



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

September 21, 2026	City Council reviews proposed RFP
September 23, 2026	Advertisement in the paper regarding RFP
September 30, 2026	Advertisement in the paper regarding RFP
October 7, 2026	Last day to submit RFP questions in writing
October 15, 2026	Proposals due
December 21, 2026	Council reviews proposals, receives staff recommendation, and awards contract
December 21, 2026- March 31, 2027	New agreement executed, transition period (if new depository)
April 1, 2027	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 2:00 P.M. Thursday, October 15, 2026. 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: <https://cityofhallettsville.org/request-for-proposals-bids-grants/> All proposals shall be addressed to the Director of Administrative Services, 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 December 21, 2026 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.



**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 to be awarded on December 21, 2026, with services to begin April 1, 2027, and continue through March 31, 2030. Upon mutual agreement of the parties, the contract may be extended through March 31, 2032. Through this contract, the City intends to minimize banking costs, improve operational efficiency, maximize earnings on City funds, and obtain competitive investment opportunities. This Request for Proposal (RFP) describes the City's cash management goals, required qualifications, banking services, estimated account activity, compensation methodology, submission instructions, evaluation criteria, and contract award provisions.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. MINIMUM QUALIFICATIONS

To assure a close working relationship, facilitate the availability of services, and support local business, the City may give preference to banks with full-service capabilities within the City limits, provided that the preference is applied consistently with applicable law and the City's adopted policies. Any required statement regarding equal opportunity and affirmative action should be included if required or desired. The proposal submitted by the successful proposer 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 City's banking service needs, a standard response format is required. Each proposal must include a response to each item in this RFP, in the order presented. Proposals submitted in the prescribed format and using the attached forms will facilitate the City's evaluation of proposals.

2. Submission Requirements

Proposals will be accepted at Hallettsville City Hall until 2:00 P.M. Thursday, October 15, 2026. Envelopes containing proposals are to be clearly marked: DEPOSITORY PROPOSAL. Each submission must include three (3) hard copies and one (1) electronic copy on a thumb drive.

3. RFP Questions

Questions regarding this RFP or the services requested will be accepted in writing on or before 5:00 P.M. Wednesday, October 7, 2026. Responses to material questions submitted will be communicated to each prospective proposer. Direct questions to Tammy Bell at finance-hr@cityofhallettsville.org or to her 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 provided to all known proposers.

5. Selection Criteria

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

- | | |
|---|------|
| a. Deposit and investment interest rates and earnings potential | 15% |
| b. Cost of services | 25% |
| c. Service availability and quality | 30% |
| d. Safety, security, and creditworthiness of bank | 30% |
| e. TOTAL | 100% |

6. Award of Bid and Service Initiation

The contract is proposed to be awarded by the City Council at its 6:00 P.M. meeting on December 21, 2026. The contract start date is April 1, 2027. The City of Hallettsville reserves the right to reject any or all proposals and to waive informalities or minor irregularities to the extent permitted by applicable law.

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,
- a statement regarding all institution fraud detection services, and
- a statement acknowledging that the Banking Services Agreement will comply with applicable federal and state law, including the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), to the extent applicable.

IV. REQUIRED BANKING SERVICES

This section lists the services to be provided by the bank under the 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 concentration account and zero-balance accounts from which daily balances and transaction detail are available. The City's current account structure contains the following accounts and the listed average balances over the past three months:

1. Water & Light Fund - \$488,421.48
2. Advisory Board Friench Simpson Memorial Library - \$19,356.64
3. Library Friench Simpson Memorial Library - \$34,811.02
4. Grant Fund - \$119,328.13
5. Debt Services - \$70,557.61
6. Debt Project - \$869.90
7. EDC Grant Fund - \$10.15

B. Wire Transfer Services

The City currently does not generate incoming or outgoing wire transfers. A standard wire transfer agreement will be executed with the bank. The proposal should include a copy of the bank's standard wire transfer procedures and wire transfer agreement. The City requires adequate security provisions and procedures. If wire transfer requests are available online, provide complete information regarding the process, controls, authentication, and security features.

C. Automated Daily and Monthly Balance Reporting

The City requires an automated, PC-based reporting system that provides access to closing ledgers, available balances, and monthly statements. The 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 balances in designated accounts daily to an investment option, such as an interest-bearing deposit account, money market fund, repurchase agreement, or other legally authorized investment. Describe all sweep options, applicable rates, fees, collateral requirements, liquidity provisions, and other material terms. If a money market fund is proposed, provide a current prospectus. The proposal must clearly identify whether the sweep arrangement results in the funds remaining as deposits with the depository bank or being invested outside the bank.

E. Investment of Idle Funds, Competitive Investment Rates, and Safekeeping of City Securities

The City intends to evaluate whether it is economically advantageous and legally permissible to retain its investment funds with the depository bank rather than placing those funds in an external investment pool. Accordingly, the bank is requested to provide a separate investment proposal showing the interest rates and terms the bank will offer for City funds that may be maintained or invested through the depository bank. The

proposal should include, at a minimum, rates and terms for interest-bearing deposit accounts, money market deposit accounts, certificates of deposit, and any other legally authorized investment or deposit product the bank proposes.

