



LEGAL NOTICE
Advertisement for Request for Proposal
For
DEPOSITORY BANKING SERVICES
City of Ingleside, Texas

Notice is hereby given that sealed proposals will be accepted by the City of Ingleside. The City of Ingleside, Texas (the "City") is soliciting applications from eligible financial institutions to serve as its Banking Services Depository for the purpose of assisting with the banking functions for designated funds of the City. Only those depository institutions with full depository service capabilities will be eligible to serve as the depository.

The plans, specifications and details are available for download on the City's website at https://inglesidetx.gov/finance/bids-and-proposals/banking_services.

To be eligible for consideration under this RFA two (2) complete paper copies and one electronic copy on CD or jump drive (with the proposal sections I through V and all attachments) shall be submitted by 3:00 pm on November 21, 2018 to the City address below. Applications received after that time by the City will not be accepted and will not be returned.

The proposal must be submitted in a sealed envelope or packet marked "Application for Depository Banking Services".

One paper proposal and the electronic version must be delivered by mail, express mail, or in person to:

Linnette Barker	(361) 776-2517
Finance Director	LBarker@inglesideTX.gov
City of Ingleside	City of Ingleside
P O Drawer 400	2334 Hwy 361, Suite 162
Ingleside, TX 78362	Ingleside, TX 78362

A second paper copy must be sent to:

Linda Patterson	(512) 320-5042
Patterson & Associates	linda@patterson.net
901 S. Mopac, Suite 195	
Barton Oaks Plaza II	
Austin, TX 78746	

Any questions relating to these requirements should be directed to Linnette Barker, Finance Director at lbarker@inglesidetx.gov or 361-776-2517 by 3:00 pm November 5, 2018. Responses to all material questions submitted will be communicated through email to all known respondents by 3:00 pm on November 9, 2018.

All interested companies are invited to submit a proposal in accordance with the terms and conditions stated in the proposal. The City of Ingleside is an Affirmative Action/Equal Opportunity Employer and reserves the right to negotiate contract terms with any and all individuals or firms that submit proposals. Minority Business Enterprises, Small Business Enterprises, Women Business Enterprises, and labor surplus area firms are encouraged to submit proposals.

RESPONDENTS ARE STONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE INVITATION



Linnette Barker
Finance Director
City of Ingleside, Texas
Publish: Ingleside Index – October 24, 2018 and October 31, 2018

REQUEST FOR APPLICATIONS
DEPOSITORY BANKING SERVICES

CITY OF INGLESIDE
2334 Hwy 361, Suite 162
Ingleside, TX 78362

Issue Date: October 24, 2018

Application Deadline: November 21, 2018

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REQUEST FOR APPLICATION

BANKING SERVICES DEPOSITORY SERVICES

CITY OF INGLESIDE, TEXAS

2334 Hwy 361, Suite 162
Ingleside, TX 78362

The City of Ingleside, Texas (the "City") is soliciting applications from eligible financial institutions to serve as its Banking Services Depository for the purpose of assisting with the banking functions for designated funds of the City. Only those depository institutions with full depository service capabilities will be eligible to serve as the depository.

Introduction

It is the intention of the City to select a Depository through a competitive Request for Application (RFA) process for a depository services contract with a term of three years beginning **February 1, 2019** and ending **December 31, 2022** or until a new depository is appointed. Unless terminated, the depository services agreement will automatically renew for one additional two-year term ending **December 31, 2024** with Council approval.

The depository services agreement will provide that the City may terminate the Agreement immediately for cause. The agreement will also provide that the City reserves the right to terminate any agreement, during the initial term and any option terms, upon ninety (90) days prior written notice of its intent to terminate any agreement. All service fees must be guaranteed for the initial term of the Agreement and any extended term.

Securities pledged as collateral to secure City's deposits will be governed by the Local Government Code, Chapter 2257, Public Funds Collateral Act and further by the Investment Policy of the City. Full collateral requirements and conditions are included in this RFA.

The RFA is available only in an electronic format. Announcement of the RFA will be sent to all banks in the City. The RFA is available from LBarker@inglesideTX.gov. The RFA is being made available in Word and Excel formats.

Application Submission

To be eligible for consideration under this RFA two (2) complete paper copies and one electronic copy on CD or jump drive (with the proposal sections I through V and all attachments) shall be submitted by 3:00 pm on November 21, 2018 to the City address below. Applications received after that time by the City will not be accepted and will not be returned.

