

VILLAGE OF TIKI ISLAND, TEXAS
REQUEST FOR PROPOSAL FOR BANKING SERVICES

RESPONDENTS ARE CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED

I. INTRODUCTION

In accordance with the provisions of Chapter 105 of the Texas Local Government Code, the Village of Tiki Island, Texas is requesting proposals from eligible and qualified financial institutions for a banking services contract to be awarded June 19, 2018 with service to begin August 1, 2018. The agreement will be for an initial period of five years with an option to renew for two one-year periods. Through this contract the Village 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 Village 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 Village, a standard reply format is required. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

2. Submission Requirements

All submissions should be submitted so as to arrive in the office of the **City Secretary, Village of Tiki Island, 802 Tiki Dr., Tiki Island, TX 77554 no later than 2:00 P.M. Thursday, June 7, 2018**. The submissions will be opened publicly at 2:00 P.M. Thursday, June 7, 2018 at which time determination of compliance with consideration criteria will be made. Further and final review will be made by City secretary with recommendations presented to the Board of Alderman at their regular meeting.

Submission arriving later than the specified time will not be opened and will not be considered. Facsimile and email responses are not acceptable when in response to this Request for Proposals.

Please submit one (1) original proposal and three (3) copies marked as such. Submissions should address all questions, as applicable, as specified in item B.1 above. Each submission should be **clearly marked** on the cover page indicating:

VILLAGE OF TIKI ISLAND
PROPOSAL FOR DEPOSITORY
AND BANKING SERVICES
TO BE OPENED 2:00 P.M.,
THURSDAY, June 7, 2018

The Village reserves the right to reject any or all proposals and to waive irregularities contained therein and to accept any proposals deemed most advantageous to the Village. Proposer must meet all legal requirements and the requests outlined in this RFP. Failure to do so will result in disqualification.

3. RFP Questions

Questions regarding this RFP or the service requested will be accepted by e-mail sent to tikiisland@comcast.net at the address below on or before **5:00p.m., May 28, 2018**.

Contact: Brandee Lawther, City Secretary
Village of Tiki Island
tikiisland@comcast.net

A written response will be posted on the City website www.villageoftikiisland.org under the Government tab.

4. Request for Proposal Amendments

Modifications or additions may be made as a result of questions submitted. Notification of any such change will be posted to the Village website www.villageoftikiisland.org under the Government tab.

5. Selection Criteria

- Ability to perform and provide the required and requested services 25%
- Experience in providing banking services to Texas Municipal Governments and the institution's financial strength and stability 30%
- Ability to provide the Village with effective cash management services to include Online services 30%
- Cost of services 15%

6. Award of Bid and Service Initiation

The contract is expected to be awarded by the Board of Alderman at its regular meeting at 6:00 p.m. Tuesday June 19, 2018. The initial term of the agreement will commence on August 1, 2018 at the beginning of the business day.

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.
- Experience and references, if any with local government banking needs.
- The bank should have a detailed check fraud detection service.

IV. REQUIRED BANKING SERVICES

This section list all the services to be provided by the bank under this agreement. **Attachment A** list each of these services. The bank should use Attachment A to provide the specific price for each service.

A. Consolidated Account Structure

The bank is to provide a master consolidation account and zero account balances from which the daily balance and detail reporting is available. The Village's current account structure contains the following accounts:

Depository
Savings

Disbursement
Certificate of Obligation Series 2016

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 Village 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 Village requires an automated OC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which 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 Village chooses, the bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option. Describe the sweep options and if a money market fund is used, provide a prospectus. The accounts will be swept to the compensating balance.

E. Reconciliation

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.

Account Title: To be Determined

F. Investment of idle Funds and Safekeeping of City Securities

All certificates of deposits bought by the Village will be bought on a competitive basis. The Village 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. 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.

G. Standard Disbursing Services

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

H. 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 banks 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.

I. 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.

J. 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.

K. 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.

L. Stale Dated Checks

The bank shall not honor checks after the 180 day limit.

M. Credit/Debit Card Processing and Equipment

The bank will provide merchant card processing services along with terminals for processing credit/debit card transactions.

N. Remote Deposit Capture

The bank will have remote deposit processing capabilities along with software and imaging equipment to make remote deposits.

O. Stop Payments

The proposal must include a statement on the proposed stop payment process on an automated or manual basis.

P. 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 \$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 Village 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. Substitution will be approved by the Village 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.

Q. Lockbox Services

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

R. Online Banking Services

The bank must have online banking services for the Village to initiate wire transfers, ACH transactions, on line transfers between accounts, stop payments, positive pay reports, EFTS, and EFTPS for Federal payroll tax deposits. In addition, a backup procedure (via phone or fax) forms and contacts shall be designated in the event of a system failure or emergency. The bank shall provide hard copy confirmations.

S. Signature Cards

The bank shall assure that proper city signatures (two required) authorizations are on all paid items.

T. Additional Services

If new services become available and are provided during the period of this contract, they will be charged at the banks then published rate.

V. Legal Compliance

Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or persons affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the Village not later than the 7th business day after the person becomes aware of facts that require the statement to be filed. See Section 176.006 Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offence under this section is a class C misdemeanor. By submitting a response to this request, vendor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

ATTACHMENT A-BANKING SERVICE CHARGES

Any and all anticipated service charges must be shown on this form to be applicable under the agreement. Add additional lines as required.

<u>Service Unit</u>	<u>Unit Charge</u>	<u>Cost of Service</u>
Account Maintenance	Per month	
Daily Balance Reporting	Per month	
Zero Balanced Accounts		
Depository Account	Per month	
Disbursement Account	Per month	
Savings Account	Per month	
C of O Series 2016 Account	Per month	
Internet Banking	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	
Reconciliation	Per month	
Sort list tape	Per transaction	
Sort and list	Per transaction	
Deposits	Per transaction	
Commercial deposit	Per transaction	
Remote Deposit	Per month	
Credit/Debit processing	Per transaction	
Credit/Debit terminal	Per month/or purchase	
Stop payments	Per transaction	
Incoming Wire Transfer	Per transaction	
Outgoing Wire Transfer	Per transaction	
Safekeeping interest/credit	Per transaction	
Safekeeping receipt deposit	Per transaction	
Safekeeping outgoing	Per transaction	
Securities DVP FRB	Per transaction	
Securities DSP NY	Per transaction	
Check Printing	Per transaction	
Extra Statements	Per transaction	
Disposable Bank Bags	Per Item	
Lockbox	Per month	
Cutbacks	Per transaction	
Special handling		