



DETAILED SPECIFICATIONS

REQUEST FOR PROPOSALS FOR BANK DEPOSITORY SERVICES BDP-241225-08

[Abstract](#)

Please find below, the detailed specifications and requirements for RFP BDP-241225-08

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I. INTRODUCTION

The Brownsville Navigation District (dba Port of Brownsville) was created in 1929 for the purpose of developing and operating a deep-water Port facility directly on the U.S. Mexico border. The Port is a political subdivision of the State of Texas and is an independent governmental entity subject to the provisions of Chapters 60 of the Texas Water Code. It is governed by a five-member Board of Navigation and Canal Commissioners (the "Board") which approves all Port policies, rates and contractual obligations.

The Port, pursuant to Chapter 105, Texas Local Government Code, is requesting proposals from eligible and qualified financial institutions to provide the Port the depository services as described below. The services will be in accordance with this Request for Proposal (the "RFP") and attachments. It is the Port's intent that a Depository Services Agreement detailing the services to be provided will be duly executed between the Port and the selected financial institution(s). This RFP and the proposal submitted will be incorporated into the final depository services agreement, as entered into by the parties.

The objective of this RFP is to identify the financial institution(s) most capable of providing the highest level of service and highest earnings at the lowest cost to the Port. Through this contract(s), the Port intends to minimize banking costs, improve operation efficiency, and maximize earnings.

Any and all service charges and fees associated with the Depository Services Agreement and services to be provided must be clearly and accurately included in the RFP response. The Port will not be obligated by any charges and fees, not clearly and accurately presented in the RFP response. Fees not included as part of this RFP to provide the services required will not be considered as part of the bid and therefore will not be paid for unless they relate to a new service during the contract period. Unanticipated services initiated after commencement of the Depository Services Agreement shall carry charges and fees mutually agreed to, in writing, by the Port and the financial institution(s).

All questions and materials requested in this RFP must be responded to in the order given to equitably evaluate each proposal and the Proposer's ability to serve the Port. A complete response must be given to each item in the **Scope of Services** section in the order given along with completion of **Attachment A (Respondent Questionnaire)** and **Attachment B (Proposed Bank Service Fee Schedule)**. The Port anticipates and appreciates concise and complete proposals. However, additional and necessary explanatory information or materials may be included in the proposal.

Bank Group Summary Analysis (Exhibit C), Summary of Deposits (Exhibit D), and Summary of Disbursements by Type (Exhibit E) contain historic activity and balance information for the Port's accounts and are provided to assist the Proposer. Actual activity could vary significantly.

PORT INVESTMENTS

The Port reserves the right to purchase, sell, and invest its funds and funds under its control, including bond funds, as authorized by the Texas Government Code, Chapter 2256, Public Funds Investment Act, and in compliance with the Port's Investment Policy. The Port may choose to invest in time deposits at the institution, but all investments including CDs are bid competitively at the time of purchase. The Port reserves the right to continue to invest in local government pools for additional liquidity and earnings.

COLLATERALIZATION

The Proposer must provide collateral per the Texas Government Code, Chapter 2257, Public Funds Collateral Act and further defined by the Port's Investment Policy and this RFP. The depository/collateral agreement will be executed under the terms of FIRREA. Conditions and details regarding collateral are included in the **Scope of Services - 12. Insured Accounts and Collateralization of Deposits** of this RFP.

MINIMUM QUALIFICATIONS

By responding to this RFP, each respondent acknowledges and understands that the requirements of the Local Government Code Chapter 105, the Public Funds Investment Act, codified as Chapter 2256 of the Texas Government Code, the Public Funds Collateral Act, codified as Chapter 2257 of the Texas Government Code, and the District's Investment Policy as amended and attached hereto as **Exhibit B (Port Investment Policy)** shall apply. Without limiting the foregoing, each Bank acknowledges that the following minimum qualifications shall apply:

- A. The Bank must be a Federal or Texas Chartered Bank that has its main office or a branch office in the State of Texas.
- B. The Bank must have an office or branch physically located within the geographical limits of the City of Brownsville, Texas.
- C. The Bank must be a member of the Federal Reserve System and must be federally insured.
- D. The Bank must be a direct member of the National Automated Clearing House Association (NACHA).
- E. All deposits in respect of the depository services must be secured by eligible collateral in an amount not less than 102% of the amount of the deposit, increased by any accrued interest and reduced to the extent federally insured. Such collateral must be in place five (5) days before services commence.
- F. All collateral will be maintained in a custodian approved by the Port and meeting the requirements of the Public Funds Collateral Act and the Port's Investment Policy. The custodian must hold in trust the securities to secure the deposit of public funds of the public entity in the depository pledging the securities.

