

BANK DEPOSITORY RFP

I. INTRODUCTION

A. REQUEST FOR PROPOSAL

The Coastal Bend College (District) is requesting proposals from eligible and qualified financial institutions to serve as the Depository Bank (Depository) to the District and provide a full complement of banking services. These include the basic services of receiving deposits, paying items, sending and receiving wired funds, stop payments, time deposits and other normal business banking activities. This agreement will not cover all investment transactions as the District invests some funds per its investment policy.

This Request for Proposal (RFP) is intended to serve as the depository contract. All points outlined and materials requested should be included in the bidder's reply to be considered for evaluation. Please use the attached Bid Form.

The District has designated Dela Castillo, Executive Director of Business Services, at (361) 354-2212 as the contact person for questions pertaining to this RFP.

B. TERM OF CONTRACT

The contract period will be twenty-four months, beginning January 1, 2016, and ending December 31, 2017. The contract may be extended for one additional two-year period if agreed in writing by both parties. The contract will also provide for an extension period not to exceed ninety (90) days for the transition to any new bank depository

C. OBJECTIVES OF THE PROPOSAL

The District wishes to communicate the primary objectives of the Depository Agreement:

- To seek a bank capable of providing banking services and willing to be attentive to the District's money matters;
- To seek a bank which meets the legal qualifications and the terms and conditions in the Request for Proposal;
- To maintain a good working relationship with the Depository Bank;
- To fully comply with the requirements of the School Depository Act, Subchapter A of the Texas Education Code; and
- To adequately compensate the Depository Bank for services provided, subject to competitive forces in the market place.

II. CRITERIA FOR EVALUATION

The District staff shall review the submitted proposal. The staff recommendation to the Board of Trustees of the District shall be based on the proposal determined to be in the best interest of the District. The evaluation of the proposal will be made based on the following criteria:

- Ability to perform and provide the required services;
- Cost of banking services;
- Completeness of bid and agreement points outlined in the RFP;
- Interest rates paid on interest bearing accounts, time deposits, and investments;
- Financial condition and ability to meet collateral requirements;

In order to be considered, the Depository must be a state or national banking corporation, the deposits of which are insured by the Federal Deposit Insurance Corporation.

III. REQUIRED SERVICES

Account Structure

The District intends to establish the following bank accounts:

<u>ACCOUNT NAME</u>	<u>TYPE</u>
Debt Service Fund	Checking
Foundation	Checking
General Fund	Checking
Payroll Fund	Checking
Student Emergency Fund	Checking
Worker's Compensation	Checking

- Operating Checking will handle all District accounts payable checks. Require electronic download of cleared checks for reconciliation purposes.
- Payroll Checking will handle only personnel related checks. The District will require Direct Deposit service and electronic download of cleared checks for reconciliation purposes.
- Worker's Compensation will only handle checks related to worker's compensation payments.
- Student Emergency will handle payable checks for student emergencies. Adequate balance will be maintained by District.
- Foundation accounts will be for Funds the District is required to maintain.
- Debt Service will be used to make required payments for debt service for the District's Tax Notes.
- Other Accounts will be established as needed but will normally maintain a low average balance.

The District reserves the right to open or close any number or type of accounts as it deems necessary through the terms of this agreement. Any services not listed but later requested by the District will be charged for at a mutually agreed upon fee. Fees are fixed for the entire contract period.

Account Reconciliation

Bank Statements shall be rendered within five working days after the close of the calendar month. The cut off cycle for all District accounts must be the calendar month. The statement shall include all transactions made on the last day of the month. (Please provide a sample of monthly statement with your RFP). For the operating checking and payroll accounts, the ability to download in a CSV format with cleared check numbers and amounts is required.

Deposit Slips

The District uses two-part encoded deposit slips. The District requires the Depository to validate and return on a daily basis a copy of each deposit slip. Telephone notification is required for discrepancies in deposits and the District will designate a contact person.

Return Items

All checks deposited by the District that do not clear shall be returned to the District within two business days.

Stop Payment

The Depository will issue a stop payment when notified by telephone or fax by authorized District personnel.

