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The City of West Orange, Texas is soliciting sealed proposals from qualified financial institutions to provide Depository Services. The contract period will begin August 1, 2024 and end July 31, 2029, with the possibility of a one-year extension.

Designate on the front of your sealed response envelope the following:

Subject: Depository Services RFP

Theresa Van Meter, City Secretary
City of West Orange
2700 Western Avenue
West Orange, Texas 77630-6136

Submission Deadline: 10:00 a.m., June 25, 2024

Note: Proposals received after this deadline will not be considered.

INTRODUCTION

The City of West Orange (the “City”) pursuant to Chapter 105, Texas Local Government Code is requesting proposals from eligible and qualified financial institutions to provide City depository services as described below. The services provided will be in accordance with this Request for Proposal (the “RFP”) and attachments. It is the City’s intent that a Depository Services Agreement detailing the services to be provided will be duly executed between the City of West Orange and the selected financial institution.

Institutions responding to this Request for Proposal (RFP) must be insured through the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA) or comparable federal agency and must demonstrate the capacity to meet the City’s requirements as stated in the RFP.

In order to assure a close working relationship, to facilitate available services and to support local business while securing the most advantageous agreement for the City of West Orange, priority may be given to those financial institutions with full service capabilities in close proximity to the City, but not necessarily within city limit boundaries.

Through this contract, the City intends to minimize costs, improve operational efficiency and maximize investment capabilities. Any and all charges and fees associated with the Depository Services Agreement must be clearly and accurately included in the RFP response. The charges and fees represented in the RFP response shall overrule any and all previous depository service or other agreements between the City and the financial institution, as they relate to the accounts and services included herein. The City will not be obligated by any charges and fees not clearly and accurately presented in the RFP response. Services initiated after consummation of the Depository Services Agreement shall carry charges and fees mutually agreed to, in writing, by the City and the financial institution. Regardless of time delay, the financial institution shall refund or credit the City for any erroneous charges and fees not agreed to in writing. All fees shall be fixed for the entire contract period.

The contract period will begin August 1, 2024 and end July 31, 2029.

The City reserves the right to open or close any number or type of accounts, as it deems necessary, throughout the term of the agreement. Any fee charged for services not listed but later requested by the City will only be paid upon mutual agreement of the parties in writing.

The Depository Services Agreement is an important component of the treasury and cash management system of the City. From this perspective, the City is seeking a financial institution that:

- ◆ is the best value to the City
- ◆ is capable of providing the services required by the City
- ◆ meets the requirements of Chapter 105 of the Texas Local Government Code
- ◆ is willing to be attentive and responsive to the City’s financial matters
- ◆ is financially sound and meets the City’s requirements

PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

This RFP is intended to serve as the bid form for the Depository Services Agreement. The evaluation of the bidder's proposal will be based on the responses included herein.

In order to fully and equitably evaluate each institutions ability to meet the depository services needs of the City, a standard reply format is required. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in this manner will be evaluated for contract award. The City reserves the right to reject all proposals.

Questions regarding this RFP or the service requested will be accepted in written form only at the address below no later than 5:00 p.m., June 17, 2024. Responses to all material questions submitted will be communicated to each known prospective bidder.

Theresa Van Meter, City Secretary
City of West Orange
2700 Western Avenue
West Orange, Texas 77630-6136
(409)883-3468
tvanmeter@cityofwestorange.com

Qualifications: The proposing institution must qualify under current Texas law as a financial institution qualified to serve as a municipal depository. All proposals must be accompanied by a letter of certification indicating that the person signing the proposal has the authority to commit the institution to provide the services as specified by the City.

City Liaison: An institution submitting a proposal shall assign a senior level management person as liaison with the City Finance Department for the duration of the agreement.

Erasures or corrections must be initialed by the proposer in ink. Proposals must be signed in ink.

Notice of Change: The financial institution shall notify the City in writing within five (5) calendar days of any changes and/or amendments in Federal and/or State regulations that would thereafter affect the City's relationship with said institution. The City shall also be notified in writing within five (5) calendar days of any merger or acquisition and identify what, if any, impact there will be on the financial services provided to the City.

