

## **City of Rockport Depository Bid**

The City of Rockport is seeking sealed proposals from financial institutions to serve as the depository for public funds of the City. The depository contract period will be five (5) years beginning May 1, 2025 and continuing until April 30, 2030 or until such time as a successor depository shall have been duly selected and qualified according to state laws.

- I. At the outset, the City wishes to communicate the primary objectives of the depository contract, an important component of the overall financial management of the City:
- To seek a bank that is both capable of providing the specific banking services desired by the City and willing to be attentive to the City's financial matters;
  - To maximize the total dollars earned by the City on dollars held in demand deposit accounts while providing adequate liquidity to meet the City's current obligations;
  - To maintain a good working relationship with the depository bank; and
  - To seek a bank that will provide the stability and strength to assure the safety of City monies on deposit through the pledge of securities in amounts adequate to insure said monies above FDIC insured amounts.

This Bid Proposal is intended to serve as the bid form for the depository agreement. The depository contract will be prepared based upon a bidder's responses to questions and their completion of this form. All points outlined and materials requested should be incorporated in the bidder's reply to be considered for evaluation. Attachments will be appropriate and accepted if necessary in order to answer and/or elaborate upon a bidder's products or services to some of the questions enclosed.

- II. City of Rockport staff will review submitted proposals. Recommendations will be made to City Council based on the bid proposal determined to best meet the needs of the City and its constituents. As an indication of what qualitative factors will be considered and given appropriate weight in the evaluation of the proposals, is provided on the attached accompanying Bid Tabulation.
- III. All Bid Proposals, sealed and in duplicate received by Monday, March 17, 2025 at 2:00 PM in the office of the City Secretary will be considered. The City reserves the right to reject any and all bids.
- IV. The top three bids, and staff recommendations, are expected to be presented to City Council on March 25, 2025 at 6:30 pm.

# **CITY OF ROCKPORT**

## **2015 Request For Proposal**

### **Article I. Request for Proposal**

The City of Rockport (the “City”) is seeking sealed proposals from eligible financial institutions to serve as the depository for public funds of the City. This includes the basic services of receiving deposits, paying items, sending wired and ACH funds, receiving wired and ACH funds, stop payments, and other normal business banking transactions. This agreement will not cover any investment transaction activities other than safekeeping services to include receiving and delivering securities, coupon collections and maturity collections. The City intends to maintain and manage its own investment portfolio per its Investment Policy.

This Request for Proposal or “RFP” is intended to serve as the bid form for the depository agreement. There are several schedules to complete and questions to be answered. The depository contract shall be prepared based on the bidder’s response to the RFP. All points outlined and materials requested should be incorporated into the bidder’s reply to be considered for evaluation and will be incorporated into the depository contract. Attachments will be appropriate and encouraged in order to provide the City an adequate opportunity to completely understand the bidder’s proposal.

### **Article II. Contract Terms**

The depository contract period will be for five (5) years beginning May 1, 2025 and continuing until April 30, 2030 or until such time as a successor depository shall have been duly selected and qualified according to State and Federal laws. This depository contract can be terminated by either party if desired upon providing one-hundred twenty (120) days written notice by certified mail to the other party.

### **Article III. Objectives of the Proposal**

At the outset, the City wishes to communicate the primary objectives of the depository RFP, an important component of the overall financial management program of the City.

- To seek a bank that is both capable of providing the specific banking services desired by the City and willing to be attentive and responsive to the City’s financial matters;
- To seek a bank which meets the legal qualifications and the terms and conditions specified in this RFP;

- To maximize the total dollars earned by the City on dollars held in demand deposit accounts while providing adequate liquidity to meet the City's current obligations;
- To develop a good working relationship with the depository bank; and
- To adequately compensate the depository bank for services provided.

