REQUEST FOR SEALED PROPOSAL

RFP NO. 26-007-08-31

BANK DEPOSITORY SERVICES

CITY OF SAN JUAN, TEXAS

REQUEST FOR PROPOSALS
BANKING DEPOSITORY
SERVICES

RFP NO. 26-007-08-31

Release Date: August 5, 2026
Submission Date: August 31, 2026

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NOTICE OF INTENT TO RESPOND

Firms interested in submitting a bid on **RFP NO. 26-007-08-31** as outlined in the specifications, should indicate their intention by signing, dating and returning the form to the email address below prior to **August 13, 2026**, so that they may receive any addendums to the specifications should the need arise.

City of San Juan
Attn: Lori A. Maldonado, Purchasing Agent
512 S. Nebraska Avenue, San Juan, Texas 78589
Phone: (956) 223-2204
lmaldonado@sjtx.us

Bidder: ____
[Please print or type the full name of your proprietorship, partnership, corporation, or joint venture.*)

Contact Name: ____
[Please print or type name [Title]

Address: ____
[Mailing]

____

[Street, if different]

Telephone: ____
[Print or type telephone number]

Fax: ____
[Print or type telephone number]

Email: ____
[Print or type]

CITY OF SAN JUAN, TEXAS

REQUEST FOR PROPOSAL– DEPOSITORY AND BANKING SERVICES

I. INTRODUCTION

The City of San Juan (the "City") is requesting proposals for a five (5) year bank depository contract if approved by the City Council, in accordance with state statute. The initial contract will begin November 1, 2026 terminating October 31, 2031. The contract is to provide primary banking services to the City. This Request for Proposal ("RFP") is intended to serve as the official proposal for applications in accordance with State statute.

Through this contract the City intends to minimize banking costs, improve operational efficiency, and maximize its investment earnings capabilities. This Request for Proposal ("RFP") specifies all required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and contract award provisions. All qualified institutions with depository facilities within the City limits are invited to submit a proposal.

Institutions responding to this Request for Proposal (RFP) must be insured through the Federal Deposit Insurance Corporation (FDIC) and must be able to demonstrate a capacity to meet the City's requirements as stated in the RFP.

II. QUALIFICATIONS AND SUBMISSION INSTRUCTIONS

By submitting a proposal in response to this RFP, institutions will be deemed to agree to the mandatory contract and service provisions contained herein. This RFP and the proposal submitted will be incorporated into and form the operational basis of the bank depository services contract.

1. Local Presence
To assure a close working relationship and to facilitate services, FDIC insured depository institutions with full depository service capabilities within the geographic boundaries of the City of San Juan and outside city limits within the State of Texas are invited to submit a proposal.

2. Proposal Format
To equitably evaluate each bank's ability to meet the banking service needs of the City, a standard format for all proposals is required. A response must be given to each item in Sections IV- VI of this RFP along with completion of Attachment A detailing proposed bank fees. Responses must be in the same order as the questions presented and a response given for each question, stating a description of the service or a statement of the inability to provide said service. Only proposals submitted in the prescribed format and using the provided Attachment A for proposed bank fees will be considered and evaluated for contract award. Additional explanatory information on the service may be included as part of the proposal.

Section VI - Optional Services - includes services not required but being investigated by the City for possible inclusion in the resulting contract. Section VII - Alternative Services is for inclusion of any additional service the bank desires to offer but was not included in the RFP.

This RFP is being issued in electronic format only. Submission of the proposal must be in electronic form also.

3. Schedule for Proposal Submission
The City plans to adhere to the following schedule.

08/05/26	**Release of Request for Proposal**
08/13/26	**Deadline for questions concerning the RFP or services requested**
08/17/26	**Responses given to any questions on the RFP - provided to all known proposers**
08/31/26	**Deadline for Proposal submission (3:00 p.m.)**
09/08/26	**City Council award of contract (TBD) 5:30 p.m. at the San Juan Memorial Library, 1010 S. Standard St., San Juan, Texas 78589**
10/01/26	**Contract commencement**

4. Proposal Submission
To be eligible for consideration under this RFP one Original, one Copy and a USB of the proposal should be submitted. The submission deadline is **3:00 pm CST on August 31, 2026.** **The sealed envelope should be clearly marked "RFP NO. 26-007-08-31 Proposal for Bank Depository Services".**

Proposals received by the City after the deadline will not be accepted and will not be returned.

