



**CITY OF FULSHEAR**

**REQUEST FOR QUALIFICATION**

**BANK DEPOSITORY SERVICES**

**July 2015**

## INTRODUCTION

The City of Fulshear, Texas (the "City") is seeking applications from eligible financial institutions to be the Depository (the "Bank") for certain public funds of the City.

The philosophy incorporated into this Request for Qualification (the "RFQ") is to solicit comparable market rates to be paid on short-term investments of funds and to pay agreed fees for all services required by the City and provided by the Bank. The qualification should be viewed as if the City intends to invest funds elsewhere to maximize interest income in instruments issued by pools or groups investing public funds. An example of such a pool that may be used is "TexPool". The Bank should understand that the depository relationship that is sought is one that will permit the rapid transfer of funds from the Bank into such a pool or pooling vehicle as the Finance Director of the City may decide is reasonable and appropriate; however, the Bank shall be given the option of bidding a rate of interest or return on all investments.

The RFQ is intended to serve as the qualification form for the Depository Contract. There are several blanks to fill in and questions to be answered. The Depository Contract, which will be prepared by the City Attorney of the City, will be based on the Bank's response to the RFQ. In order to receive City consideration, the Bank must state all points and attach all requested materials to its reply. Attachments are appropriate to answer some or all of the enclosed questions. Knowledge of all applicable law, as well as a response to this RFQ, is the responsibility of the Bank. In addition, the City will not reimburse the Bank for costs incurred of any kind including the cost of preparing or submitting a qualification. The City desires to enter into a contract that will maximize the City's interests. Any banking institution should determine the merit of the contract to the institution, a matter upon which the City cannot offer an opinion or any comment.

The contract period will be two (4) years beginning September 1, 2015 and ending August 31, 2019, with an option to extend the contract for one (1) additional year if mutually agreeable by both the Bank and the City. In addition, either party upon ninety (90) days written notice may cancel this contract.

At the outset, the City wishes to communicate the primary objectives of the Depository Contract, an important component of the overall treasury and debt management program of the City.

The City seeks a bank that is both capable of providing banking services and will be attentive to the City's money matters in order to maximize the total dollars earned by the City on any invested funds so as to provide prudent and effective custodianship of the taxpayers' financial resources and maintain a good working relationship with the City.

The City has designated the Finance Director as the contact for the bidding process. The Finance Director and other necessary City personnel stand ready to answer such questions as shall be necessary for a bank to submit a qualification in accordance with the RFQ.

Questions and/or comments regarding this RFQ may be addressed to:

Kristina Brashear  
Finance Director  
P.O. Box 279  
Fulshear, TX 77441  
Phone (281) 346-1796 Fax (281) 346-2556  
kbrashear@fulsheartexas.gov

## CALENDAR OF EVENTS

<u>DATE</u>	<u>DESCRIPTION OF EVENTS</u>
July 24, 2015	Advertise Bank Depository Notice in local newspaper
August 6, 2015	Qualifications to be received by 5:00pm at City Hall, 30603 FM 1093 B.O. Box 279, Fulshear, Texas
August 10-12, 2015	Review recommendation with the Finance Committee
August 18, 2015 7:00pm	Selection of Bank Depository 30603 FM 1093 Rd. Fulshear, Texas 77441
September 1, 2015	Begin New Depository Contract Period

## CRITERIA FOR EVALUATION

The Finance Director and the City Administrator of the City of Fulshear will prudently review the submitted qualifications. The recommendation will be based on the qualification determined to be the best on behalf of the City and the taxpayers. The following areas will be considered in the evaluation of the qualifications:

- a. Operational Requirements (20%)
  - Understanding of the needs and operation requirements of the City
  - Bank and Branch Locations
  - Scope of services offered including degree of automation
- b. Firm/Assigned Representative Experience (20%)
  - The experience, resources, and qualifications of the financial institution and individuals assigned to this account
  - Relevant experience managing similar account relationships with public institutions and agency clients
- c. Financial Strength (10%)
  - Financial strength of proposing institution
  - Adequacy of financial controls and protection against loss
- d. Scope of Additional Services Offered (10%)
- e. Transition (10%)
  - Quality and scope of conversion/implementation plan
  - The value of any new product or service suggestions or other new ideas and enhancements
- f. Compliance with the requirements of this RFQ and quality of qualification (5%)
- g. Fees (25%)
  - Proposed fees and compensation (Although fees and compensation will be an important factor in the evaluation of qualifications, the City is not required to choose the lowest Proposer)

