



DRIPPING SPRINGS

Texas

REQUEST FOR PROPOSAL
For
BANKING DEPOSITORY SERVICES

Sealed Proposals, one (1) original, five (5) copies, and one (1) electronic copy (in PDF format) on flash drive shall be delivered to the City of Dripping Springs, Finance Director, 511 Mercer Street, Dripping Springs, Texas 78620, at or before 2:00 PM on February 23, 2023, at which time proposals will be publicly opened and read. Proposals received after the opening date and time will not be considered.

Schedule of Events:

The following Schedule of Events represents the estimate of the timetable that will be followed in connection with this solicitation:

EVENTS	DATE AND/OR TIME
Release Requests for Proposals	2/2/2023
Last Day for Applicants to Submit Written Questions	2/16/2023 5 P.M.
Answers provided	2/21/2023
Proposal Due Date	2/23/2023 2 P.M.

The City reserves the right, at its sole discretion, to adjust this Schedule of Events as it deems necessary. If necessary, the City will communicate adjustments to any event in the Schedule of Events in the form of an amendment. Amendments (answers/addenda) to this solicitation will be sent by email to interested parties who have contacted the Finance Director and requested information by emailing him at scox@cityofdrippingsprings.com.

I. INTRODUCTION

The City of Dripping Springs is requesting proposals for a banking services contract to be considered for award on **March 7, 2023**, with service to begin **March 2023**, and extend through September 2028 due to the ending of the previous contract. Through this contract the City intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities. This Request for Proposal (RFP) represents the cash management goals, specifies all banks' required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and the contract award provisions. The City is only seeking candidates that can fulfill all needed services.

Community and City Background:

Dripping Springs is a thriving and growing city in northern Hays County just west of Austin. The current population is 5,787 within the city limits (July 2021 estimate). With beautiful open spaces and friendly faces, we are your first adventure into the Texas Hill Country. We are one of the fastest growing cities in Texas, yet we maintain that wonderful Texas friendliness and small-town community feel that continues to draw visitors, residents, and businesses. We are rich

with history that is wonderfully combined with amazing parks, recreation, shopping, live music, craft breweries, wineries, and more. Dripping Springs is a Type-A general law city who employes a City Administrator and Finance Director who handle the daily administration of the City. The Mayor and City Council decide policy matters and set the City's budget for each fiscal year which runs from October to September of each year.

The City currently has 55 full time positions with up to 30 seasonal and part-time employees who are all paid through direct deposit. More information on accounts can be found below.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. Minimum Qualifications

To assure a close working relationship, to facilitate available services, and to support local business, the entity may give priority to those banks with full-service capabilities within the City of Dripping Springs limits. Any required statement regarding equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

B. Proposal Submission Instructions

1. Proposal Format

In order to fully and equitably evaluate each bank's ability to meet the banking services needs of the City, a standard reply format is required. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in the prescribed format will be evaluated for contract award.

2. Submission Requirements

Sealed proposals marked "BANKING DEPOSITORY SERVICES PROPOSALS" shall be mailed or delivered to:

Shawn Cox, Finance Director
City of Dripping Springs
P.O. Box 384/511 Mercer St.
Dripping Springs, Texas 78620

3. RFP Questions

Questions regarding this RFP or the services requested will be accepted in written form or via e-mail at the address below on or before 5:00 pm February 16, 2023. Responses to all material questions submitted will be communicated to each prospective proposer.

Shawn Cox, Finance Director
scox@cityofdrippingsprings.com
City of Dripping Springs
P.O. Box 384/511 Mercer St.
Dripping Springs, TX 78620

4. **Request for Proposal Amendments**

Modifications or additions may be made as a result of questions submitted. Written notification of any such change will be made in writing to all known bidders. To request to be made aware of answers and amendments please email Shawn Cox at scox@cityofdrippingsprings.com by February 16, 2023.

5. **Selection Criteria**

Evaluation of proposals will be made on the basis of the following objectives:

Time deposit interest rates	30%
Cost of Service	30%
Service availability	20%
Safety and creditworthiness of bank	30%

6. **Award of Bid and Service Initiation**

The contract is expected to be awarded by the City of Dripping Springs Council at its meeting March 7, 2023.

III. REQUIRED MINIMUM REQUIREMENTS AND FINANCIAL INSTITUTION INFORMATION

A. Minimum Requirements

1. Banking corporation authorized to do business in the state.
2. Branch within the City Limits or Extraterritorial Jurisdiction of the City able to handle in person visits and deposits.
3. Compliance with state and local laws.
4. Ability to provide collateral on all deposits.

B. Financial Institution Information

All banks must provide, as part of the proposal:

1. Audited financial statements for the most recent fiscal year;
2. Copy of the current call report; and
3. Statement regarding any recent or foreseen merger or acquisition.

IV. REQUIRED BANKING SERVICES

This section lists all the services to be provided by the bank under this agreement. Attachment A lists each of these services. The bank should use this Attachment to provide the specific price for each service.