An accompanying transmittal letter must be signed by an individual authorized to bind the institution, state that the proposal is valid for 90 days from the submission date and give full contact information regarding the proposal. Information provided in the transmittal letter and not in the proposal will not be considered in the evaluation process.

The proposal must be delivered by mail, express mail, or in person to:

Lori A. Maldonado
Purchasing Agent
City of San Juan
512 South Nebraska
San Juan, TX 78589

lmaldonado@sjtx.us
956-223-2204

Any banking institution submitting a proposal is deemed to have read, understood and agreed to all terms, conditions and requirements set forth in the specifications.

5. RFP Questions - There will be **no pre-proposal conference.** All questions regarding this RFP, or the services requested therein, will be accepted in e-mail form only at the City email address shown above on or before 2:00 pm August 13, 2026. The City will make its best effort to provide responses to all material questions submitted by 5:00 pm August 17, 2026. All questions and responses will be emailed to all known proposers.

6. Selection Criteria

The following guidelines will be used by the City in the evaluation of the proposals and the award recommendation.

- 40% responsiveness (prompt customer service) and capability to provide services, including but not limited to robust user-friendly online platform and reports required,
- 30% banking services costs,
- 10% earnings potential,
- 10% experience references and continuity of bank and bank officials,
- 10% creditworthiness and stability of the bank.

The City 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 proposal.

Award may not be made to the institution submitting the lowest price proposal. The City will choose the institution submitting the best, most responsive overall proposal to satisfy the City's needs.

7. City Rights

The City 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 City,
- 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 City.

8. Proprietary Information

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

9. Bank Fees

The City currently pays for banking services on a compensating balance basis. The City 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. A carry-over provision will be utilized. The City 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 to take advantage of changing interest rate environments.

The City wants to evaluate the use of an automated external sweep into an SEC-registered money market fund striving to maintain a $1 NAV with possible interest bearing or money market accounts. A complete monthly account analysis will be required regardless of the payment basis.

All item charges 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. 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 City's Director of Finance. ***It is critical that Attachment A be completed in its entirety noting all service categories/fees required to provide the required services***. If the Attachment A does not contain a detail line item fee as defined by and required by your institution for a particular service, the fee type and level should be added to the file.

10. Contact with City Officials and Employees

All comments and questions will be directed to the Purchasing Agent. Contact with any other City employee or elected official without prior written consent of the Purchasing Agent is expressly prohibited and risks elimination of the proposal for consideration.

11. Venue

The parties agree that venue for purposes of any and all lawsuits, cause of action, and/or any other dispute(s) shall be in Hidalgo County, Texas.

12. Litigation Summary

A litigation summary that briefly describes any claims or lawsuits that have been filed within the last ten (10) years against the respondent individual or firm that relates to the services performed by the respondent individual or firm must be submitted. Identify the claim or lawsuit by naming the adverse party, case number, jurisdiction where filed and current status and/or outcome of the claim or lawsuit. **If no summary is given or if a general statement is given that refers the City to inquire with a respondent individual's counsel or firm's counsel, the RFQ, RFB, RFP or CSP may be considered NON-RESPONSIVE and eliminated from consideration.** This statement may be submitted as a separate document, but must be provided at the same time that the **RFQ, RFB, RFP or CSP** is submitted.

III. CITY FINANCIAL OVERVIEW

The City's Finance Department handles all banking, treasury, and investment activities as well as accounts payable, receivables, and financial reporting functions. The Director of Finance is responsible for the department and reports to the City Manager. The City prepares the daily deposits from four departments three (3) deposits daily (Library deposits are included with City Secretary deposits). Currently, deposits are made by the Rochester armored car service. Deposits are logged with the armored car services in a tamper-proof bag scanned by Rochester. The Finance Department handles all reconciliations.

The City intends to utilize and expand automated banking services wherever efficient and cost effective. This proposal should address automation potential on any services.

The City currently uses twelve (12) accounts five (5) of which are structured as IntraFi-Insured Cash Sweep (ICS) accounts established as investment accounts.

The City has an economic development corporation which is currently incorporated and managed under the City's banking relationship. EDC funds are corporate funds and therefore need not be collateralized.

