



BUNKER HILL VILLAGE, TEXAS

SOLICITATION OVERVIEW

The City of Bunker Hill Village is soliciting applications for:

TITLE: Primary Depository Bank Services
RFA# 2021-04

Due Date: Wednesday , September 1, 2021, 2:00 P.M.
Deliver to: City of Bunker Hill Village
Susan Grass, Finance Manager
11977 Memorial Drive,
Houston, Texas 77024

Pre-Application Conference*:

A **non-mandatory**, virtual (via Zoom) pre-application meeting will be conducted on Wednesday, August 11, 2021 at 11:00 AM. All interested parties are strongly encouraged to participate.

Join Zoom Meeting:

<https://us06web.zoom.us/j/83930379345?pwd=VWdTY1hZRTk3YWc1L3BreWxLZi8xUT09>

Meeting ID: 839 3037 9345

Passcode: 990612

Dial by your location +1 346 248 7799 US (Houston)

***Attendance at this conference is strongly recommended, but not mandatory.**

Public Opening of Applications will be done via Zoom:

<https://zoom.us/j/98952685519?pwd=WlBqOUB3NjF0amFZT0JrbHdFUkwzUT09>

Submit written questions to: Ms. Susan Grass, Finance Manager, sgrass@bunkerhilltx.gov and

Valley View Consulting, L.L.C. is assisting the City with the preparation of this RFA and the evaluation of applications received. All times referenced are Central Time.



BUNKER HILL VILLAGE, TEXAS

REQUEST FOR APPLICATIONS PRIMARY DEPOSITORY BANK SERVICES

The City of Bunker Hill Village, Texas (the “City”) is soliciting sealed applications from qualified banking institutions to provide primary depository bank services. The initial contract period will begin March 1, 2022 and end February 29, 2024. The contract may be extended for three (3) additional one-year periods under the same terms and conditions, at the option of the City. Sealed applications will be accepted until 2:00 PM on Wednesday, September 1, 2021 in the City of Bunker Hill Village City Hall, Attention: Ms. Susan Grass, Finance Manager, 11977 Memorial Drive, Houston, Texas 77024. Application envelopes shall be sealed and designate on the front lower, left hand corner the following:

Subject: Primary Depository Bank Services RFA #2021-04

The sealed application submission shall include the following:

1. One original (so marked) and two (2) complete bound copies of the application.
2. One complete copy of the complete application response as a PDF file on a Flash Drive; and,
3. The MS-Excel Fee Schedule on a Flash Drive.
4. The good faith performance check.

The application shall be accompanied by a good faith performance check, in the form of a cashier’s check, in the amount of \$5,000 made payable to the City of Bunker Hill Village and shall be returned to each unsuccessful applicant immediately following contract award, and to the successful applicant upon final acceptance and execution of the contract. Should the institution selected as the successful applicant by the City fail to become the bank service provider, for whatever reason, the good faith performance check will be forfeited to the City as liquidated damages.

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INTRODUCTION

To be eligible to respond to this RFA, the financial institution must have a full service “brick & mortar” presence within the municipal boundaries of the City of Bunker Hill Village, Texas and/or the Zip Code 77024.

The City expects that the Depository Services Agreement included in Exhibit 3 of this RFA detailing the required services be duly executed between the City and the awarded financial institution.

Any and all charges and fees associated with the Depository Services Agreement must be clearly and accurately included in the RFA response. The charges and fees represented in the RFA response shall overrule any and all previous bank service or other agreements between the City and the financial institution, as they relate to the accounts and services included herein. The City will not be obligated by any charges and fees not clearly and accurately presented in the RFA response. Services initiated after consummation of the Depository Services Agreement shall carry charges and fees mutually agreed to, in writing, by the City and the financial institution. Regardless of time delay, the financial institution shall refund or credit the City for any erroneous charges and fees not agreed to in writing.

The City is soliciting applications for banking services currently utilized or being considered by the City. The City intends to manage its funds to minimize service charges and optimize investment income as authorized by policy and permitted by state law. Depending upon market conditions, future collected funds balances may be reduced and invested in other available investment alternatives.

The initial term shall be a two-year period of March 1, 2022 through February 29, 2024, with a provision for three (3) one-year extensions under the same terms and conditions, at the option of the City. A transition period of at least ninety (90) days for migration to a new financial institution at the end of the term must be provided.

The City reserves the right to open or close any number or types of accounts, as it deems necessary throughout the term of any agreement resulting from this RFA. Any fee charged for services not listed but later requested by the City will be mutually agreed upon in writing. All fees, rate formulas, and conditions shall be fixed for the entire term, including extensions.

The Depository Services Agreement is an important component of the treasury and cash management system of the City, and the City requires a financial institution that is:

- Capable of providing the services required by the City,
- Willing to be attentive and responsive to the City’s financial matters, and
- Financially sound and meets the City’s requirements.

REQUEST FOR APPLICATION

Pursuant to Chapter 105 of the Texas Local Government Code, this RFA is intended to serve as the application form for the Depository Services Agreement. There are multiple blanks to fill in and questions to be answered. The evaluation of the applications will be based on the responses included herein.