ACH Transactions

The District receives ACH deposits from various agencies and makes ACH payments to various agencies.

Wire Transactions

The District receives wire deposits from various agencies. The District wires to various agencies on a monthly basis.

On-Line Banking

The District requires balance inquiry through on-line banking.

Credit Card Payments

The District currently offers credit card payment options of Master Card, Discover and Visa, both as a physical swipe and internet payment. The cost for this service is a key issue, since the District cannot increase costs to absorb the cost of this option as retailers do. Please list all charges for this service. Attach any relevant information about equipment and any supplies needed. Attach any credit card agreement and fee schedule in keeping with the intent of the depository contract, which the District would be asked to sign.

IV. INVESTMENT ACTIVITIES

Alternative Investments

The District intends to manage its own investment portfolio. Therefore, the District reserves the right to withdraw, from time to time, any amount of funds the District has on deposit in any District account and to invest those funds in accordance with District's investment policy.

Certificates of Deposit

The District may choose to invest in Certificates of Deposit.

V. COLLATERAL REQUIREMENTS

Eligible Securities

Approved securities as provided in The School Depository Act (Section 51.003, Subchapter A, Texas Education Code).

Required Level of Collateral

As security for the checking accounts, deposits and time deposit for the District, all funds shall be pledged collateral with market value equal to and not less than the principal plus accrued interest less an amount insured by FDIC or FSLIC.

Collateral Substitution

The Depository may substitute approved securities in the pledge account so long as the total value of securities pledge meets the required levels. Substitutions may be made after obtaining written authorization from the District President or Executive Director of Business Services. The Depository may also request that securities be released whenever the total amount pledged is in excess of the District's requirements.

Custodian of Collateral

Securities pledged as collateral must be retained by a third party custodian and held in joint safekeeping for the Depository and the District. The custodian must be approved by the District and be:

- A state or national Bank domiciled in Texas
- A federal home loan bank, or
- A Federal Reserve Bank or branch of a Federal Reserve Bank

The District shall be provided the original safekeeping receipt on each pledged security. Written release by the District is required for all releases or substitutions of pledged accounts.

Monthly Collateral Report

The Depository shall provide the District a monthly report of pledged securities. The report should give the following information:

- Name (showing joint safekeeping for Depository and District)
- Security types and description including coupons, maturity and call dates
- Par Value
- Market Value at month end
- Maturity Date
- Moody's and/or Standard & Poor's Rating

VI. OVERDRAFT PROVISIONS

The District does not intend to have a net overdraft position throughout the course of the contract. An overdraft shall be defined as a negative demand balance in the District's accounts collectively, not by individual accounts. In the event a check or checks shall be presented for payment on any account or accounts where there shall be insufficient funds for the purpose of paying the checks, the District will require the Depository to pay said checks and agrees to promptly notify the District Executive Director of Business Services or said designated representative by telephone or other means of the existence of the overdraft within one business day.

VII. OTHER STIPULATIONS

Regulation Notices

The Depository shall notify the District in writing within ten (10) days of any changes in Federal or State regulations or laws which would thereafter affect the Depository Contract. The Depository shall notify the District of any services which become available to the District throughout the contract period.

Right to Cancel Contract

In the event it would be ruled illegal under the provisions of any Federal Statute or Regulation for the Depository to pay interest in the manner outlined in the RFP, then the District expressly reserves the privilege to cancel and to re-advertise the RFP for depository services.

Contract Term

The term of the contract shall be the period beginning January 1, 2016 and ending December 31, 2017 or thereafter until a successor Depository has been selected. This contract shall automatically be extended up to ninety (90) days if the District is actively proceeding with re-proposal procedures but, for whatever reason, cannot finalize the selection process by the end of the contract period. All fees shall be fixed for the two (2) year term.

Contingent Merger

Notwithstanding any other provision of this agreement which may be to the contrary, this contract and the respective rights and obligations of the parties hereunder shall remain in full force and effect and not otherwise be affected by a merger or sale of the Depository.

