



REQUEST FOR PROPOSALS FOR DEPOSITORY AND BANKING SERVICES FOR THE CITY OF OAK RIDGE NORTH, TEXAS

I. INTRODUCTION

The City of Oak Ridge North (the “City”) invites banking institutions to submit applications or proposals to provide depository and various banking services to the City according to the requirements of this Request for Proposals for Depository and Banking Services (the “Request”). It is the intention of the City that the depository contract is for a three-year period, with an option to extend it for an additional two years if both parties are in agreement.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. MINIMUM QUALIFICATIONS

The City’s goal is to select one or more banks (the “bank”) that offer the most favorable package of terms and conditions for handling of municipal funds. Toward this goal, banking institutions that respond to this Request may make such proposals, present such additional banking services, and offer such investment policies as the banking institution chooses. To assure a close working relationship, to facilitate available services, and to support local business, the entity will often give priority to those banks with full-service capabilities within close proximity to the City. Any required statement on equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

If the City develops a need for additional accounts or services during the life of the depository agreement, those new accounts or services should be provided within the same framework that applies to existing accounts. Also, if federal or state law or regulations, the Federal Reserve, or other regulatory body rule or regulation permits or provides for the establishment of new accounts or other services which are favorable to the City, the bank is expected to make those services available.

B. PROPOSAL SUBMISSION INSTRUCTIONS

1. Proposal Format

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. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

2. Submission Requirements

- a. Audited financial statements for the most recent reporting year
- b. A list of the bank officers and bank directors
- c. Ratings on outstanding debt
- d. Proposed wire transfer agreement/contract
- e. Sample account analysis and monthly statement
- f. Availability of funds schedule
- g. Any additional contracts or agreements requiring City approval
- h. Daylight overdraft policy
- i. Description of method used to calculate earnings credit on compensating balances
- j. Overdraft provisions as requested in Section IV of the RFP
- k. Any exceptions to the requirements of the RFP
- l. Overnight sweep product information and sample agreement
- m. Employee bank benefits information

3. RFP Questions

Questions regarding this RFP or the service requested would be accepted in written form at the address below. Responses to all material questions submitted will be communicated to each prospective bidder.

Eva McCoin, Director of Finance **281-367-7729 Fax**
27424 Robinson Road emccoln@oakridgenorth.com
Oak Ridge North, TX 77385

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 based on the following criteria, not necessarily in the order listed:

- a) Cost of services;
- b) Customer service contact;
- c) Location and hours of operation;
- d) Financial strength of the institution;
- e) Experience in providing depository services to similar accounts;
- f) Rates offered on accounts and investments;
- g) Any additional services offered.

Proposals must be sealed and submitted in duplicate to the City Secretary, Elizabeth Harrell, at the City Hall, 27424 Robinson Road, Oak Ridge North, Texas 77385.

As stated in the Notice to Bidders, proposals must be received no later than 2:00 p.m. on Monday, February 10, 2025. Proposals received after that time will be returned unopened. At that time proposals will be publicly opened and read aloud. City Council will meet at 7:00 p.m. on Monday, February 24, 2025 at the City Hall to review the applications, and if appropriate, take action to award the contract.

The City reserves the right to reject any and all applications, to waive any irregularities, and to accept any application deemed in its best interest.

THE CITY EXPRESSLY REQUESTS THAT APPLICANTS NOT DISCUSS THIS ENGAGEMENT OR THE BANK'S PLANS, EXPERIENCE, OR CREDENTIALS WITH OTHER BANKS OR ANY MEMBER OF CITY COUNCIL UNLESS REQUESTED BY CITY OFFICIALS TO MAKE A PERSONAL PRESENTATION.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

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

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.

A. ACCOUNT STRUCTURE

Administrative requirements necessitate the creation of eight bank accounts. Each of the accounts shall be a collection and disbursement account into which all revenues pertaining to such account are deposited, and all disbursements for any authorized purposes, including investment transactions, are made. These accounts shall provide overdraft protection at the Federal Reserve rate of interest. Applicants should specify whether each account would be a non-interest-bearing demand account or interest-bearing transaction account. A description of those accounts is presented below:

Account A: General Fund Account: City funds are disbursed for accounts payable and payroll of the City. Average of 160 checks written per month. Average of 60 deposits per month. Average account balance of \$225,000.

Account B: Petty Cash Account: City funds are disbursed for everyday petty cash requirements. Funds are transferred as needed from Account A to this account. Average of 1 check written per month. Average account balance of \$2,000.

Account C: Tax Accounts: City funds are deposited into this account on a daily basis by Montgomery County Tax Assessor and Collector or the Texas State Comptroller. The balance of this account is automatically transferred to the General Fund (Account A). Daily advice from the bank is required

giving date and amount of transfer. No checks are written on this account. Average account balance of (\$0.00).

Account D: Economic Development Corporation Account: Funds are from sales tax and are used for the economic development of the City of Oak Ridge North. Average of 1 deposit made per month. Average of 1 check written per month. Average balance of \$100,000.

Account E: Police Dept. Seizure Fund: Corporate money market account. Average of 1 deposit and 1 check written per month. Average balance of \$8,000.

