



**REQUEST FOR APPLICATION**

**Depository Banking Services**

**Issue Date: February 6, 2023**

**Proposal Deadline: March 13, 2023**



## **VICTORIA COUNTY, TEXAS**

### **REQUEST FOR APPLICATION**

#### **Depository Banking Services**

**NOTICE IS HEREBY GIVEN** that proposals for **Depository Banking Services** will be received by Victoria County. Proposals must be **submitted on a jump drive in a sealed and clearly labeled envelop to the address below** until 10:00 a.m., March 13, 2023. The Application will be date and timed stamped for a record of timely submission.

County Judge, Victoria County  
101 N. Bridge Street, Room 102  
Victoria, TX 77901  
361-575-8588

All proposals will be evaluated and results will be made public after presentation to Court and completion of the negotiation and award process with the selected Institution. The County reserves the right to reject any or all proposals and to waive any informalities or irregularities in any proposal or in the proposal process.

**The County is not responsible for undelivered proposals, and the proposer is strictly liable for its chosen method of delivery. It is the proposer's sole responsibility to make sure that proposals arrive at the proper location. Any proposal which does not actually arrive in the County Office by the RFA due date and time will be rejected as non-responsive, even if properly addressed or delivered to another County Department.**



**REQUEST FOR APPLICATIONS FOR  
DEPOSITORY BANKING SERVICES**

**TABLE OF CONTENTS**

- 1.0 INTRODUCTION
- 2.0 SUBMITTAL INSTRUCTIONS
- 3.0 EVALUATION CRITERIA
- 4.0 SCOPE OF SERVICES
- 5.0 REQUIRED FINANCIAL INSTITUTION INFORMATION
- 6.0 REQUIRED BANKING SERVICES
- 7.0 ADDITIONAL OR ALTERNATE PROPOSED SERVICES
- 8.0 OPTIONAL BANKING SERVICES

**ATTACHMENTS**

- ATTACHMENT A – PROPOSED FEES
- ATTACHMENT B – COUNTY CONFLICT OF INTEREST FORM

## **1.0 INTRODUCTION**

Victoria County (hereinafter “County”) is soliciting proposals from qualifying financial institutions to provide complete Depository Banking Services. This will be a competitive negotiation process. Qualified financial institutions (hereinafter “Institution(s)” or “Proposer(s)”), that meet the requirements set forth in this Request for Proposals (hereinafter “RFA”) and are capable of providing the services requested are encouraged to participate.

The County intends for its banking partner to provide state-of-the-art technology to assure that its current banking needs would be met for all departments and allow the County to continue to incorporate technological changes and improvements into its operations over the period of the contract. Institutions inside the boundaries of Victoria County are encouraged to propose. The contract is to begin July 1, 2023 and is to be for a four (4) year period.

Through this contract the County intends to minimize banking costs, improve operational efficiency, and maximize its investment capabilities. This RFA, which represents the County’s cash management goals, also specifies all required qualifications, the required banking, the estimated activity volumes on all accounts, the method of compensation, submission instructions, and contract award provisions. All qualified institutions are invited to submit a proposal. Services will be paid for from County operating funds in accordance with the budget process of the County.

The depository services agreement will provide that the County may terminate the Agreement immediately for cause. The agreement will also provide that the County 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 County may negotiate fees for any extended term.

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

Institutions responding to this RFA must be insured through the Federal Deposit Insurance Corporation (FDIC) and must be able to demonstrate a capacity to meet the County’s requirements as stated in the RFA through responses to the questions presented in the RFA.

## **2.0 SUBMITTAL INSTRUCTIONS**

### **Proposal Submittal**

To be eligible for consideration under this RFA the Application must be submitted electronically on a jump drive and delivered to the Office of the County Judge, 101 N. Bridge Street- Room 102, Victoria, Texas 77901 by the specified proposal due date and time. The Application drive must be in a sealed envelope marked as BANK DEPOSITORY APPLICATION.

The submission of a proposal shall be prima facie evidence that the Proposer has full knowledge of the detailed requirements as outlined in this RFA. Contact with any County staff regarding 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.