CONTRACT TERM

The contract will commence after the awarding of the contract by the Board and successful completion and execution of all depository and service agreements that are required to be executed under the contract for services rendered including any standard depository and collateral agreements and any other service agreements. The initial term will be for a period ending on December 31, 2027, with a provision for two one-year continuations under the same terms and conditions of the contract contingent upon mutual agreement by both parties. The agreement will also provide for a transition period for migration to a new bank at the end of the term.

II. ACCOUNT ACTIVITIES

The Port's Finance Department handles all banking, treasury, and investment activities as well as accounts payable, receivables, and financial reporting functions. The Finance Department also handles all bank reconciliations. The Finance Department consolidates all payments received in cash and check and deposits to the bank daily. An average of five (5) individual deposits are made at the branch each day. Currently branch deposits are made by Port staff.

The Port utilizes automated banking services wherever cost effective. This proposal should address the automation potential for all services. Reporting should be electronic and downloadable.

- The Port does not currently use remote deposit services but will consider implementing its use during the contract period.
- The Port does not currently use Positive Pay services. As stated in the RFP, Proposers should include a description of fraud prevention services including positive pay if available.
- The Port does not currently use Remote Deposit Capture services but will consider implementing its use during the contract period. Proposers should describe any Remote Deposit Capture capabilities. The Port will require only one Remote Deposit Capture machine if the Port elects to use this service.
- The Port does not currently use armored car services.
- The Port does not currently accept credit card payments from customers.
- The Port does not accept foreign currencies. The Port conducts all transactions in U.S. Dollars.

The four main accounts for the Port are the Operating Account, Clearing Account, Vendor Account, and Payroll account. The District reserves the right to add or remove accounts as necessary to meet its needs (Special Purpose Accounts).

- Operating Account.* The District maintains a master operating account. This account receives internal transfers from other District accounts receiving third-party deposits. Funds are transferred to the District's Vendor, Payroll, and Special Purpose Accounts for settlement of vendor payments, payroll, and balances held separately.
- Clearing Account.* The District maintains a general-purpose clearing account. The clearing account will be used for third party deposits. Online payment processing services is preferred. Online image access and online access to previous day transaction detail is required.
- Vendor Account.* The District maintains a general-purpose vendor disbursement account. The vendor disbursement account is used for vendor and other third-party disbursements (other than payroll). Online image access, paid item inquiry, and stop payments are required. Online access to previous day transaction detail is required.

- D. *Payroll Account.* The District maintains a payroll account with customary direct deposit payroll capabilities. Online image access, paid item inquiry, and stop payments are required. Online access to previous day transaction detail is required. The District requires that the Applicant accept submission of direct deposits for payroll on Thursday by 4 pm for next-day settlement. The District pays 100% of its employment wages via direct deposit for about 135 employees.
- E. *Special Purpose Accounts.* The District will from time to time maintain special purpose funds and accounts in addition to those listed above. The capabilities and service of these special purpose accounts shall be agreed upon between the District and the Bank at the time they are established. The Port currently has 15 special purpose accounts.

Additional Account Activity – Retirement Plan for Employees of Brownsville Navigation District

The Brownsville Navigation District of Cameron County, Texas (the “District”) is the Plan Sponsor of the Retirement Plan for Employees of Brownsville Navigation District (the “Plan”). The Plan has its own EIN and is a separate and distinct entity from the Brownsville Navigation District of Cameron County, Texas. A bank account for the Plan under its EIN is controlled by the District and maintained by District staff.

The District is requesting that the bank account for the Retirement Plan for Employees of Brownsville Navigation District (the “Plan”) be taken into consideration by respondents and for respondents to include this account in their proposal submittal. The District requires the same level of collateral maintained for the District’s own accounts to be provided for this account. The Plan Account will require its own Treasury Management Agreement, Wire/ACH agreement(s) and Master Signature card.

III. PROPOSAL CONTENTS

Proposals should be indexed and organized in a manner consistent with the sub-sections identified in this Section. A table of contents should be included. Proposals should be concise, straightforward, and should fully address each request for information contained in this RFP, in the order requested. Emphasis should be on completeness and clarity of content with sufficient detail to allow for accurate evaluation and comparative analysis.

