



Nueces County Appraisal District  
201 N. Chaparral, Ste. 206  
Corpus Christi, Texas 78401-2503

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**NOTICE OF REQUEST FOR PROPOSALS  
FOR DEPOSITORY BANKING SERVICES**

**Solicitation Name:** RFP-2018-01 Depository Banking Services  
**Closing Time:** April 4, 2018, 4:00 PM Central Time  
**District Contact:** Elias Sissamis, esissamis@nucescad.net, Fax #361.887.6138

Through issuing this Request For Proposals (RFP), the Nueces County Appraisal District (District) is soliciting proposals from qualified financial institutions (Proposing Firms) to provide depository banking services for a base term of June 1, 2018 to May 31, 2020 with a possible renewal for an additional two-year term at the District's option. This solicitation process is intended to afford an equal opportunity to participate.

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**Submission:** Proposal must be received in the District's offices (address above) by the District Contact by the Closing Time. A complete and responsive proposal is as follows:

- One signed original in a three-ring binder with contents organized as follows:
  - Cover Letter
  - Section 2: Proposing Firm Qualities Responses (in order listed)
  - Section 3: Services Proposal Responses (in order listed)
  - Section 4: Depository Agreements and Other Contractor Documents
  - Section 5: Insurance
- Complete electronic copy (sorted in order, excluding Fee Schedule) on CD or USB drive
- Section 6: Fee Schedule; signed paper copy and electronic file on USB or CD; separate sealed envelope.

"RFP Conditions and Instructions" on the following pages and Section 1 provide further detailed guidance.

## RFP CONDITIONS AND INSTRUCTIONS

### 1. Solicitation Process and Anticipated Schedule

Date	Activity
03/12/18	Issue RFP
N/A	Pre-Proposal Conference: 9:00 am Central Time (CT), Board Room, 1st Floor, 201 N. Chaparral, Corpus Christi, Texas 78401
03/19/18	Proposing Firms submit written inquiries by 4:00 pm CT - delivery, mail, fax or email
03/21/18	District responds to inquires by 5:00 pm via Addenda posted to website
04/04/18	Proposals due by 4:00 pm CT to District Contact
Afterward	District evaluates, clarifies and/or interviews select Proposing Firms
Afterward	Staff recommends a Contractor to District Board of Directors
Afterward	District staff contact Contractor to coordinate work

### 2. RFP Specifications

This RFP automatically incorporates all amendments (done via written Addenda) subsequently issued. Proposing Firms are expected to examine all RFP contents. Failure to do so is at the Proposing Firm's risk. Proposing Firms may propose products and services exceeding specifications as an "alternate" proposal. The apparent silence of the specifications about any detail or the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail. In the case of ambiguities and interpretative differences, the District's interpretation prevails.

### 3. Communications

All communications regarding this solicitation must be in writing addressed to only the District Contact on Page 1. Other employees and officials are not authorized to respond and attempts to question others about this solicitation may result in disqualification from participating. Oral explanations or instructions are not binding.

### 4. Eligibility and Disqualification

Only responsive proposals from qualified and responsible Proposing Firms will be considered.

- A. "Responsive proposals" are those complying with RFP in all material respects.
- B. "Responsible Proposing Firms" at a minimum must:
  - i. Be duly licensed to and regularly engaged in performing this work for a reasonable time;
  - ii. Maintain adequate financial resources as required during the full term of service;
  - iii. Have a satisfactory record of past performance;
  - iv. Have the necessary management and technical capabilities to successfully perform;
  - v. Be otherwise qualified and eligible to receive a contract award under applicable federal, state, county, or municipal laws and regulations; and
  - vi. Certify that it is not on the U.S. Comptroller General's list of ineligible contractors – signing and submitting the proposal is so certifying.
- C. A Proposing Firm may be asked to submit proof verifying that it meets the minimum criteria necessary to be determined responsible. Refusal to provide such shall result in disqualification.
- D. Proposing Firms may be disqualified under any of the following circumstances:
  - i. There is reason to believe that collusion exists among the Proposing Firms;
  - ii. Proposing Firm is involved in any litigation against the District;
  - iii. Proposing Firm lacks financial stability;
  - iv. Proposing Firm has failed to perform under previous or present contracts with the District;
  - v. Proposing Firm has failed to adhere to the provisions established in this RFP;
  - vi. Proposing Firm has failed to submit its proposal in the format specified herein;
  - vii. Proposing Firm has failed to adhere to generally accepted ethical and professional principles during this solicitation process (i.e. attempting to lobby/influence District officials); and/or,
  - viii. Proposing Firm has failed to provide detailed fees in the proposal.

### 5. Pre-Proposal Conference and Written Inquiries (if on Anticipated Schedule)

- A. A Pre-Proposal Conference is for Proposing Firms to discuss and/or clarify the RFP with the District.
- B. Written inquiries about the RFP shall be submitted in writing according to the Anticipated Schedule.
- C. After A and/or B, District will respond in written Addenda form to be made available to all known prospective Proposing Firms via its website ( <http://www.ncadistrict.com/index.php/Procurement> ). Proposing Firms must check the site for any Addenda that were not anticipated.

**6. Preparing and Submitting Proposals**

- A. Use only the RFP, Addenda and other information supplied by the District Contact in the preparation of proposals.
- B. Interested prospective Proposing Firms should provide contact information to the District Contact and request being alerted about any Addenda and other communications. Otherwise, checking the District's website often for any Addenda is advised.
- C. Proposing Firms should submit their best offerings in the initial proposal.
- D. Proposals must be received at the District's office by the Closing Time. No Late proposals are accepted.
- E. No contract is implied by this RFP and/or the submission of a proposal.
- F. All costs of proposal preparation will be borne by the Proposing Firm.
- G. Proposals must be submitted to the District Contact in a sealed packaging marked on the outside with the Proposing Firm's name, address and the Solicitation Name from Page 1. Electronic submissions are not authorized for this solicitation except for any specific items indicated herein.
- H. The RFP contains the District's anticipated needs. There may be instances in which it is in the District's best interest to permit exceptions to specifications and evaluate an alternative approach. It is vital that Proposing Firms clearly indicate where and why alternatives are proposed and explain the alternative approach to the item(s). If proposal questions, forms and attachments do not provide the space for Proposing Firms to state such, then such shall be described in the cover letter or separate proposal.
- I. Please note that all proposals are open for public inspection after the contract award; however, trade secrets and confidential information in the proposals are not open for public inspection. **Proposing Firms must identify any information contained in its proposal which it asserts is either a trade secret or confidential information.** Such material must be conspicuously identified by marking each page containing such information as "Confidential" or "Proprietary". **If such material is not conspicuously identified, then by submitting its proposal, a Proposing Firm agrees that such material shall be considered available public information.**
- J. FAILURE TO COMPLY WITH ALL REQUIREMENTS AND CRITERIA OR QUALIFICATIONS OF ANY KIND MAY RESULT IN PROPOSING FIRM'S PROPOSAL BEING ELIMINATED FROM CONSIDERATION.

**7. Modifications, Withdrawals and Duplications of Proposals**

Proposals may be modified or withdrawn prior to the exact hour and date of the Closing Time by a representative of the Proposing Firm provided that his/her identity is confirmed by the District. If duplicate proposals are received, the one received later (but before the Closing Time) will be evaluated.

