



## **REQUEST FOR PROPOSALS**

## **BANKING DEPOSITORY SERVICES**

**CITY OF ALTON  
509 S. ALTON BLVD.  
ALTON, TX 78573**

**AUGUST 2020**

## **I. INTRODUCTION**

The City of Alton, Texas is requesting proposals for a banking services contract for a term of three years commencing on October 01, 2020 and ending September 30, 2023, with possible two years extension or until such time as a successor Depository is selected and qualified agrees to a depository agreement based on either fees or compensation.

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.

## **II. PROPOSAL QUALIFICATIONS AND SUBMISSION INSTRUCTIONS**

The proposal submitted will be incorporated into and form the basis of the bank depository services contract along with this RFP.

### **a. 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. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award. Proposal submission must be in paper form, please submit one signed original and two copies.

### **b. Submission Requirements**

Proposals must be submitted in sealed envelopes marked "RFP DEPOSITORY SERVICES" and addressed to Jeff Underwood, City Manager, City Hall, 509 S. Alton Blvd, Alton, Texas 78573 and be received no later than 2:00 p.m. FRIDAY, AUGUST 28, 2020.

### **c. RFP Questions**

Questions regarding this RFP or the service requested will be accepted in written form at the address below on or before 2:00 p.m. WEDNESDAY, AUGUST 26, 2020.

City of Alton  
Rosie Tello, CPM, CGFO  
Finance Director  
509 S. Alton Blvd.  
Alton, Texas 78573

**d. Request for Proposal Amendments**

Modifications or additions may be made by the City as a result of questions submitted by bidders. Written notifications of any such change will be made in writing to all known bidders.

**e. Selection Criteria**

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

Deposit interest rates	25%
Cost of service	30%
Service availability	20%
Safety and creditworthiness of bank	25%

**f. Award of Bid and Service Initiation**

The contract is expected to be awarded by the City Commission at its regular meeting at 7:30 p.m., September 8, 2020 at the City Hall Commission Chambers. This date and time is subject to change. The City reserves the right to accept or reject any or all proposals, to accept the proposal it considers most advantageous to the City, and at its discretion to waive any defect or informality in the proposal.

**III. REQUIRED FINANCIAL INSTITUTION INFORMATION**

All banks must provide, as part of the proposal:

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

**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 this Attachment to provide the specific cost for each service.

**a. Account Structure**

The City's current account structure is included as Attachment B.

**b. Wire Transfer Services**

The City currently generates approximately one incoming wire and eight outgoing wire transfers every six months. 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 wires transfer requests are available on line, full information should be submitted detailing the use.

**c. 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.

**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, 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 two 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.

**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 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. Monthly Statements**

The bank will provide monthly account statements on individual accounts. State when statements are available in paper and online. Samples of monthly statements should be provided.

**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 a brief biography of both the account executive and the backup to be assigned to the City's account.

**j. 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.

**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 overdraft 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. 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.

## **VI. 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

## ATTACHMENT A - BANKING SERVICE 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 Account		
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	
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	

## ATTACHMENT B – CURRENT ACCOUNT LIST

<b>Account Name</b>
General Fund
Seizures & Forfeitures Fund
Municipal Court Collection Fund
Federal Asset Forfeiture Fund
Long Term Debt Interest & Sinking Fund
Reinvestment Zone Number One Tax Increment Fund (TIRZ FUND)
Tax Increment Revenue and Limited Tax CO Series 2012 (TIRZ DEBT SERVICE)
CO 2016 I&S Fund
CO 2016 Reserve Fund
CO 2016-A Debt Service Fund
Combination Tax & Revenue CO series 2017 Debt Service Fund
Combination Tax & Revenue CO series 2019 Debt Service Fund
Development Corporation 4A
Community Development Corp. 4B
PEG Fund
Texas Leverage Fund
CADC Debt Service Fund
Facilities & Infrastructure Improvements
Sewer Revenue Fund
Solid Waste Fund
Alton Youth Club Activities
Volunteers Firefighters Fund
The Greater Alton Chamber of Commerce
USDA Sewer Connection Project Fund
Capital Projects TIRZ Fund
Capital Construction Fund
Employee Benefits Fund