

COUNTY OF VICTORIA, TEXAS

REQUEST FOR APPLICATION

BANK DEPOSITORY SERVICES AND MERCHANT SERVICES

Proposals Due: April 17, 2017 by 10:00 a.m.

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COUNTY OF VICTORIA, TEXAS

REQUEST FOR APPLICATION– DEPOSITORY AND BANKING SERVICES

I. INTRODUCTION

The County of Victoria (the “County”) is requesting applications for a four (4) year bank depository services contract in accordance with Local Government Code 116 with service to begin July 1, 2017 and extend through June 30, 2021.

Through this contract the County intends to minimize banking costs, improve operational efficiency, and maximize its investment capabilities. This Request for Application (RFA), which represents the County's cash management goals, specifies all required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and contract award provisions. All qualified institutions, as defined below, are invited to submit a proposal.

The RFA is designed to solicit applications/proposals for both banking and merchant services. Banking institutions may chose to propose on only banking services or both banking and merchant services. Merchant service providers may chose to make joint proposals with a banking institution or separately providing a proposal for merchant services only. Evaluation and consideration will be made on the best operational and cost structured proposals for the County.

Institutions responding to this Request for Application (RFA) including banking services 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. Providers applying only for merchant services should complete all general information and submission requirements.

II. APPLICANT QUALIFICATIONS AND SUBMISSION INSTRUCTIONS

By submitting a proposal in response to this RFA, depositories will be deemed to agree to the mandatory contract and service provisions contained herein. This RFA and the application submitted by the bank will be incorporated into and form the basis of the bank depository services contract.

1. Local Presence

To assure a close working relationship and to facilitate services, depository institutions with full depository service capabilities within the geographic boundaries of the County of Victoria.

2. Proposal Format

In order to equitably evaluate each bank's ability to meet the banking service needs of the County, a standard format for all proposals is required. A response must be given to each item in Sections V- VII of this RFA along with completion of Attachments A and B. Merchant services proposals should be accompanied by a complete Attachment C. Responses must be in the same order as the questions presented and a response given for each question, stating acceptance of, modifications or additions to, or a statement of the inability to provide said service. Only proposals submitted in the prescribed format and using the provided Attachments A, B, and C (if applicable) will be considered and evaluated for contract award. Additional explanatory information may be included as part of a proposal.

This RFA and the proposal submitted will be incorporated into and form the basis of the bank depository services contract.

The RFA is being issued in electronic form only. Submission of the Proposal however must be in written form.

3. Schedule for Application/Proposal Submission

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

03/16/17	Release of Request for Proposal
03/27/17	Deadline for questions concerning the RFA or services requested
03/30/17	Responses given to any questions on the RFA - provided to all known proposers
04/17/17	Deadline for proposal submission
05/08/17	Award at Court
07/01/17	Contract commencement

4. Application/Proposal Submission

To be eligible for consideration under this request, a total of three (3) complete copies of each proposal shall be submitted by **10:00 a.m. CST on April 17, 2017** to the two addresses below. **Proposals received after that time by the County will not be accepted and will not be returned.**

The application must be submitted in a sealed envelope or packet marked “Application for Depository Banking Services”. An accompanying cover/transmittal 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 regarding the proposal.

Two proposals must be delivered by mail, express mail, or in person to:

Judge Ben Zeller	361-575-4558
County of Victoria	bzeller@vctx.org
101 N. Bridge Street	
Victoria, Texas 77901	

One proposal must be delivered by mail, express mail, or in person to:

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

Late submissions to the County address will not be considered or returned.

5. RFA Questions - There will be **no pre-proposal conference**. Questions regarding this RFA, or the services requested, will be accepted in **e-mail form only**, at the email address (skennedy@vctx.org) on or before **3:00 pm March 27, 2017**. Responses to all material questions submitted will be communicated via email to all known proposers by **5:00 pm March 30, 2017**.

6. Selection Criteria

The following criteria will be used by the County as the weighting basis for evaluation of the proposals and the award recommendation.

- 35 % - responsiveness and ability to provide services and reports required,
- 35 % - banking services costs and earnings potential,
- 10 % - experience, references, and continuity of bank and bank officials, and
- 20 % - creditworthiness and stability of the bank.

The County will consider the availability of services and the cost of those services as well as the earnings potential under the contract. All these elements will be combined for evaluation of the proposals.

Award may not be made to the institution submitting the lowest price proposal. The County will choose the institution submitting the best, most responsive overall proposal to satisfy the County's needs.

7. 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 County,
- request additional information or require a meeting with bank representatives for clarification,
- cancel, revise, and/or reissue this request for proposal or any portions thereof,
- negotiate any conditions with proposers,
- retain all other provisions even if any provision of the proposal is deemed invalid,
- modify deadlines, and
- select any proposal deemed to be in its best interest as determined by the County.

8. Proprietary Information

To the extent permitted by law, proposals will be opened in a manner that avoids disclosure of the contents until after award of the contract. Proprietary information contained in the proposal should be designated as such on each page containing the restricted information.

9. Fees and Charges

The County reserves the right to utilize either a fee basis or compensating balance basis (or a combination of each) for payment of banking services under the contract. The County reserves the right to change the payment methodology during the contract period upon no less than 30 days written notice to the bank with the change commencing on the first of a calendar month. This will enable the County to take advantage of changing interest rate environments.

The County is anticipating the use of interest bearing or money market accounts and a daily sweep of main accounts into a SEC registered money market fund or an indexed internal account proposed by bank. A complete monthly account analysis will be required regardless of the payment basis.

All item and account charges will remain at the proposal price quoted on Attachment A for the duration of the contract period regardless of changes in service volumes during the period. Should new services be required during the contract period not contemplated by this RFA, those services will be provided at fees not more than the bank's then-current published rate and approved by the County's Treasurer.

III. OVERVIEW

The County banking structure is made up of five separate yet consolidated entities which operate semi-autonomously: the County, the tax-collector/assessor, the County hospital (with ten subsidiary nursing homes), a navigation district (operating under a different tax id yet part of the County), and adult probation services. Sub-accounting of accounts is operationally preferred for reporting purposes as a result.

The County's Treasury handles all banking, treasury, and investment activities. The Auditor is responsible for accounts payable, and financial reporting functions. The Treasurer is responsible for the department and reports to the Judge and Court.

The County does not consolidate deposits and deposits directly to the branch bank daily from normally four locations. Currently deposits are made by County staff and all transactions are under the direction/control of the Treasurer. The Treasurer handles all reconciliations.

