



CITY OF UHLAND

15 North Old Spanish Trail

Umland, TX 78640

512-398-7399

city@uhlandtx.us

NOTICE OF REQUEST FOR PROPOSAL

FOR DEPOSITORY AND BANKING SERVICES

Proposal Due Date: October 14, 2020 at 2:00 p.m. (CST)

I. NOTICE AND INTRODUCTION

Notice is hereby given that the City of Uhland, Texas (“City”) is requesting proposals for depository and banking services from qualified banking institutions. Qualified institutions eligible to respond to this Request For Proposal (“RFP”) include those that meet the requirements defined in the Texas Local Government Code Chapters 105 and 2257, have at least one (1) full service banking facility located within a twenty (20) mile radius of City Hall, must be insured, and must demonstrate the capacity to meet all of the requirements of the City as stated in this RFP.

Banking services being requested under this RFP include full service basic banking services including but not limited to receiving deposits, remote deposits, paying items, wire transfers (in and out), stop payments, positive pay verifications, ACH services, account analysis, records management, monthly statements, check printing services, special reports, meeting daily collateral requirements, quarterly feedback meetings, etc.

The City’s 2020-2021 proposed fiscal budget is \$2,139,049.61.

This RFP is intended to serve as the bid for a Depository and Banking Agreement (“Agreement”). This Agreement will not cover investment transaction activities.

By submitting a proposal in response to this RFP, depositories will be deemed to agree to the service provisions contained herein. This RFP and the proposal submitted will be incorporated into and form the basis for the Agreement.

The issuance of this RFP does not obligate the City to enter into an agreement for any services.

II. SCHEDULE

This proposed schedule is tentative and may be modified throughout the selection process at the discretion of the City of Uhland.

Issuance of RFP	September 3, 2020
Deadline for Questions	2:00 p.m. (CST) September 17, 2020
City Responses to all questions	September 24, 2020
Proposals Due	2:00 p.m. (CST) October 14, 2020
Opening of Proposals	2:01 p.m. (CST) October 14, 2020
Evaluation of Proposals	October 14, 2020 to November 4, 2020
Selection Decision	November 4, 2020

The City of Uhland will accept sealed proposals for depository and banking services until 2:00 p.m. (CST), October 14, 2020. Proposals received after this time will not be considered.

III. PROPOSAL SUBMISSION PROCESS AND REQUIRED DOCUMENTS

One (1) original and three (3) copies of the proposal, including all required forms and applicable supporting documentation, are required. The original must be clearly marked “ORIGINAL” and manually signed by an officer of the company having authority to bind the proposer to its proposal and the terms, conditions and service provisions herein this

RFP. In addition, one (1) electronic version written to a flash drive is also required. The electronic version must be an exact duplicate of the original proposal.

Proposals, including all required forms and applicable supporting documentation, must be bound, sealed, addressed, and submitted to:

**City of Umland
Attn: City Administrator
15 N. Old Spanish Trail
Umland, Texas 78640**

The following must be written across the seal of the proposal:

RFP – Depository and Banking Services

Failure to follow these instructions shall result in the proposal being declared NON-RESPONSIVE. All costs related to the preparation and submission of a proposal shall be paid by the proposer.

IV. RFP QUESTIONS

All questions related to this RFP must be submitted in writing via e-mail to the City Administrator at city@uhlandtx.us. All timely questions submitted will be answered in writing. Contact with any other City of Umland official or employee shall be grounds for rejection of the proposal.

V. MINIMUM QUALIFICATIONS

By submitting a proposal, the proposer certifies that they are duly qualified, capable, and otherwise bondable business entity that is not in receivership or contemplates same, nor has filed for bankruptcy. The proposer warrants that they are familiar with all laws, regulations, and customs applicable to the type of business required herein.

VI. REQUIRED BANKING SERVICES

The City plans to maintain an Operating Account which will cover most of the day to day banking transaction and activities. This section lists the services to be provide by the bank under the Agreement.

1. Account Structure:

The bank is to provide an operating account and at least four (4) other separate bank accounts for restricted special purpose government funds. Daily balance and detail transaction reporting is available online and made accessible for City's use.

2. Collateralization of Deposits:

The bank must agree to obtain and maintain acceptable collateral at all times sufficient to cover at least one hundred two percent (102%) of all anticipated time and demand deposits above the FDIC insured limit amount. 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 entity bank for safekeeping of these securities. Collateral must be maintained at a minimum of one hundred two percent (102%) and marked to market at least one (1) timer per month. Substitution will be approved by the City. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will identify by name the safekeeping bank for collateral.