Exceptions, conditions, or qualifications to the provisions of the City's specifications or requirements must be clearly identified as such, with the reasons therefore, and alternate language proposed by the respondent, if any, clearly stated and inserted in the appropriate place in the application submission.

Each of these exceptions, conditions, or qualifications to the City's specifications may be included, as appropriate, in the contract documents. Items and matters not explicitly notated in this manner shall be deemed to be in conformance with the City's specifications.

The RFA also requests certain information to be attached and specifically labeled. Responses must be complete, address all aspects of the RFA, and include all requested information to receive full consideration by the City in the selection process. The City may choose to waive any irregularities in any responses received and reserves the right to reject any and all applications.

The City desires to enter into a contract of mutual party benefit and will answer all questions pertaining to this RFA.

Please note the following calendar of events for the dates and times of key elements in the application process:

CALENDAR OF EVENTS

Wednesday, July 28, 2021	RFA distributed to prospective financial institutions
Wednesday, August 11, 2021	Non-Mandatory Pre-Application Conference (11:00 A.M.)
Monday, August 16, 2021	Deadline for Questions/Requests for Additional Information (5:00 P.M.)
Thursday, August 19, 2021	Responses to related questions provided to prospective financial institutions (5:00 P.M.)
Wednesday, September 1, 2021 P.M.)	Applications due to Susan Grass, Finance Manager (2:00
Week of October 4, 2021	Applicant demonstrations, if required
Tuesday, November 16, 2021	City Council consideration of contract award (5:30 P.M.)
Tuesday, March 1, 2022	New Depository Bank Services Agreement period begins

APPLICATION REQUIREMENTS

The applicant shall use this RFA as the Official Response Form. Submitted prices, rates, conditions, and answers shall be included as part of the final contract. The signed, submitted response must include printed copies of all completed worksheets and will be deemed the respondent's official response. To reduce errors and increase the ease of both response and evaluation, the City is providing the RFA in a MS-Word format and Fee Schedule in MS-Excel format. The RFA is a protected Word document to enable the applicant to respond to the questions and incorporate comments into the RFA. The MS-Excel worksheet of the Fee Schedule is to provide unit prices for the bank service items listed and will be extended for the activity volume indicated for each item, to arrive at a total service cost.

The Excel fee schedule information and a PDF of the complete application are required to be provided on a flash drive with the application.

BASIS OF AWARD

The City will award the contract to the applicant(s) whose response provides the most advantageous terms for the City based on all factors which have a bearing on price and performance of the required services including, but not limited to, compliance with all RFA requirements and the City's needs.

The City reserves the right to contact any applicant, at any time, to clarify, verify or request information with regard to any application.

Applicants shall supply a good faith performance check of \$5,000.00. The good faith performance check shall be in the form of a cashier's check made payable to the City and shall be returned to each unsuccessful applicant immediately following contract award and to the successful applicant upon final acceptance and execution of the contract. Should the institution selected as the successful applicant by the City fail to become the bank service provider, for whatever reason, the good faith performance check will be forfeited to the City as liquidated damages.

Transfer of funds will commence at such time the successful applicant has provided the City with all required forms and supplies necessary to ensure uninterrupted day-to-day operations. The successful applicant commits its "best efforts" to complete the execution of documentation and receipt of funds by the March 1, 2022 contract period start date. Failure to complete the execution of documentation and receipt of funds by the start date, at the discretion of the City, could be considered grounds for the good faith performance check forfeiture and alternative bank selection.

The successful applicant, upon termination of this contract, agrees to cooperate with a new bank for transfer of funds.

APPLICATION SUBMITTED BY

This Application is being submitted to the City by the following person duly authorized to act on behalf of this financial institution.

Name of Financial Institution

FDIC Certificate #

Address of Financial Institution

Telephone #

Email Address

Officer Name & Title (printed)

Officer Signature _____

Signature indicates respondent accepts the specifications, terms and conditions of this solicitation and that respondent is not delinquent on any payment due the City or involved in any lawsuit against the City.

Date:

CRITERIA FOR EVALUATION

The City shall carefully review the submitted applications using the following criteria, in no particular order of priority:

1. Ability to perform and provide the required and requested services;
2. References provided and quality of services;
3. Cost of services;
4. Transition cost, retention and transition offers and incentives;
5. Funds availability;
6. Interest paid on interest bearing accounts and deposits;
7. Earnings credit calculation on compensating balances;
8. Completeness of application and agreement to points outlined in the RFA;
9. Applicants physical location as defined in the RFA and the convenience of location(s);
10. Previous service relationship with the City; and
11. Financial strength and stability of the institution.

City may request oral presentations and/or demonstrations from any one or all applicants.

IMPLEMENTATION

Transfer of funds will commence at such time the awarded financial institution has provided the City with all required forms and supplies necessary to ensure uninterrupted day-to-day operations. The awarded financial institution commits its “best efforts” to complete the execution of documentation and receipt of funds by the contract period start date, which will be no later than March 1, 2022.

REQUIRED DISCLOSURES

As defined in Section 105.015 (c), each applicant shall comply with the conflict of interest provision of Section 131.903 of the Texas Local Government Code in regard to the selection of the depositories:

Sec. 131.903. CONFLICT OF INTEREST.