The County wants to utilize automated banking services when efficient and cost effective. This proposal should address automation potential on any and all services.

The County currently has fifty-two (52) bank accounts which are grouped into the five (5) major accounts based on the County departmental structure listed below.

<u>itle</u>	<u>No. of Sub-accts</u>	<u>Avg Ledger Balance</u>
A/P Clearing - Treasurer	11	\$ 5,773,841
Tax Collection	5	\$ 2,571,734
Judiciary	9	\$ 163,030 (<i>highly variable balances</i>)
Hospital	21	\$ 6,450,205
Navigation	12	\$ 300
Total	52	\$16,317,366

Attachment A has a month to month listing of services and balances for each account grouping.

Under the proposed contract, the account groups will remain the same. The County does not use any ZBA structure currently. The bank will be asked to present the most efficient structure to effect the best investment rates and best operating efficiency.

Deposits are prepared by multiple departments/cashiers receiving the money and taken to the bank by the department for an average of individual four deposits per day. The Adult Probation, hospital, navigation and County accounts will receive deposits or transfers on an almost daily basis. The hospital makes transfers to each of its ten nursing homes weekly. Tax Collection, which has its own accounts, has heavy balances from December through February. Wires are used infrequently in three of the account groups. Securities transactions would be tied primarily to the A/P grouping. ACH is used in four of the account groups. Approximately \$14 million in payables and \$8 million in payroll is processed monthly.

The Treasurer handles all reconciliation on the accounts (which are then audited by the Auditor). Only one set of statements will be required.

The County does utilize a local government pool and will need interest bearing or money market accounts. The County will decide on the use of the accounts as interest rates and conditions vary. All account decisions will be made by the County.

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 funds in the bank except under a compensating balance situation. The County will not use the depository institution for brokerage services in order to assure complete separation on security delivery versus payment delivery requirements.

The Treasurer will monitor the bank's performance against provisions of the agreement, including the bank's proposal submitted in the response to this RFA. The Treasurer will be responsible for administering the agreement with respect to day-to-day activities, including deposits and withdrawals,

ACH transactions, maintenance of account balances, daily reporting, etc. A list of County personnel authorized to deal directly with the bank will be provided following award of contract. The bank shall provide the County with a similar list of authorized personnel.

The banking services described in this RFA are directed toward four major goals:

- timely and accurate information flow,
- 100% utilization of idle funds and continuous investment of County funds,
- safety of County funds and securities,
- efficient utilization of available banking services, and
- minimization of banking costs for the County.

IV. FINANCIAL INSTITUTION QUALIFICATIONS

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

1. In order to fulfill the County's fiduciary responsibility to protect public funds, each bank, submitting a proposal shall provide the following.
 - a. Provide an audited annual financial statement for its most recent fiscal period. The bank will be required to provide annual financial statements throughout the contract period. Confirm agreement to this condition.
 - b. Provide the bank's CRA rating (noting the specific rating agency). If this rating changes during the contract the bank is to inform the County. Confirm agreement to this condition.
1. Describe the bank's philosophy and approach to satisfying the County's banking and customer service requirements.
 - a. What, if anything, is distinctive about the bank's approach to customer service?
 - b. What is distinctive about the bank's approach to its uses of automation including future automated services?
3. Is the bank offering the County any transition or retention incentives?
4. List references from at least three of the bank's current, comparable governmental clients. Include the length of time under contract, a client contact, title, and email address.
5. Provide the bank's senior and subordinate credit ratings. If not available, provide the most recent Veribanc or comparable bank rating from an independent bank rating service. **The bank will be responsible for notifying the County within thirty (30) days of any change in this given rating during the entire contract period.** Confirm agreement to this condition.
6. Provide a proposed timeline for implementation of the contract including the timeline activities and direct responsibilities of the County and the bank during implementation.
7. Provide a copy of **all** agreements (including those not directly requested in this RFA) which will be required to be executed under the contract. Any changes required on the agreements will be agreed upon and made in writing before award of the contract is made by County Court.

8. The bank awarded the contract will be required to review the then-current County Investment Policy and certify in writing to that review in accordance with the Public Funds Investment Act certifying that the bank has sufficient controls in place to avoid transactions not authorized by the Policy. Confirm agreement to this condition.
9. The County is interested in using a bank which supports the local community and its activities. Describe the community support and activity within Victoria County over the past two years.

V. 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.
Add any level of detail as necessary for complete disclosure.***

1. Consolidated Account Structure with Sweep Mechanism

The County is interested in assuring that all funds are earning at the best, then-current interest rates available at all times. The County currently pays for services on a compensating balance basis but dependent on rate changes will also consider the payment through fees.

The County may discuss use of an automated, daily sweep to a money market mutual fund in order to reach its full investment goal and to minimize collateral requirements.

If a money market fund is used it must be SEC registered rated AAA by at least one nationally recognized rating service and strive to maintain a \$1 NAV. 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 for current use until rates rise. **Off-shore investments and repurchase agreements are not acceptable as sweep investment vehicles.**

For compensation purposes:

- If a fee basis with a sweep is utilized for compensation purposes, all or certain accounts will be swept daily by the bank to a zero balance (or rounded minimums) daily. Others, if not swept, will pay fees or maintain balances.
 - If a compensating balance with a sweep is utilized for compensation purposes, all accounts will be swept daily by the bank to the target compensating balance.
 - On a compensating balance basis, any earnings credit/debit shall be carried over for net settlement on a semi-annual basis.
- a. Will the bank charge a regulatory balance fee of any kind? What is the rate basis to be used? How long will it be charged?
 - b. Fully describe the proposed account structure. If recommended, detail whether a sweep will be from a master account with ZBAs or directly swept from the individual accounts.
 - c. If an SEC registered money market fund is utilized for the sweep proposal, provide the full name and identifying cusip of the fund along with a copy of the prospectus. (No repurchase agreements or off-shore sweeps will be permitted.)
 - d. Are funds swept at end of day or next day? If next day, how are funds invested and collateralized over-night? At what rate does the delayed investment earn?
 - e. Provide the proposed computation basis for interest bearing and money market accounts if rates are based on a set index or security (such as the 3-month Treasury Bill).
 - f. Interest earned on interest bearing accounts shall not be charged as an expense on the account analysis. Confirm acceptance of this condition.

- g. The County may be required or may desire to open additional accounts, or change account types during the contract period. If this occurs the new accounts and their services shall be charged at the same contracted amount. (Unanticipated or new services may be charged at not more than published rates.) Confirm agreement with this condition.

