



REQUEST FOR APPLICATIONS BANK DEPOSITORY SERVICES

Proposal Due Date
April 1, 2025
3:00 pm

The City of Kenedy, Texas
303 W Main St.
Kenedy, TX 78119

830-583-2230
March 13, 2025

TABLE OF CONTENTS

Table of Contents 2

Notice to Vendors 3

Anticipated Schedule of Events 4

I. Introduction 5

II. Proposal Instructions and Qualifications 5

III. Required Financial Institution Information 6

IV. Required Banking Services 6

V. Other Services 10

VI. Bank Compensation 10

VII. Required Disclosures 10

VIII. Required Certifications 11

Attachment A: Banking Services Charges 13

NOTICE TO VENDORS

Sealed proposals will be received by the City of Kenedy, Texas at the office of the City of Kenedy, Attention: Melissa L. Gonzalez, City Manager, 303 W Main Street, Kenedy, Texas 78119, for the purchase of services, as follows per proposal instructions and specifications:

REQUEST FOR APPLICATIONS FOR BANK DEPOSITORY SERVICES RFA-2025

Qualified prospective Proposers may obtain copies of the RFA on the City website: www.kenedytx.gov. Proposals received later than the date and time above will not be considered in the proposal process. Facsimile or electronic transmittals will not be accepted.

The Kenedy City Council reserves the right to accept or reject any proposals or any part thereof or any combination of proposals and to waive any or all formalities in any proposal, and to make an award in any manner, consistent with law, deemed in the best interests of the City.

ANTICIPATED SCHEDULE OF EVENTS

Tuesday, February 11, 2025 Request Council approval to issue RFA
Thursday, March 13, 2025..... Issue RFA
Tuesday, April 1, 2025..... Deadline for proposal submissions
Friday, April 4, 2025..... Proposal opening
Tuesday, April 8, 2025..... Council selection of bank Thursday,
May 1, 2025..... Contract term begins

I. INTRODUCTION

The City of Kenedy, Texas is requesting proposals for a banking services contract with service to begin May 1, 2025 and extending through April 30, 2028, with the option to extend this contract for two (2) additional one-year terms. Through this contract, the City intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities. This Request for Applications (RFA) 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.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. Minimum Qualifications

To ensure a close working relationship, facilitate available services, and support local business, the entity may give priority to those banks with full-service capabilities within the 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

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 RFA in the order given. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

2. Submission Requirements

Proposals for the services specified will be received by the City of Kenedy until April 1, 2025, at 3:00 PM. Please submit one (1) original proposal in hard copy only, and one (1) copy of the proposal in pdf format on a flash drive. The address for delivery of submissions is:

City of Kenedy
Attention: Melissa L. Gonzalez, City Manager
303 W Main Street
Kenedy TX 78119

Late submissions will not be considered. Proposals received after the deadline will be returned unopened.

3. Selection Criteria

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

Ability of applicant to perform and provide the required and requested services;

References provided and quality of services.

- 3. Cost of services;
- Transition cost, retention and transition offers, and incentives;
- Interest rates on interest bearing accounts and deposits;
- Earnings credit rate on compensating balances;
- Previous service relationship with the City;
- Convenience of location(s);
- Completeness of application; and
- Financial strength and stability of the institution.

4. Council selection of bank

The selection is scheduled to be at the Tuesday, April 8, 2025, meeting of the Kenedy City Council.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

All banks must provide, as part of the proposal:

- audited financial statements for the most recent fiscal year,
- a copy of the current call report, and
- a 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 Attachment A to provide the specific price for each service.

A. Consolidated Account Structure

The City’s banking structure currently consists of seventeen (17) accounts. The Pooled Cash account is the main account for deposits, and accounts payable. The City uses ACH for both payment and receipt of items in the Pooled Cash account. The City uses wire transfers for payment of some obligations out of the Pooled Cash account. The City desires all accounts to be interest-bearing.

Account	Account Type
Pooled Cash	Interest Bearing Checking - Public Funds
Payroll Checking Acct.	Interest Bearing Checking – Public Funds
Police Dept. Account	Money Market - Public Funds
Grant Operating Acct.	Money Market - Public Funds
Tax Increment Ref. Zone 2	Money Market - Public Funds
Kenedy Regional Airport	Money Market - Public Funds
GF Debt I&S	Money Market - Public Funds
GF Cash Savings	Money Market - Public Funds
Hotel/Motel Tax Fund	Money Market - Public Funds
Police Asset Forfeiture	Money Market - Public Funds
Fire Department Fund	Money Market - Public Funds

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. Information should be submitted detailing the use of online wire transfer requests. The City requires:

- The ability to initiate and monitor wire transfers online
- The ability to create and store recurring/repitative wire instructions/templates
- The ability to create and store future-dated wire instructions
- Security measures for wire initiation and approval

YES, can provide as requested/required. NO, cannot provide as requested/required.

