



SPECIFICATIONS AND REQUEST FOR BID PROPOSAL

FOR

CITY OF WALLER DEPOSITORY CONTRACT

PROPOSALS ARE DUE:

WEDNESDAY, MAY 2, 2018

2:00P.M.

OFFICE OF CITY SECRETARY

CITY OF WALLER

P.O. BOX 239

WALLER, TEXAS 77484

SPECIFICATIONS AND REQUEST FOR BID PROPOSAL FOR THE CITY OF WALLER DEPOSITORY CONTRACT

I. GENERAL INFORMATION

The City of Waller, Texas will accept proposals for a bank Depository Contract until Wednesday, May 2, 2018 at 2:00 p.m.; in the office of the City Secretary at 1118 Farr Street, Waller, Texas, 77484. Envelopes containing bids are to be clearly marked: BID: BANK DEPOSITORY.

Through this contract the City of Waller 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.

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. The proposal submitted will become part of the final contract.

The banking institution selected as the depository shall be offered a depository contract for a maximum of three years with the option for a one year renewal.

II. BID PROCEDURES

In order to fully and equitably evaluate each bank'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. All points outlined and materials requested should be incorporated into the bidders reply for the proposal to be considered for evaluation for the contract award.

The following bid procedures shall be utilized:

- A. Each proposal must be submitted to Cynthia Ward, City Secretary, by Wednesday, May 2, 2018 at 2:00 p.m. to be considered in the evaluation for the contract award.
- B. Questions regarding this RFP or the service requested will be accepted in written form at: cward@wallertexas.com (cc) jrivera@wallertexas.com on or before April 25, 2018. Responses to all material questions submitted will be communicated to each prospective bidder.

- C. Upon receipt, all proposals will be taken under advisement. The City may interview bidders to obtain an accurate understanding of each bid. All proposals shall comply with the stated specifications.
- D. All proposals remain valid for sixty days to give the City Council and staff adequate time for review. The City reserves the right to reject any and all proposals for any reason deemed material, and to accept any proposals deemed most advantageous to the City.

III. CONTRACT REQUIREMENTS

The City Council and City Staff will review submitted proposals very carefully. The recommendations will be based on the bid determined to be best on behalf of the City and taxpayers. As an indication of what will be considered in the evaluation of the proposals, the following areas are listed:

- Financial strength and ability to perform the requested services
- Agreement to points outlined in this Bid Proposal
- Interest rates paid on time deposits
- Cost and spectrum of banking services
- Convenience to the City

In accordance with this bid notice, the undersigned, a state or national banking corporation, hereinafter called Bidder/Bank, for privilege of acting as Depository for All funds, except as noted in Section 3.01, of the Investment Policy of the City of Waller, Waller, Texas, hereinafter called the City, for a term of three years beginning May 16, 2018 and ending May 16, 2021 or until such time as a successor Depository is selected and qualified agrees to:

- A. 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:

ACCOUNT TITLE:	AVERAGE MONTHLY BALANCE:
Consolidated Fund	\$400,000.00
Payroll Fund	\$0.00

*NOTE: Banking institutions receiving these specifications will note that the City of Waller has reserved the right to invest certain of its funds in institutions other than the depository Bank pursuant to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended. However, if a banking institution submitting a bid Pursuant to this proposal would bid differently if all funds of the City were to be deposited in the depository bank, please so submit such alternated bid and the same will be considered.

- B. A major portion of this balance will be invested in those investments permitted by the Government Code, Chapter 2256, Public Funds Investment. The excess collected balance may be automatically swept daily by the bidder on instructions from the City into, or out of, any overnight type of investment secured by U. S. Government Securities, as approved by the Depository Bank and the City. Describe the sweep options and, if a money market fund is used, provide a prospectus. The accounts will be swept to the compensating balance. Please indicate below your recommendations as to the type of overnight investment and projected yield:

ACCOUNT TITLE	YIELD

- C. In addition to the investments previously outlined, the City reserves the right to purchase, sell and invest its funds and funds under its control as authorized by the Government Code, Chapter 2256, Public Funds Investment, and in compliance with the City’s investment policy. A copy of the Investment Policy City of Waller, Texas is attached.
- D. The City will maintain balances in the consolidated account to compensate the bank in full or in part for services provided. Earnings credit for this balance should be reflected on the monthly account analysis provided to the City by applying the earnings credit rate (ECR) to the average investable balance in the account for the month. The ECR should be based on the average 91 –day Treasury Bill auction rate or other average money market rate for the analysis month.
1. Please specify the Bank’s method of calculating monthly earnings credit. Include the definition of balances on which earnings are applied (example: collected balance before or after reserves), as well as the money market interest rate basis for the ECR and the money market rate period (current month, previous month) used for the calculation.
 2. Please provide the Bank’s ECR for the most recent three months.
- E. 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
 - a statement regarding any recent or foreseen merger or acquisition