## MINIMUM QUALIFICATIONS FOR SUBMITTING A QUALIFICATION

In response to this Request for Qualification, the proposer acknowledges and understands that the following conditions must be met at the time services are provided to the City:

- a. Federal or Texas Chartered Bank or other institution lawfully authorized to conduct business in the state of Texas.
- b. Approved Collateral: A bank submitting a qualification must have identifiable collateral which meets the requirements of Texas law for public depositories and which is sufficient to cover the City's deposits at all times. The City will, to the extent permitted by law, consider the use of surety bonds as collateral. Collateral will be maintained in an independent third party bank approved by the City or in a joint safekeeping account at the Dallas Federal Reserve Bank.
- c. Adequate Size to Provide Service: A bank submitting a qualification must have adequate organization, facilities, equipment and personnel to provide prompt and efficient service to the City.
- d. City Liaison: A bank submitting a qualification must assign a senior level bank management person as liaison with the City's Finance Department.
- e. City Employee Check Cashing Privileges: A bank submitting a qualification must agree to cash without charge to the City or its employees all of the City of Fulshear employee payroll checks drawn on its bank after proper identification is presented by the employees, regardless of whether or not the employee has an account with the bank.
- f. Direct Deposit for City of Fulshear Employees: A bank must have the capability to provide direct deposit service for the City of Fulshear payroll account.
- g. On-line banking capabilities.

As per Local Government Code 105.031 (Qualification of Depository)

(a) The bank or savings association, to qualify as a municipal depository, must, not later than **five** days before the commencement of the term of the depository services contract, provide security for the municipal funds to be deposited in accordance with the terms of the depository services contract.

(b) Chapter 2257, Government Code governs the type, level, substitution, possession, release, and method of valuation of the security necessary to secure the deposit of municipal funds.

## **BANK QUESTIONNAIRE**

The Bank is requested to answer the following questions in detail on an attached sheet.

### **A. QUALIFICATIONS AND EXPERIENCE**

1. Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees.
2. Does the bank have a deposit-taking branch in Fulshear, Texas?
3. Provide the address of the office location(s) that will service the account.
4. Describe the experience of the financial institution in providing similar services for other governmental agencies.
5. Provide ratings for the bank and/or bank holding company from at least two of the following agencies: Standard & Poor's, Moody's, Thomson BankWatch, Sheshunoff, or Laclede. If the Offeror is not rated by two of these rating organizations, provide other evidence of the institution's credit quality.
6. Include a copy of the most recent audited annual financial statement and the latest 10-K report with the qualification.
7. Provide the bank's Community Reinvestment Act (CRA) rating.
8. Provide a list of the bank's holidays.

### **B. PERSONNEL (All Proposers should respond to this section)**

1. Provide the name, title, address, phone number, fax number and email address of the primary contact person(s) assigned to this account.
2. Provide biographical information on the individuals that will be directly involved in the management of the City of Fulshear's accounts.
  - a. Describe the experience of these employees in working with state and local governments and other public agencies. For each individual, show the number of years of experience in this field and the number of years with your firm.
  - b. Describe the proposed role of each with regard to the City of Fulshear's account.
3. Will a specific customer service representative or a customer service department be assigned to handle day-to-day transactions for the City of Fulshear?
  - a. Describe the responsibilities of the customer service personnel,

including the chain of command for problem resolutions.

b. Is local customer service support available at the bank's local branches?

## C. REFERENCES

1. Provide five references (public agency references in the State of Texas, if possible), including client name, contact person, address, phone number, services provided, and the length of time your bank has worked for the entity.
2. How many public sector clients in Texas have terminated services in the last three years? Please provide client name, contact person, address, phone number, services provided, and the length of time your bank has worked for the entity.

## D. BANKING SERVICES

### 1. Deposit Processing

- a. Provide a map showing the location of the bank's branches nearest Fulshear.
- b. Are night drop, vault, remote and branch service options available? Is pricing different for utilizing these different deposit options?
- c. What is the ledger cutoff time for deposits?
- d. If needed, what location(s) are available for an armored car to deposit funds for processing?
- e. How are deposits credited? Are items immediately verified? If provision credit is given, when does verification take place?
- f. Can the bank provide a detailed return item transmission to the City of Fulshear? Can this report identify the payer's name, depositing location and they type of item being returned?
- g. Describe the bank's ability to process checks by Remote Deposit Capture?
  - (1) Does the City of Fulshear have to buy or lease equipment to use Remote Deposit Capture?
  - (2) Compared to a 'traditional' branch deposit, does the bank impose additional responsibility or expose the City of Fulshear to additional liability for fraudulent items if checks are processed by Remote Deposit Capture. If so, please describe.

