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**CITY OF RHOME
REQUEST FOR PROPOSAL
BANK DEPOSITORY SERVICES**

SECTION I - REQUEST FOR PROPOSAL INFORMATION

A. Introduction

The City of Rhome is seeking proposals from eligible institutions to be their banking services depository. This includes the basic services of receiving deposits, paying items, wiring funds out, receiving funds wired in, stop payments, and other normal banking business activities. This agreement will not cover any investment transaction activities other than safekeeping services to include receiving and delivering securities and maturity collections. The City plans to manage its own investment portfolio.

The objective of the Request for a Depository Bank Proposal is to solicit comparable market charges for services to be provided by the bank. The City desires to enter into a contract, which will minimize the City's costs, yet will be viewed as a good agreement on the behalf of the bank.

The Request for Proposal, or "RFP", is intended to serve as a bid form for the depository agreement. There are several blanks to fill in 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. Attachments will be appropriate in order to answer some of the questions.

The City has designated Joe Ashton, City Administrator, as coordinator and contact person for the bidding process. Mr. Ashton will be happy to answer any questions pertaining to this RFP. His telephone number is 817-636-2462. The designated alternate point of contact is Shannon Montgomery, City Secretary. She can be reached at the same phone number.

The City of Rhome (the City) is requesting proposals from eligible and qualified financial institutions to provide bank depository services as described below and as provided for in the Investment Policy as is enclosed with the RFP as Exhibit "A".

B. Term of Contract

The contract period will be for two (2) years commencing July 1, 2019 with all fees fixed for the two-year term with the exception of increases imposed by federal or state regulatory agencies. The contract will provide a provision for three one-year continuations under the same terms and conditions of the contract, subject to mutual agreement of both parties. The City must request the extension of the Bank Depository Contract and related agreements in writing 90 days prior to the expiration of the initial two (2) year contract, and also 90 days prior to the expiration of each optional one (1) year extension.

C. Bidding Procedures

1. Each bidder shall complete the attached Fee Schedule for Depository Services in submitting a bid. If a service requirement cannot be provided by the bidder, the term "No Bid", should be entered on the Form for that specific requirement. In the case of a "No Bid" remark, the bidder may offer an alternative equivalent service for the City's consideration.
2. Services for which a bidder intends to charge a fee must have the applicable fee indicated on the Form. **Any service that does not have a fee indicated on the Form will be considered to be free of charge in the Depository Contract.**
3. Bids must be complete, address all aspects of the RFP, and include all requested information to receive full consideration by the City in the selection process.
4. The proposal must be submitted in a sealed envelope bearing the title "City of Rhome Bank Depository Services Request for Proposal" along with the name and address of the bidder. The bidder shall submit five (5) paper copies of the completed Form and all other required information identified below, along with one thumb drive. The envelope shall be delivered **no later than 2:00 p.m. on Monday, June 3, 2019:**

Mailing Address	Physical Address:
Joe Ashton, City Administrator City of Rhome PO Box 228 Rhome, Texas 76078	Joe Ashton, City Administrator City of Rhome 501 South Main Street Rhome, Texas 76078

5. All costs incurred by the bidder in preparing and responding to the RFP shall be borne by the bidder. Unauthorized modifications of City of Rhome bid specifications, forms or terms may render the proposal invalid.

6. The City reserves the right to request additional information or to meet with representatives from proposing banks to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.
7. The City reserves the right to reject any and all proposals, to waive any non-material irregularities in any RFP, and to accept or reject any item or combination of items.
8. The bidder states that it is a banking institution chartered under the laws of the United States or the State of Texas and has a local branch located within 20 miles of the City of Rhome.
9. The final appointment of a depository bank shall be made by the City Council of the City of Rhome. The bidder may be required to enter into a contract, which incorporates all of the obligatory points in this RFP. Other wise, an ordinance shall be adopted accepting the bank's completed RFP as the OFFICIAL BID FORM with accompanying related schedules and materials called for in the RFP.
10. This RFP for depository bank bid has been duly advertised and is being offered for consideration to financial institutions.
11. Upon being awarded the contract, the depository bank shall designate an individual to be the official contact person for all correspondence. The City of Rhome's official contact person will be Shannon Montgomery, City Secretary at 817-636-2462. The bank shall be responsible for training and communicating the terms of this contract to bank employees.
12. Proposal shall be held firm for ninety (90) days unless otherwise specified.

