

CITY OF BOERNE, TX
REQUEST FOR PROPOSAL FOR BANKING SERVICES

INTRODUCTION

The City of Boerne is requesting proposals for a banking services contract with service to begin October 1, 2020, and extend through September 30, 2023, with the option to extend this contract for two (2) additional one-year terms. The total term of this contract may not exceed five (5) years from the date October 1, 2020. 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 provision.

TIME SCHEDULE

05-18-2020	Initial distribution of RFP package
06-08-2020	Deadline for submission of questions
06-10-2020	Estimated City response to questions
06-26-2020	Proposal closing date and time of 3:00 P.M. CST
08-11-2020*	Anticipated date for approval/award by City Council

*Date subject to change

I. TERMS AND CONDITIONS

- A. **DEFAULT:** In case of default after proposal acceptance, the City of Boerne (City) may exercise any and all rights it may have in compliance with the law.

- B. **PRICES HELD FIRM:** The City reserves the right to require that submitted proposals remain in force for a period of 150 calendar days after opening or until award is made; whichever occurs first.

- C. **NEGOTIATION:** Any attempt to negotiate or to give information on the contents of this proposal with the City or its representatives prior to award shall be grounds for disqualification.

- D. **TAX-EXEMPT:** The City is exempt from all sales tax and excise taxes. Tax exemption certificates are available upon request.

- E. **FORMS PROVIDED:** All proposals must be submitted on the forms provided to insure uniformity and comparability of responses. If submitting entity wishes to replicate the forms within this RFP for their submission document, the entity must ensure that the form structure stays intact for uniformity and comparability.

- F. **APPLICABLE LAW:** This agreement shall be governed by the Uniform Commercial Code. Wherever the term "Uniform Commercial Code: is used, it shall be construed as meaning the Uniform Commercial Code as adopted in the State of Texas as effective and in force on the date of this agreement.
- G. **ANTI-DISCRIMINATION:** The successful Bank Depository, in performing the work required hereunder, shall comply with the provisions of Executive Order Number 1146 and shall not discriminate against any employee or applicant for employment because of religion, race, color, sex, age or national origin.
- H. **EXTENSION DISCREPANCIES:** Any difference between the unit price, correctly extended, and the total price shall be resolved in favor of the unit price except when the Bank Depository clearly indicates that the total price is based on consideration of being awarded the entire lot.
- I. **FAX/EMAIL:** The City will not accept a proposal response or alterations to a proposal response via a facsimile machine and/or email. The FAX machine and/or email are available for information inquiries only. No proposal responses received via the FAX machine and/or email will be considered. All proposal submissions must be in paper/hardcopy.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. Questions and Addendums

Inquiries and questions concerning the contract terms and conditions contained within this RFP must be received in writing by 5:00 pm June 8, 2020 to arios@boerne-tx.gov or

City of Boerne
Attn: Asst. Finance Director
P. O. Box 1677
447 N. Main St.
Boerne, Texas 78006

To ensure that written requests are received and answered in a timely manner, email correspondence is acceptable, but other forms of delivery, such as postal and courier services may also be used. Proposers shall not contact other City personnel with any questions or clarifications concerning this RFP.

Answers to questions received will be posted online at <http://www.boerne-tx.gov/1042/Depository-RFP> no later than June 10, 2020. It is the proposer's responsibility to ensure that they access and review any questions as answers are posted. The City is not responsible for notifying individual potential proposers of the availability of questions and answers beyond this notice. Contact with City personnel other than above regarding this Request for Proposals (RFP) may be grounds for elimination from the selection process.

The City may post Addendums to the RFP online at the City's website <http://www.boerne-tx.gov/1042/Depository-RFP>. It is the potential proposer's responsibility to access any addendums and ensure that stated requirements are met.

B. Proposal Procedures

1. Proposals are to be properly identified on the outside of the package and are due by 3:00 P.M local time on June 26, 2020 and shall be delivered in a sealed package(s) to

City of Boerne
Attn: Asst. Finance Director
P. O. Box 1677
447 N. Main St.
Boerne, Texas 78006

It is the responsibility of the Proposer to ensure timely delivery is made to the Assistant Finance Director.

2. Each Proposer must provide three hard copies and one electronic version (CD or USB) of its proposal. One copy is to be clearly marked as "original" on the outside cover and contain an original signature.
3. All proposals shall be submitted on standard 8.5 x 11-inch paper. All pages should be numbered and identified sequentially by section. Proposals must be tabbed and indexed in accordance with the information requested in Section III. It is imperative that all Proposers responding to the RFP comply exactly and completely to the instructions set forth herein. All responses to this RFP shall be word concise, straightforward and must fully address each requirement and question. Although not a substitute for complete written response, any additional material is included in the same section as additional information.
4. Information in proposals shall become public property and subject to disclosure laws. All Proposals shall become the property of the City. The City reserves the right to make use of any information or ideas in the proposals.
5. By submitting a proposal, the Proposer represents that it has thoroughly examined and become familiar with the work required under the RFP and that it is capable of providing and performing quality work to achieve City objectives.
6. The City shall not, in any event, be liable for any pre-contractual expenses incurred by Proposers in the preparation of their Proposal. Pre-contractual expenses are defined as expenses incurred by the proposer and include:
 - a. Preparing its proposal in response to this RFP
 - b. Submitting that proposal to the City
 - c. Negotiating with the City any matter related to the Proposer's proposal; and
 - d. Any other expenses incurred by the Proposer prior to the date of award and execution, if any, of the Agreement
7. Each Proposer must submit its proposal in strict accordance with all requirements of this RFP and compliance must be stated in the proposal. Deviations, clarifications, and/or exceptions must be clearly identified and listed separately as alternative items for the City's consideration.
8. After the Closing Date and Time for Receipt of Proposals, evaluation and proposal

clarification will commence. No proposals received after the closing date and time will be considered.