C. Automated Daily Balance Reporting

The City 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.

YES, can provide as requested/required. NO, cannot provide as requested/required.

D. 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.

YES, can provide as requested/required. NO, cannot provide as requested/required.

E. Investment of Idle Funds and Safekeeping of City Securities

All certificates of deposit bought by the City will be bought 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.

YES, can provide as requested/required. NO, cannot provide as requested/required.

F. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation. Checks drawn on City accounts at your institution presented by City of Kenedy employees will be cashed at no charge.

YES, can provide as requested/required. NO, cannot provide as requested/required.

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.

YES, can provide as requested/required. NO, cannot provide as requested/required.

H. Online Banking Services

The institution shall offer internet access for the inquiry of account balances and activity for all bank accounts. This access should be available by using a password set by the City. In addition, the institution shall offer online transfer of City funds between accounts held within the institution. The transfers should be credited and debited to the related accounts on the same business day of the transfer, if the request is received by 4:00 p.m.

Provide a detailed description of online services and a list of all capabilities, including ability to provide the following basic services:

Reporting:

- Daily balance reporting summary
- Daily balancing reporting detail (with check detail and images)
- Daily ACH and wire with full addenda information

Execution of Transactions:

- Transfers between accounts
- Initiation of wire transfers
- Initiation of stop payment orders
- Initiation of ACH transactions; recurring/repetitive/future ACH debit (collection or credit (Direct deposit) transactions
- Maintenance of wire transfer templates

Initial Controls:

- Online cleared check information/images
- Multi-level security administration requirements
- Training of City's administrator for managing access

YES, can provide as requested/required. NO, cannot provide as requested/required.

I. 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 detailed analysis should include all charges against each account and a consolidated analysis. A sample account analysis format must be provided as part of the proposal. All checks cleared (both front and back) must be returned to the City in paper or online printable format. The City requires calendar month bank statements. (Beginning the 1st day of the month and ending the last day of the month).

Samples of monthly statements should also be provided. The monthly statements are to be received within five business days of the last day of the month.

YES, can provide as requested/required. NO, cannot provide as requested/required.

J. 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.

YES, can provide as requested/required. NO, cannot provide as requested/required.

K. Direct Deposit

The banking institution must be able to provide direct deposit through a computer interface with the City via the Internet. Include a schedule of funding for direct deposit so that payroll is available for City employees at 12:01 a.m. Friday. Also, include a sample direct deposit agreement with your proposal. Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks.

YES, can provide as requested/required. NO, cannot provide as requested/required.

L. Daylight Overdraft Provisions

Every effort will be made to eliminate daylight overdraft situations on the account. However, if this situation arises, the proposal should include any bank policies regarding daylight overdraft charges or handling procedures.

YES, can provide as requested/required. NO, cannot provide as requested/required.

M. Stop Payments

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

YES, can provide as requested/required. NO, cannot provide as requested/required.

N. 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 \$250,000. 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 the 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 entity. 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. The City requires monthly collateral reports. Please provide a sample collateral report with your proposal.

<input type="checkbox"/> YES, can provide as requested/required. <input type="checkbox"/> NO, cannot provide as requested/required.

O. Positive Pay

Positive pay is required to safeguard against fraudulent checks. The City would electronically transmit the issued check file to the bank. The bank would only honor those checks issued by the City pre-authorized through the positive pay system.

<input type="checkbox"/> YES, can provide as requested/required. <input type="checkbox"/> NO, cannot provide as requested/required.

P. 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.

V. OTHER SERVICES

The City 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 City 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.

VI. BANK COMPENSATION

Any net settlement on compensating balances will be made annually. Describe the compensating balance calculation and address fee when credits do not cover charged fees. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.

VII. REQUIRED DISCLOSURES

As defined in Section 105.015 (c), each applicant shall comply with the conflict of interest provision of Section 131.903 of the Texas Local Government Code in regard to the selection of the depositories:

Sec. 131.903. CONFLICT OF INTEREST.

(a) A bank is not disqualified from serving as a depository for funds of a political subdivision if:

(1) an officer or employee of the political subdivision who does not have the duty to select the political subdivision's depository is an officer, director, or shareholder of the bank; or

(2) one or more officers or employees of the political subdivision who have the duty to select the political subdivision's depository are officers or directors of the bank or own or have a beneficial interest, individually or collectively, in 10 percent or less of the outstanding capital stock of the bank, if:

(A) a majority of the members of the board, commission, or other body of the political subdivision vote to select the bank as a depository; and

- (B) the interested officer or employee does not vote or take part in the proceedings.
- (b) This section may not be construed as changing or superseding a conflicting provision in the charter of a home-rule municipality.