- A. *Cover Letter.* All proposals must be accompanied by a cover letter signed by an individual authorized to bind the proposing entity.
- B. *Overview of Qualifications.* Submit a brief and general description of the respondent's overall qualifications and experience in providing depository banking services to political subdivisions and governmental entities in Texas, and the administration of public funds. Such narrative description may specifically address any unique capabilities offered by the respondent in connection with the Scope of Services described herein. The respondent should also include a general discussion of the respondent's philosophy, policies, procedures, and safeguards for continued compliance with the insurance, collateralization and custodial requirements under the Public Funds Collateral Act. This section should also include a description of the respondent's branch locations and business presence in the City of Brownsville and the State of Texas, including locations conveniently located to the District (1000 Foust Road Brownsville, Texas 78521).
- C. *Scope of Services.* Provide responses to the items included in the Scope of Services section of this RFP. Attach any relevant supporting information or documentation as needed.
- D. *Respondent Questionnaire.* Complete and return the Respondent Questionnaire attached hereto as **Attachment A – Respondent Questionnaire**. Attach any relevant supporting information or documentation as needed.
- E. *Summary of Fees and Charges.* Submit a summary of the proposed fees and charges of the institution in connection with the Services requested. Please refer to **Attachment B – Proposed Banking Service Fee Schedule** for example format. Such schedule should include any and all applicable fees and charges relating to the Services, including but not limited to applicable servicing fees, account analysis fees, deposit slip order fees, wire transfer fees, ACH fees, custodial fees, stop payment fees, and overdraft fees.

All service and account charges/fees will remain at the proposed fee schedule submitted for the duration of the contract period regardless of changes in service volumes during the period. Fees not included in the cost proposal to provide the service required will not be considered as part of the proposal and therefore will not be paid unless they relate to a new service during the contract period.

Should new services be required during the contract period not contemplated in this RFP, those services will be provided at fees not more than the bank's then-current published rate and

mutually agreed to in writing by both parties. It is critical that all charges and fees to provide the requested services are included in the cost proposal. If the attached Banking Services Schedule does not detail line-item fees as defined by your institution which are required for a particular service, the fee type and level should be added and clearly identified.

The Port reserves the right to utilize either a fee basis or compensating balance basis (or a combination of each) for payment of banking services under the contract. The Port reserves the right to change the payment methodology during the contract period upon no less than 30 days' written notice to the bank with the change commencing on the first of a calendar month. This will enable the Port to take advantage of changing interest rates. A complete monthly account analysis will be required regardless of the payment basis.

- F. *Depository and Collateral Agreements.* Submit the respondent's proposed form of depository agreement and collateral agreement. Such forms should be generally suitable for the provision of banking services to governmental entities in compliance with the Public Funds Collateral Act and should generally reflect the scope of services described herein.

IV. SCOPE OF SERVICES

For each of the services listed below, provide a brief response confirming the proposer's ability to provide the services. Responses may also include a brief discussion of the proposer's unique qualifications or capabilities with respect to such services.

REQUIRED SERVICES. These services are mandatory and must be provided to the District by the selected financial institution. The only exceptions are acceptable alternatives or non-material deviations. The District retains the option in the case of certain services to elect not to use them, in the District's sole discretion. The financial institution should provide the specific fees and charges for each service.

1. **Account Executive.** To ensure smooth contract implementation and the continuation of service levels, a specific account executive and a back-up at the local depository must be assigned to the Port account. These individuals will be responsible for coordinating services and expediting solutions to any problem encountered. The account executive should be available to meet with Port staff to review the relationship and discuss depository matters as needed and at a minimum, annually.
 - A. Provide the name and title of the proposed account executive and the name and position of the back-up representative.
 - B. How will an alternative be selected?
 - C. What level of support is provided by the local representative? Are other contacts required with depository contacts/departments for any general situations?
 - D. How often does the representative plan to meet with the Port on services?
2. **Customer Service.** Timely and responsive customer service will be a primary focus of the Port on a continuing basis. The Port requires ongoing rapid service and dedicated support should emergency situations occur. Describe the institution's philosophy and approach to satisfying this need by addressing the following:
 - A. How will the institution satisfy the Port's need for superior customer service?
 - B. How will the institution provide the Port with relationship support for its services?
 - C. How will the institution communicate depository issues, problems, or new products?
 - D. Is there a formal process for escalating problems/issues that are unresolved?
 - E. How is service and overall contract performance monitored?
 - F. How does the institution intend to support the new and ongoing automation needs of the Port?
 - G. What support will the institution be able to offer the Port in a disaster situation to maintain stable depository functions with regard to systems, telecommunications and power, and operational facilities?