The proposal must be submitted in a sealed envelope or packet marked "Application for Depository Banking Services".

One paper proposal and the electronic version must be delivered by mail, express mail, or in person to:

Lynette Barker
Finance Director
City of Ingleside
P O Drawer 400
Ingleside, TX 78362

(361) 776-2517
LBarker@inglesideTX.gov
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Austin, TX 78746

(512) 320-5042
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The submission of a proposal shall be prima facie evidence that the applicant has full knowledge of the detailed requirements as outlined in this RFA. Contact with any City staff in regard to this RFA is strictly forbidden and could result in rejection of the proposal. Oral explanations or instructions given before the award of the contract are not binding and do not form a part of or alter in any way, the written depository contract.

Cover Letter

An accompanying cover letter must be signed by an individual authorized to bind the institution, state that the proposal is valid for 180 days from the submission date, and give full contact information for any proposal questions. The cover letter may not exceed one (1) page in length.

Depository RFA Questions

There will be no pre-proposal conference. Questions regarding this RFA, or the services requested, must be sent to LBarker@inglesideTX.gov by 3:00 pm November 5, 2018. Responses to all material questions submitted will be communicated through email to all known respondents by 3:00 pm on November 9, 2018.

Selection Criteria

The following general criteria will be used by the City for evaluation of the proposal.

- Cost of required banking services
- Services offered and available
- Financial strength of the institution
- Earnings potential in differing account structures
- Collateralization
- Customer service structure and network

The City reserves the right to reject any and/or all proposals and to accept the proposal the City considers most advantageous. If any portion or provision of this RFA, proposal or resulting contract between depository and City entered into is found invalid the remainder, at the option of the City, shall remain in full force and effect. City acceptance of a proposal will be based on the total package of services offered by the banking institution.

Schedule for Application Submission

The City will make every effort to adhere to the following schedule.

10/24/18	Release of Request for Application
11/05/18	Deadline for questions concerning the RFA or services requested
11/09/18	Responses given to any questions provided to all known interested depositories
11/21/18	Deadline for proposal submission and public opening of applications
12/11/18	City Council consideration and award of contract (<i>anticipated</i>)
02/01/19	Effective Date of Depository Agreement commencement

On the Application's opening date only the names of applicants will be identified. To the extent permitted by law, applications will be opened in a manner that avoids disclosure of the contents. Each depository must identify any information contained in its application which is proprietary. Such material must be identified conspicuously by marking each page as proprietary concerning such information. In the event such material is not conspicuously identified, then by submitting its application, a depository agrees that such material will be considered public information.

Negotiation and Execution of Contract

The City reserves the right to negotiate any terms of the Application and Agreement. It is anticipated that the resulting Agreement will include a master depository agreement to encompass the collateral agreement and all service agreements or depository agreements along with the RFA and the response to the RFA. Unless specifically referenced by an RFA amendment, all requirements, terms and conditions stated in the original RFA by the City will apply.

Once the contract negotiations are successfully concluded a recommendation will be submitted to the City Council concerning award. The City will not be bound under any such Agreement until the City Council authorizes the City Manager to execute the Depository Services Agreement(s) and Service Agreements (as necessary) and the Agreement is executed.

City Rights

The City reserves the right to:

- waive any defect, irregularity or informality in the proposal or proposal procedures;
- reject any and all proposals;
- accept any proposal or portion thereof most advantageous to City;
- request additional information or require a meeting with Depository representatives for clarification of its proposal;
- cancel, revise, and/or reissue this request for proposal or any portions thereof,
- negotiate any conditions;
- retain all other provisions even if any provision of the proposal is deemed invalid;
- modify deadlines; and
- select any proposal deemed to be in the City's best interest as determined by the City.

Other

1. During the contract period, the depository will notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would thereafter affect the depository agreement.
2. The bank's records relating to the City's accounts shall be open to review by either the City or its independent auditors during normal business hours.
3. The City reserves the right to pay for Depository services by compensating balances or by fees and to change the methodology during the contract period.
5. This RFA and the proposal submitted will be incorporated into and form the basis of the bank depository services contract as will all service agreements.