9. Proposers judged most responsible and responsive to the City's requirements may be asked to give a presentation of their proposal including an on-site demonstration to the City staff. Selected Proposers should be prepared to make their presentation within five calendar days after notification and be prepared to discuss all aspects of their proposal in detail, including technical detail questions regarding the proposal. No Proposer shall be allowed to alter or amend its proposal through the use of the presentation process.
10. The City reserves the right to negotiate modifications with any Proposer as necessary to serve the best interest of the City. Any proposal may be rejected if it is conditional, incomplete or deviates from specifications in this request. The City reserves the right to waive, at its discretion, any procedural irregularity, immaterial defects or other improprieties, which the City deems reasonably correctable or otherwise not warranting rejection of the Proposal. Any waiver will not excuse a proponent from full compliance.
11. Proposers shall describe their approach to the Scope of Work and indicate costs in separate attachments.
12. The City reserves the right to:
 - a. Negotiate the final agreement with any Proposer(s) as necessary to serve the best interest of the City.
 - b. Withdraw this RFP at any time without prior notice and, furthermore, makes no representations that any contract will be awarded to any Proposer responding to this RFP; or
 - c. Award its total requirement to one Proposer or to apportion those requirements among two or more Proposers as the City may deem to be in its best interest.

In addition, negotiations may or may not be conducted with Proposers; therefore, the proposal submitted should contain the Proposer's most favorable terms and conditions, since the selection and award may be made without discussion with any Proposer.

13. A Contract Agreement will be proposed for execution. It may be modified to incorporate other pertinent Articles/Terms and Conditions set forth in this RFP, including those added by addendum, and to reflect the Proposer's offer or the outcome of contract negotiations, if any, conducted with the Proposer. The Proposer's exceptions to the terms and conditions of the proposed contract, or the Proposer's inability to comply with any of the provisions of the proposed contract, are to be declared in the Proposal.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content with sufficient detail to allow for accurate evaluation and comparative analysis. Responses must provide the required information in the following order for each underscored item: Proposers shall respond by repeating the section and sub-sections number(s) and statement/question and by providing the appropriate response hereunder

A. Cover Letter

All proposals must be accompanied by a cover letter, signed by an individual authorized to bind the proposing entity. An unsigned Proposal submission is grounds for rejection

B. Company Data

Each Proposer shall submit the following information:

1. State company's official name and address and the names and titles of its principal officers.
2. Provide the firm's Federal Employer I.D Number.
3. State any failures or refusals to complete any contracts and a complete explanation.
4. Indicate the number of years in business under the present business name.
5. Submit audited Financial Statements and current call reports.
6. Provide a statement regarding any recent or foreseen mergers or acquisitions; and
7. Submit qualifications of the Proposer to be considered for selection:
 - a. The Proposer must be a qualified public depository, as defined by Texas General Statutes, and must perform its obligation under this proposal in compliance with all applicable Federal and State laws and regulations, as well as statutes and policies. The Proposer must be able to offer the full range of banking services required by the Proposal throughout the duration of the contract with the City.
 - b. The Proposer must be a State or a National Bank that has its main office or branch office in Texas; State Credit Union or Federal Credit Union that is domiciled in the State of Texas.
 - c. The Proposer must collateralize the City's deposits pursuant to all applicable sections of the Texas Government Code. Indicate the current level of public funds deposits and related collateral market value as well as types of securities used as collateral.

C. Transaction Retention Period

Describe the Proposer's transaction history retention practice. Specify how long transactions are available for retrieval online and offline.

IV. SCOPE OF SERVICES REQUIRED

Detailed services to be provided to the City have been segregated into the following two categories:

- a. Required Services: These services are mandatory and must be provided to the City by the selected institution. The only exceptions are acceptable alternative or non-material deviations. The City retains the option in the case of certain services to elect not to use them. This is based on changes in the City's capability to handle these internally. Attachment A-1 lists each of these services, and Attachment A-2 shows a history of volumes for each service. The bank should use Attachment A-1 to provide the specific price for each service.
- b. Optional Services: These are services that the City may wish to use depending on the cost, quality and availability of the services offered. If there is a cost for these services, it must be specified in the proposal. In addition, any other services that the institution may wish to offer to the City may be included with the submitted proposal package.

This does not have to be addressed in order to be considered an acceptable proposal, but the final selection may be based on these services.