- (a) A bank is not disqualified from serving as a depository for funds of a political subdivision if:
- (1) an officer or employee of the political subdivision who does not have the duty to select the political subdivision's depository is an officer, director, or shareholder of the bank; or
 - (2) one or more officers or employees of the political subdivision who have the duty to select the political subdivision's depository are officers or directors of the bank or own or have a beneficial interest, individually or collectively, in 10 percent or less of the outstanding capital stock of the bank, if:
 - (A) a majority of the members of the board, commission, or other body of the political subdivision vote to select the bank as a depository; and
 - (B) the interested officer or employee does not vote or take part in the proceedings.
- (b) This section may not be construed as changing or superseding a conflicting provision in the charter of a home-rule municipality.

In addition, the following disclosures apply:

Disclosure of interest: Pursuant to Chapter 176 of the Texas Local Government Code, a person, or agent of a person, who contracts or seeks to contract for the sale or purchase of property, goods, or services with the City of Bunker Hill Village, Texas must file a completed conflict of interest questionnaire which is available at www.ethics.state.tx.us. The conflict of interest questionnaire must be filed with the City of Bunker Hill Village, Texas no later than the seventh business day after the later of the date that the person or agent begins contract discussions or negotiations with the City or submits to the City an application, response to a request for proposal or bid, correspondence, or writing related to a potential agreement. An updated conflict of interest questionnaire must be filed in accordance with Chapter 176 of the Texas Local Government Code. An offense under Chapter 176 is a Class C misdemeanor.

Certificate of interested parties: In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Texas Local Government Code and applies to all contracts entered into on or after January 1, 2016. The law states that a governmental entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity. The law applies, with a few exceptions, to all contracts/purchases of a governmental entity that require action or vote by the governing body of the entity. The electronic filing application process can be started on the Texas Ethics Commission website at www.ethics.state.tx.us. The City acknowledges that publicly traded business entities are exempt from this requirement.

Written Verification of Compliance with Chapter 2270: In compliance with HB 89, the successful applicant will be required to submit a written statement that the applicant affirms that it abides by Chapter 2270 and does not boycott Israel and will not boycott Israel during the term of the contract.

In compliance with SB 252, the City of Bunker Hill Village, Texas will not enter into a contract with a company that does business with Iran, Sudan, or any known terrorist organization.

In compliance with SB 19, the City of Bunker Hill Village, Texas will not enter into a contract with a company that discriminates against the firearms industry.

ACCOUNT ACTIVITIES

The City anticipates establishing an account configuration that consists of the following bank accounts:

- Consolidated General Operating Checking
- Interest Bearing Checking Account

The Consolidated General Operating Checking is an interest-bearing account and serves as the City's master operating account.

The Interest Bearing Checking Account serves as a liquid investment option for the City to earn a higher rate than the rate paid on the Consolidated General Operating Account.

Payroll for City Employees is funded through the Consolidated General Operating Checking account. The City has eight (8) full time employees paid bi-weekly with an approximate monthly amount of \$60,000. In addition, the Mayor, 5 Council Members, and City Judge are paid Monthly.

The activity for May 2021 with balance information for these accounts is tabulated in Exhibit 1 and Exhibit 2 and reflected on the Fee Schedule. Actual balances and transaction activity could vary significantly.

REQUIRED SERVICES

The following services are required to be provided as described and/or be provided in an alternative form that results in essentially the same outcome or capability.

1. **ON-LINE BANKING SERVICES** – The City **requires** on-line banking services accessible through the internet that at a minimum include balance reporting, initiation of ACH debits and credits and wire transfers, and placement of stop payments on checks. Additional capabilities must include the ability to reprint statements and export information to MS-Excel. The minimum balance reporting information must be for intra-day and previous business day and include at a minimum: ledger balance, collected balance, one day float amount, total credits, total debits, and detail debits and credits, and must allow transaction search capability. Historical information must be maintained on-line and accessible for a minimum of twelve (12) continuous months.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment:

2. **POSITIVE PAY AND ACCOUNT RECONCILIATION SERVICE** – The City **requires** positive pay and partial account reconciliation service on the Accounts Payable account. Minimum payment verification criteria shall be **payee name, date, check number, and amount**.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment:

3. **ACH** – The City **requires** a robust ACH system with the capability to create ACH credits for direct deposit of payroll and vendor payments, and to direct debit customer accounts for A/R and utility billing charges.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment:

4. **ACH POSITIVE PAY aka ACH Fraud Filter** – The City **requires** ACH positive pay/filter capabilities on its accounts, with the ability to selectively permit specified ACH debits on certain accounts and restrict all ACH debits from certain accounts.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment:

5. **WIRE TRANSFERS** – The City **requires** an online banking system that provides for initiating wire transfers. Wires may be one-time wires or be set up as repetitive wires of varying amounts. The City expects controls to be in place for the prevention of fraud in the wire transfer process. The City also **requires** online banking system capabilities for daily notification (alerts) of incoming wires and monitoring of such incoming wire activity.

Yes, can provide as requested/required.

No, cannot provide as requested/required.