I. Introduction

The objective of this Request for Application (“RFA”) is to identify the financial institution most capable of providing the highest level of service at the lowest cost to the City. Through this contract the City intends to minimize banking costs, improve operational efficiency, and maximize earnings. This RFA includes the City's cash management goals and specifies all the required qualifications, banking services required, activity volumes on accounts, method and terms of compensation, submission instructions, and contract award provisions.

By submitting a proposal in response to this RFA, the Proposer is deemed to agree to the City’s mandatory contract and service provisions contained herein. Any banking institution submitting a proposal is deemed to have read, understood and agreed to all terms, conditions and requirements set forth in the specifications. The RFA and the proposal submitted will be incorporated into and form the basis of the final bank depository services contract.

All questions in this RFA must be responded to in the order given in order to equitably evaluate each proposal and the banks’ ability to serve the City. A response must be given to each item in Sections III through V in the order given along with completion of Attachment A Proposed Fees. Only proposals submitted in the prescribed format and using the provided Attachment will be considered for contract award. The City anticipates and appreciates concise and complete proposals. However, additional explanatory information or materials may be included in the proposal.

Bank Compensation

All proposed service fees shall be fixed for the entire contract period as completed on Attachment A. Only fees listed on Attachment A will be accepted so any fees required to perform the required services should be included as part of the submission. Each proposal must include a completed Attachment A, listing all charges applicable to the services outlined in this proposal. If services or unbundled charges needed to provide this service are not currently listed in the historical volumes on Attachment A, add the items by name and include applicable fees.

The City will require the ability to pay for services on both a fee and/or compensating basis and change between these methodologies during the contract period. A decision on the initial method to be used will be made initially only after analysis of the proposals and on an on-going basis as interest rates change. The City is currently utilizing a compensating balance basis but because of the interest rate environment this may be changed.

II. City Financial Overview

The City's Finance Department handles all banking and investment activities as well as accounts payable, receivables, payroll, and financial reporting functions. The Finance Director is responsible for these areas and reports to the City Manager.

The primary source of revenue for the City is tax proceeds and utility system revenues. The City has only one location in Administration at which funds are collected and from which funds will be deposited. Currently coin/currency deposits are made on an as needed basis to a bank branch by a City staff. The Finance Department handles all reconciliations. Expenditures are paid by check, wire or ACH. The City plans to move to more ACH transactions.

The City has an average of 99 employees and the payroll is paid on a bi-weekly basis. Direct deposit is mandatory and 100 % of City employees are paid by direct deposit. The only payroll checks written are during the pre-note period or seasonal employees.

The City wants to utilize automated banking services whenever cost effective. This proposal should address the automation potential on any services.

The City currently maintains 5 DDA bank accounts which sweep to an Invesco money market fund daily.

The average month-end ledger balance for all accounts is \$1,774,595. The description and average month-end balances on these accounts are outlined below based on historical transactions:

<u>Title</u>	<u>Avg Month-end Ledger Balance</u>
Operating	\$ 1,380,000
Grant Checking #1	\$ 275
Grant checking #2	\$ 258,900
Capital Projects	\$ 158,700
Economic Development Corp.	\$ 20,000

The bank will be asked in the RFA to present the most efficient structure to effect transfers and best operating efficiency along with earning potential.

All daily deposit, wire and disbursing activity will occur in the General Fund account. Positive Pay is currently being used. Partial reconciliation services are not currently used.

- Payables vary greatly with approximately \$1,200,000 processed monthly on bi weekly payable runs.
- The City has a \$140,000 bi-weekly total payroll with 100 %direct deposit.

The City currently uses remote deposit. Deposits are prepared by Finance and Accounting staff. The coin/currency deposits are taken to a bank by a City as needed. The Finance Department handles all reconciliation on the accounts with one statement for each account. Partial reconciliation services are not currently used. Electronic statements on all accounts are preferred.

The City currently uses a sweep or ZBA mechanism and requires the ability to sweep from the Operating Account to a money market fund (which strives to maintain a \$1 NAV) to reduce collateral cost and balance assessments. The City may also require use of interest bearing or money market accounts dependent upon

interest rate opportunities and will decide on the use of the account as interest rates and conditions vary. All account decisions will be made by the City.

Any or all City funds may be maintained and invested by the City outside this contract. The City will be under no obligation to maintain funds in the bank except under a compensating balance relationship.

The City will utilize the safekeeping services of the depository. All trades will be third party.

