

**CITY OF STAFFORD, TEXAS**  
**REQUEST FOR PROPOSALS FOR DEPOSITORY SERVICES**

RESPONDENTS ARE CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED

**I. INTRODUCTION**

In accordance with the provisions of Chapter 105 of the Texas Local Government Code, the City of Stafford, Texas is requesting applications in the form of proposals from eligible and qualified financial institutions (banks, credit unions, or savings associations) for a depository services contract to be awarded March 7, 2018 with service to begin April 1, 2018. The agreement will be for an initial period of three years with an option to renew for two one-year periods. Through this contract the City intends to minimize depository costs, improve operational efficiency, and maximize investment capabilities. This Request for Proposal (RFP) represents the cash management goals, specifies all qualified financial institutions required qualifications, the depository 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 entity may 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 depository 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.

**2. Submission Requirements**

All submissions should be submitted so as to arrive in the office of the City Secretary, City of Stafford, 2610 South Main, Stafford, TX 77477 no later than 2:00 P.M. Thursday, February 15, 2018. The submissions will be opened publicly at the Stafford City Hall at 2:30 P.M. Thursday, February 15, 2018 at which time determination of compliance with consideration criteria will be

made. Further and final review will be made by City banking committee with recommendations presented to City Council at their regular meeting.

**Submissions arriving later than the specified time will not be opened and will not be considered. Facsimile and email responses are not acceptable when in response to this Request for Proposals.**

Please submit one (1) original proposal and three (3) copies marked as such. Submissions should address all questions, as applicable, as specified in item B.1. above. Each submission should be **clearly marked** on the cover page indicating:

CITY OF STAFFORD  
PROPOSAL FOR DEPOSITORY  
SERVICES  
TO BE OPENED 2:30 P.M.,  
THURSDAY, FEBRUARY 15, 2018

**The City reserves the right to reject any or all proposals and to waive irregularities contained therein and to accept any proposals deemed most advantageous to the City. Proposer must meet all legal requirements and the requests outlined in this RFP. Failure to do so will result in disqualification.**

**3. RFP Questions**

Questions regarding this RFP or the service requested will be accepted in written form at the address below on or before **5:00 p.m., February 5, 2018**. Responses to all material questions submitted will be communicated in writing to each prospective bidder.

Contact: Dorrance Roderick,  
Director of Finance  
City of Stafford  
2610 South Main  
Stafford, TX 77477

**A written response will be posted on the City website [www.staffordtx.gov](http://www.staffordtx.gov) on the “Bid Opportunities” page.**

**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:

Time deposit interest rates	20%
Cost of Service	30%
Service availability	25%
Safety and creditworthiness of	25%

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

The contract is expected to be awarded by City Council at its regular meeting at 7:00 P.M., Wednesday, March 7, 2018. The initial term of the agreement will commence on April 1, 2018 at the beginning of the business day.

**III. REQUIRED FINANCIAL INSTITUTION INFORMATION**

All qualified financial institutions 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.
- Experience and references, if any, with local government banking needs.
- The qualified financial institution should have a detailed check fraud detection service.

**IV. REQUIRED DEPOSITORY 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 qualified financial institution 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:

GF General Operating	GF Money Market
GF Payroll Account	GF ACH Account
NARC Seizure State	NARC Seizure Fed
Muni Sales Tax CHECKING	Muni Sales Tax MMA
HOT Fund	HOT MMA
Police Donations	Police Grant
Restricted Funds	Muni Bond Fund
Local Street Improvement	SEDC Debt Service
SEDC GF Checking	SEDC GF MMA
SEDC Civic Center-Performing Arts Theatre	SEDC US 90A Improvement

COS Debt Service Fund  
COS Employee Benefits Plan  
Stafford Center General Fund

SEDC Open Space Improvement  
COS Flexible Savings Account  
Stafford Center Escrow

**B. Wire Transfer Services**

The City currently generates incoming and outgoing wires during the course of a year. 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 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. Reconciliation**

The following accounts are to be reconciled by the bank. Deadlines and requirements for tape receipt and processing time should be included in the proposal.

Account Title: To be Determined

**F. 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 ten 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.

**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 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.

**I. 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.

**J. 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 the account executive to be assigned to the City's account.

**K. 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.

**L. 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.

**M. Stop Payments**

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

**N. Collateralization of Deposits**

The qualified financial institution 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. 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 entity. 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.

**O. Lockbox Services**

The City may choose to utilize lockbox services for certain revenue collections. Describe the service including the lockbox location and a full description of the service.

**P. Online Banking Service**

The bank must have online banking services. 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 daily reporting.

**Q. Additional Services**

If new services become available and are provided during the period of this contract, they will be charged at the banks 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, such as P-Cards. 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 after receipt of the account analysis.

**VII. Legal Compliance**

Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form

CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City not later than the 7<sup>th</sup> business day after the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. By submitting a response to this request, vendor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

*In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. A qualified financial institution that submits a response to this Request For Proposals verifies that the qualified financial institution does not boycott Israel and will not boycott Israel during the term of this contract if so awarded.*

**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	
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		