For each proposed investment product, identify the applicable interest rate or annual percentage yield (APY), whether the rate is fixed or variable, the term, minimum or maximum balance requirements, rate-reset provisions, early withdrawal or other penalties, liquidity and withdrawal restrictions, fees, collateral requirements, FDIC insurance treatment, and any other material terms. The bank should also state whether the proposed rate is available for all City funds or only specified balances or accounts.

The City is not obligated to invest its funds with or through the depository bank and reserves the right to invest funds separately in any investment authorized by the City's investment policy and applicable Texas law. Any investment must comply with the Public Funds Investment Act, Chapter 2256, Texas Government Code, and the City's adopted investment policy. All certificates of deposit purchased by the City will be purchased on a competitive basis.

If the bank proposes overnight repurchase agreements, an executed Master Repurchase Agreement will be required. If a repurchase agreement is executed with the bank itself, collateral must be held in a separate account in the bank's trust department or otherwise handled in a manner permitted by applicable law and the City's investment policy. The bank shall identify all collateral, safekeeping, and reporting arrangements in its proposal.

All securities will be handled on a delivery-versus-payment (DVP) basis as they are cleared into and out of the account. There may be multiple securities in safekeeping at any time. All clearing and safekeeping arrangements, including the bank or correspondent institution providing safekeeping services, must be described in the proposal.

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. NSF Checks Received by City

Under the contract, NSF checks received by the City are to be automatically redeposited twice for collection. Complete information must be provided on all NSF returned items, including the name of the account holder and the reason for return. The City wants the option for the second presentment to be made by ACH to targeted dates for maximum collection potential.

1. Describe the bank's current NSF process. Are checks automatically re-deposited? How many times?
2. How and when is the City to be notified of return items?
3. Is the bank capable of processing the second presentment as an ACH with a targeted presentment date (i.e. RCK)? Describe in full.
4. Under RCK or standard processing, how can the NSF and settlement later matched/reconciled most easily? Does the bank system cross reference the two transactions in any way?
5. Is the NSF information or image available online? When and how is it available, and how long is it retained online?

G. Standard Disbursing Services

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

H. Standard Deposit Services

The bank must provide immediate credit, subject to applicable federal funds-availability requirements and the bank's applicable agreement and schedule, for incoming wire transfers, ACH transfers, and U.S. Treasury checks upon receipt, and for all other checks according to the bank's published availability schedule. The bank should specify in its proposal its deposit requirements and the locations and procedures for commercial and retail deposits, including night depository services.

I. Banking and Deposit Supplies

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

J. Cash Vault Services

The City may choose to utilize cash vault services for certain revenue collections. Describe the service including the location, full description of the service, and any associated costs.

K. Reporting and Account Analysis

Monthly account analysis reports must be provided by the bank on a timely basis for each account and on a consolidated account basis. A sample account analysis format must be provided as part of the proposal. Samples of monthly statements should also be provided. Monthly statements are to be received within ten business days after the end of the month. If the bank can provide statements in fewer than ten business days, indicate the expected delivery time in the proposal.

L. 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.

M. Direct Deposit / Automated Clearing House

The City generates incoming and outgoing ACH transfers on a regular basis. Describe the requirements and deadlines for electronic ACH files. The proposal should indicate when funds will be available at participating banks and the latest time outgoing ACH files may be submitted for processing so that transactions will post on the next business day.

N. Daylight Overdraft Provisions

Every effort will be made to eliminate daylight overdraft situations. However, if a daylight overdraft occurs, the proposal should include all bank policies, fees, interest charges, and handling procedures applicable to daylight overdrafts.

O. Stop Payments

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

P. Collateralization of Deposits

The bank must agree to obtain and maintain acceptable collateral sufficient to secure all anticipated time and demand deposits in excess of the applicable FDIC-insured limit. Securities pledged to secure City deposits must be held at 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. Collateral will be maintained at a minimum of 102% of the secured deposit balance and marked to market at least monthly. Control will be shared jointly between the bank and the City. Substitution of collateral must be approved by the City and may not be unreasonably withheld. Substitution requests must be made in writing, and replacement collateral must be received before existing collateral is released. The proposal must identify the safekeeping bank for collateral.

Q. Additional Services

If new services become available and are provided during the term of this contract, the City and bank must agree in writing before the new service is added or charged. Any new charge must be disclosed and agreed upon in accordance with the contract and applicable law.

V. BANK COMPENSATION

LEGAL AND INVESTMENT COMPLIANCE

The City will administer the depository relationship and any investment of public funds in accordance with applicable Texas law, including Chapter 105, Texas Local Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code, together with the City's adopted investment policy. Nothing in this RFP requires the City to select an investment product that is not authorized by law or the City's investment policy. Any net settlement on compensating balances will be made annually. If fees are selected as the payment methodology, fees will be paid monthly after receipt of the account analysis. The proposal must separately identify all fees, earnings credits, compensating-balance requirements, and interest or investment earnings offered to the City.