**8. Opening Proposals and Evaluations**

- A. No formal public opening of sealed proposals shall take place.
- B. The District will open proposals in a manner that avoids disclosure of the contents to competing Proposing Firms and keep the proposals secret during negotiations.
- C. The District will first review and evaluate all proposals for compliance and completeness. Those proposals found, in the District's judgment, incomplete or failing to address the stated needs will be disregarded.
- D. Responsive Proposals shall be further evaluated based on "best value" to the District and not on fees/economic impact alone. To determine the best value, the District may consider:
  - a. the reputation of the Proposing Firm and its goods and/or services;
  - b. the quality of the Proposing Firm's goods and/or services;
  - c. the extent to which the goods and/or services meet the District's needs;
  - d. the Proposing Firm's past relationship(s) with the District;
  - e. impact on the District's ability to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities;
  - f. the total long-term cost to the District to acquire the Proposing Firm's goods or services; and
  - g. any other relevant criteria specifically listed in this RFP or proposals.
- E. Proposals will be evaluated and ranked in order of which best meet the District's needs in the District's sole judgment. The primary evaluation factors and values are as follows:

Proposing Firm Qualities	10%
Responsiveness and ability to provide services required	50%
Economic Impact	40%

Proposals will be evaluated first on all non-economic factors and then economic factors.

- F. The District may conduct additional interviews with selected Proposing Firms, check references and/or inspect the Proposing Firm's facilities or services in order to further explore and clarify the proposals.
- G. The District may then negotiate a contract with the highest-ranked Proposing Firm. If negotiations proceed unsatisfactorily in the District's judgment, the District will suspend those negotiations and negotiate with the next highest ranked Proposing Firm and continue in such a manner until satisfactory negotiations have been achieved.
- H. Partial Awards. The District intends to award a single contract for all the goods and services in this RFP. However, Proposing Firms may propose on all or any portion of the RFP. Unless the Proposing Firm specifies otherwise, the District may award the contract for any item or group of items included in the RFP to different Proposing Firms.

**9. Reservation of Rights**

The District, at its sole option, expressly reserves the right to:

- A. Waive any immaterial defect, irregularity or informality in any proposal or proposal procedure;
- B. Reject any or all proposals, or parts thereof;
- C. Cancel and reissue the RFP;
- D. Extend the proposal submission date and change Anticipated Schedule at any time;
- E. Suspend this solicitation process at any point and procure any item(s) by other means;
- F. Increase/decrease the actual quantities specified herein, unless Proposing Firm specifies otherwise;
- G. Eliminate and exclude any individual goods and services from contract award;
- H. Consider and accept an alternate proposal, as provided herein, when most advantageous to the District, in the event no proposal fully complies with all requirements and criteria used to determine the best proposal;
- I. Halt or suspend any part of all of this solicitation at any point in the process;
- J. Retain and own all proposals submitted, whether accepted or rejected;
- K. Further explore and negotiate with the Proposing Firm that, in the District's sole judgment, provides the best value for the services specified herein.
- L. The District may also suspend any negotiations if such is not progressing in a manner acceptable to the District, and commence negotiations with the next best rated Proposing Firm.

**10. Conflicts of Interest**

Proposing Firms must comply with the conflict of interest provisions dictated by the District and applicable law. Proposing Firm must file with the District a Disclosure Of Interests on the form supplied herein.

**11. Historically Underutilized Business, Minority Business Enterprise and Other Business**

The District encourages participation in this solicitation by DBE/HUB/Minority business and requires all those seeking to conduct business with the District to provide relevant information on the form included herewith.

**12. Protests**

In the event that a Proposing Firm desires to protest any procedure, the Proposing Firm should present such protest, in writing, to the Chief Appraiser within three (3) business days following the proposal due date. The protest shall state the name and address of the protestor, refer to this RFP, contain a statement of the grounds for protest and contain any supporting documentation.

## SECTION 1: SOLICITATION BACKGROUND AND OBJECTIVES

### 1. District

The District was established in 1979 by the Texas Legislature to appraise property in Nueces County for ad valorem tax purposes of the state and of each taxing unit that imposes ad valorem taxes on property within the county. The District's Chief Appraiser is responsible for all daily operations. The Administration Department handles all treasury and investment activities.

The Manager of Administration serves as the District's Investment Officer, will be the primary liaison with the Proposing Firm that becomes the Contractor for the services and will also be primarily responsible for oversight of the Master Depository Agreement (Agreement) resulting from this RFP process.

### 2. District And Banking

The District's operations are primarily funded by quarterly payments from its taxing units. The District currently has three demand deposit checking accounts (DDAs) with its current depository bank and one external local government investment pool. Historical information for the 12 months ended February 28, 2018 is provided below.

Description	Average Monthly		Type	Other Relevant Details
	Ledger	Collected		
General	\$ 694,980	\$ 684,496	DDA	Operating: remote/traditional deposits, checks.
Payroll	\$ 41,569	\$ 41,569	DDA	Payrolls: transfers from General, ACH, checks. e-pay
Employee Benefits				Employee health/dental/vision: Deposits, checks;
Plan & Trust (EBPT)	\$ 97,911	\$ 97,910	DDA	Governed by trust agreement; Fiduciary assets.
TexPool	\$ 2,319,051	n/a	Pool	Invested funds for longer-term needs.

- All DDAs are interest bearing checking accounts.
- Sufficient balances are kept in all checking accounts to meet current needs and maintain any compensating balance requirements. Longer-term cash needs are invested in TexPool to maximize earnings.
- General:
  - Contains most operating activities, transfers cash to Payroll and EBPT.
  - Taxing entity funding of about \$2 million per quarter (checks) is deposited into General.
  - Payables checks average about \$178,000 (90 checks) monthly, generally on Thursdays.
  - Miscellaneous deposits of coin and cash are delivered to the bank periodically.
- Payroll:
  - Receives funding from intra-bank transfers from General
  - Biweekly net payroll for about 79 employees averages \$110,000 is paid via ACH and 1-3 checks.
  - There are another 10 checks and e-payments issued for deductions and tax remittances.
- EBPT:
  - These funds are considered segregated assets and are governed by a formal trust agreement.
  - A third-party benefits administrator (TPA) handles the activities in this account.
  - About 123 checks are issued monthly for benefit claims and administration fees.
- More details of individual services are provided in the following RFP Sections.
- Section 6 Fee Schedule reflects consolidated historical with some estimated monthly volumes.
- The District maintains an Investment Policy that is in compliance with Texas Government Code Sections 2256 (Public Funds Investment Act) and 2257 (Public Funds Collateral Act).
- The District's nontraditional Defined Benefit retirement plan assets are excluded from the RFP services.

### 2. RFP Solicitation Process Objectives

Through this RFP solicitation process and as part of its public fiduciary responsibilities, the District intends to obtain various services outlined herein and provided by qualified depository bank(s). The District's major objectives include maximizing the preservation, safety and yields of its funds while minimizing fees and enhancing operational efficiencies.

### 3. Proposal Elements and Format

Layout and content: Each copy of the proposal shall be bound and contain the elements listed on Page 1. General instructions are provided under "RFP Conditions and Instructions". Uniformity between proposals helps maximize fairness in evaluations. Use standard 8.5" x 11" sheets of paper (larger sheets may be used for related tables, charts, graphics, etc.). Proposals should be clear and straightforward. Proposals that simply contain general marketing materials are not considered responsive. If replicating any text from the RFP for proposal preparation, do not alter any language of any questions and forms to be included in the proposals.

Cover Letter: The required cover letter **must** be on the Proposing Firm's letterhead, the original signed copy **must** bear the signature of an individual legally authorized to commit the Proposing Firm, **must** state that the proposal is firm for 120 days from Closing Time, **must** specifically state that the Proposing Firm accepts responsibility for meeting the objectives and requirements specified in this RFP, including any addenda, and **must** specifically list all Addenda by number that Proposing Firm acknowledges receiving. If, and to the extent that, any of these **required** inclusions are missing from the cover letter, then by submission of a proposal, the Proposing Firm **certifies stating** such in its cover letter.