2. Automated Cash Management Information

The County requires automated cash management information on a cost effective and efficient basis. The County requires timely access to transactions and daily balance reporting to balance internal information and transaction detail.

- a. Fully describe the bank's on-line service capabilities and whether service is to be a direct link or web-based. List the system functions/capabilities (i.e. balance reporting, wires, positive pay, stop pay, etc.).
- b. Are services for various modules bundled or unbundled? Are individual modules priced separately? What extended reporting services are charged separately, if any?
- c. What is the bank's back-up process to provide balance reporting and transactions in case of system non-availability?
- d. State the County's access and update times for daily balance information.
- e. Do you have any customers using the InCode (Tyler Technology Version 9)?
- f. Provide a website (and sign-on information if required) for an on-line review of the system, if available. If a link is not available, submit samples of major screens from your online system.
- g. Who has security administrative control on the system? How are individual security sign-ons assigned. How many levels of security are available and will they vary by task?

2. Standard Deposit Services

Standard commercial deposit services are required for all accounts. No checks are encoded. Coins are not rolled and may be in partially filled bags. On average the County makes 10 daily deposits consisting usually of four bags from the hospital, adult probation, tax office, navigation and the County. Deposits are batched with tapes attached.

The County currently accepts credit cards through three merchants (MIDs). These are taken as POS, over the phone and on-line.

The County expects all deposited checks to clear based on the bank's current published FRB 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 wire transfers, US Treasury checks, 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. Does the bank image all deposit slips? Deposit items? If so when and how are they available? Are the images maintained for archiving purposes? How long?
- b. What is the bank's daily cut-off time to assure same day ledger, and - pending availability - collected credit? Will this vary by location (lobby, teller, vault)?
- c. Describe how and when are credit/debit advices sent to the County? Is this in electronic or paper form?
- d. What type deposit bags are used/required? Are these available from the bank?
- e. State the bank's **Availability Policy** if it differs from the published **Availability Schedule**.
- f. Are any deposits or credits routinely delayed for any reason? Explain.

- g. If provisional credit is given on vault or teller deposits before verification, when does verification occur?
- h. Include a list of all the bank's deposit locations and alternatives.
- a. Using the sample deposit below state the cost of such a deposit, including all costs involved. Give the cost of the deposit if made at the branch \$_____ and the vault \$_____.

SAMPLE DEPOSIT:
The sample deposit would be made (a) in four (4) tamper-proof deposit bags, (b) with bundled or strapped where possible as shown below, (c) with coins that are not rolled, (d) with tapes attached to bundled but not endorsed checks. The breakdown on the deposit is:

<i>Currency</i>				
<u>Denom.</u>	<u># Straps</u>	<u>Loose \$</u>	<u>Total \$</u>	
\$100	5	\$ 300	\$ 20,300	
\$ 50	6	\$ 600	\$ 15,600	
\$ 20	4	\$ 340	\$ 4,340	
\$ 10	9	\$ 70	\$ 4,570	
\$ 5	22	\$ 175	\$ 5,675	
\$ 1	50	\$ 14	\$ 2,514	\$ 52,999
 <i>Coins</i>				
\$.25			\$ 427	
\$.10			\$ 114	
\$.05			\$ 10	
\$.01			\$ 2	\$ 553
 <i>Checks</i>				
	280 checks		\$140,252	<u>\$ 140,242</u>
				\$ 193,794

NSF Checks Received by County

Under the contract, NSF checks paid to the County are to be automatically re-deposited for collection. Complete information must be provided on all NSF returned items including name and reason for return.

The County wants the option of the second presentment to be made by ACH to targeted dates for maximum collection potential.

- a. Describe the bank's current NSF process.
- b. Are checks automatically re-deposited? When? How many times?
- c. How and when is the County notified of return items? Is notification made electronically or by paper?
- d. Is the bank capable of processing the second presentment as an ACH with a targeted presentment date? Describe in full.
- e. Is the bank currently using ACH for collection of NSF checks? How long has the bank been providing this RCK service?
- f. How are the NSF and the later ACH matched/reconciled? Does the bank system cross reference the two transactions in any way?

- g. Is the NSF information, image, or occurrence available on-line? When and how? How long is it available online?

Remote Deposit

The County has attempted to use remote deposit and found it cumbersome and inefficient but is interested in possibly re-initiating its use of remote check deposit for high volume locations during the contract period if the system provides operational efficiencies. These deposits include both consumer and commercial checks and a large number of money orders.

- a. What are the bank's current capabilities in remote check deposit? Describe the process and screens. Describe any limitations (check type, amount, etc.).
- b. Can the system accept money orders and cashier checks?
- c. Is the process totally web-based?
- d. What is the daily cut-off time?
- e. How are credits applied to our account?
- f. Is a batch balancing report produced? Provide a sample.
- g. If a check is declined, how is notification made and to whom? If a check is accepted and subsequently returned by the bank, what obligations does the County have? The bank? How will collection be made?
- h. What scanner equipment is required to operate the system? Is this equipment available through the bank on a purchase or lease basis? Please list the equipment required along with its cost(s). On a lease describe maintenance terms.

3. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all County employee payroll checks without charge upon presentation for employees. The County has mandatory direct deposit for its employees but an occasional payroll check must be issued for new employees.

The County currently utilizes positive pay services in a limited number of accounts but will extend this to all check writing accounts under the new contract. It is currently not using any reconciliation services.

The County also intends to move toward more vendor payments by ACH.

- a. Does the bank image all checks – front and back?
- b. Are check images available on-line?
- c. When are images available to the County? How long are check images maintained on-line?
- d. If there is a monthly CD-ROM does it contain check back/front images? If not, how are these made available?
- e. Will the bank cash County employee checks for non-account holders? Is there a fee to the employee or the County for the service?

4. Positive Pay

The County requires positive pay services with complete indemnification for fraudulent checks. The County intends that positive pay will be used in combination with partial or full reconciliation services. (Be sure to identify the cost on Attachment A with and without reconciliation.)

To safeguard against fraudulent checks, positive pay is required on all County accounts although only used in two account groups currently the intention is to extend this control over all check writing accounts. The positive pay process should be fully automated and web based. Check register information will be transmitted. Payee positive pay is not being requested. Check information will be transmitted electronically to the bank on each check run and online as manual checks are created.