B. ACCOUNT SERVICES

1. Credit all deposits to the above accounts. 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 its proposal its deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.
2. Payment of properly drawn checks against accounts.
3. Provide checks and deposit slips printed to the City's specifications, if requested by City.
4. Monthly account statements will be provided with all corresponding checks, debits, and credit memos, etc. This statement shall indicate the number of checks, deposits and deposit items posted, and average daily ledger balance for the month; such statement shall be provided within seven (7) working days after calendar month-end.

C. WIRE TRANSFER SERVICES

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. Currently the City seldom generates incoming or outgoing wires. The City usually generates ACH's with its investment entity.

D. 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.

E. SWEEP ACCOUNT PROVISIONS

If the City chooses, the bank will be responsible for automatically sweeping the balances in the 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.

F. INVESTMENT OF IDLE FUNDS AND SAFEKEEPING OF CITY SECURITIES

Purchases of Certificates of Deposits and other time deposits and investments, and the selection of accounts by the City will be made at the direction of the City. It is expected that the City will select accounts and investment options that will maximize the City's earnings. The City reserves the right to purchase, sell, and invest its funds and funds under its control in accordance with Government Code Chapter 2256, the Public Funds Investment Act, Texas Revised Civil Statutes, as amended, and Chapter 105, Section 105.072, of the Texas Local Government Code, as amended. The City has no obligation to invest its funds with or through the bank. All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangements will be stipulated in the proposal.

The bank selected will be required to secure the City's deposits (in accordance with Chapter 105 of the Texas Local Government Code, as amended) that exceed the amount insured by the Federal Deposit Insurance Corporation by:

- 1) Posting a surety bond if approved by the City, payable to and filed with the City, and issued by a solvent surety(ies) company authorized to do business in Texas,

or

- 2) By depositing and pledging at the Federal Reserve Bank of Dallas-Houston Branch, or such other bank as may be approved by City (the safekeeping bank), "approved securities" having a market value of at least 105% of the total amount of City funds on deposit in excess of Federal Deposit Insurance Corporation insurance coverage, and to maintain said deposit and pledge at all times during the term of the agreement. "*Approved securities*" shall mean only securities and corresponding safekeeping receipts authorized by law to secure the deposits of cities in this state. The depository bank may substitute approved securities in the pledge account so long as the total amount of securities pledged is adequate. A clearly marked safekeeping receipt showing the securities pledged in the City's name must be provided to the City on a monthly basis. All collateral shall be subject to inspection and audit by the City's independent auditors.

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.

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 the City's account.

I. ACH SERVICES

ACH service is required for direct debits for utility payments (approximately 50 per month), transfers to pools, and for payments to certain vendors. The City requires pre-notification.

J. POSITIVE PAY

The City requires positive pay services with complete indemnification for fraudulent checks. The proposal must provide a fully automated and web compatible transmission process. Transmissions are made as part of each check run. Manual check information should be able to be input and transmitted on line.

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.

V. DEPOSITORY CONTRACTS

The successful bank will be required to execute a depository contract incorporating the terms of this request and the bank's proposal, as well as certification of review of the City's Investment Policy. A copy of the proposed depository contract, safekeeping agreement and Investment Policy is attached hereto and made a part hereof.

The depository contract shall provide that the city reserves the right to cancel at any time upon ninety (90) days written notice, and at any time in the event the bank breaches or violates the terms of the contract or other proposal documents.

VI. MODIFICATIONS, ADMENDMENTS AND CANCELLATION

The City reserves the right to renegotiate such additions, deletions, or changes, as it deems necessary during the term of the depository contract.

VII. RESOLUTIONS

The successful bank shall provide the City a resolution authorizing signature of the contract by specified officers. The City will, by resolution, authorize the execution of the contract by the Mayor and shall provide the bank with such resolution.

VIII. ADDITIONAL INFORMATION

You are invited to provide such additional information on these documents or separate sheet of paper as necessary or helpful to analyze and evaluate your proposal.

ATTACHMENT A

<u>SERVICE</u>	<u>UNIT</u>	<u>UNIT CHARGE</u>	<u>COST OF SERVICE</u>
Account Maintenance	_____	Per month	_____
Daily Balance Reporting	_____	Per month	_____
Zero Balance Accounts			
Master Account	_____	Per month	_____
Subsidiary Account	_____	Per month	_____
Per Sweep	_____	Per transaction	_____
Credits Posted	_____	Per transaction	_____
Debits Posted	_____	Per transaction	_____
Encoding Charge	_____	Per transaction	_____
ACH Processing	_____	Per transaction	_____
ACH Entries	_____	Per transaction	_____
ACH Deletions	_____	Per transaction	_____
Origination of File	_____	Per transmission	_____
Positive Pay Maintenance	_____	Per month/transmission	_____
Positive Pay/Item	_____	Per item	_____
Remote Check Deposits	_____	Per transaction	_____
Check Printing	_____	Per transaction	_____
Extra Statements	_____	Per transaction	_____
Disposable Bank Bags	_____	Per item	_____
Returned Checks	_____	Per transaction	_____
Controlled Disbursement	_____	Per account/per month	_____
Items Deposited			
Deposits	_____	Per transaction	_____
Commercial Deposits	_____	Per transaction	_____
Stop Payments	_____	Per transaction	_____
Wire Transfers			
Incoming	_____	Per transaction	_____
Outgoing	_____	Per transaction	_____
Internet Access	_____	Per month	_____
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	_____