Other Proposal Submissions: The remaining Sections of the RFP provide descriptions of, requirements for, contractual terms related to and other relevant information concerning required services and other elements that will be required of the Contractor over the term(s) of the Agreement. Each Section also provides a list of related proposal questions and other requests. Proposals must include a response to each question/request or "N/A" should be submitted. Proposals must present responses to each question/request in the same order presented in the RFP and numbered the same.

Proposed fees for all proposal elements are to be disclosed only on the Fee Schedule unless a question specifically requests disclosure of fees.

### 4. Resulting Depository Agreement

Section 6.09 of the Texas Property Code places a limit on appraisal district depository contracts to two years with one option to renew for another two years, after which a new solicitation process must take place.

This proposal solicitation process will result in the District and its selected Proposing Firm entering into a contract in the form of a Master Depository Agreement (Agreement). Exhibit A contains a draft of such.

The Agreement will incorporate the RFP/Addenda and the proposal. The "Sections" of the RFP serve as detailed expansions upon various contractual elements listed on the Agreement. The Sections state "what" is required by the District and the proposal, after negotiations, shall contain "how" Contractor shall accomplish such.

Proposing Firms are provided the opportunity to review the draft Agreement in advance, state any concerns and suggest modifications in several proposal inquiries. If no question allows Proposing Firm to address a particular concern, then the concern shall be discussed in the cover letter. The District reserves the right to choose, at its sole option, whether or not to not consider any such contractual concerns raised later in the process.

**EXHIBIT A: MASTER DEPOSITORY AGREEMENT (DRAFT)**

The Nueces County Appraisal District (District) issued a Request for Proposals (RFP) to obtain depository banking services as outlined in the RFP documents. The District selected [REDACTED] (Contractor, Proposing Firm, Bank, Financial Institution, Depository and similar identifying names) to provide the services.

1. **Agreement.** District and Contractor intend to set forth the terms of their respective duties in the form of this Master Depository Agreement (Agreement, Contract) supplemented by series of documents as follows:

Attachment A RFP and Addenda contains descriptions, requirements and terms of various contract elements. Attachment B Proposal contains Contractor's proposed approaches to achieving the required performance. Attachments A and B correspond and are indexed as follows:

Index	Attachment A RFP and Addenda	Attachment B Proposal, as negotiated
Preface	Notice, Conditions and Instructions	Cover Letter
Section 1	Background and Objectives	
Section 2	Proposing Firm Qualities	Responses and submissions
Section 3	Service Requirements	Responses and submissions
Section 4	Request for Agreements/Forms	Various Depository Agreements/Forms
Section 5	Insurance terms and requests	Responses and submissions
Section 6	Fee Schedule terms and format	Fees
Section 7	Reserved for future amendments	

2. **Background, Objectives and Solicitation Process:** Attachment A, Preface and Section 1.
3. **Contractor.** Contractor assumes responsibility for its required duties and has asserted the necessary legal and other traits to do so through submitting its proposal (Attachment B Preface and Section 2). **This complete Master Depository Agreement must be approved by written resolution of the Contractor's Board or Loan Committee and evidence of such must be supplied to the District within a reasonable time upon commencement of this Agreement.**
4. **Performance.** Contractor shall perform all of its specified duties under this Agreement in a "first class" manner, consistent with all applicable regulations and industry standards. All performance shall be to the reasonable satisfaction of the District with any defective or substandard performance promptly remedied by Contractor. Details of various performance elements, requirements and other terms and conditions of expected performance are contained in Attachment A. Contractor's corresponding proposal discusses how Contractor shall achieve expected performance and is contained in Attachment B.
5. **Compensation.** Contractor shall be compensated according to the terms and specified fees listed in Section 6. Prior to any payment, Contractor agrees that it shall provide a duly executed IRS Form W-9. Any paper invoices for all work on a monthly basis shall be delivered to Nueces County Appraisal District, Attn: Accounts Payable, 201 N. Chaparral, Suite 206, Corpus Christi, Texas 78401.
6. **Independent Contractor.** At all times during the term of this Agreement, Contractor shall be an independent contractor to the District, and Contractor shall not in any event be deemed an employee or other representative of the District. Any persons employed by contractor shall at all times hereunder be deemed to be the employees of Contractor, and Contractor shall be solely liable for the payment of all wages and other benefits made available to such employees in connection with their employ. Contractor shall remain solely responsible for the supervision and performance of any such employees in completing its obligations under this Agreement. Contractor warrants that any such employees shall be fully covered by workers' compensation insurance and that each of such employees has been carefully screened as to character and fitness for the performance of his or her job.
7. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the matters covered by it. Various other agreements relevant to these services may be executed by the parties and any new or revised agreements are incorporated into this Agreement in Section 4.

8. Amendments. Amendments (in Section 7) shall be in writing and signed by both parties and become incorporated into this Agreement.
9. Precedence. Conflicts between the various Agreement documents shall be decided in the following order of precedence: this fully executed Agreement, then Attachment A, then Attachment B (as negotiated and excluding Section 4 contents), and then the various depository bank agreements and other documents in Attachment B Section 4. The foregoing include Section 7 amendments as relevant to such matter. In the event a document is silent on a particular matter, such matter is governed by the document containing provisions on such matter.
10. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.
11. Termination. Either party may terminate this Agreement upon written notice to the other. Contractor may terminate this Agreement upon at least 90 days written notice to District (to allow for a new solicitation process). The District has the right to terminate this Agreement upon 30 days notice and without cause by delivery to Contractor of a "Notice of Termination" specifying the extent to which performance hereunder is terminated and the date upon which such termination becomes effective. Contractor must comply with all District instructions for transfer of any District property within Contractor's possession and/or if Contractor has the power to affect such.

The District shall further have the right to immediately terminate for default all or any part of this Agreement if Contractor breaches any of the terms hereof, becomes insolvent or files any petition in bankruptcy. Such right of termination is in addition to and not in lieu of any other remedies which the District may have in law or equity, specifically including, but not limited to, the right to sue for damages or demand specific performance.

If the District terminates Agreement under the foregoing paragraph, the District shall pay the Contractor for services actually performed prior to such termination, less such payments as have been previously made. Contractor shall not be entitled to any further compensation for work performed by the Contractor or anyone under its control or direction from the effective date of notice of cancellation including any and all costs related to the transferring of any files to another Contractor or any costs related to the electronic transfer of any information including, but not limited to: data transfers, downloads, uploads, CDs, etc.

Agreement may be terminated if sufficient appropriations or authorizations do not exist. Such termination will be effected by sending written notice to the Contractor. The District's decision as to whether sufficient appropriations and authorizations are available shall be accepted by the Contractor as final.

12. Assignment. Contractor shall not assign or subcontract any of its rights, duties or obligations under this Agreement without prior written consent of the District. Contractor shall be entitled to assign, pledge or encumber its right to receive payments under this contract pursuant to security interests created in conformity with the Uniform Commercial Code so long as the District shall never be obligated to negotiate with any such third party in respect to compliance with the terms and conditions of this Agreement. Any such assignment, pledge or encumbrance shall be limited by any rights of offset by the District for damages or claims arising under this Agreement or any other obligation owed by contractor to the District.
13. Tools, Equipment and Supplies. Contractor shall provide such software, equipment, supplies, materials, employees, management and any other items or services as may be necessary in order to enable Contractor to provide the services required or proposed.
14. Insurance. Section 5.
15. Indemnification. Contractor fully indemnifies, saves and holds harmless the District, its officers, employees, agents, attorneys, representatives, successors and assigns from any and all liability, damage, account of personal injury (including, without limitation, workers compensation and death claims) and property loss or damage of any kind whatsoever arising out of or in connection with any act or omission of Contractor, its officers, employees and/or agents, in connection with this Agreement. Contractor shall assume on behalf of the District and the indemnified parties described above, and conduct with due diligence and in good faith, the defense of any and all such claims, whether or not the District joined therein, even if such claims be groundless, false or fraudulent.