### 2. Availability of Deposits

- a. Does the bank give immediate availability for on-us items?
- b. Will the same schedule apply for a retail lockbox? If not, describe the differences.

### 3. Positive Pay

- a. Describe the bank's ability to provide Positive Pay services.
- b. What type of medium (i.e. magnetic tape, data transmission) can the bank accept?
- c. What is the deadline for the transmission of check issuance files to the bank?

- d. How will the City of Fulshear be notified of rejected items? What time will the City of Fulshear receive the information on rejected items? How much time will the City of Fulshear have to review discrepancies and notify the bank to reject?
- e. Does the bank offer Payee Positive Pay? Is the City of Fulshear required to use Payee Positive Pay if it elects to use the bank's Positive Pay Services?
- f. Is Teller Positive Pay available?

#### 4. Controlled Disbursement

- a. Specify the number of corporate/business customers using controlled disbursement.
- b. What are the average daily total dollars and total items presented to the bank's controlled disbursement site?
- c. Where will the point or points for the City of Fulshear proposed disbursement account be located? What is its relationship to your organization: main office, branch, affiliate, correspondent, service bureau, other? How are the points classified – city, Regional Check Processing Center (RCPC) or county?
- d. At what time will the City of Fulshear be notified of presentment items? Specify 1<sup>st</sup> and 2<sup>nd</sup> presentment times.
- e. Is automatic funding of the controlled disbursement account from a main account possible?

#### 5. Overdraft Charges

- a. What are the fees and interest charges associated with overdrafts? How are these charges calculated?
- b. Is there a fee per check or per occurrence when there is an overdraft?
- c. Is there a daily cap on fees?

#### 6. Stop Payments

- a. How are stop payment orders placed? Can stop payments be placed on-line?
- b. Are stop payment requests effective immediately? If not, for a check that is expected to clear today, what is the latest time for a stop payment request to be placed and be effective?
- c. How long will the stop payment remain in effect?
- d. Can stop payments be automatically renewed? If so, for how long?

#### 7. ACH Processing

- a. What are the different ACH file transmissions options available?
- b. What are the fees associated with initiating an ACH transaction?
- c. What are the transmission deadlines for ACH files? When does the bank need the file from the City of Fulshear and when are funds debited from City of Fulshear's accounts?
- d. How are returned and rejected ACH transactions handled? What information does the bank provide on a timely basis in identifying returned and rejected ACH transmissions?
- e. Does the bank offer ACH Positive pay (ability to make pay/no pay decisions on unidentified ACH transactions)?

## 8. Wire Processing

- a. Describe the process of initiating wire transfers.
- b. What are the fees associated with initiating a wire transaction?
- c. If wire transfers can be initiated on-line, describe the system's security features. Can varying degrees of authorization be set on (i.e. multiple authorizers, maximum dollar amounts, etc.)?
- d. Does the bank offer its customers dual control release options (secondary approval levels) for electronically initiated transfers? If so, describe.
- e. What is the cut-off time for same-day wire transfers?

## 9. Balance Reporting

- a. Describe the reports that will be available to the City of Fulshear through the bank's balance reporting system. Include sample reports.
- b. How will the City of Fulshear access the reporting system (i.e. dial up, Internet). Is specific software required to communicate with the bank's system? Is there an extra charge for this software?
- c. What current day reporting is available through the reporting system?
- d. Does the bank's deposit reporting system report electronic transactions (e.g. ACH, wire) as well as paper documents?
- e. What time (assuming Controlled Disbursement is not used) will the bank be able to report the total amount of the day's check disbursements to the City of Fulshear?
- f. Can account activity be downloaded by the City of Fulshear? What formats are available?
- g. Can reports be customized? Is there an additional charge?
- h. How many business days of balance history are stored on the reporting system for current and previous data reporting and available for customer access?
- i. How long are electronic images stored on the reporting system and available for customer access?