Comment:

6. POST NO CHECKS – The City may **require** the fraud protection feature or service that prevents checks being presented for payment to be posted to the accounts from which checks are not issued.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

7. EMPLOYEE CHECK CASHING – The City **requires** the bank to cash checks issued to employees (with proper identification) without service charges or fees to the employee or the City, and without requiring the employee to open an account with the bank.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

8. REMOTE DEPOSIT - The City **requires** remote deposit capture services for electronically preparing and submitting deposits. The City is currently utilizing this service and uses two scanners which are provided by the current primary depository. If needed, will your institution provide scanners for the City to use?

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

9. ELECTRONIC DATA INTERCHANGE – The City **requires** Electronic Data Interchange (“EDI”) service capability with the ability to see addenda information included with ACH deposits.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

10. RETURNED CHECK REPROCESSING – The City would like to reclear all returned items one time, and prefers to receive rejected items electronically on a same day or next day basis.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

11. BANK STATEMENTS – The City **requires** that statements be rendered within five (5) working days after the close of the calendar month. Monthly cutoff of statements must occur on the last calendar day of each month. Accounts shall not be placed in dormant mode for inactivity. The statement shall include debits and credits made on the last day of the period and the detail items. Bank statements must be received monthly, even if there is no activity for the account. Checks and deposit slip images must be provided in a manner that the City can download them or save them to their internal storage systems.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

12. ACCOUNT ANALYSIS – The City **requires** account analysis statements by individual account and at group level, reflecting average ledger balance, average uncollected funds, average collected balance, reserve requirement, average available balance, rate and amount of earnings credit, detail of services provided with quantities and unit fees for each, and total service cost, delivered to the City on a monthly basis. **This requirement applies to “No Fee” or “Fee Waiver” applications.**

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

13. PAYMENT FOR SERVICES and ACCOUNT SETTLEMENT – The City **intends** to pay for all services provided by the earnings credit amount generated by account balances, or by direct payment, or a combination of both. The City prefers that settlement of the excess/deficient condition as reflected by the group level account analysis occur on a **quarterly** basis. The City reserves the right to select Monthly Settlement if the pricing structure of the awarded financial institution favors Monthly Settlement. If deficient, settlement is to be made by direct debit to the City’s designated account.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

14. BALANCE ASSESSMENT – State how the bank will treat any Balance Assessment or balance based fee applicable to the City (i.e., Deposit Supervisory Fee, Premium Assessment Fee, etc.): **(Also, please reflect treatment on the attached Fee Schedule)** Please indicate if the assessment will be for all depository balances or non-interest bearing balances only.

- Fees apply to only non-interest-bearing balances.
- Fees to be waived.
- Fees to be partially waived.
- Fee to be passed in full to the City.

Comment:

15. EARNINGS CREDIT RATE – The bank must state the ECR and rate formula being proposed.
ECR %
Rate Basis (i.e., is there an index or is it a bank determination?):
How often will the ECR adjust if not indexed?
Rate Floor:

Comment:

16. RESERVE REQUIREMENT – Applicant must indicate whether or not a reserve requirement on balances used in calculating earnings credit is required.

Yes.
 No
Reserve Requirement %

Comment:

17. INTEREST RATE OPTION – If balances are sufficient to cover all bank services and additional balances are available to earn interest, please state the current rate, the basis, and the floor if one is being offered:

Interest Rate %

Rate Basis (i.e., is there an index or is it a bank determination?):

Rate tiers based on balance.

Rate Floor:

Type of Account: (MMF, Interest Bearing Account, ICS, Investment Sweep Account):

Any Fees associated with the recommended investment option:

Comments/additional info if desired to clarify determination of interest rate:

COLLATERAL REQUIREMENTS

1. COLLATERALIZATION – The successful bank shall pledge collateral to satisfy the requirements of the Public Funds Collateral Act, Chapter 2257, Government Code, and the City’s Investment Policy. **Ledger balance** shall determine the total balance level. The successful bank shall pledge collateral equal to or in excess of the required level on a **same day basis**. The City shall approve, in advance and in writing, all proposed collateral.

If **prior day ending ledger balance** is to be used as the basis for calculating the required collateral pledge, in order to minimize any period where the City balances could be under collateralized, the City will require that the pledged amount be maintained at a minimum of 110% of the **prior day ending ledger balance**.

- Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

2. COLLATERAL AMOUNT – The maximum ledger balances **could** exceed \$20,000,000 in the aggregate. Historically, the average analyzed balances are less than \$10,000,000. Applicant must clearly explain any collateral limitations or fees. The City reserves the right to maximize or minimize bank balances regardless of historical patterns. The successful applicant must monitor the collateral adequacy daily and provide additional collateral to secure balances as required.

- Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

3. COLLATERAL CUSTODY – The pledged securities shall be held at an independent custodian acceptable to both the City and the successful bank. Monthly holding reports shall be filed with the designated contact of the City. Please provide the name of the proposed independent custodian as well as any related fees.

Name of Proposed Custodian:

- Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

4. COLLATERAL SUBSTITUTION – Any substitutions of the pledged securities or reductions in the total amount pledged shall be made only by and with the proper written authorization of an authorized City signatory.

- Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

5. COLLATERAL REPORT – The successful applicant **and** the custodial bank shall provide City a monthly pledged securities report or additional reports at any time requested by City. The report must describe the total pledged securities by:

Name

Type / Description
CUSIP
Par Value
Current Face Value
Maturity Date

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

6. BOARD RESOLUTION – The Board of Directors or designated committee of the successful bank will be required to provide a FIRREA compliant resolution of certification approving the award of the agreement and commitment for delivery of the collateral to the custodian not later than five days before the commencement of the agreement period. The following is an extract of the FIRREA requirement from the FDIC Code:

e) AGREEMENTS AGAINST INTERESTS OF CORPORATION.--

(1) IN GENERAL.--No agreement which tends to diminish or defeat the interest of the Corporation in any asset acquired by it under this section or section 11, either as security for a loan or by purchase or as receiver of any insured depository institution, shall be valid against the Corporation unless such agreement--

(A) is in writing,

(B) was executed by the depository institution and any person claiming an adverse interest thereunder, including the obligor, contemporaneously with the acquisition of the asset by the depository institution,

(C) was approved by the board of directors of the depository institution or its loan committee, which approval shall be reflected in the minutes of said board or committee, and

(D) has been, continuously, from the time of its execution, an official record of the depository institution.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

INVESTMENT ACTIVITIES

The Public Funds Investment Act in conjunction with the City's Investment Policy shall govern the City's investment activity and the successful applicant shall be required to provide services within the constraints of both.

1. **DIRECT INVESTMENT ALTERNATIVE** – The City's direct investment activities may take place in any and all the City accounts. The City shall have the right, at its sole discretion, to direct investment of its funds. The successful applicant shall be required to provide clearing and safekeeping services for the City investment activity. Interest earnings on interest bearing accounts shall be credited monthly regardless of the amount, with no minimum amount restriction. The Investment Policy outlines City's options for investing. The Investment Policy is subject to annual review and revision by the City Council.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

2. **CERTIFICATES OF DEPOSIT** – Certificates of Deposit ("CDs") purchased for the City shall be non-negotiable and shall be registered in the name of the City. The CDs must be fully insured by the FDIC or collateralized in accordance with the RFA requirements. Proof of collateral must be supplied to the City prior to CD settlement. Extension of CDs – The successful applicant agrees to honor and continue any CD made during the term of any agreement resulting from this RFA that will mature after the expiration date of such agreement at the same rate established at the time of placement.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

3. **SECURITY CLEARANCE/SAFEKEEPING SERVICES** – The City prefers that their depository bank provide safekeeping services for the securities owned by the City or offers an alternative option for safekeeping services. All securities will be handled on a Delivery Versus Payment (DVP) basis as they are cleared into and out of the City's account.

The bank will act as securities clearing agent for all security purchases made by the City and for sales of securities from the investment portfolio, and will provide the necessary wire transfer and physical delivery services required to support investment activities. Necessary controls will be negotiated with the bank. Confirmation of trades must be provided to the City within one (1) business day.

Security clearance and safekeeping services shall be governed by a "Safekeeping Agent" or similar agreement executed between the City and the bank. All interest payments on securities held are to be posted on the due date or on the next business day in the event the due date falls on a weekend or bank holiday. The City must be notified within seven (7) days of a call date notice for any securities being called prior to maturity. The City prefers a web-based safekeeping transaction monitoring and reporting mechanism.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

OTHER STIPULATIONS

1. RIGHT TO CANCEL UNDER FEDERAL OR STATE LAW RULINGS – In the event it would be ruled illegal under the provisions of any Federal or State laws or regulations for the awarded financial institution to comply with the requirements of the agreement, then the City expressly reserves the right and privilege to cancel the agreement and to re-solicit applications.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

2. RIGHT TO OPEN & MAINTAIN OTHER ACCOUNTS – The City reserves the right to open and maintain one or more demand, money market, NOW, and/or CD accounts at financial institutions not affiliated with the awarded financial institution.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

3. RIGHT TO TERMINATE – The City expressly reserves the right to terminate the agreement with or without cause at any time by providing ninety (90) days written notice to the awarded financial institution to close its accounts.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

4. TERMS FIXED – All fees, rate formulas, and conditions shall be fixed for the entire agreement period, including any and all continuations.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

5. RESEARCH – The City requests that all research requests are responded to within three business days of the request.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

6. BANK ERRORS – Bank errors resulting in lost interest to the City must be reimbursed by the bank to the City, utilizing a mutually agreed upon method of reimbursement.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

7. AUDIT CONFIRMATIONS – Successful applicant must provide account balance audit confirmations to the City’s audit firm annually at no charge.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

8. ONE RELATIONSHIP OFFICER – The City requests **one** relationship manager to coordinate the awarded financial institution’s efforts and remain directly responsible for facilitating all City/Bank interaction.