There is no internal sweep between accounts. The funds are not externally swept to an external money market mutual fund but maintained as a balance for compensating balance calculations. The City does participant in a local government investment pool. Transfers between the pool and the City are primarily in the General or Payroll accounts. The average ledger balance for the entire relationship for the past twelve months was $15,703,728.

The current accounts and their estimated monthly ledger balance averages are shown below.

• General Pooled Fund	$ 15,703,728
• Asset forfeiture	$ 1,909,866
• Payroll	$ 263,814
• TDEM	$ 1,337,335
• ICS – Sanitation Funds	$ 228,600
• ICS – Park Funds	$ 228,600
• ICS – General Funds	$ 571,546
• ICS Bond Series 2023	$ 1,117,739
• ICS Bond CO Series 2024	$ 4,156,600
• EDC Revenue	$ 424,160
• EDC Expense	$ 249
• EDC Debt	$ 76,854

The same basic account structure will be established initially but may change during the contract period. The bank is being asked to present the most efficient structure to create the best investment rates and best operating efficiency, but final decisions will be made by the City. The City would like access to an external sweep as well as interest bearing or money market accounts and will decide on the use of the accounts as interest rates and conditions vary. All balance decisions in any account will be made by the City.

- Deposits are received daily from various departments including Court, Planning, Library and City Secretary. Deposits are made via armored car direct to vault. Deposits will vary daily but average $1,895,245 a week.
- No remote deposit is being used currently but is wanted by the City.
- Wires and securities transactions and ACH will be tied normally to the General account.
- The City issues approximately 400 checks each month.
- Approximately $ 3,500,000 in payables are processed monthly with payable runs made weekly.
- Direct deposit is mandatory for 100% of employees. Payroll is processed for 300 employees totaling approximately $ 700,000 monthly.

The City requires a remote deposit service capability and definitely wants to start the service during the contract period with the decision for implementation made by the City. The Finance Department handles all reconciliation on the accounts and requires downloadable electronic reports. Paper reports are to be eliminated.

Any or all City funds may be maintained and invested by the City outside this contract. The City does use a local government investment pool. A safekeeping account is not required at this time. The City will be under no obligation to maintain funds in the bank except under a compensating balance relationship. The City will not use the depository institution for brokerage services to ensure complete separation on delivery versus payment delivery requirements.

The Director of Finance will monitor the bank's performance. The Director will also be responsible for administering the agreement with respect to day-to-day activities. A list of City personnel authorized to deal directly with the bank will be provided following award of contract. The bank shall provide the City with a similar list of authorized personnel.

IV. FINANCIAL INSTITUTION QUALIFICATIONS

To be considered the proposal must include a response to each question in Section IV.

1. Creditworthiness

To fulfill the City's fiduciary responsibility and to protect public funds, each bank shall provide the following.

a. Provide a link to the bank's audited financial statement for the most recent fiscal period. The bank will be required to provide an audited statement to the City annually through the contract period, as soon as it is publicly available. Provide the most recent statement and confirm agreement to this annual provision requirement.
b. Provide the bank's Community Reinvestment Act (CRA) rating by its rating agency (summary information only required).
c. Provide the senior and subordinate debt ratings of the holding company. If ratings are not available, provide the bank's most recent four quarters rating from an independent rating agency such as Highline, Veribanc, or Best. The bank will notify the City within thirty (30) days of any

change in any of these ratings during the contract period. Provide the ratings and confirm agreement to this requirement.

2. Customer Service

Service is a primary focus of the City on a continuing basis. Describe the bank's philosophy and approach to satisfying this need through the following responses.

a. How will the bank satisfy the City's need for superior customer service? How will the bank provide the City with relationship support for its services?
b. Is there a formal process for escalation of and monitoring operational problems/issues that are unresolved?
c. How does the bank intend to support the new and ongoing automation needs of the City?
d. Will the bank meet on a regular schedule with the City? How often?
e. Are there any new services expected that might serve the City? When are they available?
f. Is the bank offering any transition or retention incentives? Describe fully and quantify completely.
g. The City requires the right to use a third party auditor to review the City's accounts, collateral, and bank records at any reasonable time. Confirm agreement with this condition.

3. References.

List references from three comparable Texas public entity clients. For each reference, include the length of time under contract, a client contact, title, and email address.