### **Good Faith Guarantee**

In accordance with Texas Local Government Code (Section 116.023(b)) a cashier's or certified check in the amount of \$3,739,003.57 must accompany the Application (a certified check or cashier's check for at least one-half percent of the county's revenue for the preceding year). The certified or cashier's check that accompanies an application is a good-faith guarantee on the part of the applicant that if accepted as a county depository it will execute the bond required under this chapter. In the event the chosen depository timely pledges appropriate collateral and places it with the designated custodian pursuant to Local Government Code Chapter 116 Subchapter C., the check will be returned to the chosen depositor. All other checks will be returned after award of the contract.

### **Order of Proposal Submission**

The Proposal should be formatted in the following order preferably in an indexed/tabbed electronic pdf format.

- A. Cover letter
- B. Response to each question in Sections 5.0 through 8.0
- C. Completed Schedule of Fees (Attachment A)
- D. Completed County Conflict of Interest Form

### **Cover Letter**

The 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 two (2) pages in length.

### **Depository RFA Questions**

There will be no pre-proposal conference. Questions regarding this RFA, or the services requested, must be submitted in email form by February 22, 2023 to:

[pfoster@vctx.org](mailto:pfoster@vctx.org)

Responses will be sent to all known proposers by email by February 24, 2023. Any addenda will also be sent via email to all known proposers.

**RFA Instructions**

This RFA includes a description of the scope of services, proposal requirements, and instructions for submitting your proposal. Failure to follow these instructions may result in rejection of your proposal.

No oral representations or interpretations will be made to any proposer as to the meaning of this RFA. Do not contact other individuals or County departments in this regard. Information provided by anyone other than the above contact may be invalid and proposals which are submitted in accordance with such information may be declared non-responsive.

If it becomes necessary to revise any part of this RFA, written addenda will be issued to all known proposers. Any amendment to this RFA is valid only if it is in writing and issued by the County Treasurer. No oral interpretations or answers shall bind the County unless confirmed by the County in writing.

All addenda for this RFA will be distributed by email from the County Treasurer to known proposers.

**Tentative RFA Project Schedule**

The following represents the tentative schedule for this RFA. Any change in the scheduled dates for the Deadline for Final Questions or Proposal Submission Deadline will be sent as an email to all known proposers. The schedule for the evaluation process and other future dates may be adjusted without notice.

RFA Released by the County	February 6, 2023
Deadline for Final Questions	February 22, 2023
County Responses to Questions	February 24, 2023
Proposal Submission Deadline	March 13, 2023
Institution Interviews as needed	Tbd
Award of contract by Commissioners Court	April 2023
Commencement of Services	July 1, 2023

On the 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 Proposer must identify any information contained in its application which is either a trade secret or confidential information. Such material must be identified conspicuously by marking each page 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 County reserves the right to negotiate any terms of the Agreement. Unless specifically referenced by an RFA amendment, all requirements, terms and conditions stated in the original RFA by the County will apply.

Once the contract negotiations are successfully concluded a recommendation by the Depository Committee will be submitted to the Commissioners Court concerning award. The County will not be bound under any such Agreement until the Commissioners' Court authorizes the Treasurer to execute the Depository Services Agreement(s) and Service Agreements (as necessary) and the Agreement is executed.

### **County Rights**

The County 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 the County;
- request additional information or require a meeting with Proposer 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 County's best interest as determined by the County.

### **Other**

1. During the contract period, the depository will notify the County 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 depository's records relating to the County's accounts shall be open to review by either the County or its independent auditors during normal business hours.
3. The County reserves the right to pay for depository services by compensating balances or by fees and to change the methodology during the contract period with no less than a 30 day notice.
4. 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.

## **3.0 EVALUATION CRITERIA**

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

- Cost of required banking services
- Capability of providing all services required and degree of automation of the services
- Financial strength of the institution
- Earnings potential
- Collateralization
- Customer service structure

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

## **4.0 SCOPE OF SERVICES**

**Financial Overview and General Scope** - The County currently maintains a large number of accounts organized and reported in groups of sub-accounts by function and organization structure:

- County Accounts Payable Accounts
- County Hospital Funds
- County Navigation Funds
- County Nursing Home Funds (including HUD accounts)
- County Probation and Miscellaneous Funds
- County Registry Funds

The total 62 individual accounts are listed below and are shown on the individual group accounts tabs of Attachment A. Service volumes for the entire relationship and the individual groups of accounts are shown on Attachment A on separate tabs. Some of these accounts vary significantly throughout the year and a review of the detail is encouraged for clarity.