- a. Describe the data transmission/transfer requirements and alternatives for computer generated check runs.
- b. Describe the input process and requirements for individual, manual checks written. Is input online? Show sample screens. If not on-line, how is information on individual manual checks transmitted to the bank?
- c. How can check records be changed or deleted by the County, if necessary?
- d. Specifically how is the County to be notified of a positive pay exception? Can emails be sent to specific designated individuals?
- e. At what time is exception information reported to the County? What is the response deadline (what time) for County exception elections?
- f. Do you require any paper transactions on positive pay notification or exception decisions?
- g. Are all checks, including those received by the tellers and vault, verified against the positive pay file before processing? How often is teller information updated?
- h. What is the bank's policy on liability of positive pay services are not used on check writing accounts?
- i. What options are available on default disposition for exceptions (return, pay, other)?

5. Account Reconciliation

Currently the County exports a file from the bank's website for internal reconciliation and does not use standard reconciliation services. The County anticipates use of partial reconciliation services on the General Operating account in concert with positive pay under this contract, dependent upon cost effectiveness.

- a. Describe the partial reconciliation processes.
- b. How much flexibility is there for bank systems to interface with existing InCode (Tyler Technology Version 9) in-house system? How is reconciled data sent to the County? When?
- c. Specify all recon reporting alternatives. Are reports available online? How long are reports maintained online?
- d. Provide a sample copy of reports.

6. Funds Transfer and Wire Services

The County currently has an average of 4 outgoing wires and 1 incoming wires each month along with minimum internal transfers. Incoming wire transfers must receive immediate same day collected credit. Wire initiation should be available online. The County requires that wires be released the same business day if information is provided by the established deadline. The County will require compensation for delays caused by bank errors at that day's Fed Funds rate.

- a. Describe the process of online wire initiation. Provide a sample of the input screen for online initiation.
- b. What back-up process is available for the on-line process?
- c. Does the bank provide online wire monitoring as part of the standard reporting process??
- d. Is any paper transaction required for transfers or wires?
- e. Is there a fee for internal transfers between County accounts?
- f. How and when will the bank notify the County of incoming wires? Online? E-mail?
- g. Include a description of security provisions for wire initiation including security levels available or required for initiation and release.
- h. Is dual authorization required? How are security levels and assignments made?
- i. Is future dating available for both repetitive and non-repetitive wires and transfers? How far in advance?

- j. State wire access times, posting times, and cut-off times.
- k. State the bank's policy on the use of ledger balances for outgoing wires in anticipation of daily security activity or incoming wires.
- l. Is there a limit to how much can be transferred daily?

7. Optical Imaging

The County requires and is currently receiving optical images on two CDs the hospital and the County. No physical checks need be returned.

- a. Is optical imaging currently in place for all checks? On-line? On monthly CD?
- b. What items and reports are available on-line (checks, statements, deposit slips, deposited items, etc.)? Are these on the monthly CD-ROM or only available for download?
- c. What items are captured on the monthly CD if one is produced?
- d. When are monthly CDs made available?
- e. How long are check images retained on line? Does the bank provide optional extended image availability?

8. ACH Services

ACH is currently used primarily by the hospital. The County uses ACH for biweekly payroll and various payments to vendors. The County intends to accelerate its use of ACH for vendors. The County requires a pre-notification on all new addresses.

- a. Describe the batch transmission requirements for ACH transactions.
- b. Describe the transmission alternatives for individual ACH transactions. Is the County able to initiate individual ACH transactions on line?
- c. What filters and blocks are available on County accounts for ACH transactions?
- d. Are ACH addenda shown in their entirety on-line and on reports? Does it require an additional EDI module
- e. Is the County account debited when the transaction is initiated (pre-funding) or on date of settlement?
- f. Is the pre-note charged as a standard ACH transaction?
- g. Are there any specific ACH reports available on paper or screens on-line? If so, please describe.

9. Safekeeping Services

The County currently has no book-entry securities to safe-keep but may do so during the contract period. The bank should provide a book-entry safekeeping services for securities owned by the County through the bank or a correspondent and preferably not through a bank brokerage subsidiary. All County investments will be made by the County and instructions for clearing and safekeeping will be transmitted on a trade ticket to the bank in writing. The bank will not be used for brokerage services.

Custody must be in the bank and not a brokerage subsidiary of the bank. All securities must be cleared on a **delivery versus payment (DVP)** basis and ownership documented by original clearing confirmations and safe-keeping receipts provided within one business day of the transaction. Funds for investments will be drawn from a designated County DDA account. All P&I payments, 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 utilizes a correspondent bank for safekeeping of County securities, the transactions 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.

The County anticipates an average of between 2-3 securities in FRB and/or DTC safekeeping at any one time all from third party transactions. All fees for clearing and safekeeping must be stipulated on Attachment A.

- a. Is the bank a member of the Federal Reserve and DTC? If not, name the correspondent bank to be used for clearing and safekeeping.
- b. Describe the safekeeping arrangement proposed if to be established through a correspondent bank including processing requirements by the County. No delays or additional transactions are acceptable.
- c. Are security transactions available on-line for either origination or monitoring? Describe.
- d. What is the deadline for settlement instructions on a cash (same day) settlement? Is there any charge incurred for late instructions?
- e. How will safekeeping fees be collected, (hard dollar or analysis)?

The County may choose to purchase time deposits from the bank but all 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 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, including those beyond the Public Funds Collateral Act, must be met by the bank.

The proposal must state agreement to the following terms and conditions.

- All collateral pledged to the County must be held in an independent, third party bank outside the bank's holding company.
- A tri-party safekeeping agreement shall be executed between the County, 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 at all times.
- The bank shall be contractually liable for the daily monitoring and maintaining of collateral and required margin level.
- Pledged collateral shall be evidenced by original safekeeping receipts/report sent directly to the County 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.
- Substitution rights shall be granted if the bank obtains the County's prior approval and if substituting securities are received before previously pledged securities are removed from safekeeping.
- Authorized collateral includes only:
 - Obligations of the US Treasury
 - Obligations of US Government agencies and instrumentalities including mortgage backed securities which pass the bank test and excluding letters of credit.
 - Bonds of any state or its subdivisions if rated A or better by at least one nationally recognized rating agency.

- Letters of Credit from the FHLB
- *PREFERENCE WILL BE GIVEN TO PLEDGED SECURITIES OVER LETTERS OF CREDIT.*

- a. State the bank's acceptance of the collateral conditions above.
- b. Does the bank propose any collateral charges, if so under what conditions are they charged and how is the charge applied?
- c. Provide the bank's collateral agreement for review.