4. Depository/Collateral Agreement and Service Agreements

Provide a copy of <u>all</u> depository and service agreements which will be required to be executed under the contract for services rendered (including depository and collateral agreements). Any changes required on the agreements will be discussed and agreed upon <u>before the execution</u> of the contract by the City. The terms of the agreements shall be in compliance with Chapter 105 of the Texas Local Government Code, Chapter 2257 of the Texas Government Code, and the FIRREA, which the bank board or loan committee action to approve the agreement is included.

a. Provide all the agreements required.

5. Implementation timeline.

The contract period is scheduled to commence November 1, 2026. The City recognizes that not all services and funds will be transferred by this date but expects that all services should be available by that date. It is anticipated that all services will be transferred by January 2027. Collateral should be in place at least five days before any funds are transferred into the bank.

a. Provide a proposed timeline for implementation of the contract. Include each activity required defined by its responsible party and assigned responsibilities. Denote any limitations or unusual potential delay points.

Default in promised delivery of services, without acceptable reasons, or failure to meet the terms or conditions of the depository contract without remedy, shall result in the City having the right to terminate the contract, but the exercising of such right to terminate the contract does not limit any other remedies the City may have for damages or other relief under law.

V. REQUIRED BANKING SERVICES

To be considered, the proposal must include a response to each of the questions in this Section V and <u>all</u> associated fees must be detailed on Attachment A. Add any level of detail as necessary for complete disclosure and information.

1. Account Structure

The City is interested in assuring that all funds are earning at the best, then-current interest rates available at all times. If available, it anticipates establishing a sweep account structure with the sweep to an SEC registered money market mutual fund striving to maintain a $1 NAV. The City currently pays for services on a compensating balance basis but retains the right to switch to a fee basis in certain interest rate environments.

Any money market fund proposed for a sweep vehicle must be SEC-registered and rated AAA and strive to maintain a $1 NAV. **A repurchase agreement or offshore investment is <u>not</u> acceptable as a sweep investment vehicle.**

a. Describe the bank's ability to establish a sweep structure using an external money market mutual fund. If a sweep is not proposed, describe the alternative structure proposed.
b. If a SEC registered money market fund is utilized as the sweep, provide the full name and identifying cusip of the fund along with a link to the prospectus.
c. If swept, are funds swept at end of day or next day?
d. How is interest earned reported from a sweep? How often? If a report is created provide a copy.
e. Will the bank assess a balance-based fee? At what specific rate?
f. Does the bank limit withdrawals in money market accounts to six per month?
g. Does the bank participate in IntraFi's Insured Cash Sweep? If so, describe its proposed use if any. Could this be used for a sweep? Will the ICS accounts be charged as a bank account?
h. If internal rates are not 'bank managed' provide the proposed computation basis for the various type accounts.
i. Confirm that the City may use a compensating balance or fee basis for payment of bank fees.
j. If a compensating balance basis payment is proposed, based on the City's historical service volumes what is your expected *target balance* on a compensating balance basis?
k. Complete the following table indicating the average interest rates for the ECR, interest bearing accounts, money market accounts and sweep funds for the indicated periods.

	Current Rate	Average Last 12 Months
ECR	%	%
Interest Bearing Account	%	%
Money Market Account	%	%
Sweep (Gov't) Fund	%	%

The City may be required or may desire to open additional accounts, or change account types during the contract period. If this occurs the new accounts and their services shall be charged the same contracted amount. Unanticipated or new services may be charged at no more than published rates.

2. Automated Treasury Services

The City requires a web-based, single portal cash management information system access. The City requires timely access to transactions and daily balance reporting. It requires online access and transactions within the various service areas such as ACH and reconciliation. Imaging of all checks, deposit slips and items is required. Statements, and preferably account analyses, must be available in electronic form.

a. Provide a link (and sign-on) to your online service portal. Is this a single portal system?
b. Describe/list the bank's on-line service capabilities in your system. Do any services require access to any other system or third-party system?
c. Are all reporting and transactional processes available through the online system? If not, what is not available online?
d. State the access time for prior day information? Is intra-day information all real-time or delayed?
e. Define the image retention features available.
f. Can customized reports draw across reporting modules and activities? Describe and detail the reporting functions and capabilities.
g. Describe back-up procedures for use by the City with any interruption in the automated system delivery of information.
h. Does the system generate alerts? What items generate an alert? How are these alerts or messages delivered? Must the user be signed on to receive the alert or is it sent via email? Who sets the alerts?
i. Describe the mobile services available.
j. Describe the security protocol for online services. How is authentication and authorization provided? How and by whom are the administration protocols of the security module established and maintained?
k. What reports can be customized?
l. What are the hours of available technical support? Where is the technical support located? How is it provided normally?