16. Disputes and Interpretations. In the case of any doubt or difference of opinion with regard to the interpretation of provisions of the Agreement documents, the District's decision shall be final and binding upon all parties.
17. Advertising. Contractor shall not advertise or publish, without the District's prior consent, the fact that it has entered into this Agreement, except to the extent necessary to comply with proper requests by law.
18. Equal Employment Opportunity.
  - a. Contractor agrees that during the performance of this Agreement, it will treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age or handicap. Contractor further agrees that during the performance of this Agreement it will identify itself as an "Equal Opportunity Employer" in all help wanted advertising or requests.
  - b. Contractor shall be advised of any complaints filed with the District alleging that it is not an equal opportunity employer. The District reserves the right to consider such complaints in determining whether or not to terminate any portion of this Agreement for which the services have not yet been performed; however, Contractor is specifically advised that no equal opportunity employment complaint will be the basis for denial of payment for any services already completed.
19. Governing Law and Venue. To the extent that this Agreement is not governed by applicable federal laws and regulations, it will be governed by and construed in accordance with laws of the State of Texas. Any disputes shall be resolved and any lawsuits shall be tried in Nueces County, Texas.
20. Confidentiality, Audits and Inspections. All information assembled by Contractor under this Agreement shall be kept confidential and made available to no third parties without prior written approval by the District. Upon reasonable notice and at reasonable times, Contractor shall make records available to the District, its agents, auditors and other District-approved parties on the District's instruction.
21. Notices. Notices shall be given to the parties by delivering or mailing such notice to the addresses set forth in this Agreement, or using such other delivery methods as the parties may designate to each other in writing.
22. Term. This agreement will commence on June 1, 2018 (Effective Date) and end May 31, 2020 with a possible extension for an additional two year term at the District's option.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 2018.

NUECES COUNTY APPRAISAL DISTRICT

NAME OF CONTRACTOR

By: \_\_\_\_\_  
 Robert Cenci, RPA, CTA  
 Chief Appraiser  
 201 North Chaparral, Suite 206  
 Corpus Christi, Texas 78401

By: \_\_\_\_\_  
 Printed Name of Authorized Signer  
 Title of Authorized signer  
 Street Address  
 City, State ZIP

## **SECTION 2: PROPOSING FIRM QUALITIES**

("RFP Conditions and Instructions" and Section 1 provide proposal instructions)

In addition to the eligibility criteria listed in "RFP Process Conditions and Instructions", the District requires that a Proposing Firm be qualified and licensed as a bank doing business in Texas to perform the services required, is a fiscally strong banking institution that provides the services outlined on an uninterrupted basis, be FDIC insured and will execute a depository/collateral agreement under the terms of FIRREA. The District prefers institutions conveniently located to provide convenient physical access to the District and its agents.

1. State Proposing Firm's legal name and address of its headquarters.
2. List the name, title, contact information of the representative(s) responsible for the proposal.
3. Certify that Proposing Firm meets all criteria to be eligible to provide these services to the District.
4. Provide the address of the primary location from which these services shall be provided.
5. List the representative(s) and any alternate(s) who shall serve as liaison with the District for services along with title(s), contact information, hours of availability and brief professional biography on each.
6. The District reserves the right to require substitution representative(s) deemed to be, in District's judgment, not satisfactorily performing. Confirm acceptance of this term.
7. Provide the following for the Proposing Firm:
  - a. most recent audited financial statement.
  - b. Proposing Firm will provide its annual audited financial statements to the District each year during the contract period(s). Please acknowledge this.
  - c. most recent call report,
  - d. Proposing Firm will provide its call report, Schedule RC to the District quarterly during all the contract period(s). Please acknowledge this.
  - e. rating agency rating (Highline, Veribanc or comparable independent rating service). If such rating is not available, provide the long-term and subordinate debt ratings
  - f. Proposing Firm will be responsible for notifying the District within thirty (30) days of any change in the rating throughout the contract period(s). Please acknowledge acceptance of this.
8. Describe Proposing Firm's philosophy and approach to satisfying the customers' banking and customer service needs while highlighting any unique factors that set Proposing Firm apart from its competition.
9. Has Proposing firm been cited by regulatory agencies in the last 24 months? Explain.
10. Provide contact information for two to three references of similar governmental customers.
11. Proposing Firm must complete and submit the following items (contained in the following pages):
  - a. Proposal Certifications
  - b. Business Designation
  - c. Conflicts of Interests
  - d. During the contract period(s), Proposing Firm shall be obligated to promptly update any changes in status of these. Please acknowledge acceptance of this.

**PROPOSAL CERTIFICATION FORM**

In submitting this proposal, I certify as follows:

- 1. **Non-Collusion Certification:** The undersigned Proposing Firm hereby certifies that it has made this proposal independently, without consultation, communication or agreement for the purpose of restricting competition as to any matter relating to this proposal, with any other Proposing Firm or with any other competitor;
- 2. **Proposal Validity Certification:** The undersigned Proposing Firm offers and agrees, if this offer is accepted within 120 calendar days from the proposal Closing Time, to furnish any or all services upon which fees are offered at the designated point within the time specified;
- 3. **Non-Debarment Certification:** The undersigned Proposing Firm hereby certifies that it is not included on the U.S. Comptroller General's Consolidated List of Persons or firms currently debarred for violations of various contracts incorporating labor standards provisions;
- 4. **Non-Conflict Certification:** The undersigned Proposing Firm hereby represents and warrants that no employee, official, or member of the District's Board of Directors is or will be pecuniarily benefited directly or indirectly, in the award of a Contract related to this RFP; and
- 5. **Non-Inducement Certification:** The undersigned Proposing Firm hereby certifies that neither it nor any of its employees, representatives, or agents have offered or given gratuities (in the form of entertainment, gifts, or otherwise) to any director, officer, or employee of the District with the view toward securing favorable treatment in the awarding, amending, or the making of any determination with respect to the performance of this Contract.

The undersigned hereby further certifies that s/he has read all of the documents and agrees to abide by the RFP and all related terms, certifications, conditions and addenda.

Proposing Firm Name: \_\_\_\_\_

Physical Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Mailing Address: \_\_\_\_\_  
(Street, P.O. Box) (City) (State) (Zip Code)

Telephone: (Primary) \_\_\_\_\_ (Fax) \_\_\_\_\_

S.S.# or Tax ID #: \_\_\_\_\_

Proposing Firm Owner: \_\_\_\_\_

Proposing Firm CEO: \_\_\_\_\_

Date founded: \_\_\_\_\_

6. **Proposing Firm acknowledges receipt of the following Addenda (list by number):** \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**BUSINESS DESIGNATION FORM**

**PLEASE INDICATE WHETHER PROPOSING FIRM IS ANY ONE OF THE FOLLOWING:**

**YES**  **NO** - **CERTIFIED HISTORICALLY UNDERUTILIZED BUSINESS (HUB)**

Select all that are appropriate:

- ASIAN PACIFIC
- BLACK
- HISPANIC
- NATIVE AMERICAN
- WOMAN

Please visit the following website for information on becoming a Texas Certified HUB:  
<http://www.window.state.tx.us/procurement/prog/hub/>

**YES**  **NO** - **LOCAL SMALL BUSINESS (LSB)**

A for-profit entity employing less than 49 employees located within Nueces County, Texas.