The Finance Director will monitor the bank's performance against provisions of the agreement, including the bank's proposal submitted in the response to this RFA. The Finance Director will also be responsible for administering the agreement with respect to day-to-day activities. A list of City personnel authorized to deal directly with the bank will be provided following award of contract. The bank shall provide the City with a similar list of authorized personnel.

III. Financial Institution Qualifications

To be considered the proposal must include a response to each question in this Section III.

1. Creditworthiness

In order to fulfill the City's fiduciary responsibility to protect public funds, each bank submitting proposals shall provide the following in response to these questions.

- a. Provide an audited annual financial statement for the most recent fiscal period. The financial statements may be submitted in electronic form or provided as a reference web link. The bank will be required to submit an audited statement to the City each year of the contract period, as soon as it is available. Confirm agreement to this requirement.
- b. Provide certification of the bank's Community Reinvestment Act (CRA) rating by its rating agency.
- c. Provide the most recent senior and subordinate debt ratings of the holding company or if not rated, the rating from an independent rating agency such as Highline, Veribanc, or comparable bank rating agency. The bank will be contractually liable for notifying the City within thirty (30) days of any change in any of these ratings during the contract period. Confirm agreement to this requirement.

2. Customer Service

Service will be a primary focus of the evaluation. Describe the bank's philosophy and approach to satisfying this need. The City is particularly interested in high-performance customer service. Being in the hurricane alley the City needs rapid service and support should emergency situations occur.

- a. How does the bank anticipate satisfying the City's need for customer service? How often does the bank representative intend to visit with the City?
- b. How many individuals does the bank have in the local bank serving the City? How will the bank provide the City with relationship support for its services? What approach will be instituted to provide the optimal service?
- c. How, specifically, does the bank support the local community as well as the City?
- d. Is there a process for escalation of unresolved problems or issues?
- e. How will local service and overall contract performance be monitored?

- f. How does the bank intend to support the new and ongoing automation needs of the City?
- g. Are there any new services in process which may impact the City? When are these planned to be available?
- h. Is the bank offering any transition or retention incentives? Describe fully and quantify completely.
- i. What support will the bank be able to offer the City in a disaster situation to maintain stable banking functions? Focus on systems, telecommunications and power, and operational facilities.
- j. The City requires the right to use a third party auditor to review the City's accounts, collateral, transactions, and bank records at any reasonable time. Confirm agreement with this condition.
- k. Will the bank charge for audit confirmations? Describe.

3. References.

List references from three comparable Texas public entity clients. For each reference, include the length of time under contract, a client contact, title, email address, and telephone number.

4. Depository Agreement and Service Agreements

Provide a copy of all depository and service agreements which will be required to be executed under the contract for services rendered including any standard depository and collateral agreements.

Any changes required on the agreements will be discussed and agreed upon before award of the contract is made by the City.

5. Implementation timeline.

The contract period will commence January 1, 2019. The City recognizes that not all services and funds will be transferred by this date but expects that most funds should be transferred by that date and that all services should be available by March 31, 2019. Collateral should be in place before any City funds are transferred.

- a. Provide a proposed, detailed timeline for transitional implementation of the contract. Include each activity required defined by its responsible party and assigned responsibilities.

The timeline must reflect the number of calendar days required to put the services in place or the end date of when such services will be in place and available to the City.

Default in promised delivery of services, without acceptable reasons, or failure to meet the terms or conditions of the depository contract without remedy, shall result in the City having the right to terminate the contract, but the exercising of such right to terminate the contract does not limit any other remedies the City may have for damages or other relief under law.

IV. Required Services

To be considered, the proposal must include a response to each of the questions in this Section and all associated fees must be detailed on Attachment A. Add any level of detail as necessary for complete disclosure.

It is the City's intent that the contract negotiated between the City and the Depository selected through this process will encompass all the services and conditions required in this section. Additional services offered by the Respondent may be included. The Required Services are minimum requirements, and any Respondent refusing or failing to provide such minimal services will not be considered for selection as the Depository.

1. Consolidated Account Structure with Sweep Mechanism

The City is interested in assuring that all funds are earning at the best, then-current interest rates at all times. The City currently use san automated sweep to a money market mutual fund. A bank alternative may be proposed if competitive in order to reach its full investment goal and to minimize collateral requirements.

