

## From the 2022 Role of munis in the future of cities report:

The \$1.2T Infrastructure Investment and Jobs Act (IIJA) will create pressure to manage and deploy those funds. Municipalities have concerns about the macroeconomic environment.

- 23% fear a recession in 2023
- 14% see rising interest rates as a problem
- 10% expect to lose revenue in 2023
- 14% are worried about volatility in the municipal bond market

## Municipalities are valuable clients. They bring in:

- Stable, sticky deposits
- Strong transaction volume
- Long-term contractual relationships

## Day-to-day pain points

- Reduce visits to the branch
- Reduce cash handling
- Training staff
- Online banking tools
- ACH processing
- Deposit availability
- Fraud prevention
  - Positive Pay and/or Reverse Positive Pay
- Borrowing and investment needs
- Managing compliance and public transparency
- Accounting and reporting
- Account switching support
- Compensation
  - Earnings Credit or direct fee
- Interest splitting (varies by state)
- Payroll

## Key Insights for building a winning proposal.

The primary way that municipalities solicit new banking partners is through an open request for proposal (RFP) process where any interested bank can submit a bid. Building a proposal template before you need to respond to an RFP is a great way to prepare your team and spend extra time on the sections that differentiate your institution.

### Your proposal process should include:

- Covering all the basics (see the “Anatomy of an RFP section).
- Offering innovative solutions.
- Making transparency through reporting as easy as possible.
- Creating a detailed account-switching plan.
- Preparing your team for a long-term relationship.

### Differentiate your institution.

- Offer thoughtful training and customer service.
- Incorporate digital banking tools that solve day-to-day challenges.
- Escrow and subaccounting is an area that is ripe for technological improvement. It’s labor-intensive, compliance-heavy, and extremely complicated.



## Anatomy of an RFP

### Most RFPs cover the following items.

Your proposal should follow the instructions provided and address each item.

- Mandatory qualifying conditions
- Proposal procedures
- Criteria for selection
- Insurance
- Rate schedule
- References (public agency experience is a plus)
- Technical Q&A with city finance team
- Dedicated support team for city
- Due diligence packet

### Prepare for RFPs in advance

- Build a bare-bones proposal that you can update and customize based on the RFP.
- Study the budget in the RFP and use it to evaluate your services.
- Audit your commercial fee schedule.
- Assess the capabilities you want to build out.

## What action can you take next?

### Things you can do right now

- Request a meeting with the city finance team.
- Explore the city's approved vendor process.
- Request previous RFPs through your state's Freedom of Information Act.
- Collect and analyze sample RFPs online.

### Long-term strategies

- Attend GFOA and NCL conferences.
- Get involved with the chamber of commerce.
- Attend city council events.
- Register for RFP aggregator services (local or state if available)
- Respond to RFPs to gain experience.
- Pursue contracts with other public agencies.

### Additional resources:

- [Government Finance Officers Association](#)
  - Especially the "Best Practices" section
- [National League of Cities](#)
- [Find RFP](#)
- [Bidnet Direct](#)
- [American Banker Report: The role of munis in the future of cities report](#)
- [Visit our website to watch the webinar replay](#)

### Contact information

[Zsuitetech.com](https://www.zsuitetech.com)  
[partners@zsuitetech.com](mailto:partners@zsuitetech.com)

### Connect on LinkedIn

[Nathan Baumeister](#)  
[Jill Feiler](#)