The proposal must describe in detail the bank's policy and procedures to ensure collateralization of funds in full compliance with the requirement of the Texas Public Funds Investment Act. The proposal should also include samples of policy, procedures, daily collateralization coverage reports, etc.

3. Automated Daily Balance Reporting & Accessibility:

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

4. Sweep Account Provisions:

The selected bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option. Describe the sweep options and if a money market fund is used, provide a prospectus. Also describe the compliance with collateralization requirements for the sweep account. The City reserves the right to cancel the daily sweep option at any time.

5. 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 proposing bank should specify in the proposal its deposit requirements, commercial and retail deposit locations, including night deposit services and procedures. All checks deposited by the City which do not clear the first (1st) time shall be submitted for payment a second (2nd) time before returning to the City.

6. Standard Disbursing Services:

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

7. Positive Pay Services:

The City requires that its depository bank must provide positive pay services. The proposal must describe in detail the bank's policy, procedures, and deadlines for the positive pay services that will be provided

to the City to protect all forms of payment disbursements and withdrawals from its accounts at the proposing bank.

8. Wire Transfer Services:

Incoming wire transfers must receive immediate same day collected credit. Wire initiation must be available online and online monitoring is preferred. The City requires that wires be released the same business day if information is provided by the established deadline.

The City requires adequate security provisions and procedures. If wire transfer requests are available online, complete information describing the wire transfer policy, procedures, safeguards, and other details should be included in the proposal.

9. General ACH Services & Direct Deposits:

Describe in detail the requirements and deadlines for ACH transactions. The proposal should indicate the deadline by when funds will be received by employees' as well as other receiving banks. Provide any additional information on ACH processing, including ACH processing for vendor transactions.

10. Remote Deposit Services:

The proposal must describe policy, procedures, and deadlines for the bank's remote deposit services including type of equipment and software to be used.

11. Overdraft Provisions:

The City does not intend to have an overdraft position on any of its bank accounts. 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 honor the City's check and immediately notify the City's designated representatives of the overdraft situation. The City agrees to cover all overdraft within one (1) business day unless the overdraft is caused due to an error by the City's bank.

12. Stop Payment Services:

The proposal must describe policy, procedures, and deadlines for the bank's stop payment services including automated and manual types.

13. Lockbox Services:

Please describe this type of service provided including the lockbox location and a full description of the lockbox services.

14. Reporting & 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 following month. The monthly statements must coincide with the calendar months.

15. Banking Supplies:

The proposal must clearly identify and describe the types of, quantity and frequency of any banking supplies that will be made available to the City's use at no cost to the City such as deposit bags, deposit slips, etc.

16. Account Executive:

A senior level account executive must be assigned to the City's account to coordinate the account services and expedite the solution of any issue. A trained and knowledgeable backup for the account executive familiar with the City's account and service needs should be assigned and identified by name and title in the proposal including a brief biography of the account executive to be assigned to the City's bank account.

VII. OPTIONAL BANKING SERVICES

The City continues to investigate and evaluate new services for inclusion under the Agreement. Optional services will be a secondary consideration in the evaluation of the primary response since the services are not required.

VIII. BANK'S COMPENSATION

The City is interested in a compensating based methodology. The proposal must include a detailed explanation of the methodology for calculating compensation for banking services. If fees are chosen as part of the compensation methodology, the proposal must include an itemized schedule of all fees and service charges anticipated and applicable to the City's bank account. A sample itemized schedule is provided in Attachment A.

IX. SPECIFIC TERMS AND CONDITIONS

The Agreement will be for a three (3) year period with a provision for two (2) – one (1) year renewals under the same terms and conditions of the contract subject to the mutual agreement of both parties. The depository contract term also provides for an extension period not to exceed ninety (90) days for the transition to a new Depository Bank at the end of the term.

1. The City shall require a meeting with the assigned bank account executive on at least a quarterly basis to review satisfaction with bank's performance and services provided and to resolve any outstanding issues.
2. The bank's records relating to the City's accounts shall be open to review by either authorized City staff or City's appointed independent auditors during normal business hours.
3. Either party may terminate the depository services contract at any time upon ninety (90) days written notice. If, through any cause, the Bank fails to fulfill its obligations under the depository services contract, or if the Bank violates any of the terms and conditions of the Agreement, the City has the right to terminate the Agreement by giving the Bank five (5) days written notice. The Bank will be compensated for the services satisfactorily performed before

the termination date. No term or provision of the Agreement shall be construed to relieve the Bank of liability to the City for damages sustained by the City because of any breach of contract or violation of law. The City may withhold payments to the Bank until the exact amount of damages due the City is determined and paid.

