

City of Combes
REQUEST FOR PROPOSAL
FOR BANKING SERVICES

I. INTRODUCTION

The City of Combes is requesting sealed proposals for a banking services contract to be awarded December 11, 2023, the initial contract shall be for a three (3) year period with option to renew for two (2) successive one-year terms. Anticipated contracts start date is January 15, 2024. Through this contact the City of Combes 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 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 City of Combes 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

To fully and equitably elevate each bank's ability to meet the banking services needs of the City of Combes, 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 the contact award.

2. SUBMISSION REQUIREMENTS

Offeror must submit an original and seven (7) copies of the sealed proposal prior to the due date/time deadline at the following address:City Administrator, Aida Gutierrez, City of Combes Municipal Complex, 21626 Hand Road, Combes, Texas 78535 no later than 2:00 p.m., Thursday, November 30, 2023

3. RFP QUESTIONS

Questions regarding this RFP or the service requested will be accepted in written form or by email at the address and email below on or before 1:00 pm, November 15, 2023. Responses to all material questions submitted will be communicated to each prospective bidder.

Aida Gutierrez, City Administrator
21626 Hand Road, Combes, Texas 78535
Email; agutierrez@townofcombes.com
Office: 956-425-7131

4. REQUEST FOR PROPOSAL AMENDMENTS

Modifications for additions may be made because 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 because of the following objectives:

Time deposit interest rates	<u>20%</u>
Cost of Service	<u>30%</u>
Service availability	<u>25%</u>
Safety and creditworthiness of bank	<u>25%</u>

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, 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 list each of these services. The bank should use this Attachment to provide the specific price for each service.

A. CONSOLIDATED ACCOUNT STRUCTURE AND RECONCILIATION

The banks are to provide a master consolidation account and zero balance accounts from which daily balance and detail reporting is available. 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.

(To be determined)

B. WIRE TRANSFER SERVICES

The City of Combes will generate approximately 1 incoming and 1 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 of Combes 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 of Combes 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 of Combes chooses, the bank will be responsible for automatically sweeping the balances in all account daily to the investment option (money market fund, repo, etc.). Describe the sweep options, 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 OF COMBES SECURITIES

All certificates of deposit bought by the City of Combes will be bought on competitive basis. The City of Combes 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 fulfill GASB III requirements for reporting, if a repurchase agreement is executed 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.

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 transfer and U.S. Treasury check upon receipts and all 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. REPORTING AND ACCOUNT ANALYSIS

Monthly account analysis reports must be provided by the bank on timely basis for each account and on a total account basis. A sample account analysis format must be provided as part of the proposal. Sample of monthly statements should also, be provided. The monthly statements are to be received within ten business days of the next month

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 the account executive to be assigned to the City of Combes’s account (s).

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 all bank policies regarding daylight overdrafts 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 \$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 of Combes 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. The substitution will be approved by the City of Combes 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. Please provide Interest Rate Structure.

N. ADDITIONAL SERVICES

If new services become available and are provided during the period of this contact, they will be charged at the bank's then published rate.

O. OTHER SERVICES

The City of Combes is interested in obtaining service and cost information on additional services for possible use during the contract period. The services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers and cost. The City of Combes will make its determination after receipt for proposals as to whether a service will be used. If the service is accepted later in the contract period, any services and charges stipulated in the proposal will be applied.

P. BANKING SUPPLIES: The proposal must clearly identify and describe the types of, quantity, and frequency of banking supplies that will be made available for the City's use at no cost to the City such as deposit bags, deposit slips, etc.

Q. ACCOUNT EXECUTIVE: A senior level account executive must be assigned to the City's account to coordinate the account services and expedite the solution of any problem. A trained and knowledgeable backup for the account executive familiar with the City's account and service needs should be assigned and identified by name and title in the proposal including a brief biography of the account executive to be assigned to the City's bank account.

R. REQUESTED BANKING SERVICES

MERCHANT CARD SERVICES: The City accepts credit/debit card payments by telephone, in person, and by website. The use has been expanded to utility payments, service charges, and other entry/use fees. The City is working toward implementing this for all fees and charges. The City is interested in obtaining a competitive price proposal for this service. The service should include daily capture, transmission, and authorization of payments at point-of-sale. Reporting would be required by location. These payments are processed as part of the City's deposits currently.

Does the bank currently offer merchant card processing services?

How long has this service been available?

How many institutions and end customers do you have?

How many have you lost in the past year?

Is the program proprietary or is a third party used?

Describe the fee components of a merchant bankcard processing relationship.