DDA (CMC ACCT PAYABLE)	DDA (HOSPITAL FUND)
DDA (HEIDI EASLEY)	DDA (JDP DEPT)
DDA (CMC MEDICAL PROFESSIONAL)	DDA (Boon Chapman Claims)
DDA (Weight Management)	DDA (NAV CONST I&S 2015)
DDA (NAV APCA INVESTMENT)	DDA (NAV 2015 BOND INVESTMENT)
DDA (HEALTH DRAFTING)	DDA (CMC HOME HEALTH AGENCY)
DDA (CMC INVESTMENT MED PROFESSIONAL)	DDA (YOAKUM NURSING HUD)
DDA (PT LAVACA NURSING HUD)	DDA (STEVENS NURSING HUD)
DDA (CUERO NURSING HUD)	DDA (SOUTHBROOKE NURSING HUD)
DDA (WHARTON NURSING HUD)	DDA (Matagorda Nursing HUD)
DDA (GANADO NURSING HUD)	DDA (TWIN PINES NURSING HUD)
DDA (PROPERTY TAX SALE)	DDA (CMC BOND)
DDA (TAX AD VALOREM)	DDA (TAX ESCROW)
DDA (TAX REFUND)	DDA (TAX SPECIAL INVENTORY)
DDA (TAX HIGHWAY)	DDA (Z P PF NOW)
DDA (JDP UNPAY REST)	DDA (JUV INMATE TR)
DDA (AIRPORT DRAFTING)	DDA (CRIM DIST ATTY)
DDA (COUNTY INVESTMENT)	DDA (CMC AP INVESTMENT)
DDA (CAFETERIA PLAN)	DDA (CC CLR)
DDA (CMC125)	DDA (ADULT PROBATION INVESTMENT)
DDA (Ganado Nursing and Rehab Center)	DDA (Southbrooke Manor Nursing and Rehab)
DDA (Stevens Nursing and Rehab Center of Hallettsville)	DDA (Wharton Nursing and Rehab Center)
DDA (Port Lavaca Nursing and Rehab Center)	DDA (Cuero Nursing and Rehab Center)
DDA (CMC PAYROLL)	DDA (DC TRUST FUND)
DDA (ACCTPAYABLECLR)	DDA (JDP FUND)
DDA (NAVIGATION DIST)	DDA (HOSPITAL INVESTMENT)
DDA (CMC PR INVESTMENT)	DDA (PORT FACILITIES)
DDA (Yoakum Nursing and Rehab Center)	DDA (Navigation I&S A2012)
DDA (Navigation I&S B2012)	DDA (CUERO PROBATION)
DDA (REFUGIO PROBATION)	DDA (Matagorda Nursing and Rehab Center)
DDA (Twin Pines Nursing & Rehabilitation)	DDA (Shady Oak Nursing and Rehab)

All accounts opened or closed under the County's tax identification number and this contract must be approved in writing by both the County Auditor and County Treasurer.

Besides property tax revenue, which is received in generally December through February, other tax and service fee revenue is received throughout the year.

Payables vary greatly throughout the year with approximately \$14 million processed monthly on daily payable runs.

This RFA anticipates a move to a fee compensation basis and an external sweep to a money market mutual fund.

The County is extremely interested in obtaining and maintaining highly competitive interest rates. Market sweep rates and interest-bearing rates in interest bearing accounts and money market accounts as well as



the ECR will be of particular interest to the County. These rates are required below in the RFA questions. The County reserves the right to change from fee basis to compensating balance basis throughout the contract period.

Most wires, securities transactions, transfers, and ACH transactions process through the Accounts Payable Accounts. Credit card payments are currently clearing through "GovPay" under a separate contract with funds deposited directly into that account.

The County uses Meditech and Incode 9 Tyler Technologies ERP system the Proposer should have the ability to interface with this system. Deposits from various departments are deposited from the individual departments and represent an average of 7,500 deposited items per month. The County currently does not now use remote deposit for checks.

ACH is used to pay vendors and to receive and send tax and state payments as well as other payments.

Bi-weekly payroll checks are issued from the Accounts payable clearing account for approximately 1,850 total employees and a gross monthly payroll of \$8,867,787.84 million. Direct deposit is not mandatory but used by 100% of the total employees. Manual payroll checks are still being written on a limited basis. The bank will be expected to follow standard SWACHA regulations for deposit of employee funds on the scheduled date as defined by the County.

