

**Maine Technology Institute  
16 Middle St, Ste 201  
Portland Maine 04101**

**Request for Proposal - Banking Services**

**May 13, 2025**

**Introduction**

The Maine Technology Institute (MTI) is seeking proposals for the provision of comprehensive banking and cash management services.

Since April 2011, MTI has maintained an excellent relationship with The First, based in Damariscotta, ME. MTI maintains two accounts (a checking and a sweep account, for which the latter is secured by securities issued by the Federal government), for each of its funds (MTI's operating account, akin to its "general fund", plus other bond funds administered by MTI.)

As an organization funded primarily by appropriations from the State of Maine or through the proceeds of voter-approved bond funds, MTI is required by law to solicit bids for all major aspects of its business operations in order to ensure that it is receiving up-to-date, cost-effective services for an organization of its size and nature.

In soliciting proposals, MTI's objectives are to:

- Obtain high quality, reliable and cost-effective products and services.
- Obtain a three-year commitment to offer required banking and cash management services.
- Maximize its investment return while incurring minimal risk of loss of principal.

**Eligible Institutions**

Service providers must have and maintain a presence within the State of Maine, if not headquartered in Maine. At the time of submission, the service provider must be in compliance with all laws, rules, regulations and ordinances of the United States and the State of Maine, and if selected to provide services, must remain in compliance during the service agreement(s) duration.

**Timetable**

The following due dates and timetable will be followed in order to assure a timely response for all parties:

Issuance of request for proposal	May 13, 2025
Notice of intent to bid & questions	May 26, 2025
Question responses	May 30, 2025
Submission of written proposals	June 6, 2025
Review and selection of finalists	June 20, 2025
Final selection	July 14, 2025
Implementation	September 1, 2025

**Notice of intent to bid**

A notice of intent to bid on this RFP should be sent by email to Greg Lee (see below). The subject line should be "Notice of Intent to Bid." All providers who register a notice of intent will be included in the distribution list for responses to questions received, addendums to the RFP, and the notice of award of the contract.

**Inquiries**

Inquiries concerning this RFP should be directed to:

Greg Lee, Director of Finance and Administration  
Maine Technology Institute  
16 Middle St, Ste 201  
Portland, ME 04101

Telephone: (207) 588-1012  
Fax: (207) 582-4772  
Email: [glee@mainetechnology.org](mailto:glee@mainetechnology.org)

Responses to questions received will be submitted by email to all providers who have registered a notice of intent to bid.

**Submissions**

Please select one delivery method-

Paper Submission: Five copies of your proposal must be received by MTI no later than 5:00 PM on June 6, 2025. Proposals must be mailed or delivered to the attention of Greg Lee at the address noted above (see Inquiries). Timely delivery of the proposals is the sole responsibility of the provider. Proposals received after the stated date/time will be returned unopened. All providers acknowledge and understand that MTI will not pay for any costs incurred in connection with the preparation or submission of a proposal.

Electronic Submission: One electronic copy must be received by MTI no later than 5 PM on June 6, 2025. Proposals should be attached to an email sent to the address noted above (see inquiries). Timely delivery of the proposals is the sole responsibility of the provider. Proposals received after the stated date/time will be returned unopened. All providers acknowledge and understand that MTI will not pay for any costs incurred in connection with the preparation or submission of a proposal.

**Proposal format**

Proposals should include information concerning the service provider's history (particularly within Maine); accomplishments or benchmarks; competitive position and future commitments; locations within Maine; service philosophy; metrics concerning financial strength and credit ratings; services relative to MTI's need (outlined below); and contact information for the proposed service team.

Proposals should not exceed 10 pages, and the proposal format should follow the order of Services Requested (see following pages). The proposal should include a letter of transmittal signed by an officer who can bind the institution to a contract.

