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REQUEST FOR PROPOSAL (RFP)
DEPOSITORY & LIQUIDITY INVESTMENT SERVICES

Mercer County Board of Commissioners / Treasurer's Office
Operating Reserve Depository Services for Public Investment Funds
$12,500,000 Liquid Account

September 3, 2026

1. OBJECTIVE & SCOPE OF SERVICES

Mercer County is seeking competitive proposals from qualified, FDIC-insured financial institutions to establish a liquid deposit account—preferably a Money Market Deposit Account or a highly liquid interest-bearing account—for the initial investment of $12,500,000 in public funds.

The County's primary objectives, in order of priority, are:

1. Safety and Legality: Complete preservation of principal through mandatory public fund collateralization.
2. Liquidity: Immediate access to funds via ACH, wire, or check with no withdrawal penalties.
3. Yield: Maximization of net interest income through competitive, benchmark-linked pricing.

2. TECHNICAL & OPERATIONAL REQUIREMENTS

Proposing banks must demonstrate the capability to deliver the following services seamlessly:

- Online Banking & Cash Management Platform: Secure online access for authorized county personnel.
- Electronic Statements: Monthly online statements available in downloadable formats (PDF and CSV/Excel compatibility) within 5 business days of month-end. If available, BAI2 files for monthly statements are preferred but not required.

- Remote Deposit Capture (RDC): Provision of a high-quality desktop check scanner and necessary software licensing to facilitate check deposits directly from the County Seat if there is no branch within 5 miles of Mercer, PA.
- ACH Services: Standard Automated Clearing House (ACH) capabilities, including the ability to originate secure outgoing and receive incoming transfers efficiently.

3. MANDATORY COMPLIANCE & COLLATERALIZATION

Because the initial deposit amount ($12.5 million) vastly exceeds the standard $250,000 FDIC insurance limit, strict compliance with public deposit collateralization laws is required.

- Statutory Compliance: The selected institution must fully collateralize all deposits in accordance with state laws governing public funds (e.g., Act 72 in Pennsylvania).
- Pledge of Securities: Eligible collateral (typically U.S. Treasuries, Federal Agency securities, or municipal bonds) valued at no less than 100% (or state-mandated threshold) of the uninsured balance must be pledged and held by an independent, approved third-party custodian.

4. SUBMISSION & PRICING REQUIREMENTS

Financial institutions must provide a clear pricing proposal answering the following structure:

A. Interest Rate Pricing Model

- Variable / Indexed Option: State the proposed rate as pegged to a public benchmark (e.g., Federal Funds Target Rate, SIFMA, or SOFR) plus/minus a fixed spread or basis points.

- Fixed Option (if applicable): Provide any guaranteed fixed-rate terms that still permit standard liquidity parameters.

- Tiered Structures: Detail if the yield changes should the balance fluctuate above or below the baseline $12.5 Million.

B. Fee Schedule & Earnings Credit

- Itemize all monthly online banking maintenance fees, RDC scanner/software leases, and ACH origination fees.

- Clearly state if an Earnings Credit Rate (ECR) will apply to offset these operational fees before calculating net interest.

5. EVALUATION CRITERIA

The County will evaluate all qualifying proposals based on a 100-point matrix:

- Interest Yield Optimization (40 Points): Highest net return based on the proposed interest structure.

- Qualifications & Collateralization (25 Points): Financial strength of the bank and full compliance with public collateral protection requirements. This will be measured by the bank's ability to collateralize the funds with their assets or showing a plan to purchase insurance.

- Technical & Online Infrastructure (20 Points): Robustness of the online banking platform, ACH tools, and Remote Deposit Capture capabilities, ease of accessing and transferring money.

- Cost & Fee Structure (15 Points): Minimization of operational fees or inclusion of an aggressive Earnings Credit Rate (ECR).

The County reserves the right, in its sole and absolute discretion, to accept or reject any or all proposals, to waive any informalities or irregularities in the proposals received, to negotiate with any qualified source, or to cancel this RFP in part or in its entirety. The County remains the sole judge and arbiter of the merits of the proposals received and is not bound by any specific scoring criteria outlined herein.

All proposals must be submitted in writing in a sealed envelope noted "Bid Proposal" by 4:00 pm on September 30, 2026 to the County Controller's Office. Four copies of the proposal must be submitted. The proposals will be opened at the public meeting at 3:00 pm on October 1, 2026.

Return proposals to
Steve Sherman
County Controller
125 S. Diamond St., Suite 2
Mercer, PA 16137