3. **Depository Account Structure.** The Port is responsible for safeguarding and ensuring that all Port funds are earning at the best, then-current interest rates available at all times. The Port currently has an interest-bearing demand deposit account structure and is the preferred structure.

The Proposer shall be required to establish and maintain the accounts described in the **Account Activities** section of this RFP. Please confirm the Bank's ability to provide such account services and provide a description of the Bank's capabilities or offerings with respect to such services. Discuss any limitations or qualifications.

The Proposer shall clearly describe the institution's most cost-effective account structure (interest-bearing accounts, zero balance accounts (ZBAs) or sweeps, etc.). The Proposer shall provide information regarding interest rates, the basis for determining monthly interest rates (interest rate formulas and calculations), costs and minimum balance requirements. Customary monthly bank statements must be provided for all interest-bearing demand accounts.

- A. Fully describe the proposed account structure.
- B. If an SEC registered money market fund is proposed for sweep application, provide the full name and identifying cusip of the fund along with a link to the prospectus. It must strive to maintain a \$1 net asset value (NAV)
- C. If swept, are funds swept at end of day or next day?
- D. How is interest earned reported from a sweep? If a daily or monthly report is created provide a sample.
- E. Provide the proposed computation basis for interest rates.
- F. State the average interest rate on the recommended alternative structure for the past twelve months.
- G. Confirm that the Port may use a compensating balance or fee basis for payment of bank fees.
- H. Interest earned on interest bearing accounts shall not be charged as an expense on the account analysis. Confirm acceptance of this condition.

The Port may be required or may desire to open additional accounts, close accounts, or change account types during the contract period. If this occurs, the new accounts and services shall be charged at the same contracted amount or, if unanticipated, at not more than published rates.

4. **Automated Cash Management Information (Online Banking) and Imaging.** The Port requires a secure web-based reporting system whereby authorized employees will have direct access to the Port's accounts. Online services should include balance and detail reporting, image inquiry, transaction inquiry, deposit history, transfer options (including the ability to process EFT (wire/ach) payments online), and other online web applications that can provide added convenience and cost savings.

The Port requires imaging of all checks, deposit slips and deposit items. All statements and account analyses must be available in electronic form along with archiving of information. To reduce paper handling and storage, the Port is focused on electronic processing and imaging. The Port must have administrative control regarding online access.

The Port desires timely access to downloadable information for direct download to the Port's financial ERP software Tyler Technologies ERP Pro 10. Daily balance reporting should include details on all transactions with summary reporting on closing ledger and collected balances, at a minimum.

Respond below with a description of the Proposer's online banking capabilities and discuss any limitations or qualifications.

- A. Submit samples of major screens available or provide a link to the Proposer's automated information system demonstration module to review the capabilities.
 - B. Fully describe and list the depository's on-line service capabilities and systems.
 - C. Describe the ability to search on historical transactions and reports as well as the ability to retrieve and download historical images.
 - D. What level of customization is available for reporting?
 - E. When is previous day's information available? Is intra-day information real-time or periodically made available throughout the day? Specify update scheduling.
 - F. Define the history retention schedules for various types of online information.
 - G. Describe the security protocol for online services. How is authentication and authorization provided? Is dual authentication required?
 - H. How and by whom is the administration of the security module established and maintained?
 - I. What are the hours of availability for technical support? How is that support provided? Is training available?
 - J. What items are imaged (checks, statements, deposit slips, deposited items, etc.)?
 - K. Describe your alert/event messaging process. Are alert/event messages sent via email, text or simply online? Must the user be online or are text/emails sent directly to individuals as defined?
 - L. Do you provide download services for other entities using Tyler Technologies ERP Pro 10 Enterprise Resource Planning system software?
 - M. Provide a list of ERP software you are transmitting or downloading information into currently.
 - N. Fully describe your mobile services including security provisions for those services.
5. ***Standard Deposit and Collection Services.*** The Port requires standard commercial deposit services. The Port takes deposits to a branch. Branch deposits of coin/currency are made daily. Over the counter deposits contain coin and currency. Coins are not rolled and currency is not strapped.