Proposals are expected to include the provider's most recent audited financial statements and interim statements for the latest available period (not included in the page count limit.) Please also provide your total risk-based capital ratio, Tier 1 risk-based capital ratio and Tier 1 leveraged capital ratio for the two most recent fiscal years, as well as an explanation for differences in excess of 0.5%.

**Service agreement**

The service agreement(s) must be for a period of three (3) years, with the starting date no later than the implementation date noted above. Upon mutual agreement, service agreements may be extended indefinitely. During the period of the agreement(s), MTI reserves the right to renegotiate with the provider such additions, deletions or changes as may be necessitated by law or changes in circumstances.

Either party may terminate the service agreement upon giving written notice of at least ninety (90) days. In the event of a breach of the agreement by the service provider or unsatisfactory performance as determined by MTI, where said breach or unsatisfactory performance has not been cured or remedied by the service provider within thirty (30) days following a written notice thereof, MTI reserves the right to cancel the agreement by providing a written notice of thirty (30) days.

**Confidentiality**

All proposals will be treated as confidential until the bids are opened and made available to the selection team (see Selection process below) no earlier than the submission date. Following the announcement of an award decision, all submissions in response to this RFP will be considered public records available for public inspection pursuant to the State of Maine Freedom of Access Act (FOAA) (1 MRS §§401 et seq.). In the event a request is made to produce any proposal, MTI will notify the bidder that MTI will produce the proposal unless the bidder takes steps it deems necessary to prohibit production. MTI will not undertake to determine whether any proposal or part of any proposal is confidential or otherwise protected from disclosure.

**Selection process**

Proposals will be evaluated by MTI's selection team, consisting of Brian Whitney (President), Ian Swanberg (Board member), Colin March (Board member) and Greg Lee. Please note that Colin March (Board member) will participate in the selection process unless Key Bank elects to submit a proposal, in which case Mr. March will recuse himself from the evaluation and selection process.

The selection team will be responsible for selecting finalists, who may then be provided with an opportunity to meet with the team and make an oral presentation or answer questions. MTI reserves the right to tour the operating facilities of any or all finalists.

Factors to be considered in evaluating proposals include return on investments, cost of services, experience with large non-profit clients, available technology, and a commitment to work with MTI as an integral partner. The final award may be subject to approval by MTI's Board of Directors or a committee thereof.

MTI reserves the right to reject any and all submissions without the right of recourse by proposers.

**References**

Please provide the names, addresses and contact information for three clients that may serve as references. MTI reserves the right to contact anyone or all of the references for providers who are selected as finalists.

## **Maine Technology Institute**

MTI is a nonprofit corporation established in November 1999 to encourage, promote and support research and development activity leading to commercialization of new products and services in the State of Maine's technology intensive sectors. Businesses, non-profit organizations, academic institutions, and entrepreneurs are eligible for funding under MTI's programs. MTI operates on a fiscal year basis, ending June 30; the current FY ends on June 30, 2025 (FY2025).

MTI derives the majority of its funding from the State of Maine, either from annual appropriations (through the Department of Economic and Community Development) or through bond funds approved by Maine voters. A growing, secondary source of funding is from the repayment of loan and equity investments. Currently, MTI is also administering several federal programs. [A description of MTI's programs can be found under the Notes to Financial Statements, attached hereto] Currently, MTI is managing three bond fund programs, two rounds of the Maine Technology Asset Fund (MTAF) and the Marine Economy and Jobs Bond.

### **Operating accounts**

The annual appropriation that funds MTI's operating account is normally received in full between August and October. This appropriation has been \$6.57 million annually for the last three years.

The majority of MTI's annual expenditures are for payments under its core award program. Business Innovation Funding offers grants, loans, and equity investments to businesses and organizations to bolster Maine's innovation economy. We support the development and growth of new products, devices, or methods with the potential to spur economic growth in Maine. The MTI team has experience in evaluating the founding, scaling, and growth of high-potential ventures.

