



EANES ISD
AUSTIN, TEXAS

Request for Proposal Form

for Depository Services
by Eanes Independent School District

Proposals are due: February 24, 2017

Definitions and Instructions

In this document, the terms “you” and “your” refer to the depository bank, and “we,” “our,” and “us” refer to the district named above.

You must answer all questions in this form and provide it to us as your proposal. We have the right to reject any proposal. If any part of this proposal or any contract entered into between you and us is invalid, the remainder, at our option, remains in force and is not affected. We have the right to use a sub-depository bank other than the primary bank.

Bank Compensation

We may pay for your services by targeted balances or by fees and change the methodology when appropriate. We will maintain balances in the checking accounts to compensate you in full or in part for services provided if a compensating basis is chosen by us.

In either a compensating balance or fee basis, you must provide a monthly account analysis that reflects the earnings credited for these balances and all fees and charges.

We will direct any overnight investments utilized. If a money market mutual fund is used it must be registered with the Securities and Exchange Commission (SEC), rated AAA and strive to maintain a \$1 NAV. Prime money market funds, off-shore investments and repurchase agreements are not authorized as sweep mechanisms.

Complete Attachment B for all your historical rates. If any of these rates is based on an index rate (such as the T-Bill auction rate), stipulate how you will use the index to calculate the rate. We may choose to pay for your services on a straight fee basis in which we will not maintain a targeted balance. You will assess fees, and we will pay them in accordance with your proposed fees as listed on Attachment A, Volumes for Pricing Transactions. Fees not included on Attachment A will not be valid through the contract period except on new types of services added under the contract.

Historical monthly averages for services currently used have been presented on Attachment A. Based on the services required to provide the services detailed below and including any alternatives or optional services presented by you and accepted by us, Attachment A must be completed with a complete fee schedule for those services.

All fees which may be charged to supply the services must be included or will not be eligible under the contract. We and you reserve the right to mutually agree upon any change of contract terms or pricing during the contract extension periods.

By submitting this proposal, you acknowledge that you agree with and accept all specifications in the proposal except as you expressly qualified in the proposal.

District Investments

All investments are under our sole direction and we reserve the right to purchase, sell, and invest all our funds and funds under our control as authorized by the Texas Government Code, Chapter 2256, Public Funds Investment Act, and in compliance with our investment policy.

We may choose to invest in time deposits at the depository, but all investments including certificates of deposit are bid competitively at the time of purchase.

Collateral

Collateral Conditions

You must provide collateral equal to 102% (and 110% if mortgage backed securities are used as collateral) of all our time and demand deposits plus accrued interest minus applicable Federal Deposit Insurance Corporation (FDIC) coverage.

Collateral will be documented as pledged to us and held in an independent safekeeping institution by a custodian or permitted institution as specified by the Texas Government Code, Chapter 2257, Public Funds Collateral Act. You will be liable for monitoring and maintaining the collateral and the required margin daily and will provide an original safekeeping notice and a monthly report of the collateral including at least the security description, par amount, cusip, and market value. Substitution rights will be granted. You and we must execute a collateral agreement in accordance with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

Provide your collateral agreement.

We estimate our maximum anticipated collateral requirement to be \$ 49 million.

If voluntary collateral pooling is legislated during the period of this contract, you and we may consider it and agree to use it under this contract.

Authorized Collateral

We authorize the following as collateral.

- Obligations of the US Government, its agencies and instrumentalities including mortgage-backed securities and CMOs passing the *bank test*,
- Municipal, state and local, obligations states A or better by two nationally recognized rating agencies.

Proposal Qualifications and Submission Instructions

By submitting a proposal in response to this RFP, depositories will be deemed to agree to the mandatory contract and service provisions contained herein. This RFP and the proposal submitted will be incorporated into and form the basis of the bank depository services contract.

Local Presence

To assure a close working relationship and to facilitate services, depository institutions with full depository service capabilities within the geographic boundaries of Austin will be given preference.

Proposal Format

In order to equitably evaluate each bank's ability to meet the banking service needs of the District, a standard format for all proposals is required. A response must be given to each item in Sections V- VII of this RFP along with completion of Attachments A and B. Responses must be in the same order as the questions presented and a response given for each question, stating acceptance of, modifications or additions to, or a statement of the inability to provide said service. Only proposals submitted in the prescribed format and using the provided Attachments A and B will be considered and evaluated for contract award. Additional explanatory information may be included as part of a proposal.