**YES**  **NO**      OTHER (PLEASE SPECIFY):

THIS COMPANY IS **NOT** A CERTIFIED HUB or LSB

**THE INFORMATION REQUESTED IN THIS FORM IS FOR STATISTICAL REPORTING PURPOSES ONLY AND WILL NOT INFLUENCE AWARD DECISIONS OR THE AMOUNT EXPENDED WITH ANY GIVEN COMPANY.**

Proposing Firm:	_____	Telephone:	_____ - _____ - _____ Ext.
Address:	_____	Fax:	_____ - _____
City:	_____	State:	_____
	_____	Zip:	_____ - _____
		E-mail:	_____
		Date:	_____
Signature of Person Authorized to Sign Form			
Signer's Name:	_____	Title:	_____
	(Please print or type)		

**DISCLOSURE OF INTERESTS CERTIFICATION**

PROPOSING FIRM NAME: \_\_\_\_\_

STREET: \_\_\_\_\_ CITY: \_\_\_\_\_ ZIP: \_\_\_\_\_

Is a: Corporation \_\_\_ Partnership \_\_\_ Sole Owner \_\_\_ Association \_\_\_ Other \_\_\_\_\_

Completely respond to each. If additional space is necessary, please attach separate additional sheets.

1. State the names of each "employee" of the District having an "ownership interest" constituting 3% or more of the ownership in the Proposing Firm.

NAME	JOB TITLE AND DEPARTMENT (IF KNOWN)
_____	_____
_____	_____

2. State the names of each "official" of the District having an "ownership interest" constituting 3% or more of the ownership in the Proposing Firm.

NAME	TITLE
_____	_____
_____	_____

3. State the names of each "board member" of the District having an "ownership interest" constituting 3% or more of the ownership in the Proposing Firm.

NAME	BOARD, COMMISSION OR COMMITTEE
_____	_____
_____	_____

4. State the names of each employee or officer of a "consultant" for the District who worked on any matter related to the subject of this contract and has an "ownership interest" constituting 3% or more of the ownership in the Proposing Firm.

NAME	CONSULTANT
_____	_____
_____	_____

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

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

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

### **SECTION 3: SERVICES**

("RFP Conditions and Instructions" and Section 1 provide proposal instructions)

#### **A. General Service Considerations**

During the contract period(s), the District reserves the right, at its sole discretion and without obligation, to choose to maintain any or all of its funds outside the Proposing Firm.

Since the District may have no prior experience with several of the service items requested in the RFP, District reserves the right to solely select if and which service items will be utilized during the contract term(s).

The District's envisioned Master Depository Agreement was described in Section 1 and a draft was provided in Exhibit A to give Proposing Firms the chance to review it in advance and state any reservations about any terms contained therein.

1. Regarding the draft Agreement, list any exceptions and suggested changes for the District's consideration.
2. The selected Proposing Firm will be required to review the current District Investment Policy and certify such review and ongoing compliance with it. Confirm your agreement with this requirement.
3. Provide a timeline for start-up that details tasks to be performed by all parties.
4. Are you offering any conversion and/or retention incentives as part of this proposal? Define non-financial aspects of such here and financial aspects in the Fee Schedule where requested.
5. Contractor shall notify the District within a reasonable time of any changes in laws and regulations that affect the resulting contract. Describe how and when you will notify the District of such.
6. The District requires full and complete cooperation with any activities related to transitioning to another Contractor upon expiration or termination otherwise of the contractual relationship. There shall be no penalties assessed to the District. Only customary fees for services in the Fee Schedule shall be charged to the District during such activities. Contractor shall be liable to the District to the extent of any damages District sustained as a result of Contractor's noncompliance. Acknowledge acceptance of this requirement and state any limitations and reservations you have with complying with such.

#### **B. Accounts, Sweep and Separate Investment Fund**

Section 1 discusses the District's currently required demand deposit accounts and related information. The District currently maintains a compensating balance mechanism and transfers funds between accounts (in-bank transfer) and to/from Texpool (ACH) manually. No automated sweep is employed currently; however, the District anticipates using automated sweeps during the contract period(s).

The District anticipates utilizing zero-balance accounts and automatic sweeps to/from a SEC-registered mutual fund to attain either zero or a compensating balance, depending on available earnings yields alternatives. For the sweep mechanism, the District anticipates a SEC-registered government money market investing in treasuries, agencies and repurchase agreements backed by such. A fund with commercial paper may also be utilized. A repurchase agreement with the bank is not acceptable as a sweep. An alternative internal account structure may be proposed but preference will be given to same day sweeps to/from SEC-registered money funds in which Texas government entities may lawfully participate. Proposing Firm should stipulate its most financially effective methodology for creating this sweep: master account and zero balanced accounts or direct sweeps from each account.

Note: EBPT funds are segregated assets (i.e. once deposited, funds are not available for use on non-EBPT operating activities) and governed by a trust agreement. Although this account functions as a regular interest-bearing DDA, proposal approaches should take its legal aspects into account. At a minimum, details about its account activities, interest earnings and fees charged shall be separately determinable regardless of whether the combined relationship balances are used for sweep and compensating balance purposes.

The District also requires access to a separate (i.e. in addition to the sweep) money market mutual fund permitted by law for Texas governments per the Texas Pubic Funds Investment Act.

The District may choose to open additional accounts of various types, close accounts and/or change account types during the contract period.

The District requires to have the option to use either a direct fee or compensating balance at its sole discretion for any given month with proper notice to the bank.

1. Describe the bank's ability to provide the accounts and a sweep. Also provide a recommendation as to the most financially effective structure to sweep (i.e. master account with ZBAs or individual account sweeps). Include classifications of accounts (ZBA or other) to be used in the structure.
2. Describe your proposed fund for the sweep, providing full name, CUSIP, ticker, prospectus and any major terms of fund. If more than one fund is described, specify which is the primarily one being proposed.
3. The District requires an automated sweep. Describe any manual transactions required of the District and state under what condition(s) this would be necessary.
4. If the Proposing Firm cannot provide the required sweep structure or proposing an alternative internal account for this service requirement, fully describe the approach, including account structure proposed, type of account (interest bearing, money market, ZBA, etc.), related earnings rate methodology and any other specifics.
5. Does the sweep arrangement represent an end-of-day transaction where District funds are moved out of the bank completely? If not, describe how collateral requirements will be met while funds remain in the bank overnight.
6. Discuss specifically how sweep interest will be paid to the account(s). On a daily or monthly basis? How the rate is determined - as an interest bearing account or at the sweep rate?
7. Describe how sweep activity will be reported. Will detailed sweep information appear as a daily transaction or monthly for the month? Provide a sample sweep report.
8. Can the bank distribute interest earnings on sweeps at the account level even if all accounts are swept?
9. Discuss your terms and processes for switching between direct fee and compensating balance methodologies, including any limitations and advance notice requirements.
10. What fund are you proposing for the separate mutual fund. Provide the name, terms, prospectus, etc.
11. Disclose actual historical monthly average net rates for proposed items. Basis information (i.e. index based, etc.) are requested in the next question.

Month	ECR	Interest Bearing Accounts	Separate Money Market Mutual Fund	Sweep Alternative
Jan				
Feb				
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				

12. Regarding the historical rates above, please answer the following:
  - a. What was the basis for the ECR rate during the historical period designated?
  - b. What will be the basis for the ECR rate during this contract period(s)?
  - c. What was the basis of the interest bearing account rate during the historical period designated?
  - d. What will be the basis for the interest bearing account rate during this contract period(s)?
  - e. What was the basis of the money market mutual fund rate during the historical period designated?
  - f. What will be the basis for the money market mutual fund rate during this contract period(s)?
  - g. What was the basis of the sweep rate during the historical period designated?
  - h. What will be the basis for the sweep rate during this contract period(s)?
13. Explain your process for transferring funds between the General account and the separate mutual fund. Include capabilities, deadlines, how long the funds take to transfer and post, etc.