Description	Name	Title	Phone
Relationship Officer			
Address	Email Address		

MISCELLANEOUS

1. SEMI-ANNUAL MEETING – The City shall **require** a review meeting at least once every six months to evaluate the working relationship between the City and the awarded financial institution. The objective shall be to address any problems and to seek solutions as well as keeping abreast of changes, new services, or new requirements.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

2. FORMAL AGREEMENT REQUIRED – The final appointment of the awarded financial institution shall be made by the City Council of Bunker Hill Village. The awarded financial institution shall be required to enter into an agreement that incorporates all of the requirements of their official response to this RFA, along with the accompanying related schedules and materials as called for in this RFA. The formal agreements should include: a depository bank services agreement, a collateral custodial agreement, and a FIRREA compliant resolution of certification (see #6 under the Collateral Requirements).

A sample of the Proposed Agreement form is found as Exhibit 3.

Yes, can provide as requested/required. No, cannot provide as requested/required.

Comment:

3. TAMPERPROOF DEPOSIT BAGS – Will the financial institution provide tamperproof bags at no charge?

Yes, can provide as requested. No, cannot provide as requested.

Comment:

4. ENDORSEMENT STAMPS & DEPOSIT SLIPS – Will the financial institution provide endorsement stamps and deposit slips at no charge?

Yes, can provide as requested. No, cannot provide as requested.

Comment:

This RFA is being offered by the following person duly authorized to act on behalf of the City:

Susan Grass, Finance Manager

EXHIBIT 1

BANK TRANSACTIONS BY ACCOUNT

BUNKER HILL VILLAGE, TEXAS							
BANK TRANSACTIONS							
Based on May 2021 Transactions							
DESCRIPTION	CREDITS		DEBITS		CHECKS PROCESSED		ENDING BALANCE
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	
General Fund	113	\$571,242	26	\$366,948	49	\$471,313	\$5,682,119
Interest Bearing Account	1						\$13,328,547
TOTALS	113	\$571,242	26	\$366,948	49	\$471,313	\$19,010,665

EXHIBIT 2

ACCOUNT ANALYSIS SUMMARY

BUNKER HILL VILLAGE, TEXAS	
Cash Balances - June 2020 - May 2021	
	Collected Balance
Jun-20	\$ 9,739,732
Jul-20	\$ 9,475,527
Aug-20	\$ 9,158,125
Sep-20	\$ 8,934,508
Oct-20	\$ 8,760,718
Nov-20	\$ 8,912,135
Dec-20	\$ 9,791,252
Jan-21	\$ 11,503,667
Feb-21	\$ 12,799,219
Mar-21	\$ 12,784,312
Apr-21	\$ 16,448,544
May-21	\$ 19,091,249
Average	\$ 11,449,916

EXHIBIT 3

SAMPLE DEPOSITORY BANK SERVICES AGREEMENT

THIS DEPOSITORY BANK SERVICES AGREEMENT hereinafter called the “Agreement”, is made and entered into on the date last herein written by and between the City of Bunker Hill Village, Texas, hereinafter called the “City”, and _____ a banking association, organized under the law of the United States and authorized by law to do banking business in the State of Texas, hereinafter called the “Bank”, and provides as follows:

1. **Designation of Depository.** The City, through action of the City Council, on November 16, 2021, hereby designates Bank as a primary depository bank for the period beginning March 1, 2022, and **continuing** through February 29, 2024, with the option for three (3) one-year extensions under the same terms and conditions.

2. **General.** All services rendered to City by Bank under this Agreement shall be performed in accordance with accepted commercial banking standards for public fund organizations and under the overall direction and instructions of City pursuant to Bank’s standard operations, policies, and procedures.

3. **Scope of Services.** Bank agrees to provide those services as described in the City of Bunker Hill Village, Texas Request for Application for Depository Bank Services released on July 28, 2021 hereinafter referred to as the “RFA”. The RFA and Bank’s response to the RFA, hereinafter referred to as the “Application”, are incorporated herein by reference. Bank acknowledges that all services performed by Bank are subject to the approval of City.

4. **City Representatives.** During the term of this Agreement, City will, through appropriate action of its City Council, designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of City in any and all matters of every kind arising under this Agreement and to (a) appoint and designate, from time to time, a person or persons who may request withdrawals, orders for payment or transfer on behalf of City in accordance with the electronic funds or funds transfer agreement and addenda, and (b) make withdrawals or transfer by written instrument.

5. **Custodian.** City and Bank, by execution of this Agreement, hereby designate _____ as custodian, hereinafter called “Custodian”, to hold in trust, according to the terms and conditions of this Agreement, the collateral described and pledged by Bank in accordance with the provisions of this Agreement.

6. **Custodian Fees.** Any and all fees associated with Custodian’s holding of collateral for the benefit of City will be paid by Bank and City will have no liability therefore.

7. **Entire Agreement.** The entire agreement between Bank and City shall consist of this Agreement, City’s RFA (except to the extent Bank took specific exceptions in the Bank’s Application), Bank’s Application, the Custodial Agreement with Custodian, and other such bank service agreements, policies and documents as may be required and approved by the parties (together, the “Banking Agreements”), each incorporated by reference as they presently exist and each listed in governing order of precedence in the event of conflict among the documents. This Agreement supersedes any and all prior representations, statements, and agreements, whether written or oral. The terms and provisions of this Agreement may not be amended, altered, or waived except by mutual agreement evidenced by a written instrument signed by duly authorized representatives of both parties.