- F. The City desires the services shown on Exhibit A. Please indicate which service would be included in a compensating balance and also indicate the per unit charge.
- G. If the City sells bonds, the City reserves the right to invest these monies as allowed by law.
- H. 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 the wire transfer requests are available on line, full information should be submitted detailing use.
- I. The City requires an on-line 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.
- J. Bankcard/Debit Card Merchant Services: The City is interested in possible accepting MasterCard, Visa and Discover Credit Cards for City Services at City Hall. It is understood that fees must be calculated based on volumes, ticket size, etc, however, please disclose any additional fees and related costs for this service other than the interchange fee.
- K. The following accounts are to be reconciled by the bank. Deadlines and requirements for processing time should be included in the proposal.

Account Title:

Consolidated Fund

Payroll Fund

- L. The city desires to implement a Direct Deposit of Payroll system with this bank. What system does your bank support?
- M. 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 not less than 100% of (a) the amount of collected funds on deposit with the bank, increased by (b) the amount of accrued but uncredited interest on such deposited funds, (c) reduced by that portion of the funds insured by the FDIC. 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. All certificates of deposit bought by the city will be 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.
- O. 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 arrangements will be stipulated in the proposal.
- P. Standard disbursing services for all accounts are required to include the payment of all checks upon presentation.
- Q. 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.
- R. 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 business days of the next month.
- S. Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks.
- T. The proposal must include a statement on the proposed stop payment process on an automated or manual basis.
- U. 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 \$250,000.00. What is the maximum dollar amount of collateral your institution will provide for deposits belonging to the City? _____ Does the

financial institution collateralize deposits of the City base on ledger or collected balances? _____

- V. For those banks that do not want to base cost of services on a fee basis please indicate below the monthly checking account balance required to compensate the bank for the services required by the City and the method for computing the required monthly checking account balance.

\$ _____

- W. Please provide the following additional information:

1. State full name and address of your company and parent company if you are a subsidiary. Proposing bank shall include a list of branch locations within the city limits.
2. Enclose annual audited financial operation statements for the past year, plus a call report of the most recent operation quarter. Members of bank holding companies include corporate annual financial statements and your individual bank's call report for the most recent operating quarter.
3. The city will require the selected Depository to designate a bank officer as a primary contact with the City of Waller.

Name _____

Telephone# _____

- X. This bid was requested by the City and is made by Bidder/Bank with the expressed agreement and understanding that the City reserves the right to reject any and/or all bids and the further right that if any portion or provision of this bid and/or any contract between Bidder and the City entered into by virtue thereto is invalid, the remainder of this bid and/or resulting contract at the option of the City shall remain in full force and effect, and not be affected by said invalid portion or provision.
- Y. This contract and/or any extension of this contract and the bid attached hereto shall become binding upon the City and the Depository only upon acceptance by the Mayor and City Council of Waller, Texas.

EXHIBIT A

SERVICE	CAN BE INCLUDED IN		DIRECT FEE OR
	COMPENSATING BALANCE		
	(YES)	(NO)	
Account Maintenance	_____	_____	_____
Deposits/Credits Posted	_____	_____	_____
Items Deposited	_____	_____	_____
Encoding Charge	_____	_____	_____
Clearing Charge	_____	_____	_____
Debits/Checks Paid	_____	_____	_____
Arrange Canceled Checks in Numerical Sequence	_____	_____	_____
Return Items - Recleared	_____	_____	_____
Return Items - Charged back	_____	_____	_____
Stop Payment	_____	_____	_____

SERVICE	CAN BE INCLUDED IN		DIRECT FEE OR SERVICE CHARGE
	COMPENSATING BALANCE (YES)	(NO)	
Daily Balance Reporting Via On-Line Banking	_____	_____	_____
Via Fax	_____	_____	_____
Cash Deposit Processing	_____	_____	_____
Coin Counting & Wrapping Service	_____	_____	_____
Rolls of Coin/Straps of Currency Purchased	_____	_____	_____
Wire Transfers :			
Outgoing	_____	_____	_____
Incoming	_____	_____	_____
Mail Advices	_____	_____	_____
Insufficient Funds Items	_____	_____	_____
CPA Confirmations	_____	_____	_____