A. REQUIRED SERVICES

1. Consolidated Account Structure

If requested by the City, 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:

See Attachment B

2. Treasury Management Services

The City requires a secure web based reporting system where authorized employees will have direct access to the City's accounts. Online services should include balance and detail reporting, image inquiry, transaction inquiry, deposit history, transfer options, and other online web applications that can provide added convenience and cost savings. Proposals should include attachments showing the online system.

3. Collateralization of Deposits

The bank must agree to obtain and maintain acceptable collateral at all times sufficient to cover at least 105 percent of all anticipated time and demand deposits above the FDIC insured limit amount. 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 105 percent 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.

The proposal must describe in detail the bank's policy and procedures to ensure collateralization of fund in full compliance with the requirements of the Texas Public Funds Investment Act. The proposal should also include the bank's collateral agreement for review, procedures, daily collateralization coverage reports, etc.

4. Securities Safekeeping

The City intends to manage its own investment portfolio. The depository bank may act as transfer agent for some or all security transactions undertaken by the City and will provide safekeeping services. All transfers made shall be executed delivery versus payment, (i.e.

payment shall not be made until the security is received). The Depository must have the capability of executing on behalf of the City: 1) Physical; 2) Depository Trust Company (DTC); and 3) Federal book entry security purchases and sales through the Federal Reserve. The City strongly desires that security purchase and sale instructions be transmitted to the Depository online and include the ability to review the status of security transactions online. Controls for securities clearance will be established by mutual agreement.

The purchase and sale of all securities will be in accordance with the City's Investment Policy. All physical delivery securities will be held by the Depository's Trust Department. All securities will be perfected in the name of the City. A safekeeping receipt issued to the City shall evidence all book entry securities owned by the City. Safekeeping confirmation of all City security transactions will be issued and mailed to the City within two business days of settlement. A monthly report listing all City securities held in safekeeping will be provided to the City within seven (7) business days of the end of each month.

The City will send written instructions to the securities clearance department for each transaction. Most of these instructions will be sent by facsimile, email or online to assure the timeliness of the operation. The preferred method is an online internet based system.

The City expects the Depository bank's Trust/Custody Department to give prompt notification of any settlement problems, including securities delivered where the instructions do not match or where instructions have not been given to the Depository.

5. 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.

6. 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.

7. General ACH Services and Direct Deposits

The City receives payments from agencies and customers using ACH services. In addition, the City utilizes ACH services for its bi-weekly payroll and associated payroll tax and other deductions. Describe in detail the requirements and deadlines for ACH transactions. The

proposal should indicate the deadline by when funds will be received by employees as well as other receiving banks.

8. Positive Pay Services

The City requires that its depository bank must provide positive pay services. The proposal must describe in detail the bank's policy, procedures, and deadlines for the positive pay services that will be provided to the City to protect all form of payment disbursements and withdrawals from its accounts at the proposing bank.

9. Standard Disbursing Services

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

10. 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.

11. Overdraft Provisions

The City does not intend to have an overdraft position on any of its bank accounts. In the event a check or checks are presented for payment on any City account with insufficient funds available for payment, the City will require the bank to honor the City's check and immediately notify the City's Director of Finance of the overdraft situation. The City agrees to cover all overdraft within one business day, unless the overdraft is caused due to an error by the City's bank.

12. Stop Payments

The proposal must describe policy, procedures, and deadlines for the bank's stop payment services including automated and manual types.

13. 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.

14. Currency Change Services

The City frequently requires its depository bank to assist in making and providing change of large bills totaling under \$500.00 into appropriate denominations for use by its retail customer service cashiers.

15. 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.

16. 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.

B. OPTIONAL SERVICES

1. 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.

2. Remote Deposit Services

The City processes large deposits for utility payments received. Describe the policy, procedures, and deadlines for the bank's remote deposit services including type of equipment and software to be used.

3. Merchant Card Processing Services

The City enables citizens to pay for goods and services with credit cards. Describe any merchant card processing services that the bank may have including rates, type of equipment and software to be used.

V. BANK COMPENSATION

The City is interested in a compensating balance based methodology. The proposal must include a detailed explanation of the methodology for calculating compensation for banking services. If fees are chosen as part of the compensation methodology, the proposal must include an itemized schedule of all fees and service charges anticipated and applicable to the City's bank account.

VI. PROPOSAL EVALUATION CRITERIA

- A. Completeness of response to all required items.
- B. Ability to meet current and projected service requirements over the term of banking agreement.
- C. Overall cost (although costs are important, pricing is not the sole factor in the evaluation of proposals).

- D. Reliability and quality of customer services.
- E. Experience and governmental knowledge of bank team.
- F. Financial strength
- G. Quality and efficiency of the bank's internet cash management services.
- H. Ability to provide sufficient collateral for deposits.
- I. Securities clearance and safekeeping procedures.

It is the desire of the City to enter into an agreement that will maximize the City's interest and services provided yet will be viewed as a good agreement on behalf of the bank.

The City may make such investigations as it deems necessary to determine the ability of the Bank Depository to provide satisfactory performance in accordance with specifications, and the Bank Depository shall furnish to the City all such information and data for this purpose as the City may request.