This RFP and the proposal submitted will be incorporated into and form the basis of the bank depository services contract.

The RFP is being issued in electronic form only. Submission of the Proposal however must be in written form.

Schedule for Proposal Submission

The District will make every effort to adhere to the following schedule.

01/27/17	Release of Request for Proposal
02/06/17	Deadline for questions concerning the RFP or services requested
02/10/17	Responses to any questions on the RFP - provided to known proposers
02/24/17	Deadline for proposal submission
03/28/17	Award of Contract by Board
07/01/17	Contract commencement

Proposal Submission

To be eligible for consideration under this request, a total of three (3) complete copies of each proposal shall be submitted by **3:00 pm CST on February 24, 2017** to the two addresses below. **Proposals received after that time by the District will not be accepted.**

The proposal must be submitted in a sealed envelope or packet marked “Proposal for Depository Banking Services”. An accompanying cover/transmittal letter must be signed by an individual authorized to bind the institution, state that the proposal is valid for 180 days from the submission date, and give full contact information regarding the proposal.

Two proposals must be delivered by mail, express mail, or in person to:
Maria Rockstead 512-732-9000 X20521
Director of Finance mrockstead@eanesisd.net
Eanes ISD
601 Camp Craft Road
Austin, Texas 78746

One proposal must be delivered by mail, express mail, or in person to:
Linda T. Patterson 512-320-5042
Patterson & Associates Linda@patterson.net
Barton Oaks Plaza II
901 S. Mopac, Suite 195
Austin, Texas 78746

Late submissions to the District address will not be considered or returned.

RFP Questions - There will be **no pre-proposal conference**. Questions regarding this RFP, or the services requested, will be accepted in e-mail form only, at mrockstead@eanesisd.net on or before **3:00 pm February 6, 2017**. Responses to all material questions submitted will be communicated via email to all known proposers by **3:00 pm February 10, 2017**.

Selection Criteria

The following criteria will be used as the weighting basis for evaluation of the proposals and the award recommendation.

- 40 % - Cost of services
- 40 % - Services offered
- 10 % - Potential earnings
- 10 % - Institutional stability and collateralization policy

The District will consider the availability of services and the cost of those services as well as the earnings potential under the contract. All these elements will be combined for evaluation of the proposals.

Award may not be made to the institution submitting the lowest price proposal. The District will choose the institution submitting the best, most responsive overall proposal to satisfy the District's needs.

District Rights

The District reserves the right to:

- waive any defect, irregularity or informality in the proposal or proposal procedures,
- reject any and all proposals,
- accept any proposal or portion thereof most advantageous to District,
- request additional information or require a meeting with bank representatives for clarification,
- cancel, revise, and/or reissue this request for proposal or any portions thereof,
- negotiate any conditions with proposers,
- retain all other provisions even if any provision of the proposal is deemed invalid,
- modify deadlines, and
- select any proposal deemed to be in its best interest as determined by the District.

Depository Information

Please answer the following questions about your depository bank.

1. State the full name and address of the depository and any parent holding company. List all branch locations within our boundary.
2. Provide in order to fulfill its fiduciary responsibility to protect public funds, each bank, submitting a proposal shall provide, in response to this item:
 - a. an audited annual financial statement for its most recent fiscal period (the bank will be required to provide annual financial statements throughout the contract period), and
 - b. the bank's CRA rating (noting the specific rating agency).
3. Provide your current senior and subordinate debt ratings. If not available provide your rating from an independent depository rating agency. You must inform us of any change in this rating during the period of the contract within a reasonable period. Confirm agreement to this condition.
4. Contact Information
To ensure smooth communication and continuation of services, you must assign a specific account executive and a backup to our account to coordinate services and help solve any problem encountered.
 - a. Designate a depository officer as a primary contact with us.
Name _____
Title _____
Telephone # _____
Fax # _____
Email _____
 - b. Designate a depository representative as a backup contact with us.
Name _____
Title _____
Telephone # _____
Fax # _____
Email _____
 - c. What are the specific duties of this representative?
 - d. Describe specifically how you handle problem resolution, customer service, day-to-day contact, and ongoing maintenance for governmental clients.
 - e. How often do you expect to meet with our representatives to review current and new services and fees?
5. List references from at least three of your current, comparable governmental clients. Include the length of time under contract and a client contact, title, and email address.
6. Based on the services we require, please provide a proposed timeline for implementing the contract; include the timeline activities and direct responsibilities of both our district and your depository bank during implementation.
7. Provide a copy of all agreements (including those not directly referenced in this proposal) that will be required under the contract to provide the services contemplated. Any changes required will be agreed upon and made in writing before award of the contract.