An AAA-rated SEC registered government, or enhanced government, money market fund which strives to maintain a \$1 NAV should be used for the sweep. If the bank has a valid alternative to a SEC money market fund which is in compliance with the City's Investment Policy, it may be presented. A repurchase agreement or off-shore accounts are not acceptable as sweep investment vehicles.

The bank shall clearly describe the bank's most cost effective structure and methodology for structuring the accounts in this low interest rate environment and when rates rise.

- a. Describe the bank's ability to provide a ZBA-master sweep structure and indicate whether the sweep would be from the master or subsidiary account(s). How is interest applied? Include classifications of accounts (ZBA or other) to be used in the structure.
- b. If an internal account is to be used include the index calculation base for this account.
- c. How will sweep balance and interest activity be reported?
- d. Provide the prospectus for any sweep fund alternatives. An AAA-rated, SEC registered government fund (\$1 NAV only) must be utilized for the sweep.
- e. Is the sweep processed as the last transaction of the day? If it is a next day sweep, describe how funds are collateralized for funds held un-invested overnight.
- f. The City may be required or may desire to open additional accounts or close/change accounts during the contract period. Any new accounts shall be charged at the same contracted amount. Confirm agreement to this condition.
- g. The City may contract for new services not proposed (or known) by the bank at this time. Unanticipated or new services may be charged at not more than the then-published rates. Please confirm agreement to this condition.
- h. Will the bank assess a direct, hard dollar regulatory/balance based charge on the account analysis? At what rate?
- i. Is the bank a member of the FDIC?
- j. Complete the information below for the current and prior 12-month average rates.

	Current Rate	Prior 12-month Average
Earnings Credit Rate		
Interest Bearing Account Rate		
Money Market Rate		
Sweep Rate		

2. Automated Cash Management Information and Imaging

The City requires web-based, automated cash management services and daily balance reporting (inter-day and intra-day) for timely access to balance information and transactions. It requires a high degree of automation in all service areas.

Imaging of all checks and image retention and retrieval is required. The City currently retrieves optical check images on-line. No physical checks are to be returned. In an effort to reduce paper handling and storage, the City is focused on imaging of documents as much as possible.

The City desires timely access to downloadable information for direct download to the City's accounting software. Daily balance reporting should include detail on all transactions with summary reporting on closing ledger and collected balances along with one-day float, at a minimum.

- a. Fully describe and list the bank's on-line service capabilities and systems.
- b. Describe fully the ability to search on historical transactions and reports as well as the ability to retrieve and download historical images.
- c. Address the download capabilities to the City's systems. What information can be downloaded. (The City uses the Microsoft Office 365 System.)
- d. Detail the availability of prior day and intra-day detail and summary reporting. When is prior day information available? Is intra-day information real-time or delayed? Specify.
- e. Define the history retention/archiving features available for images and information.
- f. Describe provisions for off-site backup and continuation of services in local or regional disaster situations.
- g. Describe the security protocol and provisions for online services. How is authentication and authorization provided? How and by whom is the administration of the security module established and maintained?
- h. What are the hours of available technical support? How is support provided?
- i. Provide a link with sign-on information for an on-line review of all the functions.
- j. What items are imaged (checks, statements, deposit slips, deposited items, etc.)?

3. Standard Deposit Services

The City uses remote deposit. Standard commercial deposit services are required for the operating account. Very little coin and currency are deposited. Coins are not rolled. Currency is not strapped. The City makes perhaps 60 deposits per month by a City employee to a local branch. The City wants the ability to continue making necessary deposits to a close branch location.

The City expects all deposited checks to clear based on the bank's current published availability schedule, but, any expedited availability options should be noted in the proposal. All cleared deposits received by the bank's established deadline must be processed for same day credit. The bank shall guarantee immediate credit on all incoming wires, ACH transactions, on-us items, and U.S. government security maturities and coupon payments. Failure to credit City accounts in a timely fashion will require interest payment reimbursement to the City at the then-current daily Fed Funds rate.

- a. What is the bank's daily cut-off time to assure same day ledger and, pending availability, collected credit at (a) the local banking center/branch?
- b. Is there any limit to the number of deposits in one bag? Are these handled as separate advices?
- c. When are credit/debit advices sent to the City? Are these sent by mail or electronically? (Preference will be given to electronic delivery.) Are images of checks and deposit slips provided online?
- d. Do daily online reports include activity by account?
- e. How does the bank handle discrepancies in deposit amounts? What dollar limits are used for decisioning? What settlement process is followed?
- f. How and when does notification of return items take place?
- g. How are returned checks reported to the City? Do all NSF/returned items advices include a full description and reason for return? List the elements reported.
- h. What type deposit bags are used or required? Are these available from the bank?
- i. Provide a list of all the bank's locations near the City's Administrative office.

