

WEST CENTRAL TEXAS MUNICIPAL WATER DISTRICT REQUEST FOR PROPOSAL FOR BANKING SERVICES

I. INTRODUCTION

The West Central Texas Municipal Water District (“District”) is requesting proposals for a banking services agreement to be awarded May 15, 2024, with service to begin October 1, 2024, and extend through September 30, 2027, with an option for the District to renew under the same terms for an additional two (2) years. Through this contract, the District intends to optimize banking costs, improve operational efficiency, and maximize investment capabilities. This Request for Proposal (RFP) represents the cash management goals, specifies all required bank 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.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. MINIMUM QUALIFICATIONS

To assure a close working relationship, to facilitate available services, and to support local business, the District may give priority to those banks with full service capabilities within the Abilene city 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 District, a standard reply format is required and must be completed by each financial institution (“Bank”) submitting a proposal. Each proposal must include a response to each item in the RFP in the order given. Only proposals submitted in the prescribed format and using the exhibit form provided will be evaluated for contract award.

2. Submission Requirements

Sealed proposals are to be submitted with the required information as noted in this RFP and will be received in the office of the District, 410 Hickory Street, Abilene, TX until 3:00 PM (CST) on April 4, 2024. All proposals must be sealed and clearly marked on the outside, “Proposal to Serve as Depository for District: Attention Christy Ferguson.” Banks submitting proposals should ensure the appropriate proposal format is used.

3. RFP Questions

Questions regarding this RFP or the services requested will be accepted in written form at the address below on or before 12:00 pm, April 1, 2024. Responses to any material questions submitted will be communicated to all prospective banks.

Email to christy.ferguson@wctmwd.org or write to
WCTMWD – Questions regarding RFP (Depository)
ATTN: Christy Ferguson
410 Hickory Street
Abilene, TX 79601

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 prospective banks offering a proposal.

5. Selection Criteria

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

Time deposit interest rates
Cost of Service
Service Availability
Safety and creditworthiness of bank
Electronic Banking Services

6. Award of Proposal and Service Initiation

The contract is to be awarded by the District at a regular meeting of the Board of Directors. The Board is currently scheduled to meet on May 18, 2024. The District reserves the right to reject any and/or all proposals and to accept the proposal the District considers most advantageous. Acceptance of a proposal will be based on the total package of services offered by the Bank. If any portion or provision of a proposal and/or any contract between a Bank and District entered into by virtue of the proposal is illegal, invalid, or unenforceable, the remainder of the proposal and/or resulting contract, at the option of the District, shall remain in full force and effect and not be affected by such illegal, invalid, or unenforceable portion or provision.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

- ◆ State full legal name and principal office address of your company, and also your parent company if you are a subsidiary, including a list of branch locations (if any) within the District's boundaries **(please title/list as Attachment 1)**.
- ◆ Enclose annual audited financial statements for the most recent fiscal year, plus a call report of the most recent quarter. Members of bank holding companies should also include the holding company's annual financial statements and the Bank's individual call report for the most recent quarter **(please title/list as Attachment 2)**. Additional data may be requested, if necessary.
- ◆ The District will require the selected depository to designate a bank officer as a primary contact with the District **(please see Section F)**.
- ◆ Provide a statement of any current or potential conflicts of interest **(please title/list as Attachment 3)**.

IV. REQUIRED BANKING SERVICES

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

A. 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 District requires adequate security provisions and procedures. If the wire transfer requests are available online, full information should be submitted detailing their use **(please title/list as Attachment 4)**.

B. Automated Daily Balance Reporting

The District requires an automated PC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which the access is available and describe the system to be used. Reporting should include balance and detail reporting. Samples of the reports are to be included in the proposal **(please title/list as Attachment 5)**.

C. Standard Disbursing Services

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

D. 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, as well offer remote deposit services **(please title/list as Attachment 6)**.

E. Reporting and Account Analysis

Online banking services are required. A sample of your online banking services must be provided as part of the proposal **(please title/list as Attachment 7)**. Samples of monthly statements should also be provided **(please title/list as Attachment 8)**. The monthly statements are to be received within ten business days after the last day of the month.

F. Account Executive

A bank officer or other 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 officer or 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 District's account **(please title/list as Attachment 9)**.

G. Direct Deposit

Describe the requirements and deadlines for computer Automated Clearing House (ACH) transactions. The proposal should indicate when funds will be available in participating bank **(please title/list as Attachment 10)**.

H. Daylight Overdraft Provisions

Every effort will be made to eliminate overdraft situations on the account. However, in case this situation does arise, the proposal should include any and all Bank policies regarding overdraft charges or handling procedures **(please title/list as Attachment 11)**.

I. Stop Payments

The proposal must include a statement on the proposed stop payment process on an automated or manual basis. **(please title/list as Attachment 12)**

J. Investment of Idle Funds, Safekeeping of Securities, and Collateralization of Deposits

All certificates of deposit bought by the District will be bought on a competitive basis. The District has no obligation to invest its funds with or through the Bank. In order to fulfill GASB 34 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 or, if applicable, by the Bank's affiliated trust company, 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. There will be approximately twenty securities in safekeeping at any time. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangements will be stipulated in the proposal.

The Bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit. Securities used to pledge against time and demand deposits must be held under an independent third-party ("Safekeeping Bank") safekeeping agreement between the District 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 District. Substitution of collateral must be approved by the District, but will not be unduly withheld. Substitutions of collateral must be requested in writing and new collateral must be received before the existing collateral is released. The proposal will name the Safekeeping Bank for collateral **(please title/list as Attachment 13)**.

H. Positive Pay

The Bank should offer Positive Pay services as part of the Depository contract. The proposal should include information on if the bank offers Positive Pay as well as information on the Positive Pay costs and services provided by the bank. **(Please title/list as Attachment 14)**

V. OTHER SERVICES

The District is interested in obtaining service and cost information regarding additional services offered by the Bank which are (or may be) also available to the District for 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. **(please title/list as Attachment 15)**.

VI. Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA)

FIRREA requires that the Depository Institution's Board of Directors or Designated Committee approve a Depository agreement between the Bank and the District. The Bank must guarantee that a copy of the Depository's Resolution approving an agreement between the Bank and the District will be delivered to the District's representative (either the General Manager or the Administrative Services Manager). Please indicate acceptance of these terms in a short memo labeled as **Attachment 16**.

VII. Depository Contract/Agreement and Collateral Contract/Agreement Requirements

The Depository Institution should include a copy of any contracts or agreements that the District will need to execute.

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 charge	Per transaction	
ACH Processing		
Origination of file	Per file	
ACH deletions	Per transaction	
ACH entries	Per transaction	
Returned checks	Per transaction	
Controlled Disbursement	Per account/per month	
Account Receivable		
Date transmission		
Deposits	Per transaction	
Deposited Item reject	Per transaction	
Stop payments	Automatic/manual	
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	
Lockbox	Per month	
Cutbacks	Per transaction	
Special handling		
Insufficient Funds overdraft	Per transaction	
Endorsement Stamps		
Information Reporting (through District terminal access)		
Previous day summary reporting		
Previous day transaction reporting		
Balance history reporting		