

COUNTY OF LLANO, TEXAS



2019 INVITATION TO BID DEPOSITORY BANKS for LLANO COUNTY

RFP # - 19-497-01

March 11, 2019

CINDY J. LENT
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LLANO COUNTY, TEXAS
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INSTRUCTIONS TO BIDDERS

Bid Title.....Depository Bank Contract
Bid Opening Date.....April 05, 2019
Bid Opening Time.....9:00 a.m.
LocationLlano County Auditor's Office
Mark Envelope.....Depository Bids
Contact Person.....Cindy J. Lent, Auditor
Phone.....325-247-3783
Award Date.....April 22, 2019
Location.....Llano County Commissioners Court
Llano County Law Enforcement Center 2001 North Highway 16, Llano, Texas

Bids must be received in the County Auditors Office on or before the time and date specified time specified above. Bids received after the time and date specified, whether delivered or mailed, will not be considered and will be returned unopened. (Faxed proposals will not be allowed).

The Commissioners Court of Llano County reserves the right to reject in part or in whole any or all bids, waive minor technicalities, and award the bid which best serves the interest of Llano County.

Bids may be withdrawn at any time prior to the official opening. Alterations made before the opening time must be initialed by Bidder to guarantee authenticity.

The undersigned agrees, if this bid is accepted, to furnish any and all services upon which fees or interest rates are offered and upon the terms and conditions contained in the specifications. The period for acceptance of this bid will be thirty (30) calendar days unless a different period is noted by Bidder.

Bids must be submitted on the attached Bid Worksheet. By returning the Bid Worksheet, the Bank certifies that:

1. All rates and fees bid are firm for one (1) month.
2. Award of contract(s) will be executed by the Llano County Commissioners Court and will be confirmed by an award letter.
3. Any deviation from these terms and conditions must be stated as such when returning the Bid Worksheet.

SPECIFICATIONS FOR DEPOSITORY BANKS

It is the intent of Llano County to execute a contract with a bank desiring to be designated as the County Depository Bank and or sub depository bank for our satellite locations if necessary. By returning the Bid Worksheet, Bank acknowledges that it understands the Revised Civil Statutes of Texas (Article 2544, et.seq. of the Revised Civil Statutes of Texas, as revised by Local Government Code, Chapter 116.000 through 116.155 as passed by the 70th leg. 1987; Article 2547 a, b, c; and Article 2558a et.seq.) that pertain to the managing and safekeeping of County funds and will comply with those statutes.

Duration: The Bank contract will be effective for a period of four (4) years, as awarded by Commissioners Court, and ending sixty (60) days from the time fixed by law for the next selection of a depository, with an option to renew for an additional period of two (2) years. If a timed deposit maturity extends beyond the expiration date of the depository contract, the depository will pledge sufficient securities required by law for public funds to Llano County to provide for the maturity of the time deposit.

Awarding Contract: Llano County will award the Bank Contract based on the following criteria:

1. Bank's past and prospective financial condition.
2. Net rate of return on county funds.
3. Ability to meet service requirements.
4. Cost of services.

Investments and Credit Card Services Made Outside Depository Banks: Llano County reserves the right to make external investments and credit card services in accordance with the laws of the State of Texas and the Investment Policy of Llano County.

Submitting Financial Statements: All banks wishing to be designated as a Depository Bank must state the amount of the bank's paid-up capital stock and permanent surplus and must submit a statement showing the financial condition of the bank on the date of the application.

Good Faith Guarantee: Bank must submit with the Bid Worksheet a certified cashier's check in the amount of \$72,313.97 (one-half of one percent of the county's revenue for the preceding year and one-half of one percent of the average daily balances of the County and District Clerk's Trust Accounts) payable to Ron Cunningham, County Judge as guarantee of good faith. The check will be held by the County until a depository Bank is selected and the bond and/or security has been filed.

Payment for Services: Bank will specify fees required for services. Banking services not detailed on worksheet will be provided at no cost.

Amount to be Pledged: The initial amount of securities to be pledged against Llano County funds shall be adequate to fully collateralize the funds of Llano County and be no less than 110% of total deposits at market value and according to the laws of the State of Texas and shall continuously remain as such. This amount is subject to change as deposits fluctuate, with the approval of the Llano County Treasurer. Securities pledged must be held by a Third Party Bank approved by Commissioners Court or at the Federal Reserve Bank.

Interest and Interest Rate: Variable interest rate bids and fixed interest rate bids on accounts and certificates of deposit shall be quoted by bank. Llano County reserves the right to select

the rate most favorable to the county at any time during the term of the contract, subject to banking laws.

Types of Interest Bearing Account:

Interest Bearing Checking Accounts: Llano County will have approximately twenty (20) accounts established under these specifications for disbursing checks written on Llano County funds. Checks and transfers will be written from these accounts. These estimates may vary in the duration of the contract.

Money Market Accounts: Separate accounts are established under these specifications for daily operating transactions. The accounts will be used when their rates exceed interest bearing checking account. The number of money market accounts used by the County will be less than ten (10). These estimates may vary in the duration of the contract.

Services Provided:

Reports:

1. A detailed monthly collateral-to-deposit report is required. The report shall contain security descriptions, par value/current face and current market value. To compensate for increases or decreases in county deposits and fluctuation of market value of pledged collateral, the minimum market value of collateral will be 110% of county deposits based on market value.

Statement: Monthly statements will include checks, deposit slips, transfer slips and debit and credit memos, processed for ALL accounts. The daily ledger balances, average daily collected balances, number of debits, number of credits, and other items on which charges are based, should also be included in each monthly statement. All checks will be sorted in numerical order.

Statements should be processed and available online the first (1st) business day of the following month, or mailed no more than three (3) business days after the close of each month.

A sample statement format will be included as part of the bid.

Contact Person: Bank will specify an Officer of the Bank who will be responsible for attending to inquiries, requests for services, and daily activities regarding the managing of Llano County accounts.

Daylight Overdraft Provisions: The proposal should include any bank policy regarding daylight overdraft charges or handling.

Stop Payments: The bank will be required to process stop payments on verbal instructions from the County Treasurer or his Assignee with follow-up written confirmation.

Stale Dated Checks: The bank will agree not to honor stale dated checks on Llano County accounts which are not endorsed as acceptable after the 90-day limit.

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

Standard Deposit Services: The bank will guarantee immediate credit on all wire transfers, ACH transactions and government checks upon receipt and all other checks based on the

bank's availability schedule. All deposits received before the bank's established deadline will be credited daily.

Other Specific Services: As described on the Bid Worksheet, the bank will acknowledge services provided and attendant fees for such.

Direct Deposit Services are Required.

Bid Worksheet for Depository Bank Bid

Interest Bearing Checking Accounts:	<u>Variable Interest Margin</u> *	<u>Fixed Interest Rate</u> *
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_____	_____
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Money Market Accounts:	<u>Variable Interest Margin</u> *	<u>Fixed Interest Rate</u> *
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_____	_____
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*Variable Rate = 91 day US T-bill Effective Rate (as determined by latest T-Bill Auction) + Margin (based on basis points).

Example: If 91 Day US T-Bill effective rate is 3.3% and basis points are 1.0, then the variable rate is 4.3%.

Minumum balance requirement per account will be listed below:

Certificates of Deposit - Variable Interest Rate
 91 Day US T-bill Effective Rate (as determined by latest T-Bill Auction)

	less than \$100,000	more than \$100,000
1. Maturity 7 - 29 days	+____basis points	+_____basis points
2. Maturity 30 - 59 days	+____basis points	+_____basis points
3. Maturity 60 - 89 days	+____basis points	+_____basis points
4. Maturity 90 - 179 days	+____basis points	+_____basis points
5. Maturity 180 days-less than 1 year	+____basis points	+_____basis points
6. Maturity 1 year or more	+____basis points	+_____basis points

Certificates of Deposit - Fixed Interest Rate

1. Maturity 7 - 29 days	_____%
2. Maturity 30 -59 days	_____%
3. Maturity 60 - 89 days	_____%
4. Maturity 90 - 179 days	_____%
5. Maturity 180 days - less than 1 year	_____%
6. Maturity 1 year or more	_____%

Services Provided:

	<u>Yes</u>	<u>No</u>	<u>Dollar Amount of Fee</u>
1). Automated Balance Reporting on Daily Activity	_____	_____	_____

Comment:

2). Wire Transfers:			
Incoming	_____	_____	_____
Outgoing	_____	_____	_____
Repetitive	_____	_____	_____
Non-Repetitive	_____	_____	_____

Comment:

	<u>Yes</u>	<u>No</u>	<u>Dollar Amount of Fee</u>
3). ACH Service Transfers:			
Outgoing-Bank Initiated	_____	_____	_____
Direct Deposit	_____	_____	_____
Computerized	_____	_____	_____

Comment:

4). In-House Account:

Repetitive	_____	_____	_____
Transfers Non-Repetitive	_____	_____	_____
Computerized	_____	_____	_____

5). Account Maintenance on
Checking Accounts

Comment:

6). Account Maintenance on
Money Market Accounts

Comment:

7). Stop payments issued:

Comment:

8). Overdrawn Accounts

9). Returned Items

Comment:

10). Sequential check sorting:

11). Provide safe-keeping for outside purchases of securities by Llano County at a Third Party Financial Institution, or with the Federal Reserve Bank. _____

Comment:

12). Zero-Balance Accounts: _____

Comment:

13). Additional Services and Charges:

Are there any additional charges for the requested collection, disbursement, investment or miscellaneous services? If so, please describe and indicate the fee per unit.

	<u>Yes</u>	<u>No</u>	<u>Dollar Amount of Fee</u>
Other Services:			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

14). Is internet banking available? If yes, describe services.

Online Wire Transfers _____

Positive Pay _____

Accept Positive Pay File Upload _____

List any standard online services that are not offered _____

Banks should be prepared to provide the treasurer's office an opportunity to physically work with this technology before the bid is awarded.

Do you offer Remote Capture? If yes, describe services. _____

Payment for Services:

The county may elect to pay for services either by direct fee payment or by compensating balance.

a. Direct fee

It may be the county's request that the bank bill and accept direct payment for services at the unit prices indicated in the previous section. Please indicate whether the bank will accept this method of payment.

Yes

No

If the County elects to pay the bank for services, each account billing will be presented monthly in hard copy with charges being on a straight fee basis with account balances not being a factor in determining the fees that are due.

b. Compensating Balance

In lieu of direct payment the county may request that a compensating balance be maintained at the managing bank in a zero-interest rate Certificate of Deposit within the control account only to cover services. The level of compensating balance will be determined as a result of:

- a. Services required (per bid)
- b. Service Price (per bid)
- c. Monthly activity (actual)
- d. Collected balances (actual)
- e. Legally required reserves (actual)
- f. Earnings allowance rate (per bid)

Please specify calculation of the earnings allowance rate. The formula for computing the earnings credit will use current reserve requirements. An example is as follows:

EXAMPLE

Collected bank balance (control account)	\$1,000,000.
(less reserves required - 10% presumed)	<u>100,000.</u>
	900,000.
x Earnings Allowance	
(assume 91 day T-Bill rate)	x <u>3.3%</u>
Annual Earnings Credit	29,700
	Divided by 12
Total earnings credit for the month	2475
Please specify bank's calculation	_____

Bank **must** complete the information below to validate the bid for Depository Bank.

The undersigned affirms that they are fully authorized to execute this contract by providing the county with a resolution from the Board of Directors of the submitting bank authorizing or empowering the undersigned to execute this contract; that this bank has not prepared this bid in collusion with any other bidder; and that the contents of this bid as to fees, interest rates, terms, or conditions of said bid have not been communicated by the undersigned, nor by any employee or agent, to any other bidder or to any other person(s) engaged in this type of business prior to the official opening of this bid.

Name and address of Bidder: All unsigned Bids will be disqualified

Signature: _____

Name: _____

Title: _____

Telephone Number: _____

Date: _____