## **Article IV. RFP Evaluation Process**

City of Rockport staff will review submitted proposals. Recommendations will be made to City Council based on the bid proposal determined to best meet the needs of the City and its constituents. As an indication of what qualitative factors will be considered in the evaluation of the proposals, the following areas are provided:

- Ability of the bank to perform and provide the range of requested services;
- Ability to meet the legal qualifications and the terms and conditions specified in the RFP;
- Bank's agreement to provide products and services as requested and outlined in the Bid Proposal;
- Effective rates paid on demand deposit accounts (DDA);
- Costs and fees associated with banking services provided;
- Securities clearance and safekeeping procedures;
- Ability to provide the City with effective and innovative cash management services;
- Inquiries from proposers:

Questions regarding technical questions may be directed to:

Robbie Sorrell, Finance Director	361.729.2213 Ext. 228
2751 SH 35 Bypass	Email: <a href="mailto:rsorrell@rockporttx.gov">rsorrell@rockporttx.gov</a>
Rockport, TX 78382	

Questions regarding RFP bid submission and deadlines may be directed to:

Shelley Goodwin, City Secretary	361.729.2213 Ext. 225
2751 SH 35 Bypass	Email: <a href="mailto:sgoodwin@rockporttx.gov">sgoodwin@rockporttx.gov</a>
Rockport, TX 78382	

## **Article V. Banking Services and Requirements**

The basic bank services to be provided are listed below under the Schedule of Fees and Services section of this RFP. This section identifies and discusses various services and business conditions under which the City wishes to operate. Please attach copies of reports and separate agreements that apply to each service discussed, if applicable.

1. To maximize control and investment opportunities the City requires a personal computer ("PC") online reporting system which will provide the daily ending ledger and collected balances from the prior day for all accounts, a detail of the prior day's debits and credits, current day disbursements including check numbers and current day ACH. This information should be available by 10:00 AM. The system shall also allow online intra-bank transfers, ACH and Wire Transfer origination instruction process with user defined security requirements.
2. Process of all deposited items of checks and cash to include encoding services, same day credit for deposits presented during business hours, cleared returned items twice, and return of stamped duplicated deposit slips to the City within one business day of the deposit. The bank will notify the City as soon as possible for any deposit adjustments. The bank shall fax a copy of deposit adjustment, including supporting detail, to the City prior to posting. The contact fax number for this requirement is 361.790.1165.
3. The city utilizes a system that allows checks to be deposit via remote capture. All scanned items are processed as deposited checks.
4. The City offers its employees an automatic direct deposit payroll service. The City will furnish a NACHA compatible file which will be transferred to the bank via software provided by the bank.
5. The City offers direct payment of customer utility bills by bank draft. The City will furnish a NACHA compatible file which will be transferred to the bank via remote capture. Volume for this service is expected to be approximately \$200,000.00 - \$325,000.00 per month.
6. The City is interested in using Positive Pay services for check presentment.
7. The City is interested in using ACH Fraud Filter.
8. Account Statement Services:  
The City of Rockport currently maintains a Pooled Cash DDA, Payroll DDA, Debt Service DDA, Hotel Grant DDA, Forfeiture Fund DDA, Grants Fund DDA, City of Rockport FSA DDA, and Business Premium Savings DDA. All DDA statements shall have cutoff dates matching the last calendar day of each month and the statements shall be made available within five (5) working days after said cutoff day of each month. Statements shall include transaction activity made on the last day of the period. The bank will furnish copies of checks and deposits for all accounts. The City reserves the right to add or delete accounts as it determines necessary.

9. Account Analysis Statements:

The City intends to pay for all account services provided by the bank and set forth on the RFP. The City shall require account analysis each month with all accounts grouped to obtain maximum credit for balances which shall clearly show volume counts, fees charged and total prices for servicing accounts. The account analysis shall also show average ledger balances, average collected balances, interest rates and earnings credit calculations. ***Please attach a sample account analysis statement – EXHIBIT A***

Safekeeping fees for the City's investments shall also be set up on account analysis and paid monthly. The City requires that all charges for securities clearance and safekeeping, including fees passed on from the Federal Reserve Bank, be on account analysis and not be deducted from each security settlement.

10. Investments:

The City intends to manage its own investment portfolio. All certificates of deposit bought by the City will be bought on a competitive basis. 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.

## **Article VI. Securities Clearance and Safekeeping of City Investment Securities**

Investment securities purchased by the City will be delivered either by book entry at the Federal Reserve or physical delivery to the depository bank's correspondent New York bank as outlined below:

1. The purchase of all securities shall be on a delivery versus payment basis. Monies will not be released by the City's safekeeping bank until securities are received at the Federal Reserve Bank or further credit to the City's safekeeping bank. In this manner, the City will always have possession of either its securities or its monies.
2. The City will send written instructions to the securities clearance department for each transaction. The City expects the bank to give prompt notification of any settlement problems regarding the transaction. The bank will then notify the Director of Finance via fax or e-mail, confirming the completion of the securities transaction.