For the last fiscal year, MTI issued \$6.2 million in core program awards and averaged a similar amount for the past three years.

MTI's annual operating expenses are approximately \$2.1M, funded by administration fees that MTI is permitted to charge against its appropriation (\$661K in FY2024); administrative fees on award repayments (\$233K in FY2024); and income earned from investment of its surplus cash balances (projected at \$681K in FY2024). Investment income is a vital component of MTI's annual revenues. Maximizing the level of investment income is a primary objective since MTI wishes to expand its services to meet a growing demand and resources are currently constrained by its income level.

### **Bond funds**

Bond funds are administered on occasion by MTI. MTI attempts to manage bond fund balances so that funds that are requested by MTI from the State are then paid out during the following three-to-six-month period. Awardees provide spending forecasts to MTI for each award; however, delays are not uncommon. Additionally, awardees are expected to provide progress reports on a quarterly basis, as a payment precondition, and again delays occur.

The current bond fund balances are \$400,000. This amount is expected to increase substantially in future months and then be drawn down.

**Federal Funds**

MTI has administered several federal projects in recent years.

These are funded on a reimbursement basis or at project completion. In FY2024, this amounted to \$10.7 million. The three-year average for these projects was \$13.6 million.

**Deposit activity**

MTI makes very few deposits to its accounts on a monthly basis. [Deposit and other account activity are shown on Exhibit 1 for each of MTI's accounts, for each month from July to December 2025.] Payments from the State to MTI are processed via ACH. Most deposits are for award repayments (\$1.9M in FY2024), refunds or reimbursements. Deposits are currently processed using remote deposit capture.

**Disbursement activity**

During July to December 2024, MTI issued an average of 58 checks per month from its operating account. These represented either award payments or payments of operating expenses. On rare occasions, MTI has made award payments through wire transfers (both domestically and internationally). Federal payments are generally included in the core accounts. Payment activity is significantly lower in the bond funds, as noted in Exhibit 1. The number of bond fund disbursements is projected to increase in the next twelve months.

**Liquidity needs**

Due to the nature of MTI's activity, most funds should be held as immediately available.

**Current account structure**

MTI currently maintains nine accounts at The First – an operating checking and an ICS account each, for its operating and bond fund accounts, along with a separate account for deposits. Daily activity is presented within the checking account and funds are distributed to other ICS members. The First requires minimal compensating balances. MTI also pays no account activity or maintenance fees, except for fees on stop payment orders. Interest is credited monthly.

MTI has not heretofore purchased and held any securities outside of a sweep account structure but would be willing to entertain this approach if there were minimal risk of loss of principal, the term of the securities was under 48 months, and if this approach would yield a higher rate of return.

## Services Requested

### Demand Deposit Accounts

MTI will require five demand deposit accounts (for its operating account and the balance for state bond funds). Please provide the following information:

1. An availability schedule for deposited items.
2. Remote deposit capture capability.
3. Policy or procedures on handling redeposits of NSF items and notifying account holders.
4. Policy or procedures for handling cleared checks.
5. Method for placing stop payment orders.
6. Transaction fees or service charges. Please list all relevant transaction fees or charges to be assessed to MTI and any changes in these fees or charges during the preceding 12 months. Indicate which, if any, fees or charges will be fixed for the duration of the agreement term.
7. Compensating balance required, if any.
8. Earnings credit. Please specify the earnings credit rate, any change in the rate over the preceding 12 months, and indicate whether or not it will be fixed during the agreement term. Please specify the basis of the balance to which the earnings credit will be applied – collected, available or other.

MTI policy requires that all checks of \$100,000 or greater be countersigned. The provider must verify countersigned checks and return any checks that are not properly countersigned.

