



CITY OF KENEDY, TEXAS REQUEST FOR PROPOSALS FOR DEPOSITORY SERVICES

RESPONDENTS ARE CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED

I. INTRODUCTION

In accordance with the provisions of Chapter 105 of the Texas Local Government Code, the City of Kenedy, Texas is requesting applications in the form of proposals from eligible and qualified financial institutions (banks, credit unions, or savings associations) for a depository services contract to be awarded November 8, 2022 with service to begin December 1, 2022. The agreement will be for a period not to exceed five years. Through this contract the City intends to minimize depository costs, improve operational efficiency, and maximize investment capabilities. This Request for Proposal (RFP) represents the cash management goals, specifies all qualified financial institutions required qualifications, the depository services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and the contract award provision.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. MINIMUM QUALIFICATIONS

To assure a close working relationship, to facilitate available services, and to support local business, the entity may give priority to those banks with full-service capabilities within the City limits. Any required statement regarding equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

B. PROPOSAL SUBMISSION INSTRUCTIONS

1. Proposal Format

In order to fully and equitably evaluate each bank's ability to meet the 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 the prescribed format and using the exhibit forms provided will be evaluated for contract award.



2. Submission Requirements

All submissions should be submitted so as to arrive in the office of the City Manager, City of Kenedy, 303 W Main, Kenedy, TX 78119 no later than 5:00 P.M. Friday, October 28, 2022. The submissions will be opened publicly at the Kenedy City Hall at 2:30 P.M. Tuesday, November 1, 2022 at which time determination of compliance with consideration criteria will be made. Further and final review will be made by City Council at their regular meeting on Tuesday, November 8, 2022 at 6:00 P.M.

Submissions arriving later than the specified time will not be opened and will not be considered. Facsimile and email responses are not acceptable when in response to this Request for Proposals.

Please submit one (1) original proposal and three (3) copies marked as such. Submissions should address all questions, as applicable, as specified in item B.1. above. Each submission should be **clearly marked** on the cover page indicating:

CITY OF KENEDY
PROPOSAL FOR DEPOSITORY
SERVICES
TO BE OPENED 2:30 P.M.,
TUESDAY,
NOVEMBER 1, 2022

The City reserves the right to reject any or all proposals and to waive irregularities contained therein and to accept any proposals deemed most advantageous to the City. Proposer must meet all legal requirements and the requests outlined in this RFP. Failure to do so will result in disqualification.

3. RFP Questions

Questions regarding this RFP or the service requested will be accepted in written form at the address below on or before **5:00 p.m., June 15, 2020**. Responses to all material questions submitted will be communicated in writing to each prospective bidder.

Contact: William Linn,
City Manager
City of Kenedy
303 W Main
Kenedy, TX 78119



4. Request for Proposal Amendments

Modifications or additions may be made as a result of questions submitted. Written notification of any such change will be made in writing to all known bidders.

5. Selection Criteria

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

Time deposit interest rates	20%
Cost of Service	30%
Service availability	25%
Safety and creditworthiness of	25%

6. Award of Bid and Service Initiation

The contract is expected to be awarded by City Council at its regular meeting at 6:00 P.M., Tuesday, November 8, 2022. The initial term of the agreement will commence on December 1, 2022 at the beginning of the business day.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

All qualified financial institutions must provide, as part of the proposal:

- Audited financial statements for the most recent fiscal year,
- A copy of the current call report, and
- A statement regarding any recent or foreseen merger or acquisition.
- Experience and references, if any, with local government banking needs.
- The qualified financial institution should have a detailed check fraud detection service.
- A statement acknowledging a willingness to comply fully with the City of Kenedy's Banking Policy and Investment Policy.

IV. REQUIRED DEPOSITORY SERVICES

This section lists all the services to be provided by the bank under this agreement.

Attachment A lists each of these services. The bank should use **Attachment A** to provide the specific price for each service.



A. Consolidated Account Structure

The qualified financial institution is to provide a master consolidation account and zero balance accounts from which daily balance and detail reporting is available. The City's current account structure contains the following accounts:

GF General Operating
GF Payroll Account
Grant Fund Checking
Disbursement Checking

HOT Fund Checking
Police Donations
Restricted Funds
Water/Wastewater Checking
Airport Checking

I & S Checking
GF ACH Account
Asset and Forfeiture Checking
Street Improvement Checking
CIP Checking
Police Grant
Muni Bond Fund Checking-General
Muni Bond Fund Checking-Sports Complex
Fire Department Checking

B. Wire Transfer Services

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

C. Automated Daily Balance Reporting

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

D. Sweep Account Provisions

If the City chooses, the bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option (money market fund, repo, etc.). Describe the sweep options and, if a money market fund is used, provide a prospectus. The accounts will be swept to the compensating balance.



E. Reconciliation

The following accounts are to be reconciled by the bank. Deadlines and requirements for tape receipt and processing time should be included in the proposal.

Account Title: To be Determined

F. Investment of idle Funds and Safekeeping of City Securities

All certificates of deposit bought by the City will be bought on a competitive basis. The City has no obligation to invest its funds with or through the bank. If the bank is proposing overnight repurchase agreements, an executed Master Repurchase Agreement is required. In order to fulfill GASB III requirements for reporting, if a repurchase agreement is executed with the bank itself: the collateral must be held in the trust department of the bank in a separate account.

All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. There will be approximately ten securities in safekeeping at any time. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangement will be stipulated in the proposal.

G. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation.

