

**CITY OF BEEVILLE
REQUEST FOR PROPOSALS
BANK DEPOSITORY SERVICES**

Introduction

The City of Beeville requests proposals pursuant to Chapter 105, Tex. Loc. Govt. Code from qualified banking institutions to be the City's Depository Bank for the period beginning February 1st, 2019 and ending February 1st, 2024 or until the successor Depository shall have been duly selected and qualified per state laws. A proposer must be a Federal or State of Texas chartered bank located within the City limits. If the headquarters of the proposer is not located within the City limits, a branch bank of the proposer located within the City must be able to offer the full range of services required by this RFP.

Bidding Procedures

The Proposal for Bank Depository Services included in the RFP is intended to serve as the proposal form for the Depository agreement. If a service requirement cannot be supplied, the term "NO Proposal" should be entered, or another alternative service offered. The proposing bank shall submit a copy of its last annual financial statement, and its last FDIC call report with the proposal. The proposal must be submitted in a sealed envelope bearing the title, "City of Beeville Request for Proposal-Bank Depository Services," with the name of the proposer. The proposal should contain one copy of the proposal form, and should be directed to the Office of the City Secretary, Beeville City Hall, 400 N. Washington Street, Beeville, Texas 78102, no later than 3:00 p.m. on November 20th, 2018.

Selection of Depository

Kristine Horton, Finance Director, is the City's contact person for all aspects of this RFP. The Beeville City Council will evaluate the merits of the proposals received and will, after considering all applications, select the bank that offers the most favorable terms and conditions for the handling of the City's funds. The Beeville City Council may reject any of the proposals and re-advertise for proposals.

CITY OF BEEVILLE, TEXAS

REQUEST FOR PROPOSAL

BANK DEPOSITORY SERVICES AND MERCHANT SERVICES

October 23rd, 2018

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CITY OF BEEVILLE, TEXAS

REQUEST FOR PROPOSAL – DEPOSITORY AND BANKING SERVICES

I. INTRODUCTION

The City of Beeville, Texas (the “City”) and acting on behalf of the Beeville Water Supply District (“BWSD”) is requesting proposals for a five (5) year bank depository services contract with service to begin **February 1st, 2019** and extend through **February 1st, 2024** with one possible two-year extension if approved by City Council

Through this contract the City intends to minimize banking costs, improve operational efficiency, and maximize its investment capabilities. This Request for Proposal (RFP), which represents the City's cash management goals, specifies all required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and contract award provisions. All qualified institutions, as defined below, are invited to submit a proposal.

Institutions responding to this Request for Proposal (RFP) must be insured through the Federal Deposit Insurance Corporation (FDIC), and must demonstrate the capacity to meet the City's requirements as stated in the RFP.

II. PROPOSAL QUALIFICATIONS AND SUBMISSION INSTRUCTIONS

By submitting a proposal in response to this RFP, depositories will be deemed to agree to the mandatory contract and service provisions contained herein. This RFP and the proposal submitted will be incorporated into and form the basis of the bank depository services contract.

1. Proposal Format

To equitably evaluate each bank's ability to meet the banking service needs of the City, a standard format for all proposals is required. A response must be given to each item (if possible) in Sections V through VIII of this RFP along with completion of Appendix A through C. Responses must be in the same order as the questions presented and a response given for each question (if possible), stating acceptance of, modifications or additions to, or a statement of the inability to provide said service. Only proposals submitted in the prescribed format and using the provided Appendix A through C will be considered and evaluated for contract award. Additional explanatory information may be included as part of a proposal. An electronic copy of this proposal is available. This RFP and the proposal submitted will be incorporated into and form the basis of the bank depository services contract.

All banks within the City limits of Beeville, TX will be contacted electronically, by mail and/or by phone regarding the issuance of this RFP. Those banks interested in submitting a proposal will be sent the RFP in an electronic format. Submission of two paper copies of the proposal are required along with an electronic copy for the City's archival purposes.

2. Schedule for Proposal Submission

The City will make every effort to adhere to the following schedule.