### **C. Online Banking Services**

The District requires Proposing Firm to provide the software for and access to internet-based automated cash management tools with upload and downloading capabilities and is accustomed to working with traditional formats (PDF, flat, text, comma-delimited, NACHA and spreadsheets).

Discussion questions about the Proposing Firm's online capabilities specific to the services discussed elsewhere in this Section 3 are covered along with those services. Here, the District is requiring Proposing Firm to discuss its capabilities with providing the following required services.

#### Reporting:

- Daily balance reporting – summary
- Daily balance reporting – detail
- Current day reporting
- Intra-day reporting, real time or delayed
- Customization of reports

#### Execution of Transactions:

- Transfers between accounts

#### Internal Controls:

- Multi-level security administration requirements
- Training of District administrator and users

1. Describe your online capabilities regarding the above.
2. Are all services available through a single or multiple portals/sites? If multiple, which services are accessed separately?
3. Are online service charges bundled or unbundled? (Yes or No and explanation. Fees go on Fee Schedule.)
4. Provide access and update times for daily balance information.
5. Submit samples of major screens and online reports available or provide an online web address for a demonstration version (preferably with deeper than main screens).
6. Specify all hardware and software requirements of the District.
7. What percent of the time was your system inaccessible in the most recent 12 months?
8. Describe the bank's back-up process for on-line balance reporting.
9. Describe how individuals are assigned access and how levels of security work.

### **D. Deposit Services**

The majority of District's deposits in the General and EBPT accounts are checks with some small, infrequent miscellaneous deposits (coins, currency and checks) delivered to the bank periodically. The Payroll account is funded by bank transfers from General. TexPool funds go to/from General via ACH. The District does not encode checks. Infrequent ACH/wires are received in the EBPT account.

The bank shall accept all District deposits and grant immediate ledger credit for deposits received by the bank's deadline. Bank shall further grant immediate collected credit on all coin and cash deposited, incoming wire transfers and ACH, US Treasury checks deposited, "on-us" items deposited with all other checks clearing subject to the bank's availability schedule. Failure to properly credit the District thus will require reimbursement to the District of any lost earnings at the rate the funds would have earned and adjustment of ledger/collected balances as if the error had not occurred.

1. What is the bank's cut-off time to assure same day ledger credit?
2. State the bank's Availability Policy.
3. Explain any terms of expedited availability?
4. Include a list of all deposit locations.



## **E. Remote Deposit Services Including Check Truncation and Check Conversion**

The District currently uses remote electronic check deposit and requires this service. Checks include both individual and commercial checks.

1. Describe the bank's capabilities for remote deposits? Describe how checks are processed and cleared. Describe any limitations (i.e. check type, amount, etc.).
2. Is this done through a separate service or the same online portal discussed earlier?
3. How and when is the District credited? What are the deadlines for receiving the same day credit?
4. Is a daily balancing report produced? Provide a sample.
5. If a check is declined, how is notification made?
6. If a check is accepted and subsequently returned by the bank, what are the obligations of the District and bank? How will collection be made?
7. What scanner equipment and software tools are required to operate the system? Is this equipment available through the bank by lease or other basis? Describe equipment here and list all fees on the Fee Schedule.
8. What level of detail is available online? When are such available? Provide a sample report.
9. Is training included? Describe. (Fees in Fee Schedule only.)
10. Describe bank's physical check retention requirements.

## **F. Re-Presentation of Checks (RCK)**

NSF checks deposited by the District are to be automatically re-deposited at least once for collection. The District wants the option of the second presentment to be made by ACH to targeted dates for maximum collection potential.

1. Describe the bank's current process for NSF checks. Are they automatically re-deposited? How many times?
2. Explain how the District will be notified and the timeline for such of return items with normal processing. Is notification made electronically or by paper?
3. Is the bank capable of RCK, processing the second presentment as an ACH with a targeted presentment date? Fully describe.
4. Is the bank currently using ACH for collection of NSF checks? How long has the bank been providing this service?
5. What information on the NSF check is available online? When? For how long?

## **G. Disbursement Services**

Section 1 discusses of the types of disbursement activities from General, Payroll and EBPT accounts. Estimated monthly volumes are contained in the Fee Schedule. The District currently utilizes ACH and checks in General and Payroll and checks in EBPT. The District uses facsimile signatures and manual signatures depending on dollar ranges. ACH and wire transfer services, if required by the District, are discussed separately.

The bank shall honor all disbursements properly drawn on District accounts in accordance with its policies and without charge to any District payees upon presentment.

1. State your items processing policies related to this service, including when accounts are to be debited.
2. Ignoring Positive Pay (discussed elsewhere), what processes and safeguards are available to detect inaccurate debits to accounts, validity of signatures, stale-dated checks and fraudulent checks/withdrawals/debits?
3. Are check images available on-line? How soon? How long are they available?
4. Please state your requirements and cut-off times regarding payees cashing District checks.
5. Bank will not charge any payee to cash District's checks upon presentment. Confirm acceptance of this and describe how bank will ensure compliance at teller counters, drive through windows, etc., of all locations.

## H. Positive Pay

The District does not currently use Positive Pay and requires the ability to use it on any account(s) at its option as a safeguard measure. The District may use positive pay with or without reconciliation services.

1. Is Positive Pay capability available to the District directly online or must the District send data on checks issued to the bank to perform the entries?
2. Describe your data upload requirements, specifications and time frames for a batch of check records.
3. Describe the input process for an individual check. Is input online? If not on-line, how is information on individual manual checks transmitted to the bank?
4. What status codes are available and how may the District change the status of and delete check records.
5. Is the District automatically notified of exceptions or must staff check for them? Explain your process.
6. At what specific CST time is exception information reported?
7. What is the process and deadline (CST) for District responding to exception items? Are "default" responses available?
8. Are all checks, including those received by the tellers, verified against Positive Pay records before processing? How often are records that are available to tellers updated to include new entries?
9. Can your Positive Pay capabilities also act as a way for the District to place a stop-payment on a check?

## I. Wire Transfer Services

The District currently does not use online wire transfer capabilities but requires the capability be available. Incoming wire transfers must receive immediate same day ledger and collected credit regardless of time received. The District will require compensation for delays caused by bank errors at the rate at which the funds would have earned interest and adjustment of ledger/collected balances as if the error had not occurred.

1. How and when will the District be notified of incoming wires?
2. List bank's various methods of initiating outgoing wire transfers.
3. Is online wire transfer capability available? Describe capabilities, cut off times and security features.
4. Describe what detail information is reflected online on incoming/outgoing wires. Provide sample screenshot.
5. Describe the security provisions on the wires for both repetitive and non-repetitive wires. Include a description of security provisions, PIN requirements and back-up systems.
6. Describe the ability to create and store recurring/repetitive wire instructions/templates.
7. Describe the ability to create and store future-dated wire instructions, including limits on how far in advance.
8. State wire access times, posting times, and cut-offs.
9. Assume a hypothetical scenario where the District missed the deadline (assume Wednesday 4pm) for uploading an ACH file containing payroll that must be at the employees' receiving banks by Friday at 8am. Discuss your capabilities to convert the ACH file records into the appropriate wiring instructions and to initiate the wires to the receiving banks on Thursday afternoon after 3pm. In your response, keep in mind that some receiving banks' routing numbers for ACH purposes differ from their ABA numbers for wire transfers.

## J. Optical Imaging

The District currently uses and requires optical imaging services. CD is acceptable with preference for online.