### Investment of Surplus Cash

As noted under the MTI background information, income earned on investment of surplus cash funds is a significant portion of MTI's annual operating expenses and accordingly, maximizing the return on invested cash, while safeguarding principal from loss of value, is of paramount importance. Please specify or address the following:

1. Structure under which MTI's surplus cash would be invested.
2. A summary of the rates of return corresponding to the proposed investment structure during the preceding six months.
3. Proposed investment rate of return. If a rate is guaranteed, the period for which the guarantee will be in effect.
4. Security against risk of loss of principal.

MTI requires full securitization of its deposit balances. Securities considered acceptable for collateral and investment purposes include US Treasuries; US government securities or US agency securities fully guaranteed by the US. Securities not considered acceptable for collateral and investment purposes include money market mutual funds and securities either classified as collateral mortgage obligations or secured with mortgages.

As noted above, MTI is willing to consider investing in short-term, investment-grade (S&P BBB+, Moody's Baa1) corporate or other bonds, in order to achieve a higher rate of return on its investments. The risk of loss of principal, however, must be minimal. MTI recognizes that the value of investments in bonds is subject to fluctuations in value due to changes in interest rates and other factors, and that holding bond investments to maturity mitigates the risk of loss of principal. Bond investment maturities should not exceed four years.

**Online Banking**

MTI currently utilizes online banking for transaction inquiry (e.g. receipt of ACH transfer; check clearing) and rapid access to month-end statements. Please provide the following information:

1. Method and controls for accessing data online.
2. Fees and any changes during the preceding 12 months.
3. Limitation, if any, on the number of users. (MTI currently has three users.)
4. Availability of controls, if any, to limit user options or capabilities (e.g. inquiry only; transaction amount limits).
5. Availability of check image viewing and printing.

**ACH Services and Wire Transfers**

Use of ACH services is currently limited to consultant (approximately 16 monthly currently) payment processing. On rare occasions, MTI will make award payments through wire transfers (domestic and international). Please provide the following information:

1. List of services or transactions that can be processed through ACH or wire transfers.
2. Fees and their history of increases or decreases.
3. Cut-off time for same-day processing.
4. Availability or description of controls to limit user options or capabilities.
5. Availability or description of controls to prevent unauthorized ACH debits.
6. Procedures to notify customers if a requested transaction fails.
7. In the event of a communication system failure, options that may be employed by MTI to transmit data and complete an ACH transfer or wire transfer.

**Service Team**

Please provide the names, titles, work locations, responsibilities and contact information for each member of the provider's service team.

Please provide an estimate of the time required to affect an orderly transition from The First to your institution.

**Exhibit 1**  
**Maine Technology Institute**  
**RFP - Banking Services**  
**Prepared March 31, 2025**

**A. Operating Account Activity Summary**

	<u>Number of Transactions</u>							<u>Highest balance</u>			
	Jul	Aug	Sep	Oct	Nov	Dec	Avg	1-Jul	Date	Amt	31-Dec
<b><u>MTI Main Accounts</u></b>								\$ 16.92	12-Nov	\$ 24.13	\$ 18.01
Deposits	39	31	39	36	38	36	36.5				
Checks	62	60	40	67	80	42	58.5				
Wire	7	7	3	1	3	2	3.8				
EFT	15	19	16	14	17	19	16.7				
Stops	0	0					0.0				
<b><u>Bond Funds (Currently 3 active funds)</u></b>								\$ 0.49	1-Aug	\$ 0.49	\$ 0.47
Deposits	0	0	0	0	0	0	0.0				
Checks	0	1	0	0	0	0	0.2				

**B. Operating Account Balance History, FY's 2022-2024**



		<u>Highest balance</u>			
	1-Jul	Date	Amt	31-Dec	30-Jun
FY2022	\$ 16.64	25-Aug	\$ 16.33	\$ 13.93	\$ 9.50
FY2023	\$ 9.50	26-Aug	\$ 24.58	\$ 14.13	\$ 11.30
FY2024	\$ 11.30	31-Aug	\$ 18.14	\$ 15.96	\$ 16.44