- 10/24/18 Release of Request for Proposal**
- 11/02/18 Deadline for questions concerning the RFP or services requested**
- 11/09/18 Responses given to any questions on the RFP - provided to all known proposers**
- 11/20/18 Deadline for proposal submission**
- 11/26/18 Bid/Proposal Opening**
- 12/11/18* City Council award of contract**
- 02/01/19 Contract commencement**

*Date subject to change

3. Proposal Submission

To be eligible for consideration under this request, a total of two (2) complete copies of each proposal shall be submitted **by 3:00 pm CST on November 20th, 2018** to the address below. **Proposals received after that time by the City will not be accepted and will not be returned.**

The proposal must be submitted in a sealed envelope or packet marked “Proposal for Depository Banking Services”. An accompanying transmittal letter must be signed by an individual authorized to bind the institution, state that the proposal is valid for 180 days from the submission date, and give full contact information regarding the proposal. Information provided in the cover letter and not in the proposal will not be considered.

Proposal must be delivered by mail, express mail, or in person to:

Gabriela Hernandez
City Secretary
City of Beeville
400 N Washington Street
Beeville, Texas 78102

361-358-4641 ext. 220
gabby.hernandez@beevilletx.org

4. RFP Questions

There will be **no pre-proposal conference**. Questions regarding this RFP, or the services accepted in either e-mail (preferred) form at the email address above or by phone on/before 2:00 pm **November 2nd, 2018** Responses to all material questions submitted will be communicated to all known proposers not later than 2:00 pm **November 9th, 2018**.

5. City Rights

The City reserves the right to:

- waive any defect, irregularity or informality in the proposal or proposal procedures,
- reject any and all proposals,
- accept any proposal or portion thereof most advantageous to City,
- request additional information or require a meeting with bank representatives for clarification,
- cancel, revise, and/or reissue this request for proposal or any portions thereof,
- negotiate any conditions with proposers,
- modify deadlines, and
- select any proposal deemed to be in its best interest as determined by the City.

6. Proprietary Information

To the extent permitted by law, proposals will be opened in a manner that avoids disclosure of the contents until after award of the contract. Proprietary information contained in the proposal should be designated as such on each page containing the restricted information.

7. Fees and Charges

The City reserves the right to utilize either a fee basis or compensating balance basis (or a combination of each) for payment of banking services under the contract.

All item and account charges will remain at the proposal price quoted on Appendix A for the duration of the contract period regardless of changes in service volumes during the period. Fees not shown on Appendix A will not be considered as part of the bid and therefore will not be paid.

Should new services be required during the contract period not contemplated by this RFP, those services will be provided at fees not more than the bank's then-current published rate and approved by the City's Finance Director.

III. CITY FINANCIAL OVERVIEW

The City's Finance Department handles all banking, treasury, and investment activities as well as accounts payable, receivables, and financial reporting functions. The Finance Director is responsible for the department and reports to the City Manager. The City does not consolidate deposits and deposits are sent from various departments to the bank daily. Currently deposits are made by City staff and all transactions are under the direction/control of the Finance Director. The Finance Department handles all reconciliations.

Enclosed under Appendix D is the City of Beeville FY 16-17 CAFR, which depicts all of the fund accounts detailed information.

Financial Facts Affecting Depository:

- The Consolidated-Pooled Cash Account receives deposits or transfers on a daily basis. Wires and securities transactions and ACH will be tied to this account.
- A total of approximately \$1,000,000 in payables is processed monthly with payable runs usually each Friday and 2nd and 4th Wednesday's of every month.
- Deposits are prepared by various departments receiving the money and taken to the bank by city staff for an average of individual six (6) deposits per day. The required services include remote deposit. The Finance Department handles all reconciliation on the accounts and only one set of statements will be required.
- Any or all City funds may be maintained and invested by the City outside this contract. The City will be under no obligation to maintain a certain amount of funds in the bank.
- The City will use safekeeping services.
- The Finance Director will monitor the bank's performance against provisions of the agreement, including the bank's proposal submitted in the response to this RFP. The Finance Director will be responsible for administering the agreement with respect to day-to-day activities, including deposits and withdrawals, ACH transactions, maintenance of account balances, daily reporting, etc. A list of City personnel authorized to deal directly with the bank will be provided following award of contract. The bank shall provide the City with a similar list of authorized personnel.

IV. GENERAL STATEMENT OF BANKING SERVICES REQUIRED

The banking services described in this RFP are directed toward five major goals:

- timely and accurate information flow,
- 100% utilization of idle funds and continuous investment of City funds,
- safety of City funds and securities,
- efficient utilization of available banking services, and
- minimization of banking costs for the City.