1. Describe the bank's imaging service available on CD. List what items are captured (i.e. checks, deposit slips, deposited items, bank credits/debits, etc.), image specifics (front only, front and back?), and when (monthly, quarterly? by what calendar day) the District would receive the CD.
2. For images on CD, is specific software needed to access and retain the images? Does the bank provide such (Yes or No. Fees are disclosed in Fee Schedule)?
3. Are all or part of the images available online for daily access? If so, describe capabilities, when are they available, the specific data that is available and how long the images are retained online.

## **K. ACH Services**

The District currently uses ACH for transferring funds to/from TexPool and direct deposit of employee payrolls. Section 1 provides details of activities and the Fee Schedule contains estimated utilization volumes. Same-day ledger and collected balance credit is to be granted for all incoming ACH funds. For receipts not properly credited in this manner, the District shall be compensated for delays caused by bank errors at the rate at which the funds would have earned interest and ledger/collected balances shall be adjusted as if the error had not occurred.

1. Describe your ACH capabilities and the various methods available for accomplishing such.
2. How are single ACH transactions accomplished?
3. Describe acceptable file format specifications.
4. State deadlines for all methods. For example, what is your latest deadline (CT) for a payroll batch that must reach a smaller receiving bank or credit union by Friday by 8 am?
5. Can ACH transactions be future dated (batch and online entries)? How far in advance?
6. Do you require pre-notification? Describe your related policies. Is there any charge for pre-note? (Yes or No only. If there is a change, please state the specific fee in the Fee Schedule.)
7. Describe security features such as filters and blocks available for ACH transactions.
8. Are ACH addenda shown in their entirety online and on reports?
9. What ACH reports are available and for how long are they available?
10. Describe security measures.
11. The District's accounts are to be debited on the effective date of the ACH batch and no earlier. For example, if a payroll NACHA file is submitted on Tuesday for deposit into recipient banks on Friday (pay date), the relevant accounts are not to be debited until Friday. Please confirm acceptance of this.

## **L. Account Reconciliation Services**

The District does not currently use this service but is exploring the possibility of using reconciliation services in conjunction with Positive Pay.

1. Describe the bank's partial and full reconciliation services.
2. What level of online automation is available on each alternative?
3. Specify data transmission requirements.
4. Provide a sample copy of reports for full and partial reconciliation.
5. State when reports will be available from partial or full reconciliations after the close of a statement cycle.

## **M. Safekeeping Services**

The District does not currently use safekeeping services; however, the District's investment policies allow for investments in various securities and if yields rise during the contract period(s), the District may require safekeeping services for any securities it may purchase.

Safekeeping may be in the bank or trust and not the brokerage subsidiary of the bank. The District prefers an account with the Federal Reserve Bank. If the bank utilizes a correspondent bank for safekeeping of the District's securities, the transactions will be handled through the bank and shall not require additional interaction from District with the correspondent bank.

The District will provide written instructions for security transactions according to bank's procedures. All securities shall be cleared on a delivery-versus-payment for acquisitions (receive securities for further credit to the District before releasing payment) and payment-versus-delivery basis for disposals (funds received with simultaneous release of security). All securities must be perfected in the name of the District. Clearing and ownership shall be documented by original clearing confirmations and safekeeping receipts sent to the District within one business day. Funds for the investments will be drawn from the General Account. All coupon payments, calls, and maturities will receive same day collected credit in the District General Account. If there are any settlement problems, the proper District representative shall be promptly notified.

All fees for clearing and safekeeping must be stipulated on the Fee Schedule and not discussed here.

1. Is the bank a member of the Federal Reserve and DTC or will a correspondent bank to be used? Provide details of any correspondent bank that will be used.
2. Describe proposed safekeeping arrangements and terms.

3. Are security transactions available on-line for either origination or monitoring?
4. Do you provide a monthly report with market values? State the source of your valuations.
5. What is the deadline for settlement instructions on a cash (same day) settlement?

## N. Collateral Requirements

The District's collateral requirements must comply with the Texas Public Funds Collateral Act (Chapter 2257, Government Code) and its Investment Policy. Proposing Firm shall comply with the District's collateral requirements at all times for all District funds held in the bank at any time beyond FDIC insurance coverage. The District's current investment policy states the following.

- **Custody:** Collateral must be held in an independent third party bank outside the bank's holding company. The District prefers but does not require safekeeping at the Federal Reserve.
  - **Required Levels:** The readily-determinable market value of pledged Collateral acceptable to the District and in compliance applicable laws must be at least 102% (110% if mortgage-backed securities are used) of the principal plus accrued interest for excess cash balances, certificates of deposit and repurchase agreements.
  - **Eligible Collateral:** Obligations of the US Government, its agencies and instrumentalities and General or specific obligations of public entities rated not less than A by at least two nationally recognized rating agencies. (Only securities per Texas Public Funds Collateral Act. Bank letters of credit are not being considered.)
  - **Prohibited Securities.** Investment securities described in the Public Funds Investment Act, Chapter 2256.009(b), Government Code, shall not be eligible for use as collateral of District funds governed by this Policy.
  - **Evidence:** Evidence of proper collateralization in the form of original safekeeping receipts and monthly reports shall be sent directly to the District and shall include a complete description of all collateral, par value(s), CUSIP(s) and market value(s).
  - **Substitution.** Collateral often requires substitution of collateral. Any institution requesting such must contact the Investment Officer(s) or other Authorized District Representative for advance approval and settlement. The substituted collateral's value will be calculated and substitution approved if its value is equal to or greater than the required collateral value. Substitution is allowable for all transactions, but should be limited to minimize the District's potential administrative problems. Substitution securities must be received before previously pledged securities are removed from safekeeping.
  - **Collateral Reductions.** Should the collateral's market value exceed the required amount, any institution may request approval from the Investment Officer(s) or other Authorized District Representative to reduce collateral. Collateral reductions may be permitted only if the District determines that the remaining collateral's market value equals or exceeds the required amount.
  - **Monitoring And Sufficiency:** The bank shall be contractually liable for the continuous monitoring and maintaining of collateral and the required margin requirements.
  - **Tri-Party Agreement:** A tri-party safekeeping agreement shall be executed between District, the depository, and the safekeeping bank for custody of pledged securities in full compliance with FIRREA. If the Federal Reserve is used as custodian, a Circular 7 will supplement the District-bank depository agreement.
1. Confirm that bank will comply with all of District's collateral requirements above. State any recommended changes.
  2. Will you collateralize ledger or collected balance?
  3. What and where is your proposed custodian?
  4. Does the bank propose any collateral charges? (Answer yes or no; specify fees in Fee Schedule.)

## O. Account Analysis

Monthly account analysis reports detailing fees and other charges must be provided for each account and on a consolidated relationship basis are required monthly regardless of the whether a compensating balance or direct fee basis is used. Interest earned on interest-bearing accounts shall not be included as a charge on the analysis.

1. Provide a sample account analysis for a government entity that has at least two accounts and that shows the calculations for compensating balance basis payments.
2. How soon after the close of a monthly cycle is the analysis statement available if paper method? Online?
3. If online, what format(s)?
4. How long is the online analysis available?
5. Is the analysis included on any monthly CD?

6. If compensating balances are used, the District requires a carry-over, preferably six-months or more, of unused excess credit to be applied to future charges. Confirm agreement to this condition and state how long bank is proposing to carry-over unused credit.

## **P. Monthly Statements**

The bank must provide monthly account statements of activities on each account. The District requires monthly statement cycles and cut-offs consistent with calendar months. Monthly statements must be received by the fifth day after the statement closing date. At a minimum, the following information will be required:

- all debit and credit transactions by account,
- all cleared checks or images available,
- all deposits, and
- copies of all transactions performed by bank personnel.

1. Provide a sample bank statement.
2. Are statements available online? When, in what download formats and how long are they available online?
3. Are paper statements produced? When are paper statements available?