Information: Each bidder shall provide the following information:

- ◆ Audited financial statements for the most recent year
- ◆ Moody's and Standard & Poor's rating on outstanding debt
- ◆ References from customers (at least three) who utilize similar services to those requested by the City

Submissions: Three copies of the proposal, clearly marked “**DEPOSITORY SERVICES PROPOSAL**” shall be delivered to the following designated officer no later than **10:00 a.m., June 25, 2024:**

Theresa Van Meter, City Secretary
City of West Orange
2700 Western Avenue
West Orange, Texas 77630-6136

Award of Bid and Service Initiation:

The contract is to be awarded by City Council at its July 8, 2024 meeting, and is to commence August 1, 2024.

Selection Criteria: Evaluation of proposals will be made on the basis of the following objectives:

- ◆ Compliance with minimum qualifications
- ◆ Complete responses to all items requested in RFP
- ◆ Time deposit interest rates
- ◆ Cost of service
- ◆ Service availability
- ◆ Safety and creditworthiness of institution
- ◆ Timeliness of available services
- ◆ Financial strength and stability of institution

The City:

- ◆ is not committed to enter into any formal or informal arrangements or to incur any costs related to the preparation of proposals
- ◆ reserves the right to reject any and/or all proposals or to accept the proposal deemed most advantageous to the City
- ◆ reserves the right to request additional information or to meet with representatives to discuss or clarify items in the proposal, before and after submission, any or all of which may be used in analyzing the proposal
- ◆ reserves the right to negotiate such additions, deletions or changes as deemed necessary during the term of the contract
- ◆ retains the right to separately contract for services provided by other financial institutions in addition to those contained herein
- ◆ reserves the right to terminate the depository agreement with or without cause at any time by providing thirty-days (30) written notice to the depository to close its accounts.

Terms of RFP: The terms and conditions specified in this RFP shall be considered an integral portion of the agreement between the City and the financial institution, and shall remain in effect during the terms of the agreement.

ACCOUNT ACTIVITIES

At the present time, the City utilizes 16 different interest-bearing accounts and 7 non-interest-bearing accounts, including the following:

The **GENERAL FUND** account serves as the City's operating account. It is an interest-bearing checking account into which cash, checks, wires and ACHs received are deposited and from which checks are issued, ACHs and wires are sent, and other direct debits posted. The City's bi-weekly payroll is drawn from the General Fund account, currently with 26 employees utilizing direct deposit. The ACH file is prepared and transmitted by the end of work-day on Tuesday, with funds availability on Thursday, and payment by check no later than Friday morning.

Other interest-bearing accounts include:

- ◆ **RENEWAL & REPLACEMENT (R&R)**
- ◆ **STREET MAINTENANCE**
- ◆ **HOTEL/MOTEL TAX**
- ◆ **MUNICIPAL JURY FUND**
- ◆ **LOCAL TRUANCY FUND**
- ◆ **COURT SECURITY**
- ◆ **COURT TECHNOLOGY**
- ◆ **JUDICIAL EFFICIENCY**
- ◆ **WOPD - STATE SEIZURE & FORFEITURE**
- ◆ **WOPD - FEDERAL ASSET FORFEITURE**
- ◆ **WOPD - TREASURY ASSET FORFEITURE**
- ◆ **WOPD - PUBLIC SAFETY**
- ◆ **WOPD – STATE EDUCATION**
- ◆ **WOVFD – SPECIAL FUND**
- ◆ **OPIOID ABATEMENT FUND**

The following non-interest-bearing checking accounts may carry a zero balance for prolonged periods. These accounts may not be closed/purged due to zero balance or inactivity. The City will close these accounts when they are no long applicable:

- ◆ **WWTP/EDA GRANT ACCT**
- ◆ **TDEM/HMGP GRANT (Generators)**
- ◆ **GLO ACQUISITIONS GRANT – C223**
- ◆ **GLO INFRASTRUCTURE GRANT – C390**
- ◆ **CITY HALL GENERATOR GRANT**
- ◆ **GLO DRAINAGE IMP. GRANT – D324**
- ◆ **GLO DRAINAGE & STREET IMP. – E202 & E233**