8. If we award the contract to you, you must review our then-current district investment policy and certify in writing to that review in accordance with the Public Funds Investment Act verifying that you have sufficient controls in place to avoid transactions not authorized by the policy. The policy can be found on our website at www.eanesisd.net under SCHOOL BOARD, BOARD POLICY ONLINE, CDA (LOCAL) and CDA (LEGAL). Confirm agreement to this condition.
9. We may conduct a pre-award interview on-site at your depository bank before awarding the contract. Please provide us with a contact name for arranging the pre-award interview.
10. Are you offering any transition or retention incentive to us? If so, please describe it in detail and quantify.

Banking Services

1. Consolidated Account Structure with Sweep Mechanism

We are interested in earning at then-current interest rates available at all times. As rates permit, we want the option to use an automated, daily sweep to a money market mutual fund or depository alternative account (if competitive) to reach our full investment goal. *Money market mutual funds must be SEC registered, AAA rated and strive to maintain a \$1 NAV.* We will not accept a repurchase agreement or offshore investments as a sweep investment vehicle.

Currently the account structure includes eleven (11) accounts account structure as shown below. We do not guarantee that we will maintain the balances or structure at these same levels.

<u>Account Name</u>	<u>Avg Ledger</u>	<u>Type</u>
Operating Account	\$5,616,911	Master
AP Clearing	\$00	ZBA Subsidiary
Payroll	\$00	ZBA Subsidiary
Credit Card	\$329,505	Checking
Com Ed Credit Card	\$72,578	Checking
Westlake HS Activity	\$537,942	Checking
Paypal	\$6,699	Checking
General Operating Savings	\$765,227	Checking
Debt Service Savings	\$1,202,806	Savings
Capital Proj 11 Savings	\$1,805,679	Savings
Capital Proj 15 Savings	\$901,705	Savings

- a. Fully describe the proposed account structure. Can you provide a sweep to a MMMF or internal account?
- b. Would a sweep be from a master account with ZBAs or directly swept from the individual accounts? Is interest distributed to the account level? Describe how sweep income is reported.

- c. If an SEC-registered money market fund is used for the sweep proposal, provide the full name and a copy of the prospectus. It must strive to maintain a \$1 NAV.
- d. Interest earned on interest bearing accounts must **not** be charged as an expense on the account analysis. Confirm acceptance of this condition.
- e. We 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 must be charged at the same contracted amount or, if unanticipated, at not more than published rates.
- f. Will you charge an assessment based on balances?
- g. Interest will not be charged on the account analysis. Confirm agreement to this condition.

2. Automated Cash Management Information

We are interested in automated balance and detail information and online retention.

- a. Fully describe your online service. **List** the system capabilities (for example, balance reporting, wires, positive pay, stop payment, etc.).
- b. What is your backup process to report balances and transactions in case the system is not available?
- c. When is daily balance information available?
- d. Submit samples of major screens available, or preferably provide web link access to a demonstration module of your system.
- e. Who has administrative control?
- f. What type of messaging and event messaging service do you use?
- g. What items and reports are available online (checks, statements, deposit slips, deposited items, etc.)? How long are each retained on line?
- h. Is a monthly CD also created? What items are captured on the monthly CD, if provided? When it is provided?

3. Deposit and Collection Services

We require standard commercial deposit services for all accounts.

We expect all deposited checks to clear based on your current published availability schedule, but please note any options for expedited availability in your proposal. For all cleared deposits you receive by your established deadline, you must process them for same-day ledger credit. Failure to credit our accounts in a timely fashion, will result in interest paid at the then-current effective federal funds rate.

- a. What is your daily cutoff time to ensure same-day ledger credit?
- b. Describe how and when credit and debit advices are sent to us.

- c. What type of deposit bags do you use or require? Are these available from you?
- d. Provide a list of deposit locations.
- e. Describe your capabilities in e-receivables.

Remote Deposit

We use remote check deposit in five (5) locations. These deposits include both consumer and commercial checks.