3. All securities will be perfected in the name of the City of Rockport. The bank will forward a copy of the Federal Reserve Safekeeping receipt of investments to the City, evidencing the securities being held.
4. The bank shall also provide a monthly listing of all securities held in safekeeping on behalf of the City.

## **Article VII. Collateral Requirements**

1. ***Depository Pledge Agreement*** - As security for deposits of the City of Rockport the depository shall pledge and maintain the City securities equal to 102% of their market value at all times. Bank will be contractually liable for monitoring and maintaining collateral margins on a daily basis. The aggregate balances are estimated not to exceed \$20,000,000. This pledge shall be evidenced by a separate Depository Pledge Agreement in accordance with requirements of State and Federal law. ***Please attach a copy of the bank's Depository Pledge Agreement EXHIBIT B.***
2. The securities comprising the pledge shall be calculated using market value or book value, whichever is lower. The securities pledged shall satisfy statutory requirements and the City's Investment Policy.
3. ***Release of Collateral*** – No collateral will be withdrawn, released or substituted without the prior written consent of the City's Director of Finance. The City will release collateral only if it is satisfies that such collateral is not need as security for the City's deposits.

## **Article VIII. Third Party Safekeeping**

Original safekeeping receipts from the third party/custodial financial institution for all securities pledged pursuant to the Depository Agreement will be provided to the City. It is understood and agreed upon that the City will have a first and prior lien upon all securities which are pledged to the City.

1. ***Safekeeping Receipts*** – In order to collateralize additional City deposits in excess of collateral already then pledged to the City, original safekeeping receipts (see above) and the market value of additional securities pledged to City shall be provided to the City within five business days of such additional deposits.
2. ***Monthly Report*** – A monthly listing of all securities pledged to the City showing complete security description, CUSIP number, face value, market value and safekeeping receipt number is required; such listing to be provided no later than five business days following the thirtieth of each month.
3. ***Certification and Delivery of Collateral*** – In accordance with State law, the Board of Directors of the selected Depository Bank will be required to provide a resolution of

certification approving the commitment and delivery of the collateral to the safekeeping institution not later than five (5) days before the commencement of the contract period.

## **Article IX. Schedule of Fees and Services**

The City desires an equitable reimbursement arrangement for the banking services provided. A direct fee basis for services provided by the bank with an offsetting earnings credit for available balances is the method preferred by the City. Therefore, the monthly account analysis will be considered an invoice and monitored accordingly. The bank will calculate the total monthly service costs for all accounts and the total monthly earnings credit for all accounts on the account analysis statement. Credit should be given the City for account balances grouped together and not just single account balances wherever possible. A detailed explanation should be attached to the RFP explaining the bank's proposed method for compensating the City for balances maintained. If the City determines it has been overcharged after payment has been rendered, the City will be reimbursed.

It is the city's intent that the RFP reflects all the services and fees from which the bank will expect payment. Should the City request or the bank provide or seek to provide a service or services not presently included on the RFP, or to be included in the future, the bank shall agree that the bank's unit price will be no more than the price appearing on its most recently published price for cash management services.

Following is a schedule of bids and rates for demand deposit accounts (DDA), time deposits of various denomination values or certificates of deposits to be completed by the proposing financial institutions.

1. A fixed or variable interest rate, paid monthly on the daily collected balance of the demand deposit accounts of the City of Rockport. If compound interest rate bids are submitted, please state effective yield.

	<b>Simple</b>	<b>Compound</b>	<b>Effective Yield</b>	<b>Index</b>
Fixed Rate				
Variable Rate				

Special Conditions: \_\_\_\_\_

\_\_\_\_\_

2. For time deposits of less than \$ 100,000, applicant will pay interest thereon per annum at rates and periods of time as follows:

<b>Maturity</b>	<b>% Per Annum</b>	<b>Daily Compounded YES</b>	<b>Daily Compounded No</b>
30-59 Days			
60-89 Days			
90-179 Days			
180-365 Days			
365 Days & More			

Special Conditions: \_\_\_\_\_

3. For time deposits of more than \$ 100,000, applicant will pay interest thereon per annum at rates and periods of time as follows:

<b>Maturity</b>	<b>% Per Annum</b>	<b>Daily Compounded YES</b>	<b>Daily Compounded No</b>
30-59 Days			
60-89 Days			
90-179 Days			
180-365 Days			
365 Days & More			

Special Conditions: \_\_\_\_\_

4. List interest rates on short-term borrowing or advances. \_\_\_\_\_ %



Special Conditions: \_\_\_\_\_

\_\_\_\_\_

5. The services which should be made available to the City include, but not limited to the following. Please list the rates and/or fees associated with each service - **EXHIBIT C**
6. To facilitate official travel and procurement of supplies, the City uses a major credit card (Visa or MasterCard). The financial institution (**please circle one**) **AGREES/ DOES NOT AGREE** to furnish a major credit card. If financial institution agrees to furnish a major credit card -**EXHIBIT D**
7. List any special accounts and/or additional services you may offer the City of Rockport and/or it's employees and the applicable rates and fees associated therewith. (Provide additional attachments and information as necessary) Show as **EXHIBIT E**

### **Article X. Overdrafts**

The City does not intend to have an overdraft position on any of its bank accounts singularly or net throughout the course of the depository contract. In the event a check or checks are presented for payment on any City account with insufficient funds available for payment, the City will require the bank to pay said check and promptly notify the Director of Finance or the City's designated representative of the existence of the overdraft position. The City agrees to cover the overdraft within a maximum of one business day.

Define in the RFP what the bank considers an overdraft to a negative balance in any individual City account or a negative balance in all City accounts collectively. The City would expect the bank to view all City accounts combined together for purposes of charges on overdrawn collected balances.

### **Article XI. Other Stipulations**

1. The successful bidder shall notify the City in writing within ten (10) days of any changes in federal or state regulations or laws that would affect the depository agreement. The bank shall also notify the City of any services which become available to the City throughout the contract period.
2. The City reserves the right to negotiate all elements which comprise the proposal to ensure that the best possible consideration be afforded all concerned. The City reserves the right to reject any and all proposals and to re-advertise for proposals in such event.
3. All checks deposited by the City which do not clear the first time, should be submitted a second time before returning them to the City.

4. The bank's records relating to the City of Rockport's accounts shall be open to review either by City staff or City appointed independent auditors during normal business hours.
5. The proposing bank shall submit a copy of the last annual financial statements along with the last two quarterly FDIC Call reports, and provide any public information concerning changes in the ownership, management or financial position of the bank or its parent holding company
6. Notwithstanding any other provision of this agreement which may be to the contrary, this agreement and the respective rights and obligations of the parties shall remain in full force and not otherwise affected by a merger of the proposing bank.
7. The contract shall be automatically extended up to 60 days if the City is actively proceeding with re-bidding procedures but for whatever reason, cannot finalize the selection process by the end of the contract period.
8. If necessary, either party may require a review meeting at least once every calendar year quarter to evaluate the working relationship between the City and the depository bank and address any problems, concerns or conditions that may arise.

**EXHIBIT A**  
**ACCOUNT ANALYSIS STATEMENT**

**EXHIBIT B**  
**Depository Pledge Agreement**

## EXHIBIT C

Description of Service	Fee (if any)	Note(s)
Monthly Account Maintenance		
Checks Paid		
Deposit Tickets		
Deposited Items – On Bank		
Deposited Items – Local		
Deposited Items – County		
Deposited Items – Transit		
Intraday Base Per Acct Per Rpt		
Cash Deposited		
Return Items		
ACH Base Charge		
ACH Transmission Charge		
ACH Per 1 Day Item		
ACH Per 2 Day Item		
ACH Returns		
Wire Transfer – Repetitive		
Wire Transfer – Incoming		
Banking 1 <sup>st</sup> Account Seat		
Banking Addt'l Account Seats		
Stop Payments		
NSF Checks		
Remote Capture Deposit Fees		
Deposit Slip Orders		
Night Depository Services		

Investment “Sweep” Base		
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Special Conditions: \_\_\_\_\_

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## EXHIBIT D

### MAJOR CREDIT CARD SERVICES

Description of Service	Fee (if any)	Note(s)
Annual Fee		
Overnight Fees (New/Replcmnt)		
Annual Interest Rate		