## 10. Investment Sweep

- a. What short-term investment vehicle(s) does the bank propose to use for the overnight sweep of the City of Fulshear's demand deposit accounts?  
Does a reserve requirement apply for the proposed overnight sweep option?
- b. What time of day is the cash sweep deadline? Is it end-of-day or next-day sweep?
- c. Provide return history for the twenty-four month period from January 2009 through December 2010.
- d. If funds will be held in a demand deposit account, where will pledged collateral be held? What collateral reports are available? How frequently will the bank provide these reports? Please provide a sample.
- e. If the bank is proposing a money market mutual fund, provide a copy of the current prospectus and, if multiple classes are offered, identify the class of shares that is being proposed. What applicable fee (if any) applies for funds swept into this investment vehicle? How is the fee calculated?

## 11. Employee Banking

- a. Will the bank cash the City of Fulshear's payroll checks without charge, regardless of the bank on which the check is drawn? If not, what is the charge? Is a check cashing agreement required? If yes, include a copy.
- b. Describe in detail the package of employee banking services that you propose to provide to the City of Fulshear's employees. Must employees use direct deposit to obtain these services?

## 12. Earning Credit Rates

- a. Does the City of Fulshear have the option of compensating your bank on either a fee or balance basis? Is the price the same for either option? If not, what is the difference?
- b. How is your bank's earnings credit determined, adjusted, and applied? Please include in the explanation the impact of the bank's reserve requirement, the formula for converting service charges to balance requirements and a listing of the bank's earnings credits and reserve requirements on a monthly basis from January 2010 through December 2011.
- c. What time frame does your bank use when reviewing balances for deficiency or excess (e.g. rolling 12 month average, calendar quarter, calendar year, etc.)?

## E. INVESTMENT CUSTODY SERVICES

1. Confirm that the bank will provide custody through the bank's trust department.
2. List the total number and market value of custodian accounts as of December 31 for the following years: 2009, 2010 and 2011.
3. Describe your organization's commitment to providing custody services.
4. Provide a listing of cut off times for notification of securities transactions. Please specify if the cut off times vary for different types of securities.
5. When does the bank credit interest and dividends?
6. Are security transactions settled on an actual or contractual basis? How will the bank compensate the City of Fulshear for fail float?
7. Describe any sub-custodial arrangements that would be used for fixed-income securities belonging to the City of Fulshear. Include a description of the arrangements used for the delivery of physical securities.

## 8. Reporting

- a. Describe the frequency and format of custody reports that the bank would provide to the City of Fulshear. Include sample reports.
  - b. Does the bank provide information to clients through an on-line inquiry/reporting service? Are customized reports available at no additional charge through this on-line inquiry/reporting service?
  - c. What is the lag time between trade execution, availability of on-line transaction data, and the settlement of the transaction to the bank's reporting system?
9. What short-term investment vehicle(s) does the bank propose to use for the overnight sweep in the City of Fulshear's custody accounts? Does a reserve requirement apply for the proposed overnight sweep option? What time of day is the cash sweep deadline? Is it end-of-day or next-day sweep?
- a. Provide return history for the twenty-four month period from January 2010 through December 2011.
  - b. If the bank is proposing a mutual fund, provide a copy of the prospectus and, if multiple classes are offered, identify the class of shares that is being proposed.
  - c. Provide a complete listing of associated fees and/or administrative charges.
  - d. Is the sweep option automated? If not, what process does the bank use to ensure cash balances are invested?

## F. MERCHANT CARD PROCESSING

1. Describe the bank's bankcard and debit card processing capabilities. Does the bank act as its own processor or does it use the services of a third-party processor? If a third-party processor is used, for how long has the bank had a relationship with this institution?
2. Provide information on the daily volume processed by the processor for all clients.
3. Is the proposed merchant card processing system fully Payment Card Industry Data Security Standard (PCI DSS) compliant?
4. Can the bank process transactions using the City of Fulshear's existing equipment?
5. How is the applicable interchange fee determined for each transaction? By how much does the bank's fee exceed Visa/MasterCard's stated interchange assessment?
6. Can the processing system accommodate Internet and telephone transactions? If yes, provide the following additional information.

- a. Does the bank/processor have its own secure payment gateway or does it use a third party secure payment gateway? If a third-party is used, provide information on that service provider.
  - b. Describe the system's capabilities and outline the measures employed to protect sensitive information.
  - c. What additional fees are associated with telephone and on-line transactions? May these fees be passed on to the customer? Describe any limitations or requirements related to the payment of fees by the customer?
7. What authorization methods does the bank support and which does the bank recommend? List and describe alternatives.
  8. What are the procedures to reverse an incorrect authorization?
  9. Provide a funds availability schedule by card type. Is it negotiable?
  10. Is settlement made by ACH or Fedwire? Is there an additional charge for Fedwire? When will funds be available to the City of Fulshear if settlement is made to another financial institution?
  11. Will you provide a designated contact person or a department to help the City of Fulshear manage chargebacks?
  12. Describe the bank's on-line capabilities to review merchant card transactions. Is transaction information available by terminal or merchant identification number?
  13. How many City of Fulshear employees will the bank permit to access the on-line reporting system with a unique log on identification?
  14. Provide sample reports of merchant card activity.
  15. What differentiates your bank's service from that of other providers?