A. Account Titles

The City currently retains the following account titles:

- General Fund
- Dripping Springs Ranch Park Operating Fund
- Utility Fund
- Impact Fee Fund
- Reserve Fund
- Farmers Market
- Debt Service 2015
- Debt Service 2013
- Debt Service 2019
- PEG Fund
- Hotel Occupancy Tax Fund
- Tax Increment Fund: TIRZ Number One
- Tax Increment Fund: TIRZ Number Two
- Texas Water Development Board (TWDB) Fund
- Heritage Road & Trail

B. Wire Transfer Services

A standard wire transfer agreement will be executed with the bank. This proposal should include a copy of your standard transfer procedures and wire transfer agreement. The City requires adequate security provisions and procedures. If the wire transfers requests are available on line, full information should be submitted detailing the use.

C. Sweep Account Provisions

If the City chooses, the bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option (money market fund, repo, etc.). Describe the sweep options and, if a money market fund is used, provide a prospectus. The accounts will be swept to the compensating balance.

D. Direct Deposit for Payroll Services

The City will utilize Direct Deposit for payroll services during the contract period. Full information should be submitted detailing the use of this service, requirements, and deadlines for computer tap for transactions. Additionally, the proposal should indicate when funds will be available in participating banks.

E. Investment of Idle Funds and Safekeeping of City Securities

All certificates of deposit procured by the City will be purchased on a competitive basis. The City has no obligation to invest its funds with or through the bank. If the bank is proposing overnight repurchase agreements, an executed Master Repurchase Agreement is required. In order to fulfill GASB III requirements for reporting, if a repurchase agreement is executed with the bank itself, the collateral must be held in the trust department of the bank in a separate account.

All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangement will be stipulated in the proposal.

F. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation.

G. Standard Deposit Services

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and all other checks based on the bank's published availability schedule. The Bank should specify in their proposal their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

H. Reporting and Account Analysis

Monthly account analysis reports must be provided by the bank on a timely basis for each account and on a total account basis. A sample account analysis format must be provided as part of the proposal. Samples of monthly statements should also be provided. The monthly statements are to be received within ten business days of the next month.

I. Account Executive

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the City's account.

J. Daylight Overdraft Provisions

Every effort will be made to eliminate daylight overdraft situations on the account. However, in case this situation does arise, the proposal should include any and all bank policies regarding daylight overdrafts charges or handling procedures.

K. Positive Pay

The City utilizes Positive Pay to safeguard against check fraud concerning its accounts. This proposal should include a copy of your standard positive pay process.

L. Stop Payments

The proposal must include a statement on the proposed stop payment process on an automated or manual basis.

M. Collateralization of Deposits

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit of \$100,000. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with the City and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 102% and marked to market at least once a month. Control will be shared jointly between the bank and the City. Substitution will be approved by the City and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral.

N. Additional Services

If new services become available and are provided during the period of this contract, they will be charged at the bank's then published rate.

O. Online Banking Services

The City desires to utilize online banking services whenever possible. Services include, but are not limited to:

- Daily balance reporting – summary
- Daily balance reporting – detail (with check detail and images)
- Daily ACH and wire with full addenda information
- Current day reporting
- Intra-day reporting (real time or delayed), optional
- All reports can be converted to Excel
- Transfers between accounts
- Initiation of wire transfers
- Initiation of stop payment orders
- Positive pay actions including time requirements
- Initiation of ACH transactions; recurring/repetitive/future ACH debit(collection) or credit (direct deposit) transactions
- Maintenance of wire transfer templates
- Stale-dating of checks
- Other services such as EDI, remote collection, controlled disbursement
- Confirmations availability and format

- Online cleared check information/images
- Multi-level security administration requirements (self-administration preferred)
- Positive pay reports (including imaging of exception items).
- Training of government's system administrator for managing access.

When detailing the banks online banking capabilities, please indicate whether or not software insulation is required. Additionally, the City utilizes ERP 10 (a Tyler Technologies product) as its financial software. Please indicate if the bank's software can interface with this system.

V. Bank Compensation

Any net settlement on compensating balances will be made annually. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.

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	\$
Positive Pay	Per Month	\$
Zero Balanced Accounts		
Master Account	Per month	\$
Subsidiary Accounts	Per month	\$
Credits Posted	Per transaction	\$
Debits Posted	Per transaction	\$
Encoding charge	Per transaction	\$
ACH Processing	Per transaction	\$
Origination of file	Per tape	\$
ACH deletions	Per transaction	\$
ACH entries	Per transaction	\$
Returned checks	Per transaction	\$
Items Deposited		
Deposits	Per transaction	\$
Commercial deposits	Per transaction	\$
Group I items	Per transaction	\$
Group II items	Per transaction	\$
Group III items	Per transaction	\$
Group IV items	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		\$