FINANCIAL & DEPOSITORY SERVICES

The City requests information on the following services:

- A. **Balance Reporting** – The City requires on-line balance reporting for daily access to its account balance information. Availability to access same-day information is requested and access to the information through the internet is required. Historical information should be maintained on-line and accessible for a minimum of two months.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

- B. **Transferring of Funds** – There is a necessity to transfer funds between various City accounts, oftentimes on a daily basis. The availability to complete this process and on-line accessibility to account balance information must available at all times.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

- C. **Statements** - Statements shall be rendered within seven (7) working days after the close of the calendar month. Statements or accounts shall not be placed in dormant mode for inactivity. The statement shall include debits and credits made on the last day of the period and the detail items. Statements should be received on a monthly basis, even if there is no activity for the account.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

D. **Credit and Debit Card Payments** – The City allows our customers to pay for certain charges utilizing credit and debit cards. The City currently recognizes the Visa, MasterCard, and Discover logo and accepts credit & debit card payments when presented in person, by telephone, or via the internet. The City maintains a separate credit and debit card-processing contract with Global Payments, Inc./Open Edge, whose services are integrated through our current banking process. Do you have the capability to accept these electronic transactions from Global Payments, Inc./Open Edge?

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

E. **Financial Institution Errors** – Financial Institution errors resulting in lost interest to the City will be reimbursed by the Financial Institution to the City. The method of reimbursement will be agreed upon by the Financial Institution and the City.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

F. **NSF Items** – The City desires for NSF/Charge-backs to be processed or run through twice before charging back to the City's General Fund Account

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

COLLATERAL REQUIREMENTS

Approved securities: As security for the deposits of the City, the successful bidder shall pledge securities equal to 102% of their market value, of the largest total balances the City maintains in the financial institution, less the amount provided by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSF), whichever is applicable. The securities so pledged shall satisfy the requirements of the Public Funds Collateral Act, Chapter 2257, Texas Government Code, and the City's Investment Policy (Attached).

The City of West Orange shall accept the following securities as collateral on deposits and certificates of deposit:

- ◆ FDIC or NCUSF (whichever is applicable)
- ◆ A bond, certificate of indebtedness, or Treasury Note of the United States, or other evidence of indebtedness of the United States, that is guaranteed as to principal and interest by the United States
- ◆ Obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas
- ◆ A bond of the State of Texas or of a county, city or other political subdivision of the State of Texas having been rated as investment grade (investment rating no less than "A" or its equivalent) by a nationally recognized rating agency with a remaining maturity of ten (10) years or less
- ◆ Subject to Audit

All collateral shall be subject to inspection and audit by the City's Investment Officer or the City's independent auditor(s).

Collateralization – The balances maintained in all accounts must be collateralized in the same manner and under the same stipulations as outlined in the Collateral Requirements section. Each account shall be insured and collateralized. Please clearly explain any collateral limitations or fees. It is expected that the successful financial institution will monitor the collateral adequacy on a daily basis and, with prior notice by the City, provide additional collateral to secure balances in excess of anticipated levels.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

Reporting requirements: The financial institution shall provide the City a report of securities pledged at the end of each month or at any time requested by the City Finance Director or a designated representative. This report should reflect the month-end total pledged securities and itemized by:

- ◆ Name
- ◆ Type/description/cusip number
- ◆ Par value
- ◆ Market value at month end
- ◆ Maturity date
- ◆ Moody's or Standard and Poor's rating

If market value of the pledged securities falls below the total ledger balances of the City's account at any time, the City will require more securities to be pledged.

Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization of an authorized City signatory. The City shall approve all securities pledged. In the case of reduction requests, the financial institution shall provide in writing that collateral shall be available when needed to meet normal balance increases throughout the year.

Safekeeping of Collateral: The securities pledged shall be held in safekeeping at an **independent** financial institution acceptable to both the City and the financial institution and pledged to the City of West Orange. The original copy of all security receipts shall be filed with the City Secretary. Safekeeping is preferred at the Federal Reserve Bank.

