

CITY OF TERRELL HILLS, TEXAS
REQUEST FOR PROPOSAL (RFP01) FOR BANKING 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. INTRODUCTIONS

The City of Terrell Hills is requesting proposals for a banking depository services contract to be awarded March 10, 2025, with service to begin on April 1, 2025, and extend through April 1, 2028, with the option to extend for two additional one-year terms. 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. The philosophy incorporated into this RFP is to solicit competitive proposals for providing excellent customer service and banking services to the City. The City also places importance on the interest paid on daily deposits above any minimum requirements. The RFP specifications and evaluation criteria have been developed and are described herein.

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 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. During the evaluation/selection process, the City reserves the right to request additional information or clarification from proposers, or to allow corrections of errors or omissions.

2. Submission Requirements

Please send one (1) original and two (2) copies of the proposal. Proposals need to be sent to the following address no later than 10:00 am on March 3, 2025:

City of Terrell Hills
William Foley, City Manager
5100 N. New Braunfels Avenue

Responses received after this time shall not be considered and will not be opened. Facsimile and email responses are not acceptable when in response to this Request for Proposals. The outside of the envelope should be marked: "DO NOT OPEN – RFP - NO. 01

3. RFP Questions

Questions regarding the RFP or the service requested will be accepted in written form at the address below on or before **2:00 pm , February 21, 2025**. Responses to all material questions submitted will be communicated to each prospective bidder. Contact with any personnel, officers, or officials of the City, other than the designated official regarding this RFP may be grounds for elimination from the selection process.

City of Terrell Hills
William Foley, City Manager
5100 N. New Braunfels Avenue
San Antonio, Texas 78209
Email: bfoley@terrell-hills.com

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 know bidders.

5. Selection Criteria

The City Manager will evaluate the merit of the proposals submitted. The sole objective of this evaluation will be to determine the financial institution whose proposal is most responsive to the City's bank depository needs. Evaluation of proposals will be made on the basis of the following objectives:

Time deposit interest rates	20%
Cost of Service	40%
Service availability	20%
Safety and creditworthiness of bank	20%

6. Award of Bid and Service Initiation

The contract is to be awarded by City Council at its meeting on March 10, 2025.

7. Right to Reject

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.

8. Term of Contract

The contract period shall be for a five-year term once the contract has been executed according to state laws. The Depository contract shall provide that the City reserves the right to cancel any agreement, at any time, upon ninety (90) days prior written notice of its intent to terminate any agreement. Further, the agreement will have a six-month extension period for transition to the new depository bank at the end of the term if needed.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

All banks must provide, as part of the proposal:

- Audited financial statement for the most fiscal year,
- Ratings on outstanding debt,
- Three local government or school district references for banking services
- A copy of the current call report,
- A statement regarding any recent or foreseen merger or acquisition; and
- Any agreements that require City approval.

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 price for each service.

Consolidated Account Structure

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:

General Fund
General Fund -- Payroll
Money Fund
Capital Projects Fund
Police Asset Forfeiture Fund

A. Wire Transfer Services

The City currently generates approximately fifteen incoming and one outgoing wires each month. 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 online, full information should be submitted detailing the use.

B. 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. Sample of the reports are to be included in the proposal.

C. 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.

D. 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 bank itself, the collateral must be held in the trust department of the bank in a separate account.

E. Standard Disbursing Services

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

F. Standard Deposit Services

The bank must guarantee immediate credit on all incoming wire transfer 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 deposits services and procedures.

G. 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.

H. 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.

I. 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.

J. 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.

K. Stop Payments

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

L. 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 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.

M. 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.

O. Errors

Depository errors resulting in lower City balances or reduced earnings shall be corrected by the Depository to the satisfaction of the City. The Depository and the City shall mutually agree upon the method of reimbursement or correction.

N. Returned Checks

All checks deposited by the City that do not clear the first time shall be submitted a second time before returning the item to the City. A returned check that does not clear on the second attempt shall be returned to the City within two (2) business days.

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 either 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. Services for which a bidder intends to charge a fee must have all applicable fees indicated on a submitted fee schedule. Any service that does not have a fee indicated on the submitted fee schedule will be considered to be free of any and all charges in the Banking Services Contract.

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 month	
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	
8/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		