Remote Deposit Services

The City currently uses remote deposit and deposits an average of 75 checks per month. Checks are processed at the City Hall location.

- A. Describe the bank's capability to provide remote deposit/capture processing. Describe equipment needs, capabilities, and limitations. A web-based system is required.
- B. What is the final deposit cut-off time with remote deposit?
- C. Are there any limitations on batch size or number of transmissions per day?
- D. Describe remote deposit reporting.
- E. Is scanner equipment available through the contract: purchase or lease? List the equipment required along with its approximate cost(s). Will the bank provide a scanner?

4. Standard Disbursing Services

Standard disbursing services are required. Payroll checks issued during the pre-note process must not be charged a fee to the employee upon presentation.

The City currently utilizes positive pay services on payables and will require it under the proposed contract.

Payroll is paid bi-weekly averaging \$ 100,000 but the City utilizes mandatory direct deposit. The City also intends to move toward more vendor payments by ACH.

- a. When is daily check clearing information available online through intra-day reporting? How long are transaction details maintained online?
- b. Describe any e-payables or payment consolidation services available.

5. Reconciliation and Positive Pay

The City requires positive pay services with complete indemnification for fraudulent checks. Payee verification will be evaluated. The bank must provide a fully automated, web compatible transmission process. Transmissions will be made as part of each check run. Manual check information must be able to be input online.

The City does not use reconciliation but is considering the possibility. The City's general ledger software is Tyler Technologies/**Incode**.

- a. Describe data transmission file and timing requirements for check registers. Are transmission charged by file and by detail item?
- b. Is positive pay input for manual checks available on-line? Describe.
- c. Is exception reporting and handling managed totally online? Describe.
- d. At what specific time is positive pay exception information reported to the City? How is notification made?
- e. At what specific time is the response required for City exception elections?
- f. Does the bank review exceptions (scrub) errors for possible repair before creating a City exception item?
- g. Are all checks, including those received over-the-counter by the tellers, verified against the positive pay file before processing? How often is teller information updated? If not verified, what are the process, liability, and security on OTC transactions?
- h. What are the available default dispositions for payment or return? (pay, hold, do not pay)
- i. Describe your partial reconciliation services including Specific transmission requirements.

6. Funds Transfer and Wire Services

The City currently has an average of 1 outgoing wire and 1 incoming wires a month along with internal transfers. Incoming wire transfers must receive immediate same day collected credit. Wire initiation must be available online. The City requires that wires be released the same business day if information is provided by the established deadline. The City will require compensation for delays caused by the bank at that day's Fed Funds rate.

- a. Can all wire and account transactions be initiated online? Monitored online?
- b. Can repetitive templates be created and stored?
- c. What level of authorization/release do repetitive or non-repetitive wires require? Is authorization for repetitive and non-repetitive the same?
- d. Is future dating of wires and transfers available? How far in advance?
- e. Can international wires be sent from the online system?
- f. Describe wire detail reporting.
- g. Describe the processing on book debits/credits.
- h. How is notification on wires provided?
- i. State the bank's policy on the use of ledger balances for outgoing wires in anticipation of scheduled activity or incoming wires.
- j. Can internal account transfers be processed totally on-line? Book debits/credits?

7. ACH Services

The City expects to continue moving toward more ACH transactions for vendor transactions. ACH is currently used for payrolls and periodic transfers through the payroll account and there are fraud filters in place. The City requires pre-notification and filters/blocks on all accounts. The bank must be a member of SWACHA.

- a. Is online ACH service available for individual transactions as well as by transmission for batched files?
- b. What is the policy and process for handling of ACH returned items?
- c. Can ACH items and files be future dated?
- d. What specific filters and blocks are available on the accounts?
- e. What process is used for file and item reversals and deletions?
- f. Are ACH addenda shown in their entirety on-line and on detail reporting, reports and statements? Does access to this information require access to additional, specific EDI modules or standard reporting screens?
- g. What protective measures has the bank taken to prevent or recover from electronic fraud?