D. Selection Criteria

The City will review the submitted proposals carefully. The recommendation will be based on the bid determined to be best on behalf of the City and the taxpayers. As an indication of what will be considered in the evaluation of the proposals, the following areas are listed:

1. Ability of the proposer to perform the requested services in the **RFP**.
2. Ability to meet the legal qualifications and the terms and conditions specified in the **RFP**.
3. Cost of the proposed banking services and the cost of conversion and implementation of banking services.

4. The financial condition of the Institution making the proposal.
5. Effective rates paid on the City's bank accounts.
6. Convenience of location.
7. Ability to provide sufficient collateral for deposits.
8. Ability to provide on-line activity access and account balance information.
9. Securities clearance and safekeeping procedures.
10. Ability to provide the City with effective and innovative cash management services.
11. Experience and success in providing banking services to municipal governments in Texas.
12. Completeness of the bid form and submission of the required information.

E. Review Committee

Your response to this RFP will be reviewed and evaluated by a review committee consisting of:

Michelle Pittman Di Credico, Mayor
 Joe Ashton, City Administrator
 Shannon Montgomery, City Secretary

The Review Committee may seek any input necessary from city staff or any other available resource. The final selection will be made by the Rhome City Council with the advice and recommendation from the Review Committee.

SECTION II - CALENDAR OF EVENTS

Thursday, April 11, 2019	City Council Authorization of RFP
Saturday, May 4, 2019	Advertise the Bank Depository RFP notice in the newspaper
Monday, June 3, 2019	Deadline to receive proposals from interested financial institutions by 2:00 p.m. at City Hall
Tuesday, June 4 – Thursday, June 6, 2019	Review Committee meeting to discuss proposals
Monday, June 10, 2019	Review Committee considers recommendation of contract
Thursday, June 13, 2019	Council presentation for the award of the contract

Friday, June 14, 2019	Notify all bidders of results
Tuesday, June 18, 2019	Sign all agreements
Wednesday, June 19, 2019	Begin implementation of changing to new bank (if needed)
Monday, July 1, 2019	New bank depository contract period begins

SECTION III - CITY ACCOUNT INFORMATION

City Account Information

The bank is to provide a master consolidation account and zero balance accounts from which daily balance and detail reporting is available. Other accounts may be established as needed during the term of the contract. The City's current account structure contains the following accounts:

- The **Operating Account** serves as the account, which daily deposits will be made and which will fund the daily presentments of the controlled disbursement account for all City disbursements and to provide the daily funding of the zero-balance payroll account as checks are presented for payment. All of the City's deposits, electronic fund transfers and investment transactions are processed through this account. The bank must have the capability of receiving and sending wire transfers, ACH transfers, and direct deposits through this account. Securities clearance and safekeeping activity of investments will be debited/credited against this account
- The City uses **Controlled Disbursement Accounts**, and automatic transfers from the operating account to these accounts will be used. The presentment totals via PC balance reporting will be available by 9:00 a.m. each day to ensure adequate funding by the operating account.
- **The City has a bi-weekly payroll of approximately 18 employees representing a net average of \$23,400.00.** The capability to provide direct deposit of payroll for City employees is also requested. The City would like to offer direct deposits to local financial banking institutions at no additional charge to the employee or the City.
- The City uses various **Reserve and Bond Accounts**. The only transactions in these funds will be wires to and from various investment pools, security purchases and maturities, and the transfer of these funds to the operating account.