Attachment A contains the banking services monthly volumes from a one-year aggregated relationship history. It records all activity in those months. No account analyses will be supplied to proposers for this RFA.

The Treasurer has oversight of banking, accounts payable, and payroll operations. All reporting and reconciliation will be accomplished through the-Treasurer's Department.

Any or all County funds may be maintained and invested by the County outside this contract. The County will be under no obligation to maintain time or demand funds in the bank except when fees are paid under a compensating balance basis. In the area of safekeeping/custody, the County currently has no securities but could average 10 cusips and \$5 million par in book entry (non-ABS/MBS) securities.

## **5.0 REQUIRED FINANCIAL INSTITUTION INFORMATION**

To be qualified, the Proposer must be a federally or State of Texas chartered depository institution with full banking services. The Proposer must qualify as a designated Texas Depository.

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

### **1. Creditworthiness**

To fulfill the County's fiduciary responsibility to protect public funds, each bank submitting proposals shall provide the following in response to these questions. Each bank shall carry FDIC coverage.

- a. Provide a link to the most recent audited annual financial statement. The bank will be required to submit an audited statement to the County each year of the contract period as soon as it is publicly 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. If not rated, the rating from an independent rating agency such as Highline, Veribanc, or comparable bank rating agency. The bank must notify the County 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 is of primary interest in the evaluation. The County is particularly interested in timely, high-performance customer service. Being in the hurricane alley, the County needs rapid service and support should emergency situations occur.

- a. How does the bank anticipate satisfying the County's need for customer service?
- b. How will the bank provide the County with local relationship support for its services? What service structure or approach will be instituted to provide the optimal service?
- c. What services are provided by the holding company (non-local)?
- d. How, specifically, does the bank support the local community as well as the County?
- e. Will representatives meet with the County regularly? How will the bank communicate on banking issues or new products?
- f. Is there any formal process for escalation of unresolved problems or issues?
- g. How will local service and overall contract performance be monitored?
- h. Are there any new services in process which may impact the County? When are these planned to be available?
- i. Is the bank offering any transition or retention incentives? Describe fully and quantify completely.
- j. What support will the bank be able to offer the County in a disaster situation to maintain stable banking functions?
- k. The County requires the right to use a third-party auditor to review the County's accounts, collateral, transactions, and bank records at any reasonable time. Confirm agreement with this condition.
- l. Will the bank charge for audit confirmations? Describe.

**3. References.**

List references from three comparable Texas public entity clients, preferably counties. 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 County.

**5. Implementation timeline.**

The contract period will commence July 1, 2023. The County 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 August 1, 2023. Collateral should be in place before any County 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. Denote any limitations or potential delay points.

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 County.

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 County having the right to terminate the contract, but the exercising of such right to terminate the contract does not limit any other remedies the County may have for damages or other relief under law.

## 6.0 REQUIRED BANKING 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. Provide any level of detail as necessary for complete disclosure.***

It is the County's intent that the contract negotiated between the County and the Depository selected through this process will encompass all the services and conditions required in this section. These Required Services are minimum requirements, and any Proposer unable to provide such minimal services should so state and may not be considered for selection as the Depository. Additional services offered by the Proposer may be included in Section 7.0 (Additional Services Offered).

### 1. Consolidated Account Structure with Sweep Mechanism

The County is interested in assuring that all its funds are earning the best, then-current interest rates at all times. The County does not currently use an automated sweep to a money market mutual fund . Each account is stand-alone within its group of accounts. A sweep could be established (except the HUD accounts) where each group is swept to its master then swept to a money market fund daily. The proposal may describe other alternative structures if competitive to reach its full investment goal and to minimize collateral requirements and any resulting balance-based fee.

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

The bank shall clearly describe the bank's proposed cost effective structure and methodology for structuring the accounts in this changing interest rate environment.

- a. Describe the bank's ability to provide a ZBA sweep structure and indicate whether the sweep would be from the group master account by account group or as one master account.
- b. How is interest from a sweep reported and applied?

- c. Describe any alternatives to the sweep structure.
- d. Are the internal account rates (interest bearing and money market accounts) indexed or managed? If indexed to a specific rate, provide that index.
- e. Provide the prospectus for any sweep fund alternatives. A AAA-rated, SEC registered fund striving to maintain a \$1 NAV is anticipated to be utilized for the sweep.
- f. 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.
- g. The County 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.
- h. The County 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. Confirm agreement to this condition.
- i. Will the bank assess a balance-based fee on the account analysis? What is the specific rate that will be applied? Record on Attachment A also.
- j. Complete the following table with the rates for each category for the last twelve months and the current rate.