8. Safekeeping Services

The bank will be expected to provide a book-entry safekeeping services for securities owned by the City. All City investments will be made by the City, or its investment adviser, and instructions for clearing and safekeeping will be transmitted to the bank in writing.

The bank will not be used for brokerage services in order to perfect delivery versus payment.

Safekeeping must be in the bank or its correspondent. All securities must be cleared on a delivery versus payment (DVP) basis and ownership documented by original clearing confirmations and safekeeping receipts/reports/advices provided within one business day of the transaction. Funds for investments will be drawn from a designated City account. All coupon payments and maturities must receive automated same day collected credit on the City designated account without requiring any additional City action.

If the bank utilizes a correspondent bank for safekeeping of City securities, the transactions will be handled through the depository bank's systems and shall not require additional interaction by the City with the correspondent bank. No delay in transactions, wires, or flow of funds will be acceptable under a correspondent relationship.

- a. Does the bank provide safekeeping services?
- b. Is online information available for securities held?
- c. Describe bank safekeeping arrangements proposed if a correspondent bank is to be used.
- d. Are services for safekeeping by cusip or Par amount or are charges made for individual clearing, safekeeping and income distribution?
- e. Will safekeeping be hard charged or charged through analysis?
- f. Are notifications sent on all transactions (purchase, sale, calls, and maturities)? When and how?
- g. What time are delivery instructions required? Is there a fee charged for late instructions.

The City may choose to purchase time deposits from the depository but all time deposits will be competitively bid at the time of purchase.

9. Collateral Requirements

Authorized collateral, as defined below, must be pledged against the total of time and demand deposits net of FDIC insurance with a 102% margin on the collateral maintained at all times by the bank. All the requirements listed, including those more restrictive than the Public Funds Collateral Act, must be met by the bank. Pooled collateral proposals will have to be reviewed by staff and are not likely to be used.

The proposal must state agreement or conflict to the following terms and conditions. Preference will be given to pledged individual securities over a letter of credit.

- All collateral pledged to the City must be held in an independent, third party bank outside the bank's holding company.
 - A safekeeping agreement shall be executed with the City, the depository, and the safekeeping bank for custody of pledged securities in full compliance with FIRREA requiring a bank resolution. (Or completion of Circular 7 if the Federal Reserve is acting as custodian.)
 - All time and demand deposits above FDIC coverage shall be collateralized at a minimum of 102% of principal plus accrued interest daily.
 - The bank shall be contractually liable for the daily monitoring and maintaining of collateral at the City's required margin levels.
 - Pledged collateral shall be evidenced by original safekeeping receipts/report/advices sent directly to the City by the custodian within one business day of receipt.
 - The City shall receive a monthly report of collateral pledged including description, par, and cusip directly from the custodian. Market values are preferred but not necessary.
 - Collateral must be in place before deposits are made originally.
 - Authorized collateral includes only:
 - Obligations of the US Treasury.
 - Obligations of US Government agencies and instrumentalities including mortgage backed securities and CMOs which pass the bank test.
 - FHLB letter of credit.
 - Preference will be given to pledged securities over LOC.
- a. State the bank's acceptance of the collateral conditions above.
- b. What institution will the bank use for the Custodian?

10. Account Analysis

Monthly account analysis reports must be provided for each account and on a consolidated account basis. Within five business days of the City's receipt of the account analysis and subsequent approval of the fees by City the bank may direct debit the designated account for fees due if compensation is being calculated on a fee basis.

A complete account analysis will be required monthly regardless of the payment basis.

- a. When and how is the analysis available each month: on-line and paper? How long is it maintained online?
- b. Is a paper analysis sent to the City if provided online?

11. Monthly Statements

The bank must provide monthly account statements on all accounts with complete supporting documentation. All accounts must be on a calendar month cycle. Timeliness of statements is critical and non-performance will be grounds for termination of contract.

- a. Provide a sample monthly statement.
- b. When and how are monthly statements available each month: online and paper form?
- c. How long are they maintained online?
- d. Are paper statements also sent to the City if available online?
- e. Is there a fee for paper statements?

12. Overdrafts

Every effort will be made to eliminate daylight and inter-day overdrafts. However, because this situation may arise, state the bank's policy regarding account and total account overdraft policy. The City prefers aggregation of accounts for overdraft purposes.

- a. Are all accounts aggregated for overdraft calculation purposes or do accounts stand-alone?
- b. State the rate basis for intra-day and overnight overdrafts.