The Board of Directors or designated committee of the successful financial institution will be required to provide a resolution of certification approving the commitment and delivery of the collateral to the safekeeping institution not later than five days before the commencement of the contract period.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

CHARGES FOR SERVICES

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

Service Unit	Unit Charge	Cost of Service
Account Maintenance	Per month	
Daily Balance Reporting	Per month	
Zero Balanced Accounts		
Master Account	Per month	
Subsidiary Accounts	Per month	
Credits Posted	Per transaction	
Debits Posted	Per transaction	
Internal Account Transfers	Per transfer	
ACH Processing	Per transaction	
Origination of file	Per tape	
ACH deletions	Per transaction	
ACH entries	Per transaction	
Returned checks	Per transaction	
Reconciliation	Per month	
Sort list tape	Per transaction	
Sort and list	Per transaction	
Items Deposited		
Deposits	Per transaction	
Commercial deposits	Per transaction	
Stop payments	Per transaction	
Wire Transfers		
Incoming	Per transaction	
Outgoing	Per transaction	
Check Printing	Per transaction	
Deposit Slip Printing	Per transaction	
Extra Statements	Per transaction	
Bank Bags	Per item	
Safety Deposit Box	Per year	
Other (please list):		

OTHER STIPULATIONS

- A. The successful bidder shall notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would affect the Depository Services Agreement.
- B. Notification of wire transfers shall be made by a written confirmation mailed to the City the same day of the transaction.
- C. In the event it would be ruled illegal under the provisions of any Federal or State laws or regulations for the successful bank to comply with the requirements of the Depository Services Agreement, then the City expressly reserves the right and privilege to cancel the Bank Depository Services Agreement and to re-bid.
- D. The successful bank's records relating to the City's accounts shall be open for review during normal business hours by designated staff members or appointed independent auditors.
- E. The City reserves the right to open and maintain one or more demand accounts at financial institutions not affiliated with the successful financial institution.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment. _____

TRANSFERRANCE OF ACCOUNTS

- A. Transfer of funds will commence at such time the successful financial institution has provided the City with all required forms and supplies necessary to insure uninterrupted day-to-day operations. The successful financial institution commits its "best efforts" to complete the execution of documentation and transfer of funds by the August 1, 2024 contract period start date. Failure to complete by the start date, at the discretion of the City, could be considered grounds for bid bond forfeiture and alternative financial institution selection.
- B. The successful financial institution shall, upon termination of contract, cooperate with the new financial institution for transfer of funds.
- C. There will be no formal bid opening at the expiration of the response deadline. Upon written request, a copy of the accepted proposal will be available after the City Council selects the successful financial institution.

MISCELLANEOUS

- A. The City shall reserve the right to a review meeting when needed to evaluate the working relationship between the City and the successful financial institution. The objective shall be to address any problems and to seek solutions as well as keeping abreast of changes, new services, or new requirements.

- B. The final appointment of the successful financial institution shall be made by contract award of the West Orange City Council. The successful bank shall be required to enter into a contract that incorporates all of the requirements of their submitted RFP as the OFFICIAL BID FORM, along with the accompanying related schedules and materials as called for in this RFP. Additional contract attachments include: collateral custodial agreement, FIRREA bank certification, and PFIA investment provider certification.

- C. This RFP has been duly advertised and is being offered for consideration to financial institutions.

PROPOSAL SUBMITTED BY:

Name *(Printed)* _____

Title _____

Company *(Legal Registered name in full)* _____

Address _____

Signature _____

Telephone _____

Person Designated as City Liaison:

Name: _____

Title: _____

Telephone: _____

Email: _____

**CERTIFICATION OF COMPLIANCE WITH CITY'S
INVESTMENT POLICY**

I, _____, a duly authorized representative of
(Name)

_____, certify that I have read the City of West
(Name of Financial Institution)

Orange's Investment Policy (attached). Unless otherwise indicated in writing,
_____ will comply with all provisions of the City of West Orange's
(Name of Financial Institution)

Investment Policy in its current form or as subsequently amended during the term of the agreement with the City.

(Signature of Official Completing Proposal)

(Date)

ACCEPTANCE OF PROPOSAL

This proposal, having been approved by the West Orange City Council, is being accepted for the City by the following person duly authorized to act on behalf of the City:

Name *(print)*

Signature

Title *(print)*

Date