8. **Collateralization.** All funds on deposit with Bank to the credit of City shall be secured by collateral as provided for in the Public Funds Investment Act (Chapter 2256 of the Texas Government Code

as amended), the Public Funds Collateral Act (Chapter 2257 of the Texas Government Code), City's Investment Policy, and Bank's Application.

If marketable securities are pledged, the total market value of the securities securing such deposits will be in an amount at least equal to the minimum required amount as per City's Investment Policy. The market value of any pledged securities (collateral) will be obtained from non-Bank-affiliated sources. Bank will monitor and maintain the required collateral margins and levels at all times.

Bank has heretofore, or will immediately hereafter, deliver to Custodian collateral of the kind and character above mentioned of sufficient amount and market value to provide adequate collateral for the funds of City deposited with Bank. Custodian will accept said collateral and hold the same in trust for the purposes herein stated. Said collateral or substitute collateral, as hereinafter provided for, shall be kept and retained by Custodian in trust so long as deposits of City remain with Bank. Bank hereby grants a security interest in such collateral to City.

If at any time the collateral in the hands of Custodian shall have a market value in excess of the required balances, City may authorize the withdrawal of a specified amount of collateral, and Custodian shall deliver this amount of collateral (and no more) to Bank.

If surety bonds or letters of credit are utilized, City shall agree as to the issuer and form of contract prior to the pledge. The amount of surety bonds or letters of credit will be at least equal to the minimum required amount as per City's Investment Policy. The termination or expiration of any surety bond or letter of credit shall be a minimum of two (2) business days after City anticipates withdrawing the secured deposit.

9. Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the party's successors and assigns.

10. Compensation. City and Bank agree that any compensation for the performance of all duties and services is set forth in the Application accepted by City. Except as may otherwise be provided in the Banking Agreements, said compensation shall constitute full payment for all services, liaison, products, materials, and equipment required to provide the professional banking services, including services, materials, training, equipment, travel, overhead, and expenses. Fees shall be fixed for the term of the Banking Agreements, including all extensions.

11. Consideration. The Banking Agreements are executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

12. Counterparts. The Banking Agreements may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. A facsimile signature will also be deemed to constitute an original if properly executed.

13. Authority to Execute. The individuals executing the Banking Agreements on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing the Banking Agreements to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute the Banking Agreements in order for the same to be authorized and binding on the party for whom the individual is signing and that each individual affixing his or her signature hereto is authorized to do so.

14. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Texas. Harris County will be the venue for any lawsuit arising out of this Agreement.

15. Notices. Except as may otherwise be specified in the applicable service-level agreements and/or set-up forms, any demand, notice, request, instruction, designation, or other communication(s)

required in writing under this Agreement shall be personally delivered or sent certified mail, return receipt requested, to the other party as follows:

Bank: _____,

_____, _____

City: Karen Glynn, P.E.
City Administrator
City of Bunker Hill Village
11977 Memorial Drive
Houston, TX 77024

Changes to notice information may be made by either party with written notification to the other party.

16. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the parties, shall, if possible, agree on a legal, valid, and enforceable substitute provision that is as similar in effect to the illegal, invalid, or unenforceable provision as possible. The remaining portion of the Agreement not declared illegal, invalid, or unenforceable shall remain valid and in full force and effect for the term remaining.

17. Binding Commitment. Bank hereby acknowledges itself duly and firmly bound for the faithful performance of all the duties and obligations required by applicable law, including the Government Code and Texas Local Government Code, such that all funds deposited with it as depository shall be faithfully kept by it and accounted for according to law.

18. Continuation. Unless this Agreement is terminated sooner, Bank's designation as the primary City Depository will remain continuously in effect through March 1, 2022 subject to execution of the extension options if applicable.

19. Termination. This Agreement may be terminated by either the City or the Bank, for any reason or no reason, by giving ninety (90) days prior written notice to the other party. Notices will be delivered as required and addressed in paragraph 15.

20. Default. Should the Bank (a) fail at any time to pay and satisfy, when due, any check, draft, voucher, wire, or ACH transfer lawfully drawn against any deposit and the interest on such deposits, the City shall give written notice of such failure or breach to the Bank, and the Bank shall have one (1) business day to cure such failure or breach, or (b) in any other manner breach its contract with the City, the City shall give written notice of such failure or breach to the Bank, and the Bank shall have twenty-one (21) days to cure such failure or breach. In the event the Bank shall fail to cure such failure or breach within such period or should the Bank be declared insolvent by a Federal bank regulatory agency, it shall be the duty of the Custodian, upon demand of the City, to surrender the above-described collateral to the City; or it shall be the duty of the surety bond or letter of credit provider to perform under the terms of their respective contract. The City may sell all or any part of such collateral, or receive all or any part of a surety bond or letter of credit settlement, and out of the proceeds thereof, pay the City all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency, or sale, accounting to the Bank for the remainder, if any, of said proceeds or collateral remaining unsold. In exercising its rights in and to the collateral, or any part thereof, City must act in a commercially reasonable manner. Any sale of such collateral, or any part thereof, made by the City

hereunder may be either at public or private sale; provided, however, it shall give to both the Custodian and the Bank two (2) hour's notice of the time and place where such sale shall take place, and such sale shall be to the highest bidder therefore for cash. The City and the Bank shall have the right to bid at such sale.

Executed by the undersigned duly authorized officers of the parties hereto:

CITY OF BUNKER HILL VILLAGE,

TEXAS

By:

Name:

Title:

Date:

ATTEST:

By:

Name:

Title:

BANK

By:

Name:

Title:

Date:

ATTEST

By:

Name:

Title:

FEE SCHEDULE

CITY OF BUNKER HILL VILLAGE Proposed Fee Schedule Based on May 2021 Activity			
DESCRIPTION	VOLUME	UNIT COST	MONTHLY COST
GENERAL ACCOUNT SERVICES			
DEPOSIT SUPERVISORY FEE	11,449,916		0
ACCOUNT MAINTENANCE	1		0
ZBA MAINTENANCE			0
CHECKS PAID - DEBITS	49		0
DEPOSIT CREDITS	28		0
ACH DEBITS	26		0
ACH CREDITS	84		0
ESTATEMENT	1		0
DEPOSITORY SERVICES			
Remote Capture Deposit Maintenance	1		0
Remote Deposit / Item	418		0
RETURNED DEPOSITED ITEMS	1		0
DISBURSEMENT RECON			
POSITIVE PAY MAINTENANCE	1		0
CHECK POSITIVE PAY PER ITEM	49		0
PARTIAL RECON PER ITEM	49		0
ALERT - FINAL PP EXC EMAIL	20		0
GENERAL ACH SERVICES			
ACH RETURNS REPORT - FAX	1		0
ACH RETURN ITEM - DEBIT	1		0
ACH AUTHORIZATION SERVICES	1		0
ACH AUTH SERVICES -PER ITEM	1		0
ORIG ITEM NOC REPAIR	1		0
UNAUTH RETURN SURCHG ITE11	1		0
EDI SERVICES			
EDI ON-LINE RPTG PER DAY			0
EDI ITEMS ON-LINE			0
WIRE & OTHER FUNDS TRANS SRVS			
INCOMING WIRE TRANSFER	1		0
DISBURSEMENT SERVICES			
STOP PAYMENT	1		0
ACH SERVICES - NET CASH			
ACH MAINTENANCE	4		0
ACH DEBIT - PER ITEM	405		0
ACH PRENOTES	1		0

ACH INPUT FEE	6		0
ACH ITEM REVERSAL	1		0
ACH NOTIFICATION OF CHANGE	1		0
ACH CREDITS - PER ITEM	11		0
ADDENDA RECORD	1		0
INFO SERVICES			
CUSTOMER ID MAINT	1		0
PRIM ACCT MAINT	1		0
WIRE SERVICES			
OUT GOING DOMESTIC WIRE	1		0
WIRE MAINT	1		0
CASH PROCESSING SERVICES			
BRANCH CASH DEP IMMED VER	1,167		0
			0
			0

COMPLETE APPLICATION CHECKLIST

(Please provide in the order listed)

- Executive Summary / Coversheet
- One (1) original so marked completed application and one bound copy.
- Completed RFA in PDF format on USB-flash drive. (Including all attachments)
- Completed Fee Schedule returned in Excel format on the USB – flash drive.
- Good Faith Performance check in the amount of \$5,000 payable to the City of Bunker Hill Village

COMMENTS:

- PRO-FORMA ACCOUNT ANALYSIS** – A pro-forma account analysis statement using your format and service descriptions that reflect your proposed fees based on the volumes provided in this RFA and indicate any capability to provide the information electronically.

COMMENTS:

- SAMPLE COLLATERAL AGREEMENT** – As required by Bank / Custodian named in the RFA.

COMMENTS:

- SAMPLE SAFEKEEPING AGREEMENT** – As required by Safekeeping Agent.

COMMENTS:

- SAMPLE SAFEKEEPING REPORT OF CITY-OWNED SECURITIES** – Sample safekeeping report of the City owned securities that the City will receive monthly.

COMMENTS:

- SECURITIES SAFEKEEPING FEES** – Schedule of Securities Safekeeping Fees.

COMMENTS:

- REFERENCES** – List of at least three (3) comparable references and current Texas public funds clients, with total number of collateralized Texas public fund clients.

COMMENTS:

- SAMPLE FIRREA COMPLIANT DOCUMENT** – A sample copy of the bank’s document that clearly shows that the bank’s Board or designated committee has accepted the depository contract and authorized the pledge of collateral, with a permanent record of this action to be maintained in the minutes of the bank.

COMMENTS:

COMPLETED AND SIGNED DISCLOSURES – As required and applicable within the RFA.

COMMENTS:

COMPLETED AND SIGNED APPLICATION SUBMITTED BY FORM – Please include the signed form in the PDF file as well.

COMMENTS:

EXCEPTIONS TO RFA REQUIREMENTS – Please provide a summary of any exceptions your institution has noted regarding the requirements as contained in this Request for Applications.

COMMENTS:

SUBMITTER'S INITIALS: _____