4. The Agreement cannot be transferred or assigned to another party without the written consent of the City and may be subject to cancellation if such consent is not requested. Any and all expenses incurred by the City during the term of the Agreement as a direct result of a change in ownership or management of the Bank or as a result of a merger shall be reimbursed to the City. Expenses shall be limited to reasonable “direct expenses” related to a changeover to a new Bank.
5. Notwithstanding any other provision of the Agreement, which may be to the contrary, the Agreement and the prospective rights and obligations of the parties hereunder shall remain in full force and effect and shall not be otherwise affected by a merger of the Bank.
6. Upon termination of the Agreement, all finished or unfinished documents or reports prepared by the Bank at the option of the City will become the property of the City.
7. The successful Bank shall be liable for all damages incurred while in the performance of services pursuant to the Agreement.
8. The Agreement shall be governed in all respects by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in a state court of competent jurisdiction in Hays County, Texas and further that neither party will seek to remove such litigation to the federal court system by application of conflict of laws or any other removal process to any Federal Court or court not in Texas.
9. No public official or City employee shall enter into a contract on behalf of the City which violates Local Government Code, Chapter 171 – Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments.
10. The selected Bank shall prepare a final binder including this RFP, the Bank’s response to the RFP, all relevant contracts, agreements, and other documents executed by the parties to evidence the depository services contract and ancillary agreements. The final binder shall be delivered by the Bank to the City within thirty (30) days of finalizing such documents.

X. TRADE SECRETS, CONFIDENTIAL INFORMATION AND THE TEXAS PUBLIC INFORMATION ACT

If you consider any portion of your proposal to be privileged or confidential by statute or judicial decision, including trade secrets and commercial or financial information, clearly mark those portions as “CONFIDENTIAL”.

Except for trade secrets and confidential information properly marked, all proposals, including all required forms and applicable supporting documentation, shall be open to public inspection after the Agreement is awarded.

Upon request for disclosure of marked trade secrets and confidential information the Texas Attorney General or a court of competent jurisdiction shall make the final determination of whether a particular marked section of a proposal may be withheld from public inspection.

XI. EVALUATION, SELECTION, AWARD PROCESS AND CITY’S RIGHT TO REQUEST ADDITIONAL DOCUMENTATION

All proposals timely received by the City in response to this RFP will be reviewed by an evaluation team, which may include the City Administrator and City Mayor. Evaluation of the proposals will use, but will not be limited to, the following factors:

1. Reputation of Bank;
2. Completeness of proposal submitted;
3. Ability to perform and provide the required and requested services;
4. Bank’s ability, policy, and procedures to meet collateralization requirements;
5. Bank’s online accessibility, availability of reports and services, etc.;
6. Financial strength, safety, and creditworthiness of Bank;
7. Cost of banking services;
8. Earnings credit on average available account balances.

The evaluation team will determine what weight to attribute to each factor considered. The evaluation team will recommend a qualified banking institution to the City Council. The City Council will make the final selection of the depository bank based on the evaluation team’s recommendation and whether the qualified Bank’s proposal is determined to be the most advantageous to the City.

The City reserves the right to request additional documentation that it deems appropriate and necessary for the review and award process during both the initial proposal review process and the negotiation phase.

XII. ANTI-LOBBYING AND CONFLICT OF INTEREST

During the period between proposal submission date and the contract award, proposers, including their agents and representatives, shall not discuss or promote their proposal with any member of the City Council or City Staff except in the course of the City-sponsored inquiries, briefings, interviews, or presentations, unless requested by the City.

By signing and submitting a proposal, the proposer certifies and represents to the City that the proposer has not offered, conferred or agreed to confer any pecuniary benefit or other thing of value for the receipt of special treatment, advantage, information, recipient's decision, opinion, recommendation, vote or any other exercise of discretion concerning this RFP.

XIII. RIGHT OF CITY TO CANCEL, ELECT NOT TO AWARD, REJECT PROPOSALS AND WAIVE INFORMALITIES OR IRREGULARITIES

The City expressly reserves the right to cancel this RFP at any time, to elect not to award a contract, to reject any or all proposals, to waive any informality or irregularity in a proposal received, and to be the sole judge of the merits of the respective proposals received.