In addition, the following disclosures apply:

Pursuant to Chapter 176 of the Texas Local Government Code, a person, or agent of a person, who contracts or seeks to contract for the sale or purchase of property, goods, or services with the City of Kenedy, Texas must file a completed **conflict of interest questionnaire** which is available at <http://www.ethics.state.tx.us>. The conflict of interest questionnaire must be filed with the City of Kenedy, Texas no later than the seventh business day after the later of the date that the person or agent begins contract discussions or negotiations with the Town or submits to the Town an application, response to a request for proposal or bid, correspondence, or writing related to a potential agreement. An updated conflict of interest questionnaire must be filed in accordance with Chapter 176 of the Texas Local Government Code. An offense under Chapter 176 is a Class C misdemeanor.

Certificate of interested parties: Section 2252.908 of the Texas Government Code applies to all contracts entered into on or after January 1, 2016. The law states that a governmental entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity. The law applies, with a few exceptions, to all contracts/purchases of a governmental entity that require action or vote by the governing body of the entity. The electronic filing application process can be started on the Texas Ethics Commission website at www.ethics.state.tx.us. The City acknowledges that publicly traded business entities are exempt from this requirement.

In compliance with Chapter 2252 Subchapter F, of the Texas Government Code, prohibiting government contracts with a company doing business with Iran, Sudan or a foreign terrorist organization, the City of Kenedy, Texas will not enter into a contract with a company reported on the LISTED COMPANIES per Section 2252.153.

VII. REQUIRED CERTIFICATIONS A. Certification Regarding Boycotting of Israel

Texas Government Code, Title 10, Subtitle F, Chapter 2271.002 - Provision Required in Contract.

1. This section applies only to a contract that:
 - a. Is between a governmental entity and a company with 10 or more full-time employees; and
 - b. Has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the government entity.
2. A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:
 - a. Does not boycott Israel; and
 - b. Will not boycott Israel during the term of the contract.

AGREE.

DO NOT AGREE

B. Certification Regarding Boycotting of Certain Energy Companies

Texas Government Code, Title 10, Subtitle F, Chapter 2274.002 - Provision Required in Contract.

1. This section applies only to a contract that:
 - a. Is between a governmental entity and a company with 10 or more full-time employees; and
 - b. Has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the government entity.

2. Except as provided in Subsection 3, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:
 - a. Does not boycott energy companies; and
 - b. Will not boycott energy companies during the term of the contract.
3. Subsection 2 does not apply to a governmental entity that determines the requirement of Subsection 2 are inconsistent with the governmental entity's constitutional or statutory duties related to the issuance, incurrence, or management of debt obligations or the deposit, custody, management, borrowing, or investment of funds.

<input type="checkbox"/> AGREE.	<input type="checkbox"/> DO NOT AGREE
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C. Certification Regarding Boycotting of Firearms Entity or Firearms Trade Association Texas Government Code, Title 10, Subtitle F, Chapter 2274.002 - Provision Required in Contract.

1. This section applies only to a contract that:
 - a. Is between a governmental entity and a company with at least 10 full-time employees; and
 - b. Has a value of at least \$100,000 that is paid wholly or partly from public funds of the government entity.
2. Except as provided by Subsection 3 and Section 2274.003, a governmental entity may not enter into a contract with a company for the purchase of goods or services unless the contract contains a written verification from the company that it:
 - a. Does not have a practice, policy, guidance, or directive that discriminates against a firearm entity of firearm trade association; and
 - b. Will not discriminate during the term of the contract against a firearm entity or firearm trade association.
3. Subsection 2 does not apply to a governmental entity that:
 - a. Contracts with a sole-source provider; or
 - b. Does not receive any bids from a company that is able to provide the written verification required by that subsection.

<input type="checkbox"/> AGREE.	<input type="checkbox"/> DO NOT AGREE
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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 charges in the lines provided below.

Service Unit	Unit Charge	Cost of Service
Account Maintenance	Per month	
Daily Balance Reporting	Per month	
Credits Posted	Per transaction	
Items Deposited		
Deposits	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	
ACH returns	Per transaction	
ACH maintenance	Per month	
Chargeback items	Per transaction	
Stop payments	Per transaction	
Wire Transfers		
Incoming	Per transaction	
Outgoing	Per transaction	
Investment Safekeeping		
Safekeeping interest/credit	Per transaction	
Safekeeping receipt deposit	Per transaction	
Safekeeping outgoing	Per transaction	
Extra Statements	Per transaction	
Disposable Bank Bags	Per Item	
Online Banking		

Online account access	Per transaction	
Transfers	Per Item	
Payroll Cards	Per Item/Transaction	
Positive Pay	Per transaction	