<u>Account Title</u>	<u>Estimate Average Balance</u>	<u>Account Type</u>
2017 Tax Note, Series 2017	\$330,000.00	DDA
Fire Dept Checking	\$45,000.00	DDA
Fire Dept Savings	\$18,000.00	DDA
General Fund	\$300,000.00	DDA
General Fund Savings	\$192,000.00	DDA
Hotel Motel Tax	\$36,00.00	DDA
Interest & Sinking	\$48,000.00	DDA
Meter Deposits	\$85,000.00	DDA
Muni Court Security	\$25,000.00	DDA
Muni Court Tech Fund	\$16,000.00	DDA
Muni Court Title 7	\$4,500.00	DDA
Parks & Recreation Checking	\$18,000.00	DDA
Police Grant Account	\$2,000.00	DDA
Police Seizure Account	\$4,000.00	DDA
Prairie Point Development Cash	\$30,000.00	DDA
W/S - CD/Savings	\$3,500.00	DDA
Water & Sewer Checking	\$295,000.00	DDA
Water Bond Account	\$500.00	DDA

The bank must have the capability of receiving and sending wire transfers, ACH transfers and direct deposits and must have the ability to receive credit card payments via Visa/MasterCard. The City will require daily balance reporting through a cash management program that is user friendly and accessible via a personal computer.

SECTION IV - BANKING SERVICES AND CITY REQUIREMENTS

A. General Description of Services

The following identifies and discusses the services to be provided and the requirements to be met. Please attach copies of reports and separate agreements that apply to each service, if applicable.

1. To maximize control and investment opportunities, the City requires a **PC on-line balance reporting system** which shall 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-controlled disbursement report, current day disbursements including check numbers, and current day ACH. This information should be available by 9:00 a.m. The system shall allow on-line intra-bank transfers, ACH and Wire Transfer origination instruction processes with user defined requirements.

2. Processing of all deposited items of checks and cash to include encoding service, credit and debit advices given to the City within three business days of the debit or credit, clearing returned items twice, and return of stamped duplicate deposit slips to the City within one business day of the deposit.
3. The City offers its employees an automatic payroll deposit service. The City will furnish a NACHA compatible file that will be transferred to the bank via PC.
4. The City offers direct debit for utility billing to its 600 utility customers. The City will furnish a NACHA compatible file that will be transferred to the bank via PC.
5. General wire transfer services including customer direct-link to allow initiation of repetitive wire transfers via PC. Wire advices should be mailed within three days of the wire debit or credit.
6. Account Reconciliation and Positive Pay

Bank statements on all accounts shall be rendered within five (5) working days after the close of the calendar month. Statements shall include transaction activity made on the last day of the period. The accompanying checks and deposit slips shall be arranged in numerical order for all accounts. The City requires a report reflecting all items paid in serial number sequence, which is balanced to the bank statement (partial account reconciliation). All accounts will be reconciled by the City, but the City is interested in combining partial reconciliation with positive pay.

7. Investments

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

8. Securities Clearance and Safekeeping of City's Investments

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 bank as outlined below.

The purchase and sale of all securities shall be on a delivery versus payment (DVP) basis (i.e., for securities purchases, 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 the case of securities sales, monies will be received by the City's safekeeping bank via the Federal Reserve Bank as the

securities are simultaneously released to the purchases). In this manner the City will always have possession of either its securities or its monies.

All physical delivery of securities (those transferred by physical delivery) shall be held by the depository's correspondent bank. The City's depository bank shall issue a safekeeping receipt to the City evidencing that the securities are held by the depository's correspondent bank for the City. The City will send written instructions to the securities clearance department for each transaction. Most of these instructions will be sent by facsimile to assure the timeliness of the operation. The City expects the bank to give prompt notification of any settlement problems, including securities delivered where the instructions do not match or where instructions have not been given to the bank.

All securities shall be perfected in the name of the City. All book entry securities owned by the City shall be evidenced by a safekeeping receipt issued to the City.

The original safekeeping receipt for each transaction will be forwarded to the City Secretary or his/her designated representative.

The bank will also provide a monthly listing of all securities held in safekeeping on behalf of the City.

B. COLLATERAL REQUIREMENTS

1. Securities Pledged

As security for the deposits of the City of Rhome the bank shall pledge to the City securities equal to 102% of their market or par value, whichever is lower, of the largest total ledger balances the City of Rhome maintains in the bank, less the amount of coverage provided by the Federal Deposit Insurance Corporation (FDIC). Securities pledged to the City must be held at a third-party banking institution approved by the City or in a Treasury Direct account in the name of the City with the Federal Reserve Bank. The bank will be responsible for the maintenance and monitoring of the collateral at all times. The City will attempt to notify the bank of any large deposits to be made on a timely basis.