13. Stop Payments

The City averages only one stop pays per month. An automated stop pay process is required.

- a. What are the time periods available for stop pays?
- b. What are the time periods for extended stop pay periods?
- c. How is a stop pay extended/renewed?
- d. Can a stop pay be initiated through positive pay files? Describe.
- e. What is the deadline for same day action on stop pays?
- f. What information on current and expiring stop pays is available on-line?
- g. Will the on-line system verify if the check was cleared before accepting the stop pay?

17. Company Banking

The City is interested in giving its employees the opportunity for enhanced banking services.

- a. Does the bank have a banking services program available for City employees?
- b. List services provided under this program with applicable discounts or fees to the City or employee.
- c. Is availability of the program based on use of direct deposit or City employment?

V. **Optional and Alternative Services**

***To be considered the proposal must include a response to this section
and all fees associated with the service must be shown on Attachment A.
If the service is not available respond as such.***

The City continues to investigate new services for inclusion under its depository services contract. These services are not currently required but will be evaluated in terms of availability, feasibility, service levels, services provided and charges for potential current, or future, use under the contract. The City will make its determination on the service's use. If the service is initiated later in the contract period the services and charges stipulated in this application will be applied. If the bank currently does not offer the service but is planning to make it available during the initial contract period, it should so stipulate along with the anticipated date of activation.

If the bank has alternatives or additional services not covered by the RFA to present, please provide summary information on the service in this section.

1. Check Writing

Describe any check writing program the bank has in place including locations, time periods and fees.

2. Cash Deposits

The City currently deposits an average of \$1,200.00 cash daily. Describe any courier service to make automated deposits of cash where deposits will be processed and deposited securely, reliably and promptly.

ATTACHMENT A - BANK SERVICES PROPOSED FEE SHEDULE

City of Ingleside, Texas

Note: Include fees for all categories necessary to provide the service.

Analysis history has been extrapolated from statements with no detailed analyses available.

** indicates low usage - review monthly history for accurate info*

	Service	Average Mo Volume	Proposed Item Fee	Extended Mo. Cost	Information/Notes (as applicable)
	Average Ledger Balance	1,774,595			
010000	Acct Maint	1			
010703	Statements Rendered	5			
010101	Credit posted	21			
250201	ACH incomg CR	68			
010100	DR posted	219			
250200	ACH Incoming DR	19			
019999	Sp Signature Requirement	5			
019999	Sp Signature Requirement Items	206			
100400	Return Items	2			
100402	Reclear Items	1			
150420	Stop Payments	0			
010100	DD Mo Maint	1			
100000	CR Posted - Digital Deposit	23			
100000	DD On Us	58			
100000	DD Local City Deposited Items	28			
100000	DD Local RCPC Deposited Items	190			
100000	DD Loc Statewide Despoited Items	106			
100000	DD Other 11th Fed City Deposited Items	4			
100000	DD Other 11th Fed RCPC Deposited Items	102			
100000	DD 11th Fed Country deposited Items	2			
100000	DD Transit	995			
100000	DD Information Reporting Items	1,484			
15012Z	Positive Pay	116			
150720	Positive Pay Rejected Items	1			
150120	Positive Pay Paid Rejected Items	1			
250200	ACH Fraud Filtering	1			
250200	ACH Fraud Filters	4			
250110	ACH origination	1			
250102	ACH Origination Items	649			
250102	Same Day ACH Origination Items	7			
250302	Return Items ACH	2			
350300	Incoming Wire Transfer	0			
35041Z	Wire Transfer Statement	4			
409999	Security Token	0			
400050	CM Prior Day reporting	1			
400222	Prior Day Reorting Accounts	5			
400272	Prior Day reporting detail items	350			
400110	current day reportng	5			
151352	CM Images	3			
150410	CM StopPayments	0			
250120	Financial EDI Items	24			

	Service	Average Mo Volume	Proposed Item Fee	Extended Mo. Cost	Information/Notes (as applicable)
459999	Clearance	1			
450510	Custody Mo Maint	1			
450111	Custody assets per \$10BE	1,030			
450102	Custody Fixed Income receipts	9			
459999	Custody Interst Payments	2			
459999	Custody Maturity Payments	1			
450020	Investment Sweep	1			
	Required Services Fees				
	Additional Services				
	Check Printing				
	Per check charge				