Type	Past 12 Months	Current Rate
ECR	%	%
Interest Bearing Accounts	%	%
Money Market Accounts	%	%
Sweep MMMF	%	%

## 2. Automated Cash Management Information and Imaging

The County requires web-based, automated cash management services and daily balance reporting (prior and intra-day on certain accounts) for timely access to balance information and transactions supported by real-time information where available. The County requires a high degree of automation in all service areas.

Imaging of all checks, deposit slips and deposit items is required. All statements must be available in electronic form along with available archiving of information. To reduce paper handling and storage, the County is focused on electronic processing and imaging.

The County desires access to downloadable information for direct download to the County's accounting software. The County uses Meditech and Incode 9 System from Tyler Technologies. Daily balance reporting should include detail on all transactions with summary reporting on closing ledger and collected balances, at a minimum.

- a. Provide a link to the Proposer's automated information system with any necessary password to view the capabilities.
- b. Fully describe and list the bank's on-line service capabilities.
- c. What are the retention periods for reports and transactions?
- d. Describe the ability to search on historical transactions and reports as well as the ability to retrieve and download historical images. Are reports customizable?
- e. What level of customization is available for reporting?
- f. When is prior day information available? Is intra-day information real-time or periodically available throughout the day? Describe.
- g. Describe provisions for off-site backup and continuation of services in local or regional disaster situations.

- h. Describe the security protocol for online services. How is authentication and authorization provided?
- i. How and by whom is the administration of the security module established and maintained?
- j. What are the hours of available technical support? How is that support provided? Is training available for various services on implementation?
- k. What items are imaged and reported?
- l. Describe your alert/event messaging process. How are alerts sent; by email, text, etc.? Must the user be on the system to receive alerts?
- m. Do you currently provide banking services to other entities using Meditech or Incode 9 by Tyler Technologies ERP software? Give two references.
- n. Describe any cash forecasting or trending capabilities.

### **3. Deposit and Collection Services**

Standard commercial deposit services are required for the accounts. Branch deposits of coin/currency are made daily- by-Tax, Treasurers,-County Clerk offices. Deposits are made up of checks and coin/currency. Coins are not rolled. Currency is not strapped. The County is currently using remote deposit and is planning to increase use during the contract period. The County wants the ability to continue making necessary deposits to a close branch location when necessary.

The County expects all deposited checks to clear based on the bank's current published availability schedule. 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 County accounts in a timely fashion will require interest payment reimbursement to the County at the then-current daily Fed Funds rate.

A lockbox for The County Hospital will not be required.

- a. What is the bank's daily cut-off time to assure same day ledger and, pending availability, collected credit at (a) the banking center or at a branch?
- b. What e-receivables services are available?
- c. When and how are credit/debit advices sent to the County? (Preference will be given to electronic delivery.) Are images of checks and deposit slips provided online?
- d. How does the bank handle discrepancies in deposit amounts? What dollar limits are used for decisioning? What settlement process is followed?
- e. How and when does notification of return items take place?
- f. How are returned checks reported to the County? Do all NSF/returned items advices include a full description and reason for return? List the elements reported.
- g. What type deposit bags are used or required? Are these available from the bank?
- h. What advance notice is required for change orders at a vault or at a local branch?
- i. Provide a list of all the bank's locations near the County's Administrative office.
- j. What branch offices are located in the downtown Victoria area?
- k. Besides positive pay, how does the bank assist in fraudulent check recovery?
- l. What alerts are used for collections, if any?

### **Remote Deposit Services**

The County currently does use remote deposit on eleven accounts in the A/P Group of accounts and wants to move to increased remote use during this contract period.

- a. Describe the bank's capability to provide remote deposit/capture processing.
- b. Describe equipment needs, capabilities, and limitations. A web-based system is required.

- c. What is the final deposit cut-off time with remote deposit?
- d. Provide a sample remote deposit batch report. How long are these retained for access online?
- e. Is scanner equipment available through the contract: purchase or lease?
- f. List the equipment required along with its approximate cost(s).
- g. Will the bank provide any scanners?

#### **4. Standard Disbursing Services**

Standard disbursing services for some accounts (for vendors) are required.

Payrolls are paid largely by direct deposit although a limited number of payroll checks are produced. Payroll is paid bi-weekly averaging \$2,371,946.96 bi-weekly.

The County currently utilize positive pay services on vendor payables and will require it under the proposed contract. Payee positive pay services are desired for fraud protection in the future. The County also intends to continue to move toward more vendor payments by ACH.

- a. When is daily check clearing information available online? Is it updated real-time during the day?
- b. How long are clearing transaction details maintained online?
- c. The County requires the bank to cash free of charge any non-account holder payroll checks for County employees at the bank. Confirm agreement with this condition.
- d. Describe any e-payables or payment consolidation services available.
- e. Describe the bank's virtual credit card capabilities?
- f. Describe any commercial card program.

#### **5. Stop Payments**

The County averages perhaps one stop pay per month with automatic renewals. An online stop pay process is required.

- a. What are the time periods available for stop pays?
- b. What are the time periods for extended/renewed stop pays?
- c. How is a stop pay extended/renewed?
- d. Can a stop pay be initiated or renewed totally online?
- 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?

#### **6. Reconciliation and Positive Pay**

The County requires positive pay services with complete indemnification for fraudulent checks. Standard positive pay is used in three accounts. Payee verification is currently used on two (2) accounts (in Accounts Payable Group and Hospital Group) but may expand use during the contract period. Currently, positive pay processes an average of 1,500 items per month and Payee items average 1,250 per month.

The bank must provide a fully automated, web compatible transmission process. Transmissions will be made as part of each check run. Manual written check information must be available for online input.

The County does not utilize any reconciliation services but wants to explore the use of partial reconciliation.

- 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 totally on-line? Describe.
- c. Is payee positive pay available?
- d. Is exception reporting and handling managed totally online? Describe.
- e. At what specific time will positive pay exception information be reported to the County? How is notification made? Must the staff member be online to receive notification or are alerts sent electronically?
- f. At what specific time is the response required for County exception elections?
- g. Does the bank review exceptions (scrub) errors for possible repair before creating a County exception item?
- h. 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?
- i. Describe your partial and full reconciliation services including specific transmission requirements and reporting. What reports are available?

## **7. Funds Transfer and Wire Services**

The County currently has an average of six (6) outgoing wire and two (2) incoming wires a month along with internal transfers, primarily domestic. International wire capability is required.

Incoming wire transfers must receive immediate same day collected credit. Wire initiation must be available online. The County requires that wires be released the same or scheduled business day if information is provided by the established deadline. The County will require compensation for delays caused by the bank at that day's Fed Funds rate.

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

## **8. ACH Services**

The County expects to continue moving toward more ACH transactions for vendor transactions. ACH is currently used for payrolls and transfers through four (4) accounts in three account groups but there are no specific fraud filters in place (except positive pay). The County requires pre-notification and wants to review and expand the use of filters/blocks. 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. Does the bank provide same-day, one-day and two-day ACH?
- e. Is the County initiating account debited on initiation or settlement date?
- f. What specific filters and blocks are available?
- g. What process is used for file and item reversals and deletions?
- h. Are ACH addenda shown in their entirety on-line and on detail reporting, reports and statements? How is the addenda information made available – online and on reports?
- i. What protective measures has the bank taken to prevent or recover from electronic fraud?

## **9. Safekeeping Services**

The bank should provide a book-entry safekeeping services for securities owned by the County. All County investments will be made by the County and instructions for clearing and safekeeping will be transmitted to the bank in writing or on their automated system.

The bank will not be used for brokerage services in order to perfect delivery versus payment. Therefore all trades will be third party.

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

If the bank is not a member of the Federal Reserve and utilizes a correspondent bank for safekeeping of County securities, the transactions will be handled through the depository bank's systems and shall not require additional interaction by the County 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? If not, what provisions does the bank have for use of a correspondent or independent institution?
- b. Are trades entered on an automated system? Does the system require dual authorization or initiation/release? Describe.
- c. Is online monitoring available?
- d. Is online access to securities listings available?
- e. Describe bank safekeeping arrangements proposed if a correspondent bank is to be used.
- f. How are services charged for individual clearing, safekeeping and income distribution?
- g. Will safekeeping be hard charged or charged through analysis?
- h. Are notifications sent on all transactions? When and how?
- i. What time are delivery instructions required? Is there a fee charged for late instructions.

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

## **10. 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% market-value margin to total deposits and maintained daily by the bank. All



the County requirements listed below, including those more restrictive than the Public Funds Collateral Act, must be met by the bank.

The proposal must state agreement to the following terms and conditions. If exceptions are proposed they must be fully detailed in the response. Preference will be given to pledged individual securities over a letter of credit.

- All collateral pledged to the County must be held in an independent, third-party bank outside the bank's holding company.
  - A safekeeping agreement shall be executed with the County 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 market-value minimum of 102% of principal plus accrued interest daily.
  - The bank shall be responsible for the daily monitoring and maintaining of collateral at the County's required margin levels.
  - Pledged collateral shall be evidenced by original safekeeping receipts/report/advices sent directly to the County preferably by the custodian within one business day of receipt.
  - The County shall receive a monthly report of collateral pledged including description, par, market value, and cusip.
  - 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.
    - Obligations of US states and their subdivisions rated A or better.
    - Irrevocable FHLB letter of credit.
- a. State the bank's acceptance of the collateral conditions above. Detail any exceptions proposed by the bank.
  - b. What institution will the bank use to serve as the Custodian?
  - c. Will reports and receipts be provided by the custodian or the bank?

## 11. Account Analysis

Monthly account analysis reports must be provided for each account and on a consolidated (relationship) basis. Within five business days of the County's receipt of the account analysis and subsequent approval of the fees by County 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. Is the account analysis provided online? When is the analysis available online each month?
- b. How long is it retained online?
- c. Provide a sample account analysis.

## 12. Monthly Statements

The bank must provide monthly account statements on all accounts with complete supporting documentation. The County currently receives statements online. 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. Is the statement provided online and downloadable?
- b. Provide a sample monthly statement.
- c. When are monthly statements available online each month?
- d. How long are they retained online?

### **13. Account Executive**

To insure smooth contract implementation and continuation of service levels, a specific account executive and a back-up at the local bank must be assigned to the County account to coordinate services and expedite the solution of any problem encountered. The account executive should be available to meet with County staff to review the relationship and discuss banking matters as needed and, at a minimum, annually.

- a. What is the role and what level of support is provided by the local representative?
- b. How often does the representative plan to meet with the County to review services?
- c. Provide the name and title of the proposed account executive and the back-up.

### **14. 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 County 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.

### **17. Company Banking**

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

- a. Does the bank have a banking services program available for County employees?
- b. List services provided under this program with applicable discounts or fees to the County or employee.

## **7.0 ADDITIONAL OR ALTERNATIVE PROPOSED SERVICES**

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.

**ATTACHMENT B**

**COUNTY FORMS REQUIRED FOR COMPLETION**

**CONFLICT OF INTEREST DISCLOSURE**

The County requires that all depository applicants seeking to provide Depository Services for the County to provide the following information in accordance with the provisions of the Texas Local Government Code, Chapter 131.903. Every question must be answered. If the question is not applicable, answer with "NA". See definitions in this Exhibit. ***In addition, if awarded the contract the depository will be required to submit a Form 1295 from the Texas Ethics Commission before commencement of the contract.***

DEPOSITORY BANK: \_\_\_\_\_  
P.O. BOX/STREET: \_\_\_\_\_  
CITY/STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

**DISCLOSURE QUESTIONS**

If additional space is necessary, please use the reverse side of this page or attach a separate sheet.

1. State the names of each "Official" of the County having a position as an officer, director or owner or have a beneficial interest, individually or collectively, in more than 10% of the outstanding capital stock of the above named Depository Bank.

<u>Name</u>	<u>Job Title</u>
_____	_____
_____	_____

2. State the names of each "Employee" of the County having a position as an officer, director or owner or have a beneficial interest, individually or collectively, in more than 10% of the outstanding capital stock of the above named Depository Bank.

<u>Name</u>	<u>Job Title/Department (If Known)</u>
_____	_____
_____	_____

**CERTIFICATE**

I certify that all information is true and correct as of the date of this statement, that I have not knowingly withheld disclosure of any information requested; and that supplemental statements will be promptly submitted to the County as changes occur.

Certifying Person: \_\_\_\_\_ Title: \_\_\_\_\_

Signature of Certifying Person \_\_\_\_\_ Date: \_\_\_\_\_