

City of Rollingwood Request for Proposal For Depository Services

I. Introduction

The City of Rollingwood is requesting proposals from eligible financial institutions for a banking services contract to be awarded at the May 19, 2021 Council Meeting, with Services to begin August 1, 2021 and extend through July 31, 2026, subject to City Council action. Through this contract the City intends to minimize banking costs improve operational efficiency, and maximize investment capabilities. This Request for Proposal (RFP) represents the cash management goals, specifies all banks' required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and the contract award provisions.

This includes the basic services of receiving deposits, paying items, sending wired funds, receiving wired funds, stop payments, and other normal business banking activities. This agreement will not cover any investment transaction activities other than safekeeping services to include receiving and delivering securities. The City plans to manage its own investment portfolio per its Investment Policy.

Financial institutions ("banks") desiring to respond to this Request for Proposal (RFP) should bear in mind that the City wishes to pursue a cash management and investment program intended to maximize returns on deposits and investments, within the parameters of its investment policy. Further, the City views maximized investment interest as viable and material revenue to all funds. The City's cash management policy shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

This RFP is intended to serve as the bid form for the depository agreement. There are several schedules to complete and questions to be answered. The depository contract shall be prepared based on the bidder's response to the RFP. All points outlined and materials requested should be incorporated into the bidder's reply to be considered for evaluation. Attachments will be appropriate in order to provide some of the requested information.

II. Proposal Instructions and Qualifications

A. Minimum Qualifications

To assure a close working relationship, to facilitate available services, and to support local business, the City may give priority to those banks with full service capabilities within the City limits. Any required statement regarding equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

B. Proposal Submission Instructions

1) Proposal Format

In order to fully and equitably evaluate each institution's ability to meet the banking service needs of the City, a standard reply format is required. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

2) Submission Requirements

Three (3) Sealed hard copy proposals, and one (1) electronic copy proposal, must be submitted by 4:00 PM Thursday, April 29, 2021.

Please mark proposals

"Depository Banking Services
Wednesday May 19, 2021
Please do not open"

Proposals must be submitted containing the following sections in the order indicated:

1. Cover Letter
2. References
3. Additional Data and Other Requested Information
4. Bid Form

1. Cover Letter - This section should contain the name of the proposing Financial Institution, the address of the proposing office, and the individuals authorized to answer technical, price, and/or contract questions together with their telephone numbers and mailing addresses. A person authorized to bind the Financial Institution must also sign the cover letter.
2. References - Indicate the bank's background in providing financial services to public organizations. List any financial services contracts currently in place. Provide a list of client references using the bank's services. Include client name, contact persons, and phone numbers.
3. Additional Data and Other Requested Information - Give any additional information considered essential to the proposal in this section. Alternative proposals, which you feel may benefit the parties, may also be advanced. Include any requested examples of schedules or reports.
4. Bid Forms -The City contemplates a price per item fee proposal with monthly payments for services rendered.

The compensation proposal should be documented by completing the attached "Bid Form" and submitting it to the City with the RFP. It is intended that the "Bid Form" include all of the unit prices for services requested. All volumes indicated are estimates. The contract award will not necessarily be made to the bank that provides the lowest cost proposal but rather to the bank that submits the most responsive proposal meeting the City's requirements.

In addition, the bank should include, as part of the total price the cost of any services not itemized on the "Bid Form" which the bank feels must be included. The bank may also include the billing rate for special projects, which may be entered into during the contract period but are not a part of the total cost proposal. Volume discount prices may be indicated where appropriate.

3) RFP Questions

Questions regarding this RFP or the service requested will be accepted in written form at the address below on or before 4:00 pm Thursday, April 22, 2021. Responses to all material questions submitted will be communicated to each prospective bidder.

Ashley Wayman
City of Rollingwood
403 Nixon Drive
Rollingwood, Texas 78746

Or email to: at awayman@rollingwoodtx.gov

4) Request for Proposal Amendments

Modifications or additions may be made as a result of questions submitted. Written notification of any such change will be made in writing to all known bidders, and will be placed on the City of Rollingwood's website. **To ensure that you receive the proposal amendments, be sure to notify Ashley Wayman at awayman@rollingwoodtx.gov of your intent to submit a proposal.**

It is the bank's responsibility to ensure that it has received any and all addenda related to the proposal. It should be the sole responsibility of the respondent to ensure that its proposal is received by the City Secretary within the time limit indicated. The proposal must include a statement that it is valid for a minimum period of ninety (90) days subsequent to Wednesday May 19, 2021. **Late proposals will not be considered.**

5) Selection Criteria

Evaluation of proposals will be made on the basis of the following objectives:

Minimum Requirements

- Ability to meet the legal qualification and terms and conditions specified in the RFP.
- Financial strength and stability of the proposer.
- Completeness of the bid form and submission of the required information.
- Ability to provide sufficient collateral for deposits.