The Bank must guarantee immediate credit on all incoming wire transfers, ACH transactions, and U.S. government security maturities and coupon payments upon receipt and all other checks based on the bank's published availability schedule. Any expedited availability options should be noted in the proposal. The Bank should specify in their proposal their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

- A. What is the depository's daily cut-off time to assure same day ledger and, pending availability, collected credit at the branch?
 - B. Can the institution accept armored car deposits at a branch?
 - C. Is a vault deposit required? Describe.
 - D. When and how are credit/debit advices sent to the Port? Preference will be given to electronic delivery.
 - E. What deposit images are provided online? When?
 - F. How does the depository handle discrepancies in deposit amounts? What dollar limits are used for decisioning? What settlement process is followed?
 - G. How and when does notification of return items take place?
 - H. How are returned checks reported to the Port? Do all NSF/returned item advices include a full description and reason for return? List the elements reported.
 - I. What type of deposit bags are used or required? Do these include sealed tamper proof deposit bags? Are these available from the depository?
 - J. Can the depository provide location tracking on deposits? Describe.
 - K. What advance notice is required for change orders? Branch and vault?
 - L. Provide a list of all the institution's locations in Brownsville and surrounding areas.
 - M. Besides positive pay, how does the depository assist in fraudulent check recovery?
6. **Standard Disbursing Services.** Standard disbursing services for all accounts are required to include the payment of all checks upon presentation. Discuss any limitations or qualifications.

The proposer must offer check sorting by check number for the District's largest volume checking account, the Vendor account. Please state charges for this service.

- A. When is daily check clearing information available online through intra-day reporting? How long are transaction details maintained online? Does this include images?
 - B. Does the institution image all checks and deposits?
 - C. Are checks and deposit images available online? When are they made available?
 - D. Are images and reports downloadable?
7. **General ACH Services and Direct Deposits.** The District receives payments using ACH services. In addition, the District utilizes ACH services for its accounts payables functions. The Port expects to continue moving toward more ACH transactions for vendor transactions. The Port requires pre-notification and filters/blocks on all accounts. The Proposer must be a member of NACHA.

Describe in detail the capabilities, requirements, and deadlines for ACH transactions, including wire cutoff times, the deadline by when funds will be received by payees as well as other receiving banks and capabilities for same day and next-day settlement. The proposer's policies regarding ACH and Direct Deposit transactions must be specified.

- A. Is online ACH service available for individual transactions as well as by transmission for batched files?

- B. Can the depository provide same-day, one-day, and two-day transactions?
 - C. Will the Port be debited on initiation or settlement?
 - D. What is the policy and process for handling of ACH returned items? What details are provided on ACH return report?
 - E. Can ACH items and files be future dated? How far in the future?
 - F. What specific filters and blocks are available? How are items reported?
 - G. What process is used for file and item reversals and deletions?
 - H. Are ACH addenda shown in their entirety on-line and on detail reporting, reports and statements?
 - I. How is the addenda information made available – online and on reports?
8. **Wire Transfer Services.** The Port currently has limited wire activity. Wires are largely domestic. International wire capability is required. Incoming wire transfers must receive immediate, same day collected credit. Wire initiation must be available online. The Port requires that wires be released on the same or scheduled business day if information is provided by the established deadline.

A standard wire transfer agreement will be executed with the institution. This proposal should include a copy of your standard transfer procedures and wire transfer agreement. The District requires adequate security provisions and procedures. The proposer's policies regarding wire transfers must be specified.

- A. Are wires and book transfer transactions initiated online?
 - B. Can wire status be monitored online? Is online notification on wires provided?
 - C. Can repetitive templates be created and stored? Is there a fee?
 - D. Describe the wire security protocol. What level of authorization/release do repetitive or non-repetitive wires require? Is dual authorization required for all wires?
 - E. Is future dating of wires and transfers available? How far in advance?
 - F. Can international wires be sent from the online system?
 - G. Describe wire detail reporting.
 - H. Describe wire access on mobile devices.
 - I. State wire access and cut-off times.
 - J. Describe the processing of book debits/credits.
 - K. State the depository's policy on the use of ledger balances for outgoing wires in anticipation of scheduled activity or incoming wires.
 - L. Can internal account transfers be processed totally on-line? Book debits/credits? Is there a charge for internal transfers?
9. **Overdraft Provisions.** The Port does not intend to have an overdraft position on any of its bank accounts. In the event a check or checks are presented for payment on any Port account with insufficient funds available for payment, the Port will require the bank to honor the Port's check and immediately notify the Port of the overdraft situation. Describe the procedures for handling overdrafts on the Port's aggregate account balances. Any agreement required by proposer to be

executed in connection with a formal overdraft facility should be submitted with the proposal response.

- A. Are all accounts aggregated for overdraft calculation purposes or do accounts stand alone?
- B. State the rate basis for intra-day and overnight overdrafts.

10. **Stop Payment Services.** The Port does not regularly use stop payment services. Online stop payment process and an automatic renewal process is preferred. Describe the institution's policy, procedures, and deadlines for stop payment services including automated and manual types.

- A. What are the time periods available for initial and renewal stop pays?
- B. How is a stop pay extended/renewed? Are all transactions online?
- C. What is the deadline for same day action on stop pays?
- D. What information on current and expiring stop pays is available on-line?
- E. Will the on-line system verify if the check was cleared before accepting the stop pay? How far in the past will transactions be verified?

11. **Fraud Prevention Services.** Describe the depository bank's ability to provide fraud prevention services (i.e., positive pay services). The proposal must describe in detail the Proposer's policy, procedures, and deadlines for the positive pay services offered to the Port to protect all form of payment disbursements and withdrawals from its accounts at the institution. Proposals should also include a description of other fraud-prevention services offered by the bank such as ACH debit blocks, ACH debit filter, post no checks services, etc.

- A. Describe data transmission file and timing requirements for check registers. Are transmissions charged by file and by detail item?
- B. Is payee positive pay input for manual checks available online? Describe the process.
- C. Is exception reporting and handling managed totally online? Describe.
- D. At what specific time is positive pay exception information reported to the Port?
- E. How is notification made? Is there daily notification of exceptions? Must the user be online to receive notification or will alerts be sent?
- F. At what specific time is the response required for Port exception elections?
- G. Does the depository review exceptions (scrub) errors for possible repair before creating a Port exception item?
- H. Are all checks, including those received over the counter by the tellers, verified against the positive pay file before processing? How often is teller over the counter (OTC) information updated? If not verified, what are the process, liability, and security on over the counter (OTC) transactions?
- I. Does the institution offer any bank account verification services to assist with vendor management?
- J. What other services are available to help minimize fraud risk?
- K. What protective measures will the depository take to prevent or recover from electronic fraud?

12. ***Insured Accounts and Collateralization of Deposits.*** As required by the Public Funds Collateral Act, the financial institution must agree to obtain and maintain acceptable collateral at all times. Authorized collateral, as defined below, must be pledged against the total time and demand deposits net of FDIC insurance with a 102% margin and maintained daily by the institution. All Port requirements, as described below and in more detail in the Port's Investment Policy, including those more restrictive than the Public Funds Collateral Act, must be met by the institution.

The proposal must state agreement to the following terms and conditions:

- All collateral pledged to the Port must be held by an independent custodian at a (i) depository with a branch office in the State of Texas, (ii) Federal Reserve Bank, or (iii) another custodian meeting the requirements as specified in the Public Funds Collateral Act (Texas Government Code, Chapter 2257).
- A collateral agreement shall be executed with the Port for custody of pledged securities in full compliance with FIRREA requiring a depository resolution. (Or completion of Circular 7 if the Federal Reserve is acting as custodian.)
- All time and demand deposits above FDIC coverage shall be collateralized at a market value minimum of 102% of principal plus accrued interest daily.
- The institution shall be responsible for the daily monitoring and maintaining of collateral at the Port's required margin levels.
- Pledged collateral shall be evidenced by original safekeeping receipts/report/advices sent directly to the Port preferably by the custodian within one business day of receipt.
- The Port shall receive a monthly report of collateral pledged including description, par, market value and CUSIP, at a minimum, preferably from the custodian. This report must be provided no later than five (5) business days following the last business day of each month.
- Collateral must be in place at a minimum of five business days before deposits are made initially.
- Substitution of collateral will be subject to approval by the Port, not to be unduly withheld. Substitutions of collateral will be requested in writing and new collateral must be received before the existing collateral is released.
- Whenever it is determined by the Port that collected funds on deposit are not fully covered by the approved securities, the institution shall immediately deposit and pledge additional approved securities in an amount sufficient to restore collateral to the required level.

Authorized collateral includes only approved securities as specified by the Port's Investment Policy and the Public Funds Collateral Act (Texas Government Code, Chapter 2257). The Port desires pledged individual securities over other forms of authorized collateral. Online access to daily collateral reports is preferred. If exceptions to any of the conditions are made, they must be fully detailed.

Respond below with a discussion of the Bank's experience in providing collateralization services and how it monitors collateralization levels to Texas governmental entities in accordance with the Public Funds Collateral Act.

- A. What institution will the Proposer use to serve as the custodian?
- B. Will the custodian provide online access to pledged security reporting?
- C. Will the custodian provide daily mark-to-market?
- D. Will monthly reports and receipts be provided by the custodian or the depository or a third party?
- E. Does the institution propose any collateral charges? If so, under what conditions are they charged and how is the charge applied?
- F. What is the institution's deadline for requesting collateral in excess of existing requirements?

13. ***Safekeeping/Custody Services.*** The Port is not currently using safekeeping/custodian services but would prefer it if the institution is able to provide book-entry safekeeping services for securities owned by the Port. All Port investments will be made by the Port and instructions for clearing and safekeeping will be transmitted in writing or on the institution's automated system. The institution and its brokerage subsidiaries will not be used for brokerage services to assure delivery versus payment settlement (DVP).

All securities must be cleared on a delivery versus payment (DVP) basis and ownership documented by original clearing confirmations and safe-keeping receipts/reports/advice provided within one business day of the transaction. Funds for investments will be drawn from a designated Port DDA account. All security income must receive automated same day collected credit on the Port designated account without requiring additional Port action.

If the institution is not a member of the Federal Reserve or a Federal Home Loan Bank and utilizes a correspondent bank for safekeeping of Port securities, the Port would prefer the transactions to be handled through the institution's systems and not require additional interaction by the Port with the correspondent bank. No delay in transactions, wires or flow of funds will be acceptable under a correspondent relationship.

- A. Does the depository provide safekeeping/custody services? Is the Proposer proposing safekeeping or custody services? If not, what correspondent would be used?
- B. Are trades required to be entered into an automated system? Does the system require dual authorization or initiation/release? Describe the process and show example screens.
- C. Is online monitoring of transactions available? How and when?
- D. Is online access to security holdings report available? How?
- E. Describe depository safekeeping arrangements proposed if a correspondent depository is to be used.
- F. How are services charged (CUSIP or Par Amount, etc.) for individual clearing, safekeeping, and income distribution?
- G. Will safekeeping be hard charged or charged through analysis?

- H. Are notifications sent on all transactions? When and how?
- I. What time are delivery instructions required? Is there a fee charged for late instructions?

14. **Account Analysis.** Monthly account analysis reports must be provided by the institution for each account and on a total account basis in a timely manner. A complete account analysis will be required monthly regardless of the payment basis. A sample account analysis format must be provided as part of the proposal.

- A. When is the analysis available online each month?
- B. How long is it maintained online?
- C. How are account analysis fees collected?
- D. Provide a sample.

15. **Monthly Statements.** The institution must provide monthly account statements on all accounts with complete supporting documentation. The Port currently receives and requires statements online. All accounts must be on a calendar month cycle. Timeliness of statements is critical.

- A. When are monthly statements available online each month?
- B. How long are they maintained online?
- C. Does the statement include images?
- D. Provide a sample.

16. **Banking Supplies.** The proposal must clearly identify and describe the types of, quantity, and frequency of banking supplies that will be made available for the District's use and indicate the cost (or state that such are provided at no cost to the District) such as deposit bags, deposit slips, etc.

The Proposer must offer deposit books in duplicate (original and one copy) and triplicate (original and two copies) and must offer endorsement stamps. Please state charge for this service.

OPTIONAL SERVICES. The following is a list of services that the District may wish to use depending on the cost, quality and availability of the services offered. If there is a cost for these services, it must be specified in the proposal. In addition, any other services that the institution may wish to offer to the District may be included with the submitted proposal package. Submission of Optional Services information is not required, but they may be taken into consideration during the evaluation.

17. **Lockbox Services.** The District may choose to utilize lockbox services for certain revenue collections. Describe the service including the lockbox location and a full description of the service.

18. **Remote Deposit Services.** The Port does not currently use Remote Deposit Services. All checks are processed at one location. A web-based system is required. Describe the policy, procedures, and deadlines for the Proposer's remote deposit services including type of equipment and software to be used.

- A. Describe the depository's remote deposit/capture processing.
- B. Describe equipment needs, capabilities, and limitations.
- C. What is the final deposit cut-off time with remote deposit?
- D. Provide a sample remote deposit batch report. How long are these reports retained for access online?
- E. Will the Proposer provide a scanner free of charge? If not, is scanner equipment available through the contract: purchase or lease? List the equipment required along with its approximate cost(s).

19. **Merchant Card Processing Services.** Describe any merchant card processing services that the bank offers including PCI compliance, client's site and merchant processor connectivity, rates, type of equipment and software to be used.

- A. Does the Depository currently offer merchant card processing services? How long has this service been available? What interface format(s) does the Depository's system supply?
- B. What delivery methods and equipment options are available (online, app, in-person)?
- C. How many institutions and end customers do you have?

PROPOSED ADDITIONAL SERVICES. If the Proposer wishes to present alternative or additional services not covered by the RFP, please provide summary information on the service in this section.

V. EVALUATION CRITERIA AND SCORING

This procurement process is being conducted pursuant to Chapter 60 of the Texas Water Code, Chapter 105, Local Government Code, and the Port's Procurement Policy. Responses to this RFP will be evaluated and ranked. Based on the evaluation, Proposers may be asked to make a presentation of their proposal. The determination as to the need for presentations, including the location, order, and schedule of the presentations, shall be at the sole discretion of the Port.

The Port will carefully review the submitted proposals. The Port will consider various types of criteria for its evaluation and selection. The staff recommendations to the Board shall be based on the proposal determined to be "the best value" for the Port. As such, the Port will consider the best value criteria during its evaluation of the proposal. The best value criteria, in no particular order of priority, include the following:

- The cost of depository services.
- The reputation of the financial institution and of their services.
- The quality of the financial institution's services.
- The extent to which services meet the Port's needs.
- The financial institution's past relationship with the Port, if any.
- The total long-term cost to the Port to acquire the financial institution's services.
- Any relevant criteria specifically listed in the RFP.

The Port will also consider other relevant criteria for evaluation of proposals including,

- Capability to meet the qualifications, terms, and conditions specified in the RFP.
- Ability to provide and perform the required and requested services.
- Financial creditworthiness, strength, and stability of the proposer.
- Ability to provide required collateral for deposits.
- Customer service structure and network.
- Completeness of the Proposal and responsiveness to questions and requests within the RFP.

All these elements will be combined for evaluation of the proposals submitted.

The Port will rate proposals on a scoring system. Each proposer is responsible for submitting all relevant, factual, and correct information with their proposal. The Port will assign a ranking score to each Proposer based on the evaluation criteria for **100 total possible points** as follows

- Safety and Creditworthiness - 35 points
- Experience and Service Availability - 30 points
- Cost of Services - 15 points
- Interest Rates - 20 points

List of Exhibits provided by the Port:

1. Exhibit A - Web site link to the Port's audited financial statements.
2. Exhibit B – Port Investment Policy
3. Exhibit C – Bank Group Summary Analysis
4. Exhibit D – Summary of Deposits
5. Exhibit E – Summary of Disbursements by Type

List of Attachments/Schedules to be provided by the Proposer:

The following information **must** be included with the proposal:

1. Digital/Electronic copy of the Depository audited financial statements (can be provided on a USB device or link to web site).
2. Corporate or audited financial statements and the individual Depository's call report for members of Depository holding companies (can be provided on a USB device or link to web site).
3. Uniform Bank Performance Report (can be provided on a USB device or link to web site).
4. Certification of the financial institution's Community Reinvestment Act (CRA) rating (can be provided on a USB device or link to web site).
5. Attachment A – Respondent Questionnaire
6. Attachment B – Proposed Bank Service Fee Schedule
7. Any agreement(s) (including those not directly referenced in this proposal) which will be required to be executed under the contract as applicable.
8. Samples of major screens or web access for automated cash management system.
9. Samples of any other relevant banking reports (i.e., monthly account statements, account analysis reports, Positive Pay exception notifications, etc.)
10. List of references.