3. Standard Deposit Services

Standard commercial deposit services are required for all accounts. Check remote deposit is not currently used. Deposited checks are not encoded. On average the City makes one daily deposit made up of usually four deposits. An average of 4 deposit tickets are created daily.

The City currently accepts credit cards at various departments. The merchant services providers are under separate contracts. All providers process automatic daily deposits to City accounts. **Merchant services will not be included as part of this banking contract.**

The City expects all deposited checks to clear based on the bank's current published FRB availability schedule. All cleared deposits received by the bank's established deadline must be processed for same day ledger/collected credit. The bank shall guarantee immediate credit on all incoming wire transfers, ACH transactions, on-us items, and U.S. government security maturities and coupon payments. Failure to credit City accounts in a timely fashion will require interest payment reimbursement to the City at the then-current daily Fed Funds rate.

a. Are deposits to be made to a local branch or is a vault required?
b. What is the bank's daily cut-off time at a local branch or, if required, at a vault?
c. Does the bank require strapping and rolling? Are there any limits on coin/currency in one deposit bag?
d. How does the bank handle discrepancies in deposit amounts? What settlement process is followed?
e. When and how are credit/debit advices sent to the City from the various deposit location types? Preference will be given to electronic delivery. Are images included with each advice?
f. Is deposit location tracking available? Describe. Is this information carried through to statements and reports? Provide a sample.
g. How and when does notification of return items take place?
h. What type deposit bags are used or required? Are these available from the bank?
i. Describe your e-lockbox program and you ability to receive 'bill pay' payments from other banks.
j. How much advance notice is required on coin and currency orders? Are orders placed online? What is the turn-around time on orders?
k. Include a list of all the bank's deposit locations within the city.

4. Remote Deposit

The City currently does not use remote deposit but plans to use it in various locations. Deposits include both consumer and commercial checks.

a. What are the bank's current capabilities in remote check deposit? Describe how checks are processed and cleared.
b. What is the daily deadline for remote deposits?
c. What scanner equipment is required to operate the system? Is this equipment available through the bank? Will the bank provide scanners? How many? List the equipment required along with its cost(s).
d. How long are deposited physical checks required to be maintained by the City?

5. NSF Process and RCK Services (Re-presentment of NSF checks by ACH)

Under the current contract, NSF checks paid to the City are automatically re-deposited for collection. Complete information is provided on all NSF returned items including name and reason for return.

The City wants to explore the option of the second presentment to be made by ACH to targeted dates for maximum collection potential. Representment of checks (RCK) is not currently utilized.

a. Describe the bank's current NSF process. Are checks automatically re-deposited?
b. How and when is the City notified of return items?
c. Is the bank capable of processing the second presentment as an ACH with a targeted presentment date (RCK)? Describe.

d. Is NSF information, image, or occurrence available on-line? When and how? How long is it available online?

6. Standard Disbursing Services

Standard disbursing service is required. The City is not currently using reconciliation services. The City uses ACH for payroll and many vendor payments.

a. When is daily clearing information available online through current day or intra-day reporting?
b. Are check images available online or with monthly statements?
c. What level of reporting on received items is included? (check number, dollar amounts, value dates, transaction codes, etc.)
d. Describe your e-payables program(s).
e. Does the bank use virtual cards for disbursements? Describe.
f. Does the bank have a commercial card? Describe fully and include any rebate provisions.

7. Positive Pay and Reconciliation

To safeguard against fraudulent checks, positive pay is currently used and is required on all City check writing accounts. The positive pay process should be fully automated and web based. Check register information will be transmitted by the City in batch/file form. The City requires positive pay services with complete indemnification for fraudulent checks.

a. Is payee positive pay available?
b. Describe the data transmission/transfer requirements for batch check runs for positive pay.
c. Is online input for individual, manually written checks available online? Describe the process.
d. How is the City