6) Award of Bid and Service Initiation

This contract is to be awarded by the City Council at its Wednesday May 19, 2021 regular meeting. The City reserves the right to reject any and all bids.

III. Required Financial Institution Information

All banks must provide, as part of the proposal:

- Audited financial statements for the most recent fiscal year,
- A copy of the current call report, and
- A statement regarding any recent or foreseen merger or acquisition.

IV. Required Financial Information from the City

See Attachment B

V. Required Banking Services

This section lists all the services to be provided by the bank under this agreement. Attachment A lists each of these services. The bank should use this attachment to provide the specific price for each service.

A. Wire Transfer Services

A standard wire transfer agreement will be executed with the bank. This proposal should include a copy of your standard transfer procedures and wire transfer agreement. The City requires security provisions and procedures. If the wire transfers requests are available online, full information should be submitted detailing the use.

B. Automated Daily Balance Reporting

The City requires an automated PC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which the access is available and describe the system to be used. Reporting should include balance and detail reporting. Samples of the reports are to be included in the proposal.

C. Sweep Account Provisions

If the City chooses, the bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option (money market fund, repo, etc.). Describe the sweep options and, if a money market fund is used, provide a prospectus. The accounts will be swept to the compensating balance.

D. Investment of Idle Funds and Safekeeping of City Securities

All certificates of deposit bought by the City will be bought on a competitive basis. The City has no obligation to invest its funds with or through the bank. If the bank is proposing overnight repurchase agreements, an executed Master Repurchase Agreement is required. In order to fulfill GASB III requirements for reporting, if a repurchase agreement is executed with the bank itself, the collateral must be held in the trust department of the bank in a separate account.

All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. There will be approximately ten securities in safekeeping at any time. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangement will be stipulated in the proposal.

E. Standard Disbursing Services

Standard disbursing services for all accounts are required to include payment of all checks upon presentation.

F. Standard Deposit Services

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and all other checks based on the bank's published availability schedule. The Bank should specify in their proposal deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

G. Reporting and Account Analysis

Monthly account analysis reports must be provided by the bank on a timely basis for each account and on a total account basis. A sample account analysis format must be provided as part of the proposal. Samples of monthly statements should also be provided. The monthly statements are to be received within five (5) business days of the next month.

H. Account Executive

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the City's account.

I. Direct Deposit

Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks.

J. Overdraft Provisions

The City does not intend to have an overdraft position on any of its bank accounts singly or net throughout the course of the depository contract. In the event a check or checks are presented for payment on any City account with insufficient funds available for payment, the City will require the bank to pay said check and promptly notify the Director of Finance or the City's designated representative of the existence of the overdraft situation. The City agrees to cover the overdraft within a maximum of one business day.

Define in the Bid Form what the bank considers an overdraft to a negative balance in any individual City account or a negative balance in all City accounts collectively. The City would expect the depository to view all City accounts together for purposes of charges on overdrawn collected balances.

K. Stop Payments

The proposal must include a statement on the proposed stop payment process on an automated or manual basis.

L. Collateralization of Deposits

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insurance limit of \$250,000. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with the City and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 105% and marked to market at least once a month. Control will be shared jointly between the bank and the entity. Substitution will be approved by the City and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral.

M. Additional Services

If new services become available and are provided during the period of this contract, they will be charged at the bank's then published rate.

N. Other Services

The City is interested in obtaining service and cost information on additional services for possible use during the contract period. These services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers and cost. The City will make its determination after receipt of proposals as to whether a service will be used. If the service is accepted later in the contract period the services and charges stipulated in the proposal will be applied.

Lockbox Services

The City may choose to utilize lockbox services for certain revenue collections. Describe the services included the lockbox location and a full description of the service.

O. Remote Image Deposit Device

The bidder will supply the City, at no charge, a Remote Image Deposit Device for use in making deposits. The bidder may also supply, at the City's request and at no charge, Remote Image Deposit Devices to the City's contractors who collect funds on behalf of the city.

P. Credit Cards

The bidder will supply the city no-fee Credit Cards.

Q. Bank Compensation

Submit a detailed list of all fees paid to bank. If fees are chosen as a payment methodology, fees will be paid monthly after receipt of the account analysis.

R. Positive Pay

The City will require, at no charge, Positive Pay service for its account(s).