SERVICE	CAN BE INCLUDED IN		DIRECT FEE OR SERVICE CHARGE
	COMPENSATING BALANCE (YES)	(NO)	
Cashier's Checks	_____	_____	_____
FDIC Insurance	_____	_____	_____
Research/Statement Reproduction	_____	_____	_____
Collateral Fee	_____	_____	_____
Detailed monthly collateral report at market value	_____	_____	_____
One Safe Deposit Box (Size:)	_____	_____	_____
Night depository services ____ Locking bank bags and ____ Night drop keys	_____	_____	_____
Safekeeping services for any book-entry securities purchased by the City	_____	_____	_____

SERVICE	CAN BE INCLUDED IN		DIRECT FEE OR SERVICE CHARGE
	COMPENSATING BALANCE (YES)	(NO)	
Cash management advice on a semiannual basis	_____	_____	_____
Preparation of monthly bank statement beginning with first day of month and ending with the last day of month, showing debits, credits and balances of each separate account and sequential listing of cashed checks within five working days of closing date.	_____	_____	_____
Monthly account analysis statement	_____	_____	_____
Deposit Slips	_____	_____	_____
Coin wrappers and currency straps	_____	_____	_____
Endorsement Stamps	_____	_____	_____

ELECTRONIC BANKING PRODUCTS

Please attach explanations pertaining to the following questions relating to electronic bank products.

1. WIRE TRANSFERS

Is an on-line access system available for initiating wire transfers?

Does the system allow initiation of repetitive and non repetitive transfers?

Is a secondary authorization security feature available?

At what time is the system accessible each day?

What procedures are in place in case of system failure?

What systems are in place to confirm receipt of incoming wires?

What other features are available through the system?

Can the cost of the service be included in compensating balances?

What is the cost of the service? How do these prices compare to in bank initiated wire transfers?

On-line

Monthly Maintenance _____

Line Access Charge _____

Outgoing Repetitive	_____
Outgoing Non-Repetitive	_____
Repetitive Internal Transfer	_____
Non-Repetitive Internal Transfer	_____
Other Charges:	
_____	_____
_____	_____
_____	_____

2. STOP PAYMENTS

Is an on-line access system available for initiating stop payments?

Does the system notify the user that a check has already been paid? If so, when?

At what time is the system accessible each day?

How is receipt of a stop payment order confirmed?

How long do stop payments remain in effect?

Can the cost of the service be included in compensating balances?

What is the cost of the service? How does this cost compare to telephone/written instructions?

	On-line	Via Telephone/Fax
Monthly Maintenance	_____	_____

Line Access Charge	_____	_____
Stop Payment Orders	_____	_____
Stop Payment Deletions	_____	_____
Other Charges:		
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. BALANCE REPORTING

Is an on-line computer access system available for balance reporting?

What information is available on the system? Attach a sample report.

At what time is the system accessible each day? What procedures are in place in case the system is down? How many days has the system been down in the past 3 months?

Can the cost of the service be included in compensating balances?

What is the cost of the service?

	On-Line	
Monthly Maintenance	_____	_____
Line Access Charge	_____	_____
Per Account	_____	_____
Per Debit/Credit Reported	_____	_____
Other Charges:		
_____	_____	_____
_____	_____	_____

4. DIRECT DEPOSIT OF PAYROLL

Does your system support on-line transmission?

What type of system do you provide?

What file format is required?

What is the deadline for a Friday payroll on-line transmission?

What is involved with correcting items? Stop payments?

Can the cost of the service be included in compensating balances?

What is the cost of the service?

Monthly Maintenance	_____
Input:	
On-line	_____
Other	_____
ACH Credit -- two day item	_____
ACH Debit -- two day item	_____
Delete/Reversal (Stop Payment)	_____
Return Item	_____
Return Item Reclear	_____
Return Item Notification	_____
Other Charges:	
_____	_____
_____	_____

Dated this the _____ day of _____, _____

BIDDER:

BY: (signature of authorized bank officer)

TITLE:

ADDRESS:

TELEPHONE NUMBER: