



POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT

***REQUEST FOR PROPOSAL ("RFP") BANK
DEPOSITORY, INVESTMENT AND LOAN
SERVICES***

December 6, 2023

**POST OAK SAVANNAH GROUNDWATER
CONSERVATION DISTRICT
REQUEST FOR PROPOSAL (“RFP”) FOR BANK DEPOSITORY,
INVESTMENT AND LOAN/FINANCING SERVICES**

I. INTRODUCTION

A. BACKGROUND

The Post Oak Savannah Groundwater Conservation District (District) is requesting proposals from eligible and qualified financial institutions to serve as the Depository Bank to the Post Oak Savannah Groundwater Conservation District and provide a full complement of other banking services as described below. The philosophy incorporated into this Request for Proposal (RFP) is to solicit proposals for banking depository services currently utilized or open for consideration based on projected activity and transaction volumes. The District intends to invest a portion of its funds in money market deposit accounts or certificates of deposit (CDs) to maximize interest income or similar investments as authorized by the District Investment Policy and permitted by state law. The District is undertaking the construction of a new District office and education center and may desire to consider construction loans rather than transfer of its invested funds. From this perspective, the interest rates that will be earned on its deposits and investments through the financial institution will be an important element in consideration of the net cost/benefit of the relationship to the District. Institutions responding to this RFP must be insured through the Federal Deposit Insurance Corporation, must have a bank facility within Burleson County or Milam County, and must be able to demonstrate it is able to meet the District’s requirements as stated in this RFP.

Understanding that all funds that are handled through District accounts and services are public funds, the District is receptive to suggestions and recommendations for ideas for ways to improve the returns on investments; however, any responsive proposal should minimally be submitted to address the services requested.

The Bank Depository is an important component of the treasury and cash management system of the District. From this perspective, the District is seeking a financial institution that is capable of providing the services required by the District at the least possible cost, willing to be attentive and responsive to the money matters of the District; and financially sound.

This RFP proposal form for the Bank Depository agreement has questions to be answered. The evaluation of the proposal will be based on these responses. The RFP also requests certain information to be attached and specifically labeled. Proposals must be complete, address all aspects of the RFP, and include all requested information to receive full consideration by the District in the selection process.

The proposer agrees that during the performance of its contract, it will treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or disability. The proposer shall be advised of any complaints filed with the District alleging that the proposer is not an Equal Opportunity Employer.

The banking services described in this RFP are directed toward six major goals:

- timely and accurate information flow,
- 100% utilization of idle funds and continuous investment of District funds,
- safety of District funds and securities,
- efficient utilization of available banking services,
- minimization of banking costs for the District, and
- personnel knowledgeable in the governmental field assigned to the District's accounts.

B. SUBMISSION INSTRUCTIONS

1. The proposal must be sealed and clearly marked "**Banking Depository, Investment and Loan Services Proposal,**" and shall be delivered to the following person **by 3:00 PM, on Thursday, December 21, 2023** or via email to admin@posgcd.org:

Gary Westbrook, General Manager
Post Oak Savannah Groundwater
Conservation District
310 East Avenue C
Milano, Texas 76556

LATE PROPOSALS WILL NOT BE CONSIDERED

2. The proposing institution shall use this RFP as the Official Form to submit prices, rates, and to answer questions. Any alterations, changes, or deletions to this RFP may be grounds for the District to disregard and reject the proposal.
 3. The District reserves the right to request additional information or to meet with representatives from proposing organizations to discuss points in the proposal after opening of proposals.
 4. The District reserves the right to reject any and all proposals or to accept the proposal submitted by a Proposer that is determined to be the most advantageous to the District based on the selection criteria listed in Section III of this RFP.
 5. Transfer of funds will commence at such time as the successful Proposer has provided the District with all required forms and supplies necessary to insure uninterrupted day-to-day operations. The Proposer shall, upon termination of the contract, cooperate with the new Depository Bank for the transfer of funds within 60 days from the date the District Board of Directors or designee designates a depository.
 6. An accompanying transmittal letter must be signed by an individual authorized to bind the institution, stating that the proposal is valid for 180 days from the submission date, and give full contact information regarding the proposal. Information provided in the cover letter and not in the proposal will not be considered.
 7. RFP Questions - There will be no pre-proposal conference. Questions regarding this RFP, or the services requested, will be accepted in e-mail form to Gary Westbrook, District General Manager, Gwestbrook@posgcd.org on or before 12:01 PM, December 17, 2023. Responses to all material questions submitted will be communicated by email to all known
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proposers by 12:01 PM December 20, 2023.

8. 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 the 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.

9. To the extent permitted by law, proposals will be opened in a manner that avoids disclosure of the contents until after the award of the contract. Proprietary information contained in the proposal should be designated as such on each page containing the restricted information.

10. Fees and Charges - The District 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 District 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 District to take advantage of changing interest rate environments. At this time, the District is anticipating the use of interest-bearing or money market accounts, and when rates increase, a daily sweep of main accounts into an SEC-registered money market fund or an indexed internal account may be used.

- If a compensating balance payment basis with a sweep is used, all the accounts being swept will be swept to the compensating balance. An account analysis will be required.
- If a fee basis with a sweep is used, all the accounts being swept will be swept to zero. Within five business days after receipt of the monthly account analysis (and approval of those fees by District), the bank may direct debit the designated account for fees due.

A complete monthly account analysis will be required regardless of the payment basis.

All item and account charges will remain at the proposal price quoted on Attachment A for the duration of the contract period, regardless of changes in service volumes during the period. Fees not shown on the Attachment to provide the service required will not be considered as part of the bid and, therefore, will not be paid. The bank should add any and all fees needed to provide the services offered. Attachment A has been provided for the detailing of all anticipated fees. If the Attachment does not detail line-item fees required for a particular service, the fee type and level should be added and identified by the applicable AFP code, if possible. Bundled fees should be clearly delineated, especially regarding online services to ensure accurate evaluation.

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

It is critical that Attachments A be completed in its entirety.

II. MINIMUM QUALIFICATIONS FOR SUBMITTING A PROPOSAL:

Collateral

The District requires a depository that is fiscally strong and able to provide the required services on an uninterrupted basis. District funds are public funds and fall under certain provisions of the Public Funds Collateral Act (Texas Government Code Chapter 2257) which are further restricted by the District as indicated below. Collateral requirements are detailed in Section VI.11. and acceptance of the collateral conditions will be required in the proposal.

Investment Policy Certification

As a provider of financial services, the depository will be required to agree to review the District's Investment Policy and certify that reasonable procedures have been established to assure that the conditions set in the Policy are met.

- A. Approved Collateral: A bank submitting a proposal must have identifiable collateral that meets the requirements of Texas law for public depositories and which is sufficient to cover the deposits of the District at all times. Collateral must be identified not later than five (5) days before the commencement of the term of the banking services contract.
 - B. Adequate Size to Provide Service: A bank submitting a proposal must have adequate organization, facilities, equipment, and personnel to provide prompt and efficient service to the District.
 - C. Designated Bank Contact Personnel: The Depository shall provide a list of contact personnel within the Bank who are qualified to provide information and assistance in the following areas on a daily basis:
 - General Information
 - Investments and Safekeeping
 - Accounting/Bookkeeping
 - Deposit Discrepancies
 - D. ACH Services: A bank submitting a proposal must provide ACH services. ACH collection for payments from customers is a service the District provides to its customers. The District will transmit the data to the Bank by direct transmission from the District's computer system.
 - E. Online services: A bank submitting a proposal must have the ability to provide the District with access to perform banking services online, including but not limited to the following:
 - 1) Account administration:
 - a. Ability to view daily reporting of the ledger, collected, and available balances.
 - b. Ability to view and print canceled checks, and deposit slips.
 - c. Ability to download daily and monthly account information into Excel format.
 - d. Ability to transfer/upload files for consumer-initiated transactions.
 - e. Ability to transfer/upload files for utility customer pre-authorized direct draft payments.
 - f. Ability to receive online account reconciliations and analysis data for daily activities.
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- g. Ability to retrieve and download current & prior period monthly statements online.
 - 2) Ability to initiate and authorize online banking transactions via software provided by the selected financial institution to include:
 - a. Fund transfers of outgoing wires (using established templates) and incoming wire transfers.
 - b. Stop payments.
 - c. Electronic capability to perform a low volume transfer of funds between accounts housed at the selected financial institution (book transfers). Volume unlimited per month.
 - d. Transfer funds to accounts at other financial institutions.
 - 3) Provide samples of several reports which will be available online, which show selections requested in this section (Attachment A).
 - 4) Outline internal controls built into the Online Banking system, along with areas of potential risk for the District.
- F. Anti-boycott Israel Clause: As required by Chapter 2270, Texas Government Code, the bank hereby verifies that it does not boycott Israel and will not boycott Israel through the terms of this Agreement. For purposes of this verification, “Boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

III. SELECTION CRITERIA

The District Staff and District Board of Director’s Advisory Committee shall carefully review and evaluate the submitted proposals and provide recommendations to the Board of Directors. The recommendation to the Board shall be based on the proposal determined to be the most advantageous to the District. The evaluation of the proposals will be made based on the following criteria:

A. Ability to perform and provide the required and requested services in the RFP	15%
B. Cost of proposed banking services and the cost of conversion and implementation of the banking services	15%
C. Completeness of application and agreement points outlined in the RFP	10%
D. Ability to provide sufficient collateral for deposits	15%
E. Earnings credit on average available account balances	10%
F. Financial strength and stability of the proposer	5%
G. Ability to provide the District with effective and innovative cash management services	10%
H. Ability to meet the legal qualifications and conditions specified in the RFP	5%
I. Funds availability	5%

- J. Experience and success in providing banking services to political subdivisions of Texas 5%
- K. Securities clearance and safekeeping procedures 5%

L. Selection Criteria- The following criteria will be used by the District as the weighting basis for the evaluation of the proposals and the award recommendation. - responsiveness and ability to provide services and reports required, - banking services costs and earnings potential, - experience, references, and continuity of bank and bank officials, and - creditworthiness and stability of the bank. 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.

IV. TERMS AND CONDITIONS

- A. Contract Term: The term of the contract shall be for one (1) year beginning January 1, 2024, and ending December 31, 2024, with a provision for two one-year extensions under contract terms and conditions agreed upon between the parties. The contract shall be automatically extended for 90 days if the District is seeking new proposals for the services required herein.
 - B. Right to Reject: The District reserves the right to waive any irregularities in any proposal, to request additional information, and to accept or reject all proposals.
 - C. Modifications and Amendments: The District reserves the right to negotiate such additions, deletions or changes as it deems necessary during the term of the agreement.
 - D. Effective Date: The selected proposal will become effective upon approval by the District's Board of Directors/Advisory Committee for the accounts. The Bank will commence operating pursuant to this agreement as soon as practicable.
 - E. Termination: Any party may terminate the contract for cause upon written notice to the other party 90 days in advance of termination.
 - F. Bank Failure: Should the Bank or the local branch fail, close, or be forced into reorganization during the term of this contract, the District reserves the right to cancel the contract or a portion thereof and re-propose for the District's depository services.
 - G. The contract is governed by the laws of the State of Texas. The branch location shall be exclusively in either Burleson County or Milam County.
 - H. The District reserves the right to open or close any number or types of accounts as it deems necessary through the term of the agreement. Any services not listed but later requested by the District will be charged for at a mutually agreed upon fee. The fees proposed are fixed for the entire contract period.
 - I. The proposer shall submit a copy of the latest annual financial statements, the last two most recent quarterly FDIC call reports, and the Uniform Bank Performance Report for the latest fiscal year-end, and a statement regarding any recent or foreseen merger or acquisition all as Attachment B.
 - J. The District is interested in obtaining service and cost information on additional services for possible use during the contract period. These services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers, and cost. The District will make its determination after receipt of proposals as to whether a service will be used. If the service is accepted later in the contract period, the services and charges stipulated in the proposal will be applied.
 - K. The successful proposer shall notify the District in writing within ten (10) days of any changes in Federal or State regulations or laws that would affect the Depository Agreement.
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V. REQUIRED SERVICES TO BE PROVIDED

The District has determined that the following services and products are the minimum necessary to fulfill the current and foreseeable future banking service requirements of the Post Oak Savannah Groundwater Conservation District. The following is a description of the cash management system of the entities:

- A. Accounts Required:
 - a. Operating Account with Average Balance
 - b. Accounts Payable Zero Balance Account
 - c. Aquifer Conservancy Account
 - d. Well Account
 - e. One or more Money Market Accounts

 - B. Deposits: Deposits to the account shall be made at various times during the business day and will require the Bank to give same day credit on collectible funds the Bank receives before 2:00 PM. The Bank agrees to credit the accounts for all checks in accordance with the Bank's availability schedule. Banks are required to attach a copy of their availability schedule to the proposal as Attachment C.

 - C. Wire Transfers Out: A wire transfer agreement will be executed with the bank. The proposal should include a copy of the bank's standard transfer procedures and wire transfer agreements as Attachment D. Recurring and non-recurring wire procedures should be stated. Wires between the District and other accounts should be protected under sufficient security procedures. Security procedures should be outlined in the proposal. Wire transfers must be processed and completed on the same day as received if received no later than 4:00 PM. The proposal will stipulate all deadlines and cut-off times for any different types of wires.

 - D. Wire Transfers In: The Bank shall accept incoming wire transfers of funds for the sale of securities, interest payments, and receipts from various entities. The District intends to consider these incoming wire transfers as "available for investment" either by the District or by the Bank through the overnight investment agreement.

 - E. Returned Items: All returned items are to be automatically deposited a second time.

 - F. Stop Payments: The Bank shall process stop payment requests received via online or upon telephone communication from authorized personnel. Please provide the Bank's procedures for issuing a stop payment as Attachment E.

 - G. Overdraft Provisions: The District does not intend to have an overdraft position occur on any of the bank accounts individually or net throughout the course of the depository contract. However, should a net overdraft condition occur, the depository bank shall be required to pay said checks and promptly notify the Finance Director of the existence of the overdraft situation. The District agrees to cover the overdraft within one business day. Define in the Proposal whether the bank would consider an overdraft to be a negative balance in any individual District account or a negative balance in all of the District's accounts collectively.

 - I. ACH Bank Drafting: The District will make available to customers the ability to pay bills
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by direct bank draft. Please provide the bank's procedures for this service as Attachment F.

- J. Monthly Statement: Bank statements shall be rendered within five (5) working days after the close of the calendar month. The statement shall include deposits made on the last day of the period. If copies of transaction items are returned to the District, the Bank shall be required to provide copies of the front and back of the detail document for research purposes.
- K. Account Inquiry: Daily access to an online bank balance-reporting system via personal computer with a modem. Proposing banks should fully describe the costs of all services related to their online systems and the full range of services available (particularly indicating if intra-day reporting is available). Please submit as Attachment G.
- L. Account Analysis: The District shall require account analysis statements on a monthly basis by individual account and at group level that reflect average ledger balance, average uncollected funds, average collected balance, reserve requirement, average available balance, rate and amount of earnings credit, and detail of services provided with quantities and unit fees for each to arrive at a total service cost. Settlement of the excess/deficient condition as reflected by the group-level account analysis, is to occur on a monthly basis. Please submit a sample of the monthly account analysis statement that will be provided to the District as Attachment H.
- M. Account Executive: To ensure smooth implementation and continuation of the banking services, the District will require at least one bank officer to be assigned to coordinate the services and expedite the solution of any problems the District and its entities may have in regard to its banking contract. The District also requires a specific backup, someone familiar with the accounts and the transactions required, to be immediately available in the absence of the designated account executive. The bank must provide the names and general backgrounds of the individuals who will be assigned to assist the District with its banking services.
- N. Other Normal Banking Services: It is the intent of the District to pay for all services specified on the Proposal Response Form on a fee basis. Incidental banking services not detailed on the Proposal Response Form or described above will be provided at no cost or at a cost mutually agreed upon between the District and the bank.
- O. Canceled Checks: Proposing banks should provide the procedures for electronic instructions for submitting canceled checks for updating the District's accounting system as Attachment I.

VI. PAYMENT METHOD

The District will pay for services rendered for the respective accounts by debit to the main concentration account.

VII. COLLATERAL PLEDGE/REQUIREMENTS

- A Securities Pledged: As security for the deposits, the institution shall pledge to the District securities equal to the balances the District maintains in the Bank, less the amount provided by the Federal Deposit Insurance Corporation (F.D.I.C.). The securities comprising the
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pledge shall be valued at market. The securities so pledged, the amounts there-of and the time for pledging must satisfy the requirements of Chapter 105 of the Texas Local Government Code, Chapter 2257 of the Texas Government Code and any subsequent statutes passed under Texas law. Securities purchased by the depository bank under the terms of a Repurchase Agreement are not acceptable as collateral to the Post Oak Savannah Groundwater Conservation District.

B. Reporting Requirements: The Bank shall provide the District a report of securities pledged at the end of each month or at any time requested by the Finance Director, the District Manager, or any other official as designated in the District's investment policy. Enclose a sample of the pledge collateral report as Attachment J. The report should reflect the total pledged securities itemized by:

1. Name
2. Type/Description
3. Par Value
4. Current Market Value
5. Maturity Date
6. Rating by Moody's or Standard & Poor's

C. Safekeeping Requirements: The securities pledged shall be held in safekeeping at a financial institution acceptable to the District. The original copy of all security receipts shall be filed with the Finance Director of the Post Oak Savannah Groundwater Conservation District. The District will reimburse the Depository Bank for safekeeping charges that shall apply. The purchase and sale of all securities shall be on a delivery versus payment basis. The District will always have possession of either its securities or its monies. Please submit a copy of the safekeeping agreement as Attachment K. The safekeeping agreement shall clearly state that the Trustee is instructed to release the collateralized securities to the District if the District has determined that the Depository Bank has failed to pay on any accounts, including but not limited to matured investments in Certificates of Deposit, or the District has determined that the District funds are in jeopardy for any reason, including but not limited to involuntary closure or change in ownership. The Safekeeping Agreement shall have signatories and be executed by the Trustee institution, the Depository Bank, and the District.

D. Collateral Substitutions: Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization approved by the District General Manager or his/her designated representative as determined by the Advisory Committee and Finance Committee. In the case of a reduction, the Bank must provide in writing that collateral will be available when needed to meet normal District balance increases throughout the year. The District must approve all securities pledged. Any state or local government bonds pledged must have a rating of at least A or A1 or better by Moody's Investor Services or Standard & Poors Corporation.

E. District to Handle Investments: After being advised of the rates and any other variables that may be applicable for District funds for investment, the District will be responsible for final decisions as to any investments and terms it desires. The Depository Bank, along with any eligible financial institution, shall be included in the bidding process as deemed

appropriate and in accordance with the District's Investment Policies.

- F. Safekeeping/Wire Services: The third-party safekeeping bank must be a subscriber to the Federal Security Wire System. In addition to the safekeeping account in which pledged collateral is held, the District must have access to a safekeeping account to which Federal securities can be delivered via the Federal Reserve book entry system for a customer account.

VIII. PROPOSER'S SUBMISSION CHECKLIST

1. Schedule of Charges – Attachment A
 2. Financial Statement – Attachment B
 3. Funds Availability Schedules – Attachment C
 4. Wire Transfer Procedures – Attachment D
 5. Stop Payment Procedures – Attachment E
 6. ACH Payment Procedure – Attachment F
 7. Account Inquiries – Attachment G
 8. ACH Account Analysis Statement – Attachment H
 9. Cancelled Checks Procedures for Updating Accounting System – Attachment I
 10. Sample of Pledge Collateral Report – Attachment J
 11. Sample Safekeeping Agreement for Collateral & Investments – Attachment K
 12. Completed Proposal Form with Certification.
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IX. PROPOSER'S CERTIFICATION

This is to certify that I am a duly authorized officer of the Banking Institution submitting this proposal. Offeror understands that the Post Oak Savannah Groundwater Conservation District reserves the right to reject any or all proposals and to waive any informalities in the preceding Quotation Form. The offeror agrees that this proposal, being submitted with one original and three copies, shall be good and may not be withdrawn for a period of ninety calendar days after the scheduled closing time for receiving proposals.

Name of Financial Institution:

Address of Financial Institution:

Telephone Number of Financial Institution

Officer Signature

Name: _____

Title: _____

ATTACHMENT A- BANKING SERVICES CHARGES

Any and all anticipated service charges must be shown on this form to be applicable under the agreement. Add additional lines as required.

Service Unit	Unit Charge	Cost of Service
Account Maintenance	Per month	
Daily Balance Reporting	Per month	
Zero Balanced Accounts		
Master Account	Per month	
Subsidiary Accounts	Per month	
Credits Posted	Per transaction	
Debits Posted	Per transaction	
Encoding Charges	Per transaction	
ACH Processing	Per transaction	
Origination of file	Per tape	
ACH entries or deletions	Per transaction	
Remote Deposit Capture	Per transaction	
Returned checks	Per transaction	
Controlled Disbursement	Per account	
Reconciliation	Per month	
Sort list tape	Per transaction	
Sort and list	Per transaction	
Items Deposited		
Deposits	Per transaction	
Commercial deposits	Per transaction	
Group 1 items	Per transaction	
Group II items	Per transaction	
Group III items	Per transaction	
Group IV	Per transaction	
Stop payments	Per transaction	
Wire transfers		
Incoming	Per transaction	
Outgoing	Per transaction	
Investment Safekeeping		
S/keeping interest/credit	Per transaction	
S/keeping receipt deposit	Per transaction	
S/keeping outgoing	Per transaction	
Securities DVP FRB	Per transaction	
Securities DVP NY	Per transaction	
Check Printing	Per transaction	
Extra Statements	Per transaction	
Disposable Bank Bags	Per item	
Lockbox	Per month	
Cutbacks	Per transaction	
Special Handling		