11. **Account Analysis**

Monthly account analysis reports must be provided for each account and on a consolidated account basis. Within five business days of receipt of the monthly 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. Provide a sample account analysis including calculation bases. (There must be one consolidated statement as well as individual accounts.)
- b. When is the analysis available each month: on-line and paper?
- c. Is the analysis included on the CD-Rom monthly?
- d. Are paper statement also sent to the County if provided online?

12. **Monthly Statements**

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

- a. Provide a sample monthly statement.
- b. When are monthly statements available each month: online and paper form? If online, when and how long?
- c. Are the statements on the monthly imaged CD-Rom?
- d. Are paper statements also sent to the County if available online?

14. **Account Executive**

To insure smooth contract implementation and continuation of services, a specific account executive and a back-up 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 on banking matters as needed and at a minimum semi-annually.

- a. Provide the name, title and location of the proposed account executive.
- b. Provide the name, title and location of the backup representative.

15. **Overdrafts**

Every effort will be made to eliminate intra-day and inter-day overdrafts. However, because this situation may arise, state the bank's policy regarding account and total account overdraft policy and detail rates and fees, if any, to be charged on a per event or per account basis.

- a. Are all accounts aggregated for overdraft calculation purposes or do accounts stand-alone?

- b. State the fee charged per overdraft occurrence.
- c. State the rate basis for intra-day and inter-day overdrafts.

16. Stop Payments

The County rarely has stop pays (averaging two per month) and requires the continuation of online service.

- b. What are the options available for stop pays periods?
- c. What are the options for extended stop pay periods? How is a stop pay extended?
- d. What is the deadline for same day action on stop pays?
- e. Can stop pay orders be initiated on-line? Is there any paper follow-up document required?
- f. Provide the stop pay authorization levels and notification requirements.
- g. What information on current and expiring stop pays is available on-line?

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.
- c. Is availability of the program based on use of direct deposit or County employment?

18. Lockbox

The County has a lockbox service for its Hospital operations averaging 282 transactions per month. It may consider lockbox for tax collection in the future. The County currently does not use an outside lockbox service for any receivables. The anticipated lockbox service would be used to collect payments and transmit daily files with detail for downloading to County files. The current hospital remittance document is shown in Exhibit B.

- a. Describe the lockbox service to be provided. Describe the work flow and processing of payments at your facility.
- b. When and how is information available daily?
- c. Describe the potential implementation timeline. When could the lockbox be implemented?
- d. What level of technical assistance would be given to implement the lockbox and design or redesign the remittance document?
- e. Where is the lockbox facility located? In what city is the processing located? What city would be used for the remittance address?
- f. When is mail collected and delivered to the facility? How many times daily? How many hours of operation each day? Weekends?
- g. Can the lockbox handle remittances paid by credit card?
- h. Describe the fee structure generally and define on Attachment A. Are there imaging costs for each item (check and remittance document)? Is there a separate fee for transmission (images and files)?
- i. What information is received for posting to the County system?
- j. Provide the names, contact names and telephone numbers of at least two comparable public lockbox clients.
- k. In the case of system failure, what are the back-up arrangements for processing? What delays can be expected in this situation?
- l. Describe the data transmission file layout. Do you have any clients using InCode?

- m. Provide sample reports to be received.
- n. What are the transmission times for information on daily deposit(s)? Is this information available on-line?
- o. Who is responsible for handling adjustments and error resolution? How?

VI. OPTIONAL 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 County 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 County 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 proposal 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.

1. **Smart Safes**

- a. Does the bank provide a smart safe service either directly or through an armored car partnership? Describe
- b. Do the historical deposits made by the County fulfill the requirements of a smart safe?

2. **Check Writing**

- a. What check writing services does the bank have currently available? Describe fully.
- b. Where is the processing and mailing completed?
- c. Do you have same day and next day service?

4. **Pre-paid Stored Value Debit Cards**

The County may find pre-loaded value cards useful for payment of jurors and is considering their use.

- a. Does the bank have a stored value card service with pre-loaded or instant load cards? Describe the service and support for card holders. Detail charges on Attachment A.

VII. MERCHANT SERVICES

Merchant services are considered to be an integral part of the depository contract and County operations. The volumes shown in this RFP do not include those from the hospital and tax office both of which are extensive. These entities however will be considered and covered by the new contract after independent approval by these entities.

The County (without the hospital district and tax office) currently has eight merchant accounts as detailed by activity on Attachment C. The County accepts Visa, MasterCard and Discover as well as debit cards and accepts the cards as POS and online. All the equipment is provided to the County. Current equipment can handle the EMV protocols.

The merchant services are being combined with banking services to streamline operations and coordination. The County requires that the bank chosen for banking services either provides or has a close working relationship and working history with the merchant services provider.

1. Firm Stability and Background

- a. What is the relationship between the banking services provider and the merchant services provider? Describe fully.
- b. Describe the organizational structure especially as it applies to service provision and merchant services customer service. How does this apply to the bank's provision of banking services?
- c. How long has the Proposer offered merchant card processing services?

2. References and Current Client Base

- a. Specify the category and number of customers and merchant accounts for which the Proposer is currently providing card processing services.
- b. What is the daily average number of transactions currently processed? What is the maximum daily processing capacity?
- c. Where are the processing centers? Is the processing structure designed for redundancy?
- d. Provide the names, email addresses and phone numbers of three public references with comparable volumes and communication capabilities who are currently using the card processing services.

3. Relationship Representatives

- a. Will there be a local representative? List the names, titles, phone, and e-mail address and provide *brief* biographies of the primary relationship representative(s) that would be directly involved in and responsible for the contract.
- b. Describe the relationship management team that will service the account, as well as their functional responsibilities and their position in the overall firm.
- c. What is the expected turn-around time on issue resolution? Is there any guarantee on the timing and escalation of issues?
- d. d) How often will the primary representative(s) meet with the County to assure that it is receiving the lowest discount/interchange rates and prevent downgrades?

4. Card Acceptance/Interface Processing

- a. Does the Proposer support all major payment types, debit cards, gift cards, corporate cards, and other emerging options?
- b. Describe the hardware necessary for acceptance of credit and debit cards for all types of transactions. What equipment is recommended or required? Does the Proposer provide the equipment on a lease or purchase basis? Describe the equipment maintenance plan. What is the turn around time on repairs/substitutions on leased equipment?
- c. Describe the software necessary for acceptance of credit and debit cards on all transaction types.
- d. The County uses InCode software. Are payments transferred directly by the merchant service provider to the County?
- e. Indicate all payment gateways currently supported. What set-up process is used?
- f. Describe the process to add additional third party gateways.
- g. What is the maintenance and/or replacement policy for leased equipment?