1. Collateral

The City requires a depository that is fiscally strong and able to provide the required services on an uninterrupted basis. City funds are public funds and fall under certain provisions of the Public Funds Collateral Act (Texas Government Code Chapter 2257) which are further restricted by the City as indicated in this RFP.

Authorized collateral, as defined below, must be pledged against the total time and demand deposits net of FDIC insurance with a 102% margin on the collateral maintained daily by the bank. All City requirements, including those beyond the Texas Public Funds Collateral Act, must be met by the bank. **Pledged securities are preferred and will be given preference over letters of credit.**

The proposal must state agreement to the following terms and conditions.

- All collateral pledged to the City must be held in an independent, third party bank outside the bank's holding company.
 - A collateral/depository agreement shall be executed designating the custodian and regarding pledged securities in full compliance with FIRREA requiring a bank resolution.
 - All time and demand deposits above FDIC coverage shall be collateralized at a minimum of 102% of principal plus accrued interest daily.
 - The bank shall be responsible for the continuous monitoring and maintaining of collateral at the City's required margin levels.
 - Pledged collateral shall be evidenced by original safekeeping receipts/report sent directly to the City by the custodian within one business day of receipt.
 - The City shall receive a monthly report of collateral pledged including description, par, market value and cusip from the custodian.
 - Substitution rights shall be granted if the bank obtains the City's prior approval and if substituting securities are received before previously pledged securities are removed from safekeeping.
 - Authorized collateral includes only:
 - Obligations of the US Treasury
 - Obligations of US Government agencies and instrumentalities including mortgage backed securities which pass the bank test.
 - Bonds of any state or its subdivisions if rated A or better by two nationally recognized rating agencies.
 - *FHLB Letters of Credit*
- a. Provide the bank's collateral agreement for review.

V. FINANCIAL INSTITUTION QUALIFICATIONS

The proposal must include a response to each question when available in Section V. The City is not prepared to absorb any new costs associated with hardware, software or related costs under this contract.

1. Creditworthiness

To fulfill the City's fiduciary responsibility and to protect public funds, each bank submitting applications shall provide the following:

- a. Provide an audited annual financial statement for the most recent fiscal period. The financial statements may be submitted in electronic form or provided as a reference link on the internet. The bank will be required

to submit an audited statement to the City each year of the contract period, as soon as it is available. Please confirm agreement to this requirement.

2. Customer Service

Customer service will be a primary focus of the City on a continuing basis. The proposer is expected to follow the guidelines as set forth in Local Government Code Sec. 105.034 Conditions to Acting as Depository as seen below.

- The depository shall:
 - (1) keep the municipal funds covered by the depository services contract;
 - (2) perform all duties and obligations imposed on the depository by law and under the depository services contract;
 - (3) pay on presentation all checks drawn and properly payable on a demand deposit account with the depository;
 - (4) pay all transfers properly payable as directed by a designated officer;
 - (5) provide and maintain security at the level required by the provisions of Chapter [2257](#), Government Code; and
 - (6) account for the municipal funds as required by law.

VI. REQUIRED BANKING SERVICES

The proposal must include a response to each of the questions when available in Section VI and all associated fees must be detailed on Appendix A. Add any level of detail as necessary for complete disclosure.

1. Automated Treasury Services

The City requires web-based automated, daily cash management balance and detail reporting as well as the ability to retrieve transactions and images online.

2. Standard Deposit Services

All cleared deposits received by the bank's established deadline must be processed for same day credit. The bank shall guarantee immediate credit on all incoming wire transfers, ACH transactions, on-us items, and U.S. government security maturities and coupon payments.

- a. Does the bank image all checks, deposit slips and deposit items?

3. NSF Checks Received by City

Under the current contract, NSF checks paid to the City are to be automatically re-deposited for collection. Complete information must be provided on all NSF returned items including name and reason for return.

- a. How and when is the City notified of return items?

4. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all City payroll checks without charge upon presentation.

5. Positive Pay and Reconciliation

To safeguard against fraudulent checks, payee positive pay is required on all City accounts although only used on one account currently. The positive pay process should be fully automated and web based. Check register information

will be transmitted by the City in batch/file form but the City requires the ability to enter manual checks online into the positive pay files.