## **Q. Overdrafts**

The District does not anticipate any daylight and overnight overdraft situations. In the event checks are presented against insufficient balances, the bank is required to honor these checks and notify the proper District personnel. The District must cover the funds needed within one business day.

1. Please confirm your understanding and agreement with the above requirement.
2. Are accounts aggregated for calculation/fee purposes?
3. Describe your rate basis for overdrafts.
4. Describe your rate basis and definition for "daylight overdrafts".
5. Will bank allow daylight overdraft situation in anticipation of offsetting deposit not yet received? Explain terms.

## **R. Stop Payments**

The District seldom uses stop payment services.

1. Describe the bank's policies on and process for stop pays.
2. Can stop pays be initiated and renewed online? If so, explain how.
3. How long do stop pays and renewals remain in effect?
4. What confirmations will the District receive for a stop pay?
5. Are there available mechanisms to alert the District of upcoming expiring stop pays? Explain.
6. What is the deadline for same day action?
7. Will the bank's system verify that a check has not cleared before accepting the stop pay?

## **S. Company Banking**

1. Describe any programs the bank has designed to benefit the employees of customers. Is availability based on use of direct deposit or only on District employment? Disclose any terms and related fees that will be charged to employee customers. (Any related fees to the District must only be disclosed on the Fee Schedule.)

## **T. Commercial Credit Cards Services**

The District is not currently using commercial cards but wishes to consider the possibility of issuing a limited number of cards to specific employees for infrequent use. The billing cycle shall close on the last day of each month to enable reconciliation.

1. Describe your capabilities offering credit cards.
2. What are your settlement terms and billing cycle.

3. Describe online card management: new card issuance, deletion, replacing, modifying, etc.
4. What are your payment options?
5. What are your card control and usage restriction options?
6. Describe your information reporting capabilities – paper vs. electronic.
7. What are your technical capabilities – Internet?
8. What security features are involved, including account number encryption policy?
9. What are your system requirements
10. What is your fraud policy?
11. Describe any rebates for purchases.

**U. Alternative, Enhanced and Additional Services**

1. Proposing Firms are encouraged to indicate any exceptions to or variations to services outlined in the RFP within the space allotted for each service requested. If the bank desires to propose additional services, enhanced services and/or alternative approaches or services, such shall be explained in this section.

**SECTION 4: DEPOSITORY AGREEMENTS AND OTHER DOCUMENTS**  
("RFP Conditions and Instructions" and Section 1 provide proposal instructions)

Any depository agreements and other Contractor documents which pre-date the effective date of Agreement are incorporated into and subject to the terms of this Agreement until superseded.

1. Provide a copy of **all** agreements and other documents (even if not directly specified in this RFP) which the District will be required to enter into if Proposing Firm is selected. Do not include any that were provided within a service element question above. Any changes required by the District on such will be the subject of negotiations. These documents shall be included in Section 4 of the Agreement.

## **SECTION 5: INSURANCE**

("RFP Conditions and Instructions" and Section 1 provide proposal instructions)

The Proposing Firm selected as the District's Contractor for these services may not commence work under the resulting Master Depository Agreement until all insurance required herein has been obtained and such insurance has been approved by the District. Any subcontractors must adhere to similar requirements as well.

The following insurance must be maintained by Contractor, at its sole cost:

- Professional Liability. Errors and Omissions coverage of not less than \$2,000,000 combined single limit available to cover the District's interests related to this Agreement.
- Workers Compensation and Employers' Liability. Workers' compensation as required by Texas laws and employer's liability insurance with policy limits of at least \$500,000/\$500,000/\$500,000 containing a waiver of subrogation endorsement waiving any right of recovery under subrogation or otherwise against the District.
- Property. Proposing Firm is responsible for its own insurable interest in property and property of others in its care, custody and control.

Such coverage shall be issued by insurance companies licensed to do business in the State of Texas and rated A- or better by the A. M. Best insurance rating guide. A certificate of insurance evidencing such coverage shall be furnished to the District prior to the commencement of work and maintained throughout the term of the contract. Such insurance policies shall not be cancelled, materially changed, or not renewed, without thirty (30) days' prior written notice to the District, and the certificate of such insurance coverage shall reflect the foregoing cancellation provision. Failure of Contractor to maintain specified coverage in force may be grounds for Contract termination at District's option.

The District reserves the right to receive copies of policies and other evidence of coverage upon request and without expense within 10 days of such request.

1. State your acceptance to adhere to these contractual terms and requirements.
2. Submit relevant documentation your insurance coverage.



## **SECTION 6: FEE SCHEDULE**

("RFP Conditions and Instructions" and Section 1 provide proposal instructions)

### **A. Fee Specific Terms and Fee Schedule**

Proposed fees, as negotiated, shall remain in force for the full term of the Agreement, including extension terms, regardless of actual volumes used. Any pass-through fees (i.e. Federal Reserve, FDIC) increases may be passed through to the District upon 30-day advance written notice. Any other changes in fees must be negotiated and must be approved by the District in writing.

For the entire duration of this Agreement, the District reserves the right to use both direct fee and compensating balance methodologies at its sole option and as outlined in Section 3. Regardless of methodology, any fees owed by the District shall be deducted from the proper account(s) specified by the District to the extent the District has no disputes. Account analysis is required monthly regardless of methodology is used in the month.

In no case shall interest earned on any account be charged as a fee for any reason, including monthly analysis.

The District reserves the right to review charges and recover any erroneous charges resulting from its review of monthly invoices within 30 days.

If no fee was proposed for any service element listed in the RFP and/or on the Fee Schedule, the District shall not be charged for utilizing such services during the term(s) of the Agreement. The fees for any new services beyond those anticipated in the RFP shall be charged at not more than the Contractor's standard fees for such services and subject to negotiation at the time the new service is requested.

The estimated monthly usage volumes on the Fee Schedule are for proposal purposes only. They do not commit the District to any usage levels and there is no recourse on the District if these volumes differ from reality.

The Fee Schedule contains the District's average monthly historical volumes with spaces for services not yet used or decided upon. Since there may be no history with some services, the District reserves the right to select which services it will include to evaluate the economic factors of proposals during the evaluation process as more is learned about how the services and related fees work between proposals. When a service scenario is decided upon, then all proposals shall be evaluated on the same service utilization scenario for equitable treatment.

### **B. Submitting Fee Proposals**

Proposing Firms shall use the District's spreadsheet file version of the Fee Schedule to enter proposed fees

For each service item listed, Proposing Firm shall quote its lowest and best fees, F.O.B. destination on each item. If volume affects the fee, then multiple fees may be made so as to indicate "fee break" quantities in order for the District to determine maximum economic benefit. Fees should include packaging and transportation unless otherwise listed. In case of discrepancy between unit fee and total fee, the unit fee will be presumed correct. Note that the District does not pay federal excise taxes or state and local sales and use taxes for this service.

All fees to be charged to the District for all of the service elements in the RFP must be entered on the Fee Schedule. If an appropriate row is not provided for a certain fee, then Proposing Firm shall enter such in the "< New Entry >" row within the appropriate service element. Remember to supply all related column information for any fees added in this manner.

As noted above, failure to thoroughly disclose all fees and charges related to all of the service elements listed in the RFP shall result in the District not to be charged for utilizing those items during the term(s) of the Agreement.

Care should be taken to clearly stipulate how software maintenance and account maintenance charges are to be charged for various services.

**When finished entering fees and other information requested, print out a copy of the Fee Schedule and sign it. Place the signed paper copy and one electronic copy (on CD or USB drive) in a separate envelope and seal it. Submit that envelope along with your bound proposals in the same packaging.**