



**CITY OF COMMERCE, TEXAS
REQUEST FOR DEPOSITORY BIDS
RFP # 23-112-01**

for Contract Period **October 1, 2022** through **September 30, 2025**

**CITY OF COMMERCE, TEXAS
COMMERCE WATER DISTRICT
COMMERCE ECONOMIC DEVELOPMENT CORPORATION**

Introduction

The City of Commerce, Commerce and Commerce Economic Development Corporation (the “City”) is requesting applications (bids) from qualified financial institutions to provide depository services to the City. The objective of this request is to identify the financial institution (“Bank”) most capable of the highest level of service at the lowest cost to the City.

Scope of Services

It is the City’s intent that the contract negotiated between the “City” and the “Bank” selected by this process will encompass any and all services to be employed by the City during the term of the contract, including but not limited to those described in this request for bids.

Bid Acceptability

Qualified Financial Institution - A prospective bidder must be a Federal or State of Texas chartered bank, saving and loan, or credit union headquartered in, or having branch facilities located within, the City of Commerce, Texas.

Bid Responsiveness and Completeness – Bids will be considered responsive if all required documentation and related questions described in the DEPOSITORY BID RESPONSE FORM are completed. Bids considered to be non-responsive will be rejected from further consideration. Where signatures are required, they must be provided in original ink by an authorized officer.

1. Sealed Bids:

Three (3) copies of the response to this request for bids should be submitted in a sealed envelope clearly identified as **“BID FOR BANK DEPOSITORY SERVICES”** and mailed (or hand delivered) to:

Molly Jacobsen
Director of Administrative Services
1119 Alamo Street
Commerce, TX 75428

2. Bid Responses:

All responses must be presented in the same standardized format that has been provided. Other supporting material may be included. However, the City's decision will primarily be based upon a comparison of the standardized bid forms received. The City reserves the right to reject any and all bids, and to informally negotiate certain points of the final contract with a qualified bidder.

3. Bidding Schedule:

Friday, July 1, 2022	Delivered to local financial institutions (via e-mail)
Tuesday, July 5	Published in the <i>Greenville Herald Banner</i>
Tuesday, July 12th	Published in the <i>Greenville Herald Banner</i>
Friday, July 29th	Bid Opening at City Hall at 4:00 p.m. *no bid will be accepted after 4:00 p.m.*
Tuesday, August 16 th	City Council to award contract
October 1, 2022	Contract period begins

4. Selection Criteria:

The following criteria will be used to evaluate bid responses and to make a recommendation for award to the City Council;

- Safety and creditworthiness of bank
- Completeness of the responses to all required items on the standardized bid forms.
- Cost of service(s)
- Time deposit interest rates
- Service availability

5. Required Financial Institution Information:

All financial institutions must provide, as part of the proposal, the following;

- 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.

6. Required Banking Services:

Required Accounts

The City of Commerce intends to establish the following bank accounts:

ACCOUNT NAME	TYPE
General Operating	Checking with Interest (Pooled)
Utility Deposits	Checking with Interest
City Reserve	Savings with Interest
Grant Funds	Checking with Interest

Commerce Water District	Checking with Interest
Commerce Economic Development Operating	Checking with Interest
Commerce Economic Development USDA	Checking with Interest
Commerce Economic Development Reserve	Savings with Interest

Other accounts may be set up as needed during the life of the contract.

Wire Transfer Services

The City makes several incoming and outgoing wire transfers each month. 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 online, full information should be submitted detailing the use.

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.

Sweeping 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.

Standard Disbursing Services

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

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.

The City currently allows automatic bank drafts on bill payments for utility customers. The selected Bank must have the capacity to provide this service.

Remote Deposit

The City is currently utilizing a remote deposit process for daily checks received. The selected bank must have the capacity to provide this service. Explain the bank's process in accepting the deposit of checks electronically. Include cost, hardware and software requirements and any other relevant information.

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 five (5) business days of the next month.

Checks are to be arranged in numeric order prior to their return to the City with the statements.

Safekeeping/Investments

The Depository Bank, or its correspondent bank, shall provide safekeeping facilities for investments purchased by the City and investments pledged to secure City funds. The Depository Bank will handle the purchase or liquidation of investments only upon instruction by designated City personnel. Upon maturity or liquidation of an investment, written notification will be sent to the City showing the deposit of the proceeds. The same type of written notification will be required for all purchases of investments handled through the Bank. The City has no obligation to invest its funds with or through the bank.