6. ACH Services/Direct Deposits/Drafts

ACH/Direct Deposits/Drafts is currently used for payroll, some fines and fees, and various payments to State agencies and miscellaneous vendors. ACH/Direct Deposits/Drafts is also used for deposits for tax collections, State and local utility payments. The City requires a pre-notification on all new addresses.

- a. Describe the batch transmission requirements for ACH transactions.
- b. Describe the transmission alternatives for individual ACH transactions. Is the City able to initiate individual ACH transactions on line?
- c. Is the originating account debited when the transaction is initiated or on settlement?

7. Safekeeping Services

The City would like to know the different types of safekeeping services the Proposer provides, if any?

8. Pledged Securities

Quarterly and/or annual Pledged Security letters/reports are required for audit purposes. The letters/reports should be sent to the Finance Director either quarterly or annually.

9. Monthly Statements

The bank must provide monthly account statements on all accounts with complete supporting documentation. All accounts must be on a calendar monthly cycle and statements received on a timely basis. Timeliness of statements is critical and non-performance will be grounds for termination of contract.

- a. When are monthly statements available each month: online and/or paper form? If online, when and how long are statements retained online?

10. Overdrafts

Every effort will be made to eliminate intra-day and inter-day overdrafts. However, because this situation may arise, state the bank's policy regarding account and total account overdraft policy and detail rates and fees, if any, to be charged on a per event or per account basis.

- a. State the fee charged per overdraft occurrence.

11. Stop Payments

The City rarely has stop payments but requires the continuation of online service.

- a. What are the options available for stop payments periods and renewal stop payments?
- b. How is a stop payment renewed/extended?
- c. What is the deadline for same day action on stop payments?
- d. Can stop payment orders be initiated on-line? Is there any paper follow-up document required?
- e. What information on current and expiring stop payments is available on-line?
- f. What are the fees for stopping a payment?

12. Additional Services

If the proposer has additional services (such as e-payables and e-receivables) which may be of enhanced value or interest to the City they should be fully described in this section. Any service presented should have all associated costs detailed on Appendix A.

VII. REQUIRED SERVICES – MERCHANT SERVICES

Merchant services are considered to be an integral part of the depository contract. The City currently has four (4) merchant accounts (which may be increased during the contract period. The City accepts Visa®, MasterCard®, American Express®, Discover® as well as debit cards and accept the cards as POS and online but the equipment cannot accept a PIN number.

1. Card Acceptance/Interface Processing

- a) Does the Proposer support all major payment types, debit cards, gift cards, corporate cards, and other emerging options? Does support vary for any of these?
- b) If Proposer has own system, what equipment are you recommending or requiring? Does the Proposer provide the equipment on a lease or purchase basis?

2. Settlement Processing

- a) What is the cut-off time that sales transactions can be transmitted to meet settlement times?
- b) Do you allow for multiple settlement accounts by merchant?
- c) Are settlements on gross amount and fees charged monthly?

3. Ticket Retrieval and Chargebacks

- a) Define the chargeback cycle. What percentage of chargebacks is currently handled without merchant involvement? Does the firm have a standard rule-based logic to facilitate dispute resolution processing?

4. Debit Card Processing

- a) Describe the debit card processing capabilities.

5. Technical System Capabilities

- a) Is the firm EMV compatible and able to process smart card transactions?
- b) Does the firm have virtual terminal capabilities? If so, please describe.

6. Pricing and Contracts

- a) Describe the firm's overall pricing structure. Is the firm offering a fixed cost plus surcharges fee or an interchange plus fee?
- b) If possible, please fill out the information on Appendix C.

Please complete the following to the extent applicable in your bid application.