G. IMPLEMENTATION/CONVERSION

1. Provide a conversion plan to transition/implement the City of Fulshear's use of banking services described above.
2. Indicate the bank's plans for educating and training the City of Fulshear employees in the use of your bank's systems.

H. NEW SERVICES & IDEAS

1. Describe any new services or ideas that will enhance the City of Fulshear's utilization of banking services described above.

2. Describe the bank's approach to keeping customers informed of new products and services that become available.
3. Please provide any additional information that your bank believes to be pertinent but not specifically requested elsewhere in the RFQ.

### **ACCOUNT ACTIVITES**

Bank statements should be rendered within **five (5)** working days after the close of the calendar month. The statements must include deposits made on the last day of the period. The accompanying canceled checks must be arranged in numerical order.

The City proposes to pay for all account services provided by the Bank by keeping a high enough balance to earn enough interest to cover the cost of those services. The method expected to be used for the payment of these services is the direct payment method. If the City pays for account services, the City will require an account analysis each month which will clearly show volume counts, fees charged and total price for servicing each account. The account analysis should also reflect average ledger balances, average uncollected funds, average collected balances, interest rates and the amount of interest paid. The City requests an account analysis even if the Bank proposes the services at no cost. Please submit a pro-forma monthly account analysis statement that will be provided to the City as outlined in Appendix A. If the account analysis procedure for the proposing Bank is different from this request, please attach a written explanation and example with the qualification.

### **COLLECTED FUNDS POLICY REQUIRED BY THE CITY OF FULSHEAR**

The City must receive same-day credit for all funds deposited by 2:00 p.m. The funds must be available for any transactions, including investments that may be executed. If not invested, the funds should earn interest at the rate being paid by the bank submitting a qualification in an amount not less than the effective federal funds rate for the previous business day. The rate must be adjusted daily in accordance with such daily changes as may occur. Any response to this RFQ should set out the Bank's agreement with the City's request as to minimum payments for invested funds or state any variance there from by clearly showing either plus or minus "basis points" or points expressed in 100ths of one percentage point, e.g., 7.01% equals seven percent plus one basis point.

### **ADDITIONAL ACCOUNT ACITIVITY REQUIREMENTS (Security Pledging Requirements)**

The City requests that the Bank provide a daily account transaction history or ending daily ledger balances, via on-line access or through facsimile in the event the system is down, for cash management purposes. Please list any charges, if any, in Appendix A that would be applicable for this service.

As additional security (in excess of FDIC coverage) for the funds of the City, the Bank shall, in accordance with applicable law, pledge to the City securities that are approved by the City equal to the largest total balances the City maintains in the Bank. Certificates of Deposit and other evidences of deposit shall be collateralized at one hundred two percent (102%) of market or par, whichever is lower, for other securities. The securities so pledged, the amounts thereof and the time for pledging same must satisfy the requirements of V.T.C.A. Government Code, Section 2256.001, et. seq., as amended. The City reserves the right at any time to reject any securities and the Bank agrees and understands that the City shall have the exclusive right to approve any offered securities. The Finance Director and the City Administrator shall have final authority to approve or reject any pledged securities and to determine the adequacy of the securities pledged.

The Bank shall provide the City a report of securities pledged at the end of each month or at any time requested by the City Administrator, the Finance Director or other designated representative of the City. This report shall reflect the following information:

- a. Name of Security; Type/Description/CUSIP number;
- b. Par value;
- c. Market value;
- d. Maturity Date; and
- e. Moody's or Standard & Poor's Rating (if applicable).