Funds on Deposit

City funds on deposit in checking accounts shall earn a predetermined rate of interest during the life of the contract. The Depository Bank will provide a floor that interest rates will not go below and a ceiling that rates will not go above.

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, provide a resume, and a brief biography of the account executive and the backup to the executive to be assigned to the City's accounts.

Direct Deposit

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

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 overdraft charges or handling procedures.

Stop Payments

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

Positive Pay

Describe the bank's automated positive pay services. The City will be using the positive pay feature for all bank accounts which issue checks.

What are the transfer requirements and notification times? How are teller checks verified against a file? How often is teller information updated? How is the exception information reported to the City?

Collateralization of Deposits

The Depository Bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits in accordance with State Law (Chapter 2257-Collateral For Public Funds). **FIRREA requires the depository institution's board of directors or a designated committee approve the depository agreement. The Depository Bank shall provide the City a copy of the resolution approving the agreement.**

Collateral will be maintained at a minimum of 105% of all funds on deposit by the City. *This requirement is independent of FDIC insurance on deposits.* 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 Depository Bank will execute a third-party safekeeping agreement with the City and the safekeeping bank for safekeeping of these securities. Control will be shared jointly between the bank and the entity. Substitutions 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. "Approved Securities" shall be restricted to those allowed under the Texas Public Funds Investment Act (Chapter 2256) and specifically approved in the City Investment policy.

The Depository Bank, to qualify as a municipal depository, must, no later than five (5) days before the commencement of the term of the depository contract, provide security for the municipal funds to be deposited in accordance with the terms of the depository agreement.

The Depository Bank may, with the approval of the City, provide an "IRREVOCABLE STANDBY LETTER OF CREDIT" from the Federal Home Loan Bank of Dallas or other approved financial institution by the City as collateral for the funds on deposit by the City. This letter of credit must be for 105% of all funds deposited by the City.

Whenever it is determined by City officers that collected funds on deposit are not fully covered by the approved securities or letter of credit, the Depository Bank shall immediately deposit and pledge additional approved securities or increase the "IRREVOCABLE STANDBY LETTER OF CREDIT" in an amount sufficient to restore collateral to the required level.

7. Additional Services:

The City is interested in obtaining service and cost information on additional services for possible use during the contract period. These services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers, and cost. The City will make a 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.

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.

8. Payment for Services:

All account charges must be itemized on a monthly basis and remitted with the regular monthly statements. The City's depository relationship will exist on a fee basis as opposed to one requiring the compensatory balances be held in the bank in order to pay for services. All service charges will be taken out of the general operating account. Account interest will be calculated on available balances using the Depository's stated earnings allowance rate as stated in the bid.

9. Contract Terms:

The initial Contract term will be three (3) years with an option to renew for one additional two-year term. The initial term shall commence **October 1, 2022** and end on **September 30, 2025**. Upon expiration of the initial term or period of extension, the Depository Bank will agree to hold over under the terms and conditions of the Contract for such period of time as is reasonably necessary to re-solicit and select new depository. All fees shall be fixed for the initial three-year term. If the Contract is renewed for the additional two-year term, fees may be renegotiated upon terms acceptable to both parties. All new fees would be fixed for the term of the extension.

Only fee categories listed on the Bid Sheet will be acceptable in the monthly account analysis, except service modifications agreed to, in writing, by both parties. The City will accept the monthly account analysis as its invoice so long as fee breakdowns are clearly indicated. The City may request additional breakdowns of charges from time to time. The parties will agree that overcharges and undercharges discovered in subsequent months will be corrected in the next analysis.

10. Service Modifications:

By mutual agreement, the parties may add, modify or change services used.

The City reserves the right to reject any and all bids. The City may, at its option, consider and accept a bid even though not prepared and submitted in strict accordance with the provisions hereof, by waiving informalities, minor irregularities, and or technicalities in bid responses, provided that they do not impact competition or result in functionally unacceptable services.

The City reserves the right to terminate its Depository Contract for non-performance of any of the contract requirements, 30 days after providing specific written notification of the deficiency.

In the event of termination, the Depository Bank will agree, under the terms and conditions of the Contract, for such a period of time as is reasonably necessary to re-solicit and select a new depository.

For inquiries, please contact:

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End of Bid Requirements