- f. What are your current capabilities in remote check deposit? Describe how checks are processed and cleared. Is it web-based?
- g. State the cutoff time for same-day ledger credit.
- h. Provide a batch balancing report sample?
- i. What scanner equipment is required to operate the system?
- j. Is this equipment available through your depository bank for purchase or lease? Will you provide the scanner(s)?

Nonsufficient Funds (NSF) Checks Re-presented as ACH (Re-presented Check [RCK] Entry)

We may choose to use the second presentation of a NSF to be made by ACH to targeted dates for maximum collection potential.

- a. Describe your standard NSF processing.
- b. How and when are we notified of an NSF?
- c. Are you currently using ACH for collection of NSF checks? How long have you been providing this service? Provide two comparable references with contact information.
- d. How are the NSF and the later ACH transactions matched and reconciled? Does your system cross-reference the two transactions in any way?
- e. Is the NSF information, image, or occurrence available online? When and how? For how long is it available online?
- f. Can we specify any target pay day(s)?

4. Disbursing Services and Paycard

We are interested in standard disbursing services for designated accounts.

- a. Do you image all paid checks, deposit items and deposit slips?

- b. Are checks and deposit images available online? When? How long?
- c. Are images on a monthly compact disc (CD)? Are images downloadable?
- d. How long do you maintain check and deposit images online?
- e. Will you pay all our employee checks without charge upon presentation?
- f. Describe your capabilities in e-payables.
- g. Describe your paycard services.
- h. Do you currently provide paycard services? If so, how long has it been available?
- i. How many institutions and end customers use your paycards? Provide three comparable references for the service.
- j. Which program (authorization marks) does your paycard service program use? (Visa, MasterCard, etc.)
- k. Describe the paycard enrollment process. Is enrollment batched and web-based?
- l. Describe the manner by which funds will be made available to the cardholders.
- m. What are the inactivity levels for the paycard program? Do these generate additional fees? Describe any other potential fees.
- n. Are all paycard funding transmissions by standard ACH? Describe the data transmission requirements and deadlines.

5. Positive Pay

We use and require positive pay services at the bank for accounts on which checks are written. The District is using payee positive pay services. The positive pay process must be fully automated and web based. We will transmit check information electronically to you on each check run and as we create checks manually.

- a. Describe the data transmission and transfer requirements.
- b. Describe the input process for manual checks online.
- c. How can we change or delete check records, if necessary?
- d. How do you notify us of a positive pay exception?
- e. At what time do you report exception information to us?
- f. What is the deadline for exception elections?
- g. Are images of exceptions available?

- h. Are all checks, including those received by the tellers and vault, verified against the positive pay file before processing? How often do you update teller information?
- i. Do you offer payee positive pay?
- j. Please provide a copy of your file layout format.

6. Account Reconciliation

The District currently uses full reconciliation on four accounts. This will continue on certain accounts in concert with positive pay.

- a. Describe the partial and full reconciliation processes.
- b. Do you have any customers using the **Skyward** system for interface purposes?
- c. How is the reconciliation sent to us? When?
- d. Specify all reporting alternatives. Provide a reconciliation report sample.
- e. Are reports available online? How long are reports maintained online? Provide a sample copy of reports.

7. Funds Transfer and Wire Services

Incoming wire transfers must receive immediate same-day collected credit. Wire initiation must be available online. We require that wires be released the same business day if information is provided by the established deadline.

- a. Describe the process of online wire initiation: repetitive and non-repetitive.
- b. Do you provide online monitoring?
- c. What backup process is available for the online process in case the system is unavailable?
- d. Is any paper transaction required for transfers or wires as follow-up?
- e. How and when will you notify us of incoming wires? Online? Email?
- f. Is future dating available for both repetitive and non-repetitive wires and transfers? How far in advance?
- g. What is the deadline for initiation by telephone and online?
- f. Are templates and template storage available?

8. Automated Clearinghouse (ACH) Services

We require ACH transactions for payable and receivable transactions. We require a pre-notification (pre-note) on all new transactions.

- a. Describe batch transmission requirements.
- b. Can individual ACH transactions be input online? Describe.
- c. What filters and blocks are available for ACH transactions?
- d. Are ACH addenda shown in their entirety online and in reports? Does it require an extra EDI module/report?
- e. Is a pre-note charged as a standard ACH transaction?
- f. What is the deadline for transmission (hour and day) for a payroll to credit employee accounts on a Friday?
- g. Are accounts debited at the time of file submission or on settlement?