Provide a list of all the fees to the City on Attachment A.

State the association fees, discount rates, and the bank's fee per transaction.

Is there any special handling charge, or fee, required for credit card credits within the City's standard deposit?

Does the bank have software available for implementation which allows on-line payments to the City through the bank's portal?

Describe the reporting functions and data availability.

Detail billing options.

Describe the authorization method/process used. How are incorrect authorizations reversed?

Describe your debit card processing capabilities. Do you identify between debit and credit cards?

Can you program a debit card to the lowest cost network?

Describe your transmission process.

Describe the monitoring and notification process if transmissions fail.

Is data imaging available online?

What is available online? When? For how long?

Describe the dispute resolution process.

Describe your security measures for internet transactions and unauthorized use.

S. LOCKBOX SERVICES

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

T. 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.

U. RIGHT OF THE CITY TO REQUEST FURTHER DOCUMENTATION

The City reserves the right to request additional documentation that it deems appropriate and necessary for the review and award process during both the initial proposal review process and the negotiation phase.

V. RIGHT OF THE CITY TO CANCEL REQUEST FOR PROPOSALS, ELECT NOT TO AWARD, REJECT PROPOSALS, AND WAIVE INFORMALITIES OR IRREGULARITIES

The City expressly reserves the right to cancel this RFP at any time, to elect not to award any or all of the contracts cited in this RFP, to reject any or all proposals, to waive any informality or irregularity in any proposal received, and to be the sole judge of the merits of the respective proposals received.

W. EQUAL OPPORTUNITY IN CITY BUSINESS CONTRACTING

Race, religion, sex, color, ethnicity, and national origin will not be used as criteria in the City's business contracting practices. Every effort will be made to ensure that all persons regardless of race, religion, sex, color, ethnicity, and national origin have equal access to contracts and other business opportunities with the City.

X. EXAMINATION OF DOCUMENTS AND REQUIREMENTS

Each Offeror shall carefully examine all RFP documents and thoroughly familiarize itself with all requirements prior to submitting a proposal to ensure that the proposal meets the intent and requirements of this RFP.

Before submitting a proposal, each Offeror shall be responsible for making all investigations and examinations that are necessary to ascertain conditions and

requirements affecting the requirements of this RFP. Failure to make such investigations and examinations shall not relieve the Offeror from obligation to comply, in every detail, with all provisions and requirements of the Request for Proposal.

Y. CONFLICT OF INTEREST

The Offeror shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, official or agent of the City of Combes, Texas.

By signing and submitting the Proposal, the Offeror certifies and represents to the City the Offeror has not offered, conferred, or agreed to confer any pecuniary benefit or other thing of value for the receipt of special treatment, advantage, information, recipient's decision, opinion, recommendation, vote or any other exercise of discretion concerning this Request for Proposal.

Z. CANCELLATION

The City has the option to terminate the contract during the first six (6) months of the contract if the successful Offeror does not perform under the contract to the City's satisfaction. Thereafter, either party may terminate the contract by giving the other party ninety (90) days prior written notice. The successful banking institution may not assign the contract to any other party.

The City of Combes is a Type A General law municipality operated and funded on an October 1 to September 30 basis; accordingly, the City reserves the right to terminate, without liability to the City, any contract (or renewal option) for which funding is not available.

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 Accounts	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	
Short 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	
Securities DVP FRB	Per transaction	
Securities DVP NY	Per transaction	
Check Printing	Per transaction	
Extra Statements	Per transaction	
Disposable Bank Bags	Per items	
Lockbox	Per month	
Cutbacks	Per transaction	
Special handling		

CITY OF COMBES
REQUEST FOR PROPOSALS FOR BANKING SERVICES

The City of Combes is requesting proposals for banking services from area banks, credit unions, savings associations, and other eligible financial institutions. Proposals must be submitted no later than 2:00 p.m. Thursday, November 30, 2023, and must be submitted to the Attention of City Administrator, Aida Gutierrez, Combes Municipal Complex 21626 Hand Road, Combes, Texas 78535. The RFP packet can be obtained at the Combes Municipal Complex, or a copy can be requested by calling 956-425-7131, or by emailing; agutierrez@townofcombes.com. The City of Combes shall consider the selection of a depository at its regular meeting December 11, 2023, at Combes Municipal Complex meeting room, 21626 Hand Road, Combes Texas 78535. The City of Combes Commissioners reserve the right to reject any or all proposals and award a depository agreement contract for up to five years of service to the vendor which it considers having submitted the best and most advantageous proposal.

Silvestre Garcia
Mayor, City of Combes