The securities pledged shall be held in safekeeping by a separate and different bank, approved by the City, which shall be other than the Depository Bank. The securities may be held in the Federal Reserve Bank in an account held jointly in the name of the Bank and the City. The proposed Safekeeping Contract shall provide that the Safekeeping Bank holding the securities shall surrender the same to the City if the City notifies the bank holding the securities of default in the contract between the Bank and the City. In addition, the Safekeeping Contract shall provide that the Safekeeping Bank shall not require any further notice or authorization from the Bank prior to releasing the pledged securities in safekeeping. The Safekeeping Contract should further provide that such surrender shall occur upon demand of the City and without either notice or consent of the Depository Bank. The City Attorney of the City shall prepare the Safekeeping Contract, which shall be signed and approved by the City, the Bank and the Safekeeping Bank prior to the implementation of any contract between the City and the Bank. The original copy of any security receipts shall be filed with the Director of Finance of the City (See Appendix A).

The safekeeping contract should meet the requirements set forth in the Financial Institutions Reform Recover and Enforcement Act of 1989 (FIRREA): 1) must be in writing; 2) approved by depository institution Board of Directors or Loan Committee, and reflected in the minutes; 3) official record of institution continuously since executed.

The City must approve all securities pledged. Any substitutions of the securities or reductions in the total amount pledged may be made by and with proper written authorization and approval of the Director of Finance of the City and the City Administrator or his designee, except as provided below. All securities pledged shall be United States Government Notes or direct obligations of the United States. In the case of a reduction in securities, the Bank must maintain or have available sufficient collateral when needed to meet normal City balance increases throughout the year.

The City shall endeavor to notify the Bank in advance of any anticipated significant changes in the account balances in order to allow additional securities to be pledged or to have excess securities released.

**INVESTMENT ACTIVITIES FOR TERMS  
GREATER THAN 30 DAYS**

The City advises any banking institutions submitting a qualification in response to this RFQ that it intends to invest its time deposits or funds designated for possible expenditures at least 30 days subsequent to the date of deposit in other institutions or through the use of other investment vehicles, including but not limited to "TexPool", and as such, the Bank should submit a qualification not based upon any reliance of its selection to be the depository of time deposits of the City. The City does, however, advise all bidders that it will consider any qualification to act as depository of its time deposits and shall make a decision as to the best interests of the City to achieve maximization of returns on time deposits and investments. Should the City choose to invest in fully collateralized Certificates of Deposit (CD's) in excess of \$100,000 at the Bank, interest on all CD's purchased from the Bank shall be computed on an actual daily basis (365 days). Accrued interest should be paid on the last day of each month or the maturity date, whichever is earlier. Interest calculations will include the first day in the investment period, but will not include the day of maturity. Payment will be made by crediting the appropriate bank account or paying in accordance with the instructions of the City.

The City requires that even though it has stated its intention to invest most of its available funds in other institutions and utilizing other investment vehicles, as a part of this qualification, the City requires any bank submitting a qualification to also agree to accept time deposits from the City for investment purposes as the City may choose and direct during the term of this Contract. Please complete Appendix C to provide the maximum dollar amount of investments and the minimum and maximum maturity length (in months) that the Bank is willing to accept.

Subject to government regulations, the following is a schedule of qualifications for single maturity time deposits or Certificates of Deposit to be completed by the Bank. (NOTE: If the proposing bank shall elect not to provide the investment service option, then the qualification shall be submitted with the notation "N/A". If, however, the bank submitting a qualification shall have previously established a business practice, procedure or condition which limits or restricts its ability to provide time investment services, then please attach to this qualification a statement and full explanation of such business practice, procedure or condition which limits or restricts its ability to provide time investment services.)

CERTIFICATES OF DEPOSIT- \$100,000 OR MORE FOR TERMS  
GREATER THAN 30 DAYS

<u>MATURITY</u>	<u>BASE</u>	<u>ADJUSTMENT TO BASE</u>
30 - 59 days	_____	Plus/minus _____ basis points
60 - 89 days	_____	Plus/minus _____ basis points
90 - 119 days	_____	Plus/minus _____ basis points
120 - 149 days	_____	Plus/minus _____ basis points
150 - 179 days	_____	Plus/minus _____ basis points
180 - 209 days	_____	Plus/minus _____ basis points
210 - 239 days	_____	Plus/minus _____ basis points
240 - 269 days	_____	Plus/minus _____ basis points
270 - 299 days	_____	Plus/minus _____ basis points
300 - 329 days	_____	Plus/minus _____ basis points
330 - 365 days	_____	Plus/minus _____ basis points
Over 365 days (1)	_____	Plus/minus _____ basis points

(1) It is not anticipated that any maturity will exceed one (1) year (365 days).