5. Authorization Processing

- a. What authorization methods are supported and recommended list and describe.
- b. Describe any limitations on processing such as assigned “windows” for obtaining authorizations or settlement
- c. Is your firm introducing to a direct processor or is it the direct processor?
- d. Describe your AVS (address verification and shipping date compliance) process.

6. Settlement Processing

- a. Describe the settlement process workflow.
- b. Provide a funds availability schedule by card type. Is all funding next day?
- c. What is the daily cut-off time for sales transactions transmissions to meet settlement deadlines?
- d. Is settlement made by ACH? Can settlement details be passed with ACH transactions?
- e. Do you allow for multiple settlement accounts by merchant?
- f. How will transactions appear on bank reporting? Are settlement amounts listed separately on the bank statement or will they appear as one daily sum?
- g. What level of transaction detail is available?
- h. Are settlements on gross amount and fees charged monthly?

7. Ticket Retrieval and Chargebacks

- a. Describe the ticket retrieval request process along with turnaround times. Does the firm support full document imaging for retrieval and reporting?
- b. Define the chargeback cycle. What percentage of chargebacks is currently handled without merchant involvement? Does the firm have a standard rule-based logic to facilitate dispute resolution processing?
- c. State your reversal rates (without merchant involvement) in total and by chargeback type in the last 12 months.
- d. Does the firm provide a designated contact to manage chargebacks?
- e. What chargeback reporting is available?
- f. How are chargebacks and debit adjustments netted from daily proceeds, or debited separately?
- g. Do you have signature capture? Is the merchant able to retrieve this information online?

8. Technical and Transmissions

- a. What is the process for handling test transactions? Are test cards provided and if so, what types?
- b. How far back are transactions verified with AVS? Describe.
- c. Outline the security measures in place for the protection of data transmitted for processing.
- d. Describe the monitoring and notification process if a transmission fails.
- e. Does the processing system identify and eliminate duplicate transactions?

9. Security

- a. How are PCI compliance initiatives handled? How do you qualify merchants?
- b. How are clients made aware of new PCI initiatives and general information?
- c. What PCI training is available?
- d. Describe the security measures used to prevent unauthorized user access to either the system or the data.
- e. Describe your fraud protection tools.

10. Disaster Recovery

- a. Is there a continuity plan for processing systems and platforms in a disaster situation? Describe.
- b. What is the expected time frame to become operational should a catastrophic event occur at a merchant site? What support is available?
- c. What is the up-time percentage the last two years?

11. Information Reporting

- a. Describe all reports available and the software used to receive and view reports. Provide an overview and samples or a link. Is all information and reports available online?
- b. Define the download capabilities and level of report customization.
- c. When are reports and statements available?
- d. Are reports and data archived?
- e. How are multiple merchant numbers reported? Describe the flexibility afforded the merchant for customizing the reports. Can the County “roll up” specific groups for reporting?
- f. Provide a sample statement.

12. Implementation

- a. Address the implementation timeline.
- b. Describe the merchant training process.
- c. After initial implementation, how are new merchant accounts established?
- d. How are updates of PCI and industry-related rules or regulatory changes distributed?
- e. Do you have a newsletter covering industry issues, rules, and regulations provided? How often?
- f. Are any fraud-management training or awareness programs provided?

13. Customer Service

- a. How is customer service provided?
- b. Describe the promotional support you provide.

- c. Describe the firm's customer service organizational structure.
- d. Does the firm schedule periodic meetings with customers to review the service?
- e. Describe your multilingual customer service support capabilities.
- i) Describe the dispute process and procedures for both cardholders and merchants.
- f. Does your system identify and eliminate duplicate transactions automatically?
- g. Does the firm offer processing solutions to perform (a) deferred billing, (b) installment billing and (c) recurring billing?
- h. Do you periodically provide cost-of-acceptance analyses for clients to ensure the best application and advantage?

14. Pricing and Contracts

- a) Describe the firm's pricing structure.
- b) When are discount fees deducted from the DDA account? Are discount fees calculated on gross or net sales?
- c) How is the County notified of association price adjustments?
- d) Provide a copy of the anticipated application and contract to be signed.

ATTACHMENT A					
VICTORIA COUNTY					
2016					
		The average volumes are based on data shown on the hidden columns.			
		Include ALL fees required to provide the services proposed. Add categories as needed.			
Service	Unit Basis	Avg. Mo Vol.	Proposed Fee	Extended Price	Bank Explanatory Notes, if applicable
Average Ledger Balance		5,773,841			
Regulatory Balance Fee					
Master Account Maintenance Fee	Per account	52			
Subsidiary Account Maintenance	Per account				
ZBA Accounts Maintenance Fee Sweep	Per account				
ZBA Master Account	Per account				
ZBA Subsidiary Accounts	Per account				
ZBA Account Transfers	Per item				
Checks Paid Truncated	Per item				
Debits	Per item	2,984			
Credits	Per item	2,724			
Branch Credits Posted	Per item				
Additional DDA Statements Rendered	Per item				
Check Photocopy Retrieval	Per item				
Automated Services - Balance & Detail					
Online Subscription	Per account				
ARP online report	Per item				
Premium Ir maintenance	Per account				
Premium PDR Account	Per account				
Premium item storage (12 mos.)	Per item				
Premium CDR Account	Per account				
Premium CDR Item	Per item				
Premium research	Per item				
Premium Per Image access	Per item				
Deposits					
Items Deposited	Per deposit				
Items deposited	Per item				
On-us Items	Per item	6,883			
Transit Clearing	Per item	7,670			
Deposited Items returned	Per item	10			
Paper deposit Statement Mailed	Per item				
Coin/currency deposit \$100 - vault	Per item				
Deposit Corrections - Cash	Per item				
Deposit Conditioning Vault	Per item				
Fax notification - Vault	Per item				
Deposit Correction - Non-cash	Per item				
Branch Deposit Adjustment					
Currency Deposit	Per deposit				
Currency Deposit	Per item				
Strapped currency furnished	Per item				
Vault - Order Rolled Coins	Per item	0			
Special Handling - Base Charge or Item					
Return - Chargeback	Per item				
Return - reclear	Per item				
Return - Reclear Service	Per item				
Return Item Redeposit					
Return Fax Copy					
Image Group One	Per item				
Image Group Two	Per item				
Remote Deposit					
Remote Deposit Account Maintenance	Per account	13			
Remote Deposit Chk Image processing	Per item	2,256			