9. Safekeeping Services

We will require you or a correspondent to provide book-entry safekeeping services for all securities we own. We will make all our investments and transmit instructions for clearing and safekeeping to you in writing electronically.

All securities must be cleared on a **delivery versus payment (DVP)** basis. Ownership must be documented by original clearing confirmations, and safekeeping of receipts must be provided within one business day of the transaction. Funds for investments must be drawn from our designated demand deposit account. All principal and interest payments, coupon payments, and maturities must receive automated same-day collected credit on our designated account without requiring any additional action by us.

If you use a correspondent bank for safekeeping, the transactions must be handled through your systems and must not require additional interaction by us with the correspondent bank. No delay in transactions, wires, or flow of funds is acceptable under a correspondent relationship.

Fees for safekeeping must be shown on Attachment A.

- a. Are you a member of the Federal Reserve and DTC?
- b. If using a correspondent depository describe the safekeeping arrangement proposed with a correspondent depository including processing requirements.
- c. Are security transactions able to be originated online?
- d. Is online inquiry for securities held available?
- e. What is the deadline for settlement instructions on a cash (same-day) settlement? Would we incur any charge for late instructions?

We may choose to purchase time deposits from you, but all time deposits will be competitively bid at the time of purchase.

11. Collateral Requirements

You must meet all the requirements, including those beyond the Public Funds Collateral Act, as stated below. The proposal must state that you agree to the following terms and conditions:

- All collateral pledged to us must be held by a third party, independent custodian as specified by the Texas Government Code, Chapter 2257, Public Funds Collateral Act.
- You and the custodian bank must execute a safekeeping agreement for custody of pledged securities which is then provided to us.
- The depository/collateral agreement must be completed in full compliance with the FIRREA requiring a depository Board resolution. (Or completion of Circular 7 if a Federal Reserve Bank is acting as custodian.)
- All time and demand deposits above FDIC coverage must be collateralized at a minimum of 102 percent of principal plus accrued interest at all times (110 percent on mortgage-backed securities).
- You are contractually liable for continuously monitoring and maintaining collateral at our required margin levels daily.
- The custodian must provide evidence of pledged collateral by sending original safekeeping receipts or a report directly to us within one business day of receipt.
- We must receive a monthly report of collateral pledged including description, par, market value, and cusip, at a minimum.
- We may grant substitution rights if you obtain our prior approval and if substituting securities are received before previously pledged securities are removed from safekeeping. Substitution review rights may be waived if we have daily inquiry access to collateral at the custodian.

Authorized collateral includes only the following:

- Obligations of the US Government, its agencies and instrumentalities including mortgage-backed securities and CMOs passing the *bank test*,
 - Municipal, state and local, obligations states A or better by two nationally recognized rating agencies.
- a. Confirm agreement to all the conditions above. Detail any exception or change to these conditions.
 - b. Do you propose any collateral charges? If so, under what conditions are they charged, and how is the charge applied?
 - c. What is your deadline for requesting collateral in excess of existing requirements?

12. Account Analysis

You must provide monthly account analysis reports for each account and on a consolidated account basis.

- a. When is the account analysis available each month?
- b. Is the account analysis available online? When?
- c. Is the analysis on the monthly CD?

- d. Is a paper analysis also provided? If so when?
- e. How long will it take you to correct any billing errors on the account analysis?

13. Monthly Statements

You must provide monthly account statements on all accounts with complete supporting documentation. The statement must be provided online.

- a. State when monthly statements will be available each month online and on paper.
- b. How long is the statement retained online?
- c. Are the statements or on a monthly CD?
- d. If imaged, are paper statements also sent to us? If so, when?

14. Overdrafts

- a. Are all accounts aggregated for overdraft calculation purposes?
- b. State the rate basis for intraday and interday overdrafts.
- c. What is the policy for daylight overdrafts?

15. Stop Payments

We require an automated stop payment process.

- a. What are the time period options available for stop payments?
- b. How are stop pays initiated online?
- c. What are the options for renewals on stop payments? How are they extended?
- d. What is the cutoff hour for same-day action on stop payments?
- e. What information on current and expiring stop payments is available online?

16. Customer Service

- a. Do you offer customer services in languages other than English?
- b. What languages are offered?
- c. When do the representatives plan to schedule reviews?

17. Service Enhancements/Alternatives

Based on the information you provide in the proposal and your knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that we should consider to manage our treasury operations more effectively.

Detail any specific e-payables and e-receivables services offered.