements: The District requires the bank to provide last business day month-end statements with copies of checks for all accounts showing an analysis of all transactions to each account. Statements should be available on-line or via email to a designated staff member on the first business day of the following month. The bank is also to provide an account activity analysis of each account and a consolidation of the activity of all accounts for each month. The account analysis is to include:

- Ledger balance
- Collected balance
- Detail of adjustments, services and related costs
- Credits/debits
- Reserve requirements – in dollars and in percent
- Earning allowance
- Total cost of services

Credit card services: The bank shall be able to provide selected District employees with credit cards for the purpose of making purchases. The credit cards are not to be debit cards and no cash advance is to be allowed. Statements for each individual card are to be available.

Direct deposit services: The bank shall describe direct deposit services including ACH. The District currently utilizes direct deposits for our payroll and program payouts. Direct deposit is to be such that funds will be available by 8:00 am on distribution day. Please specify how many days and what time of day prior to the date of deposit the bank requires information to make deposits.

Electronic banking: The District requires access to online secure electronic banking including account inquiries, ACH transfers, wire transfers and reporting. Please describe the web-based system(s) available.

Positive pay/fraud prevention: The bank shall describe positive pay and/or fraud prevention programs or software that is available to the District.

Account earnings: The District desires to earn maximum value on its funds. Banks should provide information on its proposed method(s) to insure the District earns value on amounts which may be in its accounts.

Conversion plan: Describe the conversion plan that the bank would take to coordinate and ensure a smooth transition.

Service enhancements: Describe any enhancements, technology or other service enhancements that the District should consider to improve operational or cash management efficiencies.

Other optional services: The bank may describe any other services that may be of interest to the District.

Other factors and community involvements: The District values community engagement. Describe any community involvement or investments that the bank has that may provide the District an idea of the commitment to our community.

Selection Criteria

Proposals will be evaluated by the Finance Committee of the Board of Commissioners and District staff. Evaluations will be based on criteria outlined herein which may be weighted by the District in a manner it deems appropriate. All proposals will be evaluated using the same criteria and weighting. The criteria used are as follows:

- Proper submission and responsiveness to RFP – The District will consider all the material submitted to determine whether the bank’s offering is in compliance with RFP documents.
- Comprehensiveness of services provided – The District will consider all relevant material submitted by each bank, and other relevant material it may obtain, to determine whether the bank is capable of and has a history of successfully completing contracts of this type. The bank shall furnish acceptable evidence of their ability to perform, regarding categories such as expertise/experience, equipment, facilities and personnel qualified to perform requested duties. The bank shall furnish a link to a web-based demonstration of their online capabilities. The bank’s efforts to understand the District’s needs and goals, and the creativity the bank shows in introducing new technologies and efficiencies to improve current practices will be considered.
- Charges for services – The amount of proposed charges.
- Fees – Enclose a detailed listing of fees for all services.
- Strength and stability of the bank – The bank’s financial standing among its peers and the associated credit quality ratings.
- References – List all Washington governmental agencies for which the bank provides checking account services in the last two (2) years.
- Interview and site visits – The District may conduct interviews and site visits as part of the selection process.

Terms and conditions

The District reserves the right to reject any and all proposals with or without cause.

The District reserves the right to request clarification of information submitted and to request additional information regarding any and all proposals. Refusal to provide such information may cause the proposal to be rejected.

The District reserves the right to award any contract to the next most qualified bank if the successful bank does not execute a contract or any terms of the contract within thirty (30) days after the award of the proposal.

Any proposal may be withdrawn, up until the date and time set for opening of the RFP. Any RFP not so timely withdrawn, shall constitute an irrevocable offer for a period of thirty (30) days, to sell to the District the services described in the attached specification, or until one or more of the proposals have been approved by the District, whichever occurs first.

The contract resulting from acceptance of a RFP by the District, shall be in a form supplied or approved by the District and shall reflect the specifications in the RFP.

The District shall not be responsible for any costs incurred by the bank in preparing, submitting or presenting its response to the RFP.