

PUBLIC NOTICE

**INVITATION FOR SEALED BID APPLICATIONS
TO BE CITY DEPOSITORY**

The City of Mount Vernon, Texas invites applications for designation for one or more depository of such City for the period of October 1, 2016 through September 30, 2021. Applications for such designation and for custody of City funds as hereinafter set out, will be received until 4:30 p.m. May 31, 2016 by the City Secretary, Tina Rose, City of Mount Vernon, P. O. Box 597, 109 N. Kaufman Street, Mount Vernon, Texas 75457. After consideration of applications the City shall select as municipal depositories one or more banks that offer the most favorable terms and conditions for the handling of the municipal funds. The City Council will meet to consider the selection of depository on Monday, June 13, 2016 at 6:00 p.m. in the Council Chambers at 109 N. Kaufman Street, Mount Vernon, Texas. This invitation for applications for City Depository is made pursuant to V.T.C.A., Local Government Code Sections 105.001-105.092, and subject to all the provisions thereof. Additional applications forms are available in the office of the City Secretary.

CALENDAR OF EVENTS

<u>DATE</u>	<u>TIME</u>	<u>ITEM</u>
April 21, 2016		Publish First Public Notice
April 28, 2016		Publish Second Public Notice
May 31, 2016	until 4:30 p.m.	Receive Sealed Bids City Hall 109 N. Kaufman Street Mount Vernon, Texas 75457
June 13, 2016	6:00 p.m.	Review Recommendation With City Council and seek Award during Council Meeting City Council Chambers City Hall 109 N. Kaufman Street Mount Vernon, Texas 75457
October 1, 2016		Depository Contract Period Begins

**CITY OF MOUNT VERNON
REQUEST FOR PROPOSAL FOR BANKING SERVICES**

I. INTRODUCTION

The City of Mount Vernon is requesting proposals for a banking services contract to be awarded June 13, 2016, with service to begin October 1, 2016 and extend through September 30, 2021, 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, 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 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 and using the exhibit forms provided will be evaluated for contract award.

2. Submission Requirements

Darrek Ferrell
City of Mount Vernon
109 N. Kaufman Street
PO Box 597
Mount Vernon, Texas 75457

3. RFP Questions.

Questions regarding this RFP or the service requested will be accepted in written

form at the address below on or before 5:00 pm May 19, 2016. Responses to all material questions submitted will be communicated to each prospective bidder

Darrek Ferrell
City of Mount Vernon
109 N. Kaufman Street
PO Box 597
Mount Vernon, Texas 75457

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	_____	%
Cost of Service	_____	%
Service availability	_____	%
Safety and creditworthiness of bank	_____	%

6. Award of Bid and Service Initiation

The contract is to be awarded by City Council at its meeting June 13, 2016.

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. Consolidated Account Structure

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:

<u>Account Name</u>	<u>Type</u>
General Operating Account	Checking with interest
Debt Service Funds	Checking with interest
EDC Fund	Checking with interest
Park Fund	Checking with interest
Wastewater Repl/Imp	Checking with interest
Other accounts as needed	Checking with interest

B. Wire Transfer Services

The City currently generates approximately 10 incoming and 10 outgoing wires each month. A standard wire transfer agreement will be executed with the bank. This proposal should include a copy of your standard transfer procedures and wire transfer agreement. The City requires adequate security provisions and procedures. If the wire transfer requests are available on line, full information should be submitted detailing the use.

C. Automated Daily Balance Reporting

The City requires an automated PC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which the access is available and describe the system to be used. Reporting should include balance and detail reporting. Samples of the reports are to be included in the proposal.

D. Sweep Account Provisions

If the City 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.

E. Reconciliations

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.

<u>Account Name</u>	<u>Type</u>
General Operating Account	Checking with interest
Debt Service Funds	Checking with interest
EDC Fund	Checking with interest
Park Fund	Checking with interest
Wastewater Repl/Imp	Checking with interest
Other accounts as needed	Checking with interest

F. Investment of Idle Funds and Safekeeping of City Securities

CERTIFICATES OF DEPOSIT (UNDER \$100,000)

Thirty (30) days	_____
Sixty (60) days	_____
Ninety (90) days	_____
One Hundred Eighty (180) days	_____
Over One Hundred eighty (180+) days	_____

CERTICATES OF DEPOSIT (OVER \$100,000)

Thirty (30 days)	_____
Sixty (60) days	_____
Ninety (90) days	_____
One Hundred Eighty (180) days	_____
Over One Hundred eighty (180+) days	_____

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. 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 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.

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. 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.

M. Stop Payments

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

N. 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 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 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.

O. 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. OTHER SERVICES

The City is interested in obtaining service and cost information on additional services for possible use during the contract period. These services are not

required but will be evaluated in terms of availability, feasibility, service levels, service providers and cost. The City will make its determination after receipt of proposals as to whether a 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.

A. Lockbox Services

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

VI. 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.

VII. Certificate of Interested Parties (Form 1295):

In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. (See attached)

LIST OF SERVICES AND FEES

<u>Services Provided</u>	<u>Dollar Amount of Fees</u>
Account Maintenance	No Charge
Deposits/Credits Posted	No Charge
Items Deposited	
Encoding Charge	No Charge
Clearing Charge	No Charge
Debits/Checks Paid	No Charge
Arrange Canceled Check In Numerical Sequence	No Charge
Returned Items-Recleared	No Charge
Returned Items- Charged Back	No Charge
Stop Payments	No Charge
Daily Balance Reporting	No Charge
Cash Deposit Processing	No Charge
Coin Counting & Wrapping Service	No Charge
Wire Transfers	No Charge
Mail Advices	No Charge
Transfers between Accounts	No Charge
Insufficient Funds	No Charge
Cashier's Checks	No Charge
FDIC Insurance	No Charge
Research/Statement Reproduction	No Charge
Collateral Fee	No Charge
Detailed monthly collateral report	No Charge

At market value	No Charge
Safe Deposit Box	No Charge
Night Depository Service	No Charge
Preparation of Monthly Bank Statements	No Charge
Deposit Slips	No Charge
ACH Transmissions	No Charge
Investment Safekeeping	No Charge

Bank Depository RFP Delivery

Please sign and date below to confirm receipt of the Bank Depository RFP for the City of Mount Vernon.

First National Bank

Guaranty Bank

Prosperity Bank

Texas American Bank