VI. OTHER STIPULATIONS

- A. The successful bidder shall notify the City in writing within ten (10) days of any changes in federal or state regulations or laws that would affect the depository agreement. The bank shall also notify the City of any services, which become available to the City throughout the contract period.
- B. The City reserves the right to negotiate all elements which comprise the proposal to ensure that the best possible consideration be afforded all concerned. The City reserves the right to reject any and all proposals and to re-solicit for proposals in such event.
- C. All checks deposited by the City which do not clear the first time, should be submitted a second time before returning them to the City.
- D. The bank's records relating to the City of Rollingwood's accounts shall be open to review by either City staff or City appointed independent auditors during normal business hours.
- E. The proposing bank shall submit a copy of the last annual financial statements along with the last two quarterly FDIC CALL reports, and provide any public information concerning changes in the ownership, management, or financial position of the bank or its parent holding company.
- F. Notwithstanding any other provision of this agreement which may be to the contrary, this agreement and the respective rights and obligations of the parties shall remain in full force and not otherwise be affected by the merger of the proposing bank.

- G. The contract shall be automatically extended up to sixty (60) days if the City is actively proceeding with re-bidding procedures but for whatever reason, cannot finalize the selection process by the end of the contract period.
- H. The City shall require a review meeting with the bank officer at least once every six (6) months to evaluate the working relationship between the City and the depository bank and address any problems that may arise.

VII. SUBMISSION CHECKLIST

1. Cover Letter
2. Reference Listing
3. Completed BID FORM
4. Samples of the following:
 - Bank statements
 - Reports from Cash Management System/Software
 - Partial account reconciliation statement
 - Safekeeping agreement for the City's investment securities
 - Monthly pledged collateral report
 - Safekeeping agreement for collateral
 - Controlled disbursement agreement
 - Funds transfer and ACH transaction agreements
 - Stop payment agreement
5. Availability of funds explanation with clear deadlines indicated
6. Detailed description of services to be provided (in same order as BID FORM)
7. Annual financial statement of the bank along with the last two quarterly FDIC CALL reports.

**ATTACHMENT A
BID FORM**

Reference: Bank Services Bid

Bid Due Date: Thursday, April 29, 2021

Time: 4:00 p.m.

To: City of Rollingwood
403 Nixon Drive
Rollingwood, TX 78746
Attn: Ashley Wayman

From: _____

Ph: _____

Proposed Charges for City Depository Accounts:

Charge/Rate

- ◆ Charge for keeping depository records _____
- ◆ Service charges on checking accounts _____
- ◆ Service charges on savings accounts _____
- ◆ Wire transfer fees (Outgoing) _____
- ◆ Wire transfer fees (Incoming) _____
- ◆ Charge for safety deposit boxes _____
- ◆ Charge for cashier's checks and/or money orders _____
- ◆ Charge for overdrawn accounts _____
- ◆ Charge for services to stop payment on a check _____
- ◆ Charge for preparation on monthly statements _____
- ◆ Charge for printed checks and deposit slips _____
- ◆ Charge for night deposit or deposit bags _____
- ◆ Interest rate on daily balance in checking account _____
- ◆ Charges and/or fees for overdraft protection _____
- ◆ Current annual percentage yield on NOW accounts _____
- ◆ Minimum annual percentage yield on NOW accounts _____
- ◆ Current annual percentage yield on Money Market accounts _____
- ◆ Minimum annual percentage yield on NOW accounts _____

Please list below any additional items that may be pertinent to this bid but are not mentioned above:

Name: _____(Please print or type)

Signature: _____ **Date:** _____

Title: _____

ATTACHMENT B

CITY OF ROLLINGWOOD:

ACCOUNTS WITH CURRENT DEPOSITORY:

LAST 12 MONTHS:

	<u>CITY</u> <u>OPERATING</u>	<u>SERIES 2020</u> <u>TAX NOTES</u>	<u>MERCHANT</u> <u>ACCOUNT</u>	<u>RCDC:</u> <u>OPERATING</u>
AVERAGE NUMBER OF DEPOSITS	38.08	0	0	1.08
AVERAGE NUMBER OF OTHER CREDITS	40	0.08	8.33	0.08
AVERAGE NUMBER OF CHECKS PAID	53.7	0	0	0.25
AVERAGE NUMBER OF OTHER DEBITS	30.58	0	3.58	0.08
AVERAGE NUMBER OF WIRE TRANSFERS	0	0	0	0
AVERAGE AMOUNT OF NSF RETURNED TO THE CITY	0	0	0	0
AVERAGE BALANCE	\$ 2,972,610.00	\$ 1,402,256.17	\$ 47,054.33	\$ 235,395.42
HIGHEST BALANCE - PAST 12 MONTHS	\$ 4,166,791.00	\$ 2,003,412.00	\$ 119,192.00	\$ 291,141.00
LOWEST BALANCE - PAST 12 MONTHS	\$ 2,052,991.00	\$ 801,216.00	\$ 1,137.00	\$ 173,308.00