Control will be shared jointly between the bank and the City.

2. Reporting Requirements

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

Total pledged securities itemized by:

- a. Name
- b. Type/description/CUSIP number
- c. Par Value
- d. Market value at month end
- e. Maturity date
- f. Moody's or Standard and Poor's rating

3. Safekeeping of Collateral

Securities used to pledge against time and demand deposits must be held in safekeeping under the name of the depository bank and pledged to the City of Rhome. Safekeeping must be done at an independent third-party safekeeping institution outside the bank's holding company under a tri-party safekeeping agreement with the bank, the City, and the custodian. The proposal will name the safekeeping bank (custodian) for collateral.

The original copy of all securities receipts shall be filed with the City Secretary or his/her designee of the City of Rhome.

4. Substitutions

Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization approved by the City Secretary or a designated representative and approval will not be reasonably withheld. New collateral will be received before the existing collateral is released. Securities that do not meet the City's Investment Policy are not acceptable as collateral to the City of Rhome.

C. DIRECT FEES FOR SERVICES PROVIDED

1. The City desires an equitable reimbursement arrangement for the banking services provided. The City is willing to accept the proposal in or two ways: (1) maintain an average minimum balance of combined City account balances, with no charges being assessed, or (2) the City pays for all services on each account. The net of total services costs and total earnings credits equals net banking service costs for the month. Credit should be given the City for all account balances grouped together and not just single account balances. A detailed explanation should be attached to the bid form explaining the bank's proposed method for compensating the City for the balances maintained.

2. It is the intent that the bid form reflects all services and prices for which the bank will expect payment. It is understood that volumes indicated are estimates and that actual volumes will vary from month to month. Should the City request a service or services not presently included on the form, it is agreed that the bank's unit price will be based upon a mutually agreed upon fee, but no greater than the most recently published price for cash management services.

D. FUNDS TRANSFER REQUIREMENTS

Incoming wire transfers occur regularly. The depository shall give both ledger and collected credit the day of the wire receipt, regardless of the time the bank receives the transfer through the Fedwire System. Credit to City accounts for incoming wire transfers should be immediate.

The City actively manages its cash. An outgoing wire transfer will be made in the morning for funds expected by an incoming wire transfer. The depository shall allow the City to wire funds out in anticipation of an incoming wire transfer later in the day.

The bank will not charge the City for daylight overdrafts. When a daylight overdraft is anticipated, a City official will notify the designated bank official of the situation.

Notification to the City of incoming wire transfers or problems with outgoing wire transfers shall be made within one hour of the transaction. **(Please attach a sample fund transfer agreement.)**

E. OVERDRAFTS

The City does not intend to have an overdraft position on any of its bank accounts singly or net throughout the course of the depository contract. In the event a check or checks presented for payment on any City account where there exist insufficient funds available for payment, the City will require the depository bank to pay said checks and promptly notify the City Secretary or said designated representative of the existence of the overdraft situation. The City agrees to cover the overdraft within one business day. The City would expect the depository to view all City accounts together for the purposes of any charges on overdrawn balances.

F. 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 thereafter 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. In the event it would be ruled illegal under provisions of any federal statute or regulation for the bank to pay interest or calculate net cost in the manner outlined in this RFP, then the City expressly reserves the right and privilege to cancel the contract and re-bid the depository services.
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 Rhome accounts shall be open to review by either City staff members or City appointed independent auditors during normal business hours.
5. The proposing bank shall submit a copy of an audited financial statement for the most recent fiscal year along with a copy of the current call report. The successful bidder shall provide to the City any public information concerning changes in the ownership, management or financial position of the bank or its parent.
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 hereunder shall remain in full force and effect and not otherwise be affected by the merger of the bank.
7. The beginning date of the bank depository contract will be established after the city council approves the awarding of the contract to be effective for a period of two (2) years. If mutually agreed upon by the City and the bank, the contract may be extended three (3) additional, one-year periods. The contract shall be automatically extended up to 90 days if the City is actively proceeding with re-bidding procedures but, for whatever reason, cannot finalize the bidding or selection process by the end of the contract period.
8. The contract is governed by the laws of the State of Texas. Venue shall be exclusively in Wise County.
9. The City shall require a review meeting with the bank officers at least once every six months to evaluate the working relationship between the City and the depository bank and the address any problems.