The qualifications will be evaluated evenly weighing each investment bracket. The Bank Agrees to honor and continue any investments made during the term of the Depository Contract that will mature after the expiration date of the Depository Contract at the same rate established before the expiration of the Depository Contract.

## **CITY DEPOSITORY RULES AND REGULATIONS**

The City has adopted ordinances and/or policies and procedures regarding investment transactions and investment philosophy. The ordinances and/or policies have been reviewed and approved by City Council and may be changed, modified, repealed or otherwise reviewed during the term of this Contract with or without notice to the Bank. The selected Depository Bank is put on notice that it should request a copy of such rules and regulations and that the same may be changed, modified, or repealed during the term of this Contract with or without notice to the Bank.

It is the City's desire that rate quotes received for Certificates of Deposit must at least equal or exceed the bond equivalent yield for other allowable investment instruments (For example: U.S. Government securities) with a similar maturity. As stated previously, the City reserves the right to invest directly into other allowable investment instruments.

In the event the City elects to invest directly or sell other allowable investment instruments, the City may request that the Bank execute the order and effect the transaction. The City will desire for the Bank to show that at least three (3) telephone bids were taken and a summary will be provided showing rates, bidders, time of bid, and any other information that will provide documentation of the bidding process that may be reviewed by the City and its independent auditors. Should this investment alternative be selected, list the charges, if any, in Appendix A that would be made to the City's account for executing the order or for safekeeping the securities.

The City reserves the right to use other institutions, such as a broker/dealer or public funds investment pool, in order to execute the purchase or sale of other allowable investment instruments, in accordance with the City's investment ordinances and policies that currently exist as may be later amended or repealed.

### **OVERDRAFTS**

The City does not intend to have a net overdraft position throughout the course of this Contract. An overdraft is defined as a negative demand balance, less reserve requirements, in the City accounts collectively, not by individual account.

In the event a check or checks are presented for payment on any account or accounts of the City where there shall be insufficient funds for the purpose of paying checks, then the Bank agrees to promptly notify the Director of Finance of the City or the City Administrator, by telephone or other means, of the existence of the overdraft situation and to provide the Director of Finance or City Administrator a period not exceeding one (1) business day to respond to such overdraft. The Bank agrees to honor checks presented for payment in the event there is insufficient funds in the account or accounts.

- a. The maximum number of days of an overdraft that will be allowed is \_\_\_\_\_?
- b. The maximum amount of overdraft that will be allowed is \$\_\_\_\_\_?
- c. The interest rate will be \_\_\_\_\_ per annum computed on an actual day basis?

## OTHER STIPULATIONS

- a. The Bank will notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would thereafter affect this Contract. The Bank shall also notify the City of any services that become available to the City throughout the Contract period that in the view of the Bank would be beneficial to the City. The City also notifies any banking institution submitting a qualification that it intends to implement such new practices and procedures that it finds beneficial and appropriate.
- b. Notification of incoming wire or other electronic transfers shall be made within one (1) hour of the transaction and a duplicate copy furnished to the City within twenty-four (24) hours.
- c. The Bank, as part of this qualification, agrees that all records relating to the City's accounts shall be open to review by either City staff members or City-appointed independent auditors during normal business hours.
- d. In order to qualify as the Depository Bank for the City, the bidder must certify in writing (signed by an authorized officer) that the bidder institution meets or exceeds the following ratios. In addition, the required certification must be reaffirmed in writing the first day of each quarter in similar manner that it maintains or exceeds the stated ratio. Should a selected Depository Bank fail to either re-certify quarterly or fall below the stated levels, the City may terminate this Depository Contract and select another Depository Bank in accordance with State laws. The required certification shall be in the form of an affidavit and contain an attestation by an authorized officer of the Bank.

Capital ratio of at least six percent (6%), defined as primary capital divided by total assets (expressed as a percentage); and

- e. The Bank will submit a copy of each year's audited annual financial statements and the subsequent quarterly supplements to the City as soon as available.
- f. Should the Bank fail, close or be forced into reorganization during the term of this contract, the City reserves the right to cancel the contract and re-bid for depository services.
- g. The City reserves the right to award a contract for demand deposits and depository services separately. The City desires to award the contract for demand deposits and depository services to one bank, but may award the contract for time deposits (investments) to more than one bank, including the Depository Bank.
- h. Deposits of the City are made daily by the Fulshear Finance Department, therefore the proximity of the financial institution's nearest branch will be taken into consideration in the evaluation of the qualifications.

