



**CITY OF HALLETTSVILLE
REQUEST FOR PROPOSAL FOR DEPOSITORY AND BANKING SERVICES**

I. INTRODUCTION

The City of Hallettsville (City) is requesting proposals for a banking services contract proposed to be awarded on February 20, 2018 with service to begin April 1, 2018 and extend through March 31, 2021. Upon mutual agreement, contract maybe extended through March 31, 2023. Through this contract the City intends to minimize banking cost, 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.

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 will 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 bank's ability to meet the banking services 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. Proposals submitted in the prescribed format and using the attached forms provided will be given preference when evaluated for contract award.

2. Submission Requirements

RFP will be accepted at Hallettsville City Hall until 3:30 P.M. Tuesday, February 13, 2018. Envelopes containing proposals are to be clearly marked: DEPOSITORY PROPOSAL. Each submission must include three (3) copies.

3. RFP Questions

Questions regarding this RFP or the services requested will be accepted in written form on or before 5:00 P.M. Thursday, February 8, 2018. Responses to all material questions submitted will be communicated to each prospective bidder. Direct questions to Jason Cozza jcozza@cityofhallettsville.org or to his attention at:

City of Hallettsville
101 N. Main
Hallettsville, TX 77964

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.

5. Selection Criteria

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

- | | |
|---|-----|
| a. Deposit interest rates | 10% |
| b. Cost of Service | 30% |
| c. Service availability | 30% |
| d. Safety and creditworthiness of bank | 30% |
| e. Submitted in prescribed format (Bonus) | 5% |

6. Award of Bid and Service Initiation

The contract is proposed to be awarded by City Council at its 6:00 PM meeting on February 20, 2018. The contract start date is April 1, 2018. The City of Hallettsville reserves the right to reject any or all proposals and to waive formalities.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

All banks must provide, as part of proposal:

- o audited financial statements for the most recent fiscal year,
- o a copy of the current call report, and
- o a statement regarding any recent or foreseen merger or acquisition, and
- o a statement acknowledging the Banking Services Agreement will be executed by FIRREA Rules.

IV. 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 Attachment A to provide the specific price for each service.

A. Consolidated Account Structure

The bank is to provide a master consolidation account and zero balance accounts from which daily balance and detail reporting is available. The City's current account structure contains the following accounts:

1. Water & Light Fund
2. Friench Simpson Memorial Library
3. Grant Fund

B. Wire Transfer Services

The City currently does not generate incoming or outgoing wires. 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 adequate security provisions and procedures. If wire transfer requests are available on line, full information should be submitted detailing the use.

C. Automated Daily and Monthly Balance Reporting

The City requires an automated PC-based reporting system for access to the closing ledger, available balances, and monthly statements. Bank must provide as part of the proposal:

1. Hours of accessibility and frequency or times that information is updated,
2. Types of current data available to view on line,
3. Types of data available to download for City's retention,
4. Number of days of history that can be accessed,
5. Type and levels of security for users and to protect the City's data,
6. Include samples of reports showing balance and detail reporting.

D. 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.

E. 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, and 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 could be multiple 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.

F. Standard Disbursing Services

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

G. Standard Deposit Services

The bank must guarantee immediate credit on all incoming wire transfers, ACH 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 their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

H. 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 ten business days of the next month. If bank can provide statements in less than ten business days, indicate in the RFP.

I. 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 brief biography of the account executive to be assigned the City's account.

J. Direct Deposit / Automated Clearing House

The City generates incoming and outgoing ACH transfers on a regular basis. Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks and the latest outgoing ACH files are accepted for transaction to post the next business day.

K. Daylight Overdraft Provisions

Every effort will be made to eliminate daylight overdraft situations on the account. However, in case this situation does arise, the proposal should include any and all bank policies regarding daylight overdrafts charges or handling procedures.

L. Stop Payments

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

M. 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 insured 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 102% and marked to market at least once a month. Control will be shared jointly between the bank and the City. 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.

N. 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.

V. BANK COMPENSATION

Any net settlement on compensating balances will be made annually. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.

ATTACHMENT A - BANKING SERVICES CHARGES

Any and all anticipated service charges must be shown on this form to be applicable under the agreement. Add additional lines as required.

Service Unit	Unit Charge	Cost of Service
Account Maintenance	Per month	
Daily Balance Reporting	Per month	
Zero Balanced Accounts		
Master Account	Per month	
Subsidiary Accounts	Per month	
Credits Posted	Per transaction	
Debits Posted	Per transaction	
Encoding charge	Per transaction	
ACH Processing	Per transaction	
Origination of file	Per tape	
ACH deletions	Per transaction	
ACH entries	Per transaction	
Returned checks	Per transaction	
Controlled Disbursement	Per account/per month	
Reconciliation	Per month	
Sort list tape	Per transaction	
Sort and list	Per transaction	
Items Deposited		
Deposits	Per transaction	
Commercial deposits	Per transaction	
Group I items	Per transaction	
Group II items	Per transaction	
Group III items	Per transaction	
Group IV items	Per transaction	
Stop payments	Per transaction	
Wire Transfers		
Incoming	Per transaction	
Outgoing	Per transaction	
Investment Safekeeping		
S/keeping interest/credit	Per transaction	
S/keeping receipt deposit	Per transaction	
S/keeping outgoing	Per transaction	
Securities DVP FRB	Per transaction	
Securities DVP NY	Per transaction	
Check Printing	Per transaction	
Extra Statements	Per transaction	
Disposable Bank Bags	Per Item	
Lockbox	Per month	
Cutbacks	Per transaction	
Special handling		



**CITY OF HALLETTSVILLE
REQUEST FOR PROPOSAL FOR DEPOSITORY AND BANKING SERVICES
PROPOSED SCHEDULE**

January 2, 2018	City Council reviews proposed RFP
January 10, 2018	Advertisement in the paper regarding RFP
January 17, 2018	Advertisement in the paper regarding RFP
February 8, 2018	Last day to submit RFP questions in writing
February 13, 2018	Proposals due
February 20, 2018	Council reviews proposals, receives staff recommendation, and awards contract
February 21, 2018- March 31, 2018	New agreement executed, transition period (if new depository)
April 1, 2018	New depository contract begins



**CITY OF HALLETTSVILLE
DEPOSITORY SERVICES
REQUEST FOR PROPOSALS**

The City of Hallettsville is requesting proposals for the performance of depository services. Proposals are accepted until 3:30 P.M. Tuesday, February 13, 2018. Proposals shall be submitted in the required form according to the City's request for proposals, which is available to be picked up at City Hall or downloaded at: www.cityofhallettsville.org/rfp. All proposals shall be addressed to the City Administrator, City Hall 101 N. Main Street, Hallettsville, TX 77964. The City Council is scheduled to consider selecting a bank, credit union, or savings association to provide depository services at its meeting on Tuesday, February 20th at 6:00 P.M. in City Hall, 101 N. Main Street, Hallettsville, TX 77964. The City of Hallettsville reserves the right to reject any or all proposals and to waive formalities.