INTEREST RATE INFORMATION:

1.	Interest bearing checking accounts:	Variable Rate _____	Fixed Rate _____
2.	Money Market Accounts:	Variable Rate _____	Fixed Rate _____
3.	Certificates of Deposit:	Variable Rate _____	Fixed Rate _____

Less than \$100,000

Maturity 7-29 Days:	_____	_____
Maturity 30-59 Days:	_____	_____
Maturity 60-89 Days:	_____	_____
Maturity 90-179 Days:	_____	_____
Maturity 180 Days to < one yr	_____	_____
Maturity one year or more:	_____	_____

More than \$100,000

Maturity 7-29 Days:	_____	_____
Maturity 30-59 Days:	_____	_____
Maturity 60-89 Days:	_____	_____
Maturity 90-179 Days:	_____	_____
Maturity 180 Days to < one yr	_____	_____
Maturity one year or more:	_____	_____

SERVICE CHARGES:

- | | | | |
|-----|--|-----|----------|
| 4. | Account Analysis Charges? (Circle One)
If yes, attach schedule of charges. | Yes | No |
| 5. | Charge for printing checks? | Yes | No |
| 6. | Charge for account maintenance? | | \$ _____ |
| 7. | Charge for incoming wire transfers? | | \$ _____ |
| | Charge for outgoing wire transfers? | | \$ _____ |
| 8. | Charge for direct deposit/withdrawal services? | | \$ _____ |
| 9. | Charge for stop payment orders? | | \$ _____ |
| 10. | Charge for insufficient funds? | | \$ _____ |
| 11. | Charge for account transfers? | | \$ _____ |
| 12. | Charge to furnish deposit slips? | | \$ _____ |
| 13. | Charge for photocopies of items deposited for audit purposes? | | \$ _____ |
| 14. | Charge for purchase of securities allowed by law for investment purposes? | | \$ _____ |
| 15. | Ability to invoice County for service charges monthly
rather than charging accounts? (Circle One) | Yes | No |

If any items in numbers 1-15 are subject to account analysis, please indicate so by placing an asterisk next to the question.

Applicant Bank must complete the information below to validate the bid for Depository Bank.

The undersigned affirms that they are fully authorized to execute this contract by providing the county with a resolution from the Board of Directors of the submitting bank authorizing or empowering the undersigned to execute this contract; that this Bank has not prepared this bid in collusion with any other bidder; and that the contents of this bid as to fees, interest rates, terms or conditions of said bid have not been communicated by the undersigned, nor by any employee or agent, to any other bidder or to any other person(s) engaged in this bid.

Unsigned bids will be disqualified.

Name and address of bidder:

Signature: _____

Name: _____

Title: _____

Telephone No: _____

(attach resolution)

Use this form to complete exactly what would be charged to the City and BWSD on any credit card transaction. Do not include any card pass-through fees. Specify the unit for the charge (merchant or relationship.)

**Appendix C
CITY OF BEEVILLE, TEXAS
MERCHANT SERVICES FEE PRICING TERMS**

Program Specifications	
Credit Card Volume - Annual 1/1/17 - 12/31/17	\$1,148,462
Average Transaction Size	\$66
Number of Locations	3
Communications Method	Dial/IPN/Frame Relay
Gateway	Authorize.Net VPOS/Authorize.net/BridgePay
Pricing Option	Interchange Plus

Credit Card Transaction (Processing) Fee	Specify Unit
Visa	
MasterCard	
Discover	
AMEX	

Other Processing Fees	Specify Unit
Set-Up Fee	
Monthly Minimum Processing Fee	
Monthly Service Fee (per merchant location)	
Monthly Internet Service Fee (per internet location)	
Statement Billing Fee	
Annual Fee	
Chargeback Fee	
ACH Charges	
ACH Reject Fee	
Voice Authorization Fee	
Authorization Fee -	
Authorization Fee - AMEX Credit and Prepaid	
Authorization Fee - Gift Cards	
Non-bank card Authorization	
Non-bank card Capture Fee	
Address Verification - Electronic Service Fee	
Annual PCI Compliance Support Fee	
PCI Compliance Service Program Fee	
Non-validation PCI Compliance Fee	
Foreign Handling Fee (AMEX and Discover)	
Non-bank authorization (AMEX and Discover)	
Non-bank Capture Fee (AMEX and Discover)	

Online Reporting Fees	Specify Unit
Online Reporting	
Statement Billing Fee - Per month	

Provide an actual example of typical fees to be applied to the three situations below applying the best governmental rates from the card associations.

Fee for a \$100.00 transaction.	Fee
List fees applicable to provider only - not card company.	
Transaction (Processing) Fee	

Fee for a \$1,000.00 transaction.	Fee
List fees applicable to provider only - not card company.	
Transaction (Processing) Fee	