## **QUALIFICATION INSTRUCTIONS/REQUIREMENTS**

Sealed qualifications in duplicate clearly marked "Application for Banking Depository Services" should be delivered to the following person by 5:00 p.m., Thursday, August 6, 2015.

City of Fulshear  
Kristina Brashear  
Finance Director  
P.O. Box 279  
Fulshear, TX 77441

### **NO QUALIFICATION WILL BE RECEIVED AFTER 5:00 P.M.**

*The proposing bank should use this RF form as the OFFICIAL QUALIFICATION FORM to submit rates and to answer questions. Any alterations, changes or deletions to this RFQ may be grounds for the City to disregard and reject the RFQ and the qualification. Any deviations from the stipulations in this RFQ must also be noted in the qualification or attachments.*

*The City reserves the right to request additional information or to meet with representatives from proposing organizations to discuss points in the qualification before and after submission, any and all of which may be used in forming a recommendation.*

*The City reserves the right to reject any and all qualifications and to waive any minor technicalities in the qualification.*

*Any amendments to this RFQ after receipt by bidders will be made only by written documentation to all proposing institutions.*

*The Bank states that it is an authorized financial institution, i.e., Bank, Credit Union, Savings and Loan, as defined by V.T.C.A., Local Government Code, Sec. 105.001, et. seq., as amended.*

*The Bank states that it is an institution having its principal place of business in the State of Texas.*

*The City or the Bank may require a review meeting at least once every six months to evaluate the working relationship between the City and the Bank. The objective will be to address any problems and to seek a responsible solution.*

*The Fulshear City Council will make the final appointment of the Bank. The bidder will be required to enter into a Depository Contract, which incorporates all of the obligatory points in this RFQ.*

*This RFQ has been duly advertised and is being offered for consideration to financial institutions inside and outside the corporate city limits of the City, as permitted by State law.*

*Upon being awarded this Contract, the Bank shall designate an individual to be the official contact person for all correspondence. The City shall do the same. Both the City and the Bank shall be responsible for training and communicating the terms of this Contract to their respective employees.*

This qualification is submitted by the following person who is duly authorized to act on behalf of the Bank:

---

Print Officer's Name and Title

---

Officer's Signature

---

Name of Bank

---

Address City, State, Zip Code

---

Area Code and Phone Number

Area Code and FAX Number



# **APPENDIX A**

## **BANK ACCOUNT ACTIVITY**

# APPENDIX B

## MAXIMUM/MINIMUM INVESTMENTS

1. What is the maximum maturity length of an individual investment instrument the Bank is willing to accept?

\_\_\_\_\_ (days)

2. What is the minimum maturity length of an individual investment instrument the Bank is willing to accept?

\_\_\_\_\_ (days)

3. What is the maximum amount of an individual investment instrument the Bank is willing to accept?

\$\_\_\_\_\_ (dollars)

4. What is the minimum amount of an individual investment instrument the Bank is willing to accept?

\$\_\_\_\_\_ (dollars)

5. What is the total maximum dollar amount of investments (Certificates of Deposit) the Bank is willing to accept?

\$\_\_\_\_\_ (dollars)

6. What is the total maximum dollar amount of pledged collateral securities the Bank is willing to pledge?

\$\_\_\_\_\_ (dollars)

# **APPENDIX C**

## **ADOPTED INVESTMENT POLICY**

## REQUEST FOR QUALIFICATIONS

The City of Fulshear, Texas is accepting applications from eligible financial institutions for depository services for a four-year period beginning September 1, 2015 and ending August 31, 2019, with an optional one-year extension. Applications are available to interested institutions at Fulshear City Hall, P.O. Box 279, Fulshear, Texas during normal business hours. The City's contact person for the Depository Contract is Kristina Brashear, Finance Director, c/o City of Fulshear, (281) 346-1796. Applications, in duplicate and clearly marked "APPLICATION FOR BANK DEPOSITORY SERVICES" are due by 5:00 p.m., August 6, 2015 at the following address:

City of Fulshear, Texas  
Kristina Brashear  
Finance Director  
30603 FM 1093  
P.O. Box 279  
Fulshear, Texas 77441

*NO QUALIFICATION WILL BE RECEIVED AFTER 5:00 P.M. ON August 31, 2015. The final award of the Contract will be made by the Fulshear City Council at a meeting on August 18, 2015 at 7:00pm, 30603 F.M. 1093 Fulshear, Texas 77441 or on a future date to be determined at that meeting. The City reserves the right to reject any and all qualifications and waive minor technicalities in qualifications.*