Service	Unit Basis	Avg. Mo Vol.	Proposed Fee	Extended Price	Bank Explanatory Notes, if applicable
Image ddeposit remote	Per deposit				
Image deposit remote	Per item				
Item Storage	Per item				
Deposit correction Remotte depositt	Per item				
Direct Account Transfer	Per item				
High volume scanner maintenance	Per item				

		Avg.	Proposed	Extended	Bank Explanatory
Service	Unit Basis	Mo Vol.	Fee	Price	Notes, if applicable
ACH Processing					
Monthly Maintenance	Per month	4			
ACH Batches processed	Per file	14			
ACH Items - Out	Per item				
ACH Return Items	Per item	7			
Notification of Change	Per item				
ACH Credit received	Per item				
ACH Debit received	Per item				
Block Authorization Instructions	Per item				
Block Authorization Maintenance	Per month				
ADA Maintenance	Per item				
ADA Authorized ID	Per item				
Positive Pay					
Monthly Maintenance (Base) Fee*	Per month				
Positive Pay Checks Sent		1,270			
Positive Pay Posted Checks	Per item	1,236			
Positive Pay Return Items	Per item	0			
Positive Pay Voided Checks		33			
Check Exception Return	Per item	23			
Transmission	Per item				
Input File Transmittal Report	Per item				
Reconciliation					
Acct recon - Partial with pos pay	Per account				
Acct recon partial recon item	Per item				
Recon Transaction end of Cycle	Per item				
ARP Void-Cancel	Per item				
ARP Checks Paid Partial	Per item				
Partial Recon with positive pay	Per item				
Transmissions	Per Transmission				
Transmission Detail	Per item				
Stop Pays					
Stop Pay - Maintenance	Per month				
Stop Pays - Renewal	Per item				
Stop Pay - Automated	Per item	2			
Wire Transfers					
Monthly Maintenance*	Per month	2			
Incoming - domestic	Per item	0			
Outgoing - repetitive - automated	Per item				
Wire Outgoing Book DB	Per item	4			
Wire Confirmation	Per item				
Wire Advice - fax	Per item				
Book Transfer	Per item				
Wire Payee Advice					
Online wire confirmation	Per item				
Template Storage	Per item				
Optical Imaging					
CD-ROM Maintenance	Per item	2			
CD-ROM Disk	Per item				
CD-ROM Detail	Per item				
Image return	Per item				

Service	Unit Basis	Avg. Mo Vol.	Proposed Fee	Extended Price	Bank Explanatory Notes, if applicable
Safekeeping (assume \$20million in 3 cusips)					
Monthly Maintenance Custody	Per month				
\$1,000 Par Value	Per \$1000				
Next \$4,000 Par Value	Per \$1,000				
Next \$5,000 Par Value	Per \$1,000				
Deposits or Withdrawals	Per item				
Safekeeping receipts	Per item				
FRB	Per item				
DTC	Per item				
Custody per \$1 million BE	Per \$10M				
Custody Fixed Income	Per item				
Income Collection to DDA					
Income Collection - Coupons	Per item				
Income Collection - Maturities	Per item				
Image Lockbox					
Retail Lockbox Maintenance	Per month	1			
Retail Lockbox Items	Per item	343			
Data Transmission Maintenance	Per item				
Data Transmission	Per item				
Retail Lockbox - Encoding	Per item				
Retail Lockbox Data Capture	Per item				
Check Only	Per item				
No Check Mail	Per item				
Deposits - Cash	Per item				
Correspondence Handling	Per item				
Exception Items	Per item				
MICR Capture	Per item				
Special Handling	Per item				
Special Reassociation	Per item				
Unprocessable - Returns	Per item				
Detail Report - Fax/email	Per item				
Programming Fee					
Lockbox Image CD Maintenance	Per month				
Lockbox CD ROM	Per item				
Lockbox Image CD Detail	Per item				
Image Data Transmission	Per transmission				
Image Data Transmission - detail	Per item				
Image/Document Storage B&W	Per item				

ATTACHMENT B - HISTORICAL RATES
VICTORIA COUNTY

Bank Name

Earnings Credit Rate (ECR)			
Month/Year	Rate	Notes, if applicable	
Jan-16	0.000%	_____	
Feb-16	0.000%	_____	
Mar-16	0.000%	_____	
Apr-16	0.000%	_____	
May-16	0.000%	_____	
Jun-16	0.000%	_____	
Jul-16	0.000%	_____	
Aug-16	0.000%	_____	
Sep-16	0.000%	_____	
Oct-16	0.000%	_____	
Nov-16	0.000%	_____	
Dec-16	0.000%	_____	
	0.00%		

Interest Bearing Accounts			
Month/Year	Rate	Notes, if applicable	
Jan-16	0.000%	_____	
Feb-16	0.000%	_____	
Mar-16	0.000%	_____	
Apr-16	0.000%	_____	
May-16	0.000%	_____	
Jun-16	0.000%	_____	
Jul-16	0.000%	_____	
Aug-16	0.000%	_____	
Sep-16	0.000%	_____	
Oct-16	0.000%	_____	
Nov-16	0.000%	_____	
Dec-16	0.000%	_____	
	0.00%		

Money Market Accounts			
Month/Year	Rate	Notes, if applicable	
Jan-16	0.000%	_____	
Feb-16	0.000%	_____	
Mar-16	0.000%	_____	
Apr-16	0.000%	_____	
May-16	0.000%	_____	
Jun-16	0.000%	_____	
Jul-16	0.000%	_____	
Aug-16	0.000%	_____	
Sep-16	0.000%	_____	
Oct-16	0.000%	_____	
Nov-16	0.000%	_____	
Dec-16	0.000%	_____	
	0.00%		

Sweep Alternative(s)			
Month/Year	Rate	Notes, if applicable	
Jan-16	0.000%	_____	
Feb-16	0.000%	_____	
Mar-16	0.000%	_____	
Apr-16	0.000%	_____	
May-16	0.000%	_____	
Jun-16	0.000%	_____	
Jul-16	0.000%	_____	
Aug-16	0.000%	_____	
Sep-16	0.000%	_____	
Oct-16	0.000%	_____	
Nov-16	0.000%	_____	
Dec-16	0.000%	_____	
	0.00%		

Use this form to complete exactly what would be charged to the LBT on any credit and debit card transaction. Do not include any pass-through fees. Specify the precise unit for the charge (MID or relationship fee).

