



## **REQUEST FOR PROPOSAL For BANKING DEPOSITORY SERVICES**

**Sealed Proposals, one (1) original, five (5) copies, and one (1) electronic copy (in PDF format) on CD or flash drive shall be delivered to the City of Dripping Springs, City Administrator, 511 Mercer Street/Post Office Box 384, Dripping Springs, Texas 78620, at or before 4:00 PM on February 2, 2018, at which time proposals will be publicly opened and read. Proposals received after the opening date and time will not be considered.**

### **I. INTRODUCTION**

The City of Dripping Springs is requesting proposals for a banking services contract to be considered for award on **February 13, 2018** with service to begin **March 1, 2018** and extend through September, 2023. 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.

### **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 of Dripping Springs 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 will be evaluated for contract award.

2. **Submission Requirements**

Sealed proposals marked “BANKING DEPOSITORY SERVICES PROPOSALS” shall be mailed or delivered to:

Andrea Cunningham, City Secretary  
City of Dripping Springs  
P.O. Box 384/511 Mercer St.  
Dripping Springs, Texas 78620

3. **RFP Questions**

Questions regarding this RFP or the service requested will be accepted in written form or via e-mail at the address below on or before 5:00 pm January 31, 2018. Responses to all material questions submitted will be communicated to each prospective bidder.

Michelle Fischer, City Administrator  
[mfischer@cityofdrippingsprings.com](mailto:mfischer@cityofdrippingsprings.com)  
City of Dripping Springs  
P.O. Box 384/511 Mercer St.  
Dripping Springs, TX 78620

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	30%
Cost of Service	30%
Service availability	20%
Safety and creditworthiness of bank	30%

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

The contract is expected to be awarded by the City of Dripping Springs Council at its meeting February 13, 2018.

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

##### **A. Account Titles**

The City currently retains the following account titles:

- General Fund
- Dripping Springs Ranch Park Operating Fund
- Wastewater Utility Fund
- Impact Fee Fund
- Reserve Fund
- Farmers Market
- Debt Service 2015
- Debt Service 2013
- PEG Fund
- Hotel Occupancy Tax Fund
- Tax Increment Fund: TIRZ Number One
- Tax Increment Fund: TIRZ Number Two

##### **B. 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 transfers requests are available on line, full information should be submitted detailing the use.

##### **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. Direct Deposit for Payroll Services**

The City is interested in obtaining service and cost information on Direct Deposit for payroll services for possible use during the contract period. Full information should be submitted detailing the use of this service, requirements and deadlines for computer tap for transactions. Additionally, the proposal should indicate when funds will be available in participating banks. These services are not required but will be evaluated in terms of availability, feasibility, service levels,

and cost. The City will make its determination after receipt of proposals as to whether this 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.

**E. Investment of Idle Funds and Safekeeping of City Securities**

All certificates of deposit procured by the City will be purchased 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. 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 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.

**H. 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.

**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's account.

**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 \$100,000. 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 City. 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.

**V. 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.

**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.

<b>Service Unit</b>	<b>Unit Charge</b>	<b>Cost of Service</b>
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	
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		