State of Condition

The proposing bank shall submit a copy of its most recent annual financial statement along with the most recent quarterly FDIC call report.

VIII. PROPOSAL INSTRUCTIONS/REQUIREMENTS

- A. The Sealed RFP or proposals clearly marked “Depository Proposal” shall be delivered to the office of the following person by 11:30 a.m. August 25, 2015:

Dela Castillo
Executive Director of Business Services
3800 Charco Rd.
Beeville, TX 78102

NO RFP SHALL BE ACCEPTED AFTER 11:30 A.M. AND SHALL BE RETURNED UNOPENED.

- B. Submit a Cashier’s Check in the sum of \$1,000.00 payable to Coastal Bend College. If this bid to be Depository of District funds is accepted, this check is to secure the performance of the bid, and if the Depository fails to enter into a contract with the District as provided in this bid, then the check shall be cashed by the District as liquidated damages for said failure. If the Depository enters into a contract with the District, the District shall return the check to the Depository. In the event this bid is not accepted, the check is to be returned to the Bidder immediately after the contract award is made.
- C. The proposing Depository shall use this RFP form as the OFFICIAL FORM to submit rates and to answer questions. Any major changes or deletions that alter the intent of this RFP may be grounds for the District to disregard and reject the RFP. Variations or exceptions must be noted on the RFP or on separate paper with reference to the appropriate section number.
- D. The District reserves the right to request additional information or to meet with representatives from proposing organizations to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.
- E. The District reserves the right to reject any and all proposals.
- F. The RFP states that the Depository is a banking institution chartered under the laws of the United States or the State of Texas.

- G. The Coastal Bend College Board of Trustees shall make the final appointment of a Depository Bank. The Depository understands this is a contract, which incorporates all of the obligatory points in this RFP.
- H. This request for proposal has been duly advertised and is being offered for consideration to financial institution, as permitted by State Laws.
- I. Upon being awarded the contract, the Deposit Bank shall designate an individual to be the official contact person for all correspondence. The Depository shall be responsible for training and communicating the terms of this contract to Depository employees.

The following person duly authorized to act on behalf of the Depository submits this proposal.

Officer's Name and Title (please Print)

Officer's Signature

Name of Depository

Date

Address

Telephone Number

Bid Form

III. REQUIRED SERVICES:

Account Interest

The rate of interest that the Depository will pay the District on its interest bearing checking accounts based on 13 week-T-Bill:

\$ _____

Charges for Banking Services

CSV format download of all cleared items including check numbers and amounts:

\$ _____

Furnishing of the required quantity, quality and type of deposit slips and intra-bank transfer checks for the District's use:

\$ _____

Return Items:

\$ _____

Stop Payments:

\$ _____

ACH transfers:

\$ _____

ACH Direct Deposit:

\$ _____

Wire transactions:

\$ _____

Cashier Checks:

\$ _____

Credit Card Payments:

\$ _____

IV. INVESTMENT ACTIVITIES:

Time Deposits

Rate of interest that Depository will pay on Certificates of Deposit of less than \$100,000 indexed to the 13-week Treasury bill:

30 to 59 days	13-week T-Bill	_____ basis points
60 to 89 days	13-week T-Bill	_____ basis points
90 to 179 days	13-week T-Bill	_____ basis points
180 to 269 days	13-week T-Bill	_____ basis points
270 to 365 days	13-week T-Bill	_____ basis points
1 year to 2 years	13-week T-Bill	_____ basis points

Rate of interest that Depository will pay on Certificates of Deposit of more than \$100,000 indexed to the 13-week Treasury bill:

30 to 59 days	13-week T-Bill	_____ basis points
60 to 89 days	13-week T-Bill	_____ basis points
90 to 179 days	13-week T-Bill	_____ basis points
180 to 269 days	13-week T-Bill	_____ basis points
270 to 365 days	13-week T-Bill	_____ basis points
1 year to 2 years	13-week T-Bill	_____ basis points

VI. OVERDRAFT PROVISIONS:

If an overdraft condition occurs, the following shall apply:

Charges will be \$ _____ based on _____