H. Standard Deposit Services

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and all other checks based on the bank's published availability schedule. The Bank should specify in their proposal their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

I. Reporting and Account Analysis

Monthly account analysis reports must be provided by the bank on a timely basis for each account and on a total account basis. A sample account analysis format must be provided as part of the proposal. Samples of monthly statements should also be provided. The monthly statements are to be received within ten business days of the next month.



J. Account Executive

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the City's account.

K. Direct Deposit

Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks.

L. Daylight Overdraft Provisions

Every effort will be made to eliminate daylight overdraft situations on the account. However, in case this situation does arise, the proposal should include any and all bank policies regarding daylight overdrafts charges or handling procedures.

M. Stop Payments

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

N. Collateralization of Deposits

The qualified financial institution must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit of \$250,000.00. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with the City and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 103% and marked to market at least once a month. Control will be shared jointly between the bank and the entity. Substitution will be approved by the City and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral.

O. Lockbox Services

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



P. Online Banking Service

The bank must have online banking services. The City requires an automated PC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which the access is available and describe the system to be used. Reporting should include balance and daily reporting.

Q. Additional Services

If new services become available and are provided during the period of this contract, they will be charged at the banks then published rate.

V. Other Services

The City is interested in obtaining service and cost information on additional services for possible use during the contract period, such as P-Cards. These services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers and cost. The City will make its determination after receipt of proposals as to whether a service will be used. If the service is accepted later in the contract period the services and charges stipulated in the proposal will be applied.

VI. Bank Compensation

Any net settlement on compensating balances will be made annually. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.

VII. Legal Compliance

Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City not later than the 7th business day after the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. By submitting a response to this request, vendor represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

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

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

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

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

OFFICE USE ONLY

Date Received

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

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

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

Name of Officer

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

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

☐ Yes ☐ No

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

☐ Yes ☐ No

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

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

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

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

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

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

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

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

- (2) the vendor:

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

(i) a contract between the local governmental entity and vendor has been executed;
or

(ii) the local governmental entity is considering entering into a contract with the vendor;

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

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

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

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

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

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

(3) has a family relationship with a local government officer of that local governmental entity.

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

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.



In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. A qualified financial institution that submits a response to this Request For Proposals verifies that the qualified financial institution does not boycott Israel and will not boycott Israel during the term of this contract if so awarded.





303 W. Main St., Kenedy, Texas 78119

Phone (830) 583-2230 / Fax (830) 583-2063

Certification of No Boycott of Israel Form

If Contractor/Vendor is a “Company”, as that term is defined in Section 808.051 of the Texas Government Code and is not a sole proprietorship, then Contractor/Vendor certifies and verifies that it: (i) does not boycott Israel and (ii) will not boycott Israel during the Term of this Agreement; or (iii) that it meets the requirements of an exception listed below.

Form requirements:

- **This certification is required by Texas Government Code § 2270.002.**
- This form is required to be attached to all Purchase Orders (goods) and Contracts (services) with a value of \$100,000 or more that is paid in whole or in part with state funds with a company with 10 or more full time employees. The City of Kenedy department making the purchase of goods or contracting for services is responsible for obtaining the form from the Vendor or Contractor.

Texas Government Code §808.051 states that "Boycott Israel" means “refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes”. Furthermore, Texas Government Code §808.051 states that the term “Company” means a “for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit”, provided however that Texas Government Code §2271.001(2) excludes sole proprietorships from this definition of “Company”.

Vendor/Contractor Name or Company Name	
Street Address	
City	
State	
Zip Code	
Phone Number	
Email	
Print Name of Authorized Representative	
Title of Authorized Representative	
Signature of Authorized Representative	
Date	



303 W. Main St., Kenedy, Texas 78119

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ONLY COMPLETE THIS SECTION IF YOU BELIEVE YOU ARE NOT REQUIRED TO PROVIDE THE CERTIFICATION LISTED ABOVE FOR THE REASONS CITED BELOW

My business is not required to provide the certification listed above because (select one):

- ☐ My business is not a for-profit "Company" as defined above, pursuant to Texas Government Code §808.051 and §2271.002(2).
- ☐ My Company has less than 10 full-time employees, pursuant to Texas Government Code §2271.002(1).
- ☐ This is not an agreement for goods or services to be provided to the City of Kenedy unless the contract contains a written verification from the company that it:
 - (1) does not boycott Israel; and
 - (2) will not boycott Israel during the term of the contract, pursuant to Texas Government Code §2271.002(2b).

Name _____

Signature _____

Date _____



303 W. Main St., Kenedy, Texas 78119

Phone (830) 583-2230 / Fax (830) 583-2063

ATTACHMENT A- BANKING SERVICES CHARGES

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	
Encoding charge	Per transaction	
ACH Processing	Per transaction	
Origination of file	Per tape	
ACH deletions	Per transaction	
ACH entries	Per transaction	
Returned checks	Per transaction	
Controlled Disbursement	Per account/per	
Reconciliation	Per month	
Sort list tape	Per transaction	
Sort and list	Per transaction	
Items Deposited		
Deposits	Per transaction	
Commercial deposits	Per transaction	
Group I items	Per transaction	
Group II items	Per transaction	
Group III items	Per transaction	
Group IV items	Per transaction	
Stop payments	Per transaction	
Wire Transfers		
Incoming	Per transaction	
Outgoing	Per transaction	
Investment Safekeeping		
S/keeping interest/credit	Per transaction	
S/keeping receipt deposit	Per transaction	
S/keeping outgoing	Per transaction	
Securities DVP FRB	Per transaction	
Securities DVP NY	Per transaction	
Check Printing	Per transaction	
Extra Statements	Per transaction	
Disposable Bank Bags	Per Item	
Lockbox	Per month	
Special handling		