BID FORM
City of Rhome, Texas

Any and all services anticipated under the banking proposal and its unit cost under the proposed contract must be listed on this attachment. Change units or add any lines or charges needed to delineate specific charges or terminology to be used. If the service fee is all inclusive please so designate. This list has estimated basic volumes and attempted to anticipate all possible charges - not every item may be applicable.

Service	Unit Basis	Volume	Unit Cost Proposed
Monthly Account Maintenance Fees			
Master Accounts	Per account	19	
Money Market Account	Per account	3	
Interest Bearing Accounts	Per account		
Debits - Paper	Per item		
Credits - Paper	Per item		
Sweep Account Fees			
Monthly Maintenance (if applicable)		1	
Master Account	Per account	1	
Swept Accounts	Per account	2	
Sweep Reporting	Per account		
On-Line Reporting			
Set up fee	One time	1	
One Time Software Required	One time		
Software Maintenance Fee	Per month		
Other Monthly Maintenance Fees	Per account		
Daily Balance Reporting	Per account	1	
Detail Daily Reporting	Per account	1	
Per item fees	Per item	10,000	
Wire Transfers	Per account	10	
Stop Pay	Per account	12	
CD - monthly	Per CD		
CD - Detail	Per item		
Deposits			
Deposit	Per item	100	
On-us Deposits	Per item	500	
In State Bank Clearing Deposit	Per item	200	
Out of State Clearing Deposit	Per item		
Transit items	Per item	200	
Return items		1	
Deposit Corrections	Per item		
Encoding Charge	Per item	2,000	
Night Deposit charge	Per item		
Rejected items			
Positive Pay			
Monthly Maintenance	Per month	1	
Per item charge	Per item		

Notification Charges	Per item		
Reporting	Per month		
ACH Processing			
Set Up Fees	One time	1	
Monthly ACH Maintenance	Per Month		
Origination of file	Per file		
Entries	Per item		
Electronic Debits	Per item	72	
Electronic Credits	Per item	60	
ACH Return Items	Per item		
Deletions or Reversal Charges	Per item		
Transmission - on disk or tape	Per file		
- via transmission	Per file		
Pre-notification	Per item/file		
Returned Items	Per item		
Reclear	Per item	120	
Buybacks	Per item		
telephone notification	Per item		
Reconciliation			
Monthly Sort & List Maintenance	Per month	4	
Serial Sort and List	Per item	4	
Partial Recon Monthly Maintenance		1	
Partial Recon without positive pay	Per item		
Partial Recon with positive pay	Per item	2,500	
Safekeeping			
Asset Maintenance	Per item	10	
Clearing Fees			
FRB	Per item	2	
DTC	Per item		
Receipt Fees			
On-Bank Transactions	Per item		
Non-On-Bank Transactions	Per item		
Dk or Change Delivery Instructions	Per item		
Safekeeping Fees			
FRB	Per item	2	
DTC	Per item		
Income Collection to DDA			
Coupons	Per item		
Maturities	Per item		
Stop Pays			
Monthly service maintenance	Per item		
Automated	Per item		

Manual	Per item	12	
Confirmations	Per item		
Wire Transfers			
Incoming - domestic	Per item	1	
Outgoing - repetitive - phone	Per item		
- repetitive - automated	Per item	1	
- non-repetitive - phone	Per item	10	
- non-repetitive - automated	Per item		
Internal Transfers via PC	Per item		
Internal Transfers via Telephone	Per item		
Other Charges	Per item		
Phone or Fax Advice	Per item		
Mail advice	Per item		
Overdraft Charges			
Per occurrence			
Rate			
Optical Imaging			
Software and Setup	One time		
Monthly Maintenance	Per month		
Per item Fee	Per item		
CD Charges	First CD		
Collateral Restriction Fees			
Excess Collateral Fees			
Security Pledging and Releasing			
Pay Cards			
Monthly Maintenance	Per card	1	
Per item cost	Per item	5,000	
Enrollment			
Employee charges:			
ATM Withdrawal			
Balance inquiry			