VICTORIA COUNTY, TEXAS
-
MERCHANT SERVICES FEE PRICING TERMS
ATTACHMENT C

Bank Name:

Program Specification	
Credit/Debit Card Volume per Year	\$515,000.00
Average Number of Transactions (Credit)	4282
Average Transaction Size (Credit)	\$0.00
Number of Locations	8
Communications Method	Dial/PIN/Frame Relay
Gateway	FirstData
Pricing Option	Interchange Plus

Credit Card Transaction (Processing) Fee	Fee Basis	Specify Unit
Visa		
MasterCard		
Discover		
AMEX		

Other Processing Fees	Fee	Specify Unit
Set-Up Fee		
Annual Fee		
Annual Regulatory Fee		
Monthly Minimum Fee		
Monthly Service Fee (per MID)		
Monthly Internet Service Fee (per internet location)		
Chargeback Fee		
Chargeback Fee - Actual		
ACH Fees		
ACH Fees - return/reject fee		
Authorization Fees		
Voice Authorization Fee		
Authorization Fee (Visa, MC)		
Authorization Fee (Diner's, Discover)		
Authorization Fee (AMEX Credit and Prepaid Card)		
Non-bank authorization (AMEX and Discover)		
Non-bank Capture Fee		
Non-bank card authorization (per attempt)		
Debit Card - With PIN		
Debit Card - Pinless		
Foreign Handling Fee (MC/Visa foreign card)		
Address Verification		
Compliance Fees		
Annual PCI Compliance Support/Service Fee		
Non-Validation PCI Compliance Fee		
Reporting Fees		
Monthly Report Maintenance		Per month
Online Reporting		Per month
Prior Day Reporting		
Same Day Reporting		
Statement Billing Fee		Per month
Dispute Reporting		
Software Lease and Set-up		
Gateway Transaction Fee		
Gateway Monthly Maintenance		

Other Processing Fees		Fee	Specify Unit
	Web Application Set up Fee		
Account Opening and Maintenance Services			
	Set-up - Installation Fees		
	On-site Implementation Fee		
	Bank Set-up Fee		
	Program Maintenance		
	Interface software fees by product		
	Interim account opening fees		
	Reprogramming Services		
	Reprogramming of Client Owned Equipment		
	Reprogramming Client Owned Integrated Terminals		
	Technical Support		Per hour
	Consulting Services		Per hour
Training			
	On-site training		
	Telephone Training		
	Phone Re-Training		
	Additional On-going training		
Equipment			
	Terminal Lease (indicate terminal models)		
	Terminal Purchase (indicate terminal models)		
	Printers		
	PIN Pads		

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

Implementation of House Bill 1295

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.

The Texas Ethics Commission was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties form (Form 1295) on October 5, 2015. The commission also adopted rules (Chapter 46) to implement the law. The commission does not have any additional authority to enforce or interpret House Bill 1295.

Filing Process:

Starting on January 1, 2016, the commission will make available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with the governmental body or state agency with which the business entity is entering into the contract.

The governmental entity or state agency must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the governing body or state agency receives the Form 1295. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the governmental entity or state agency.

Information regarding how to use the filing application will be available on this site starting on January 1, 2016.

Additional Information:

HB 1295

Certificate of Interested Parties (Form 1295)**

****This is a sample form for illustration purposes only. DO NOT FILL OUT THIS SAMPLE FORM. Form 1295 MUST BE FILED ELECTRONICALLY! Paper copies and PDF copies of this sample form are not accepted!**

Chapter 46, Ethics Commission Rules (new rule 46.4, regarding changes to contracts, is in effect as of January 1, 2017)

Last Revision: January 12, 2017

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

OFFICE USE ONLY

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 **AFFIDAVIT** I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

 Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20 _____, to certify which, witness my hand and seal of office.

 Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

ADD ADDITIONAL PAGES AS NECESSARY

VICTORIA COUNTY
 Supplemental Historical Activity Information By Account
SUMMARY ALL ACCOUNTS

	Jan-16	Feb-16	Mar-16	Apr-16
Ledger Balance	119,046,275	9,626,216	5,084,079	4,982,344

General Acct

account maint - Mo	56	56	58	0
Credits	2,729	2,874	3,163	0
Deposited Items on-us	42,387	4,164	3,856	0
Deposited Items transit	12,807	9,885	8,843	0
Deposited Items return debits	13	11	21	0
CD ROM Imaging	3,023	3,335	3,531	0
Stop Pay	2	2	2	0
Vault Order Rolled Coins	0	0	2	0
	0	0	1	0

ACH

ACH Monthly	4	4	4	0
ACH Item Processed	5,157	5,210	6,809	0
ACH Batch file	15	15	16	0
ACH return	5	4	7	0

Online Banking

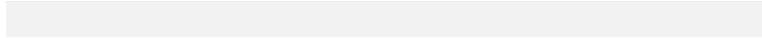
remote deposit maint	14	14	14	0
remote deposited items	2,606	2,721	2,911	0
wire module	2	2	2	0
wire - out online	16	10	1	0
Wire incoming	0	0	0	0
Stop payment online	2	0	1	0

Fraud Prevention

Positive pay	0	0	0	0
Positive pay return items	0	0	0	0
PP exceptions processed	0	0	0	0
PP Issued checks	0	0	0	0
PP Voided Checks	0	0	0	0

Lockbox

PB Lock box Mo Maint	1	1	1	0
PB Item/ EOB	468	467	432	0



May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Mo Avg
5,049,633	4,348,931	4,231,960	4,266,040	3,524,593	3,013,588	16,317,366

58	58	58	58	58	58	52
2,991	3,064	2,894	3,353	3,086	3,081	2,724
3,187	3,374	3,066	3,162	2,701	2,929	6,883
7,681	8,181	7,285	7,475	7,266	7,272	7,670
6	10	11	8	9	15	10
3,365	3,539	3,262	3,454	3,263	3,071	2,984
2	2	2	2	2	2	2
0	0	0	3	0	0	1
0	0	0	0	0	0	0
0						
4	4	4	4	4	4	4
5,212	5,245	5,950	5,261	6,851	5,264	5,096
15	16	17	16	16	15	14
9	6	5	9	12	8	7
0						
14	14	14	14	14	14	13
2,443	2,577	2,293	2,451	2,362	2,193	2,256
2	2	2	2	2	2	2
4	1	2	3	1	1	4
0	1	0	0	0	1	0
1	6	4	5	3	1	2
0						
2,175	2,368	2,221	2,358	1,112	2,130	1,236
2	1	0	1	0	0	0
92	82	21	10	13	7	23
2,305	2,690	2,338	2,113	1,203	2,054	1,270
74	74	67	52	0	60	33
0						
0						
1	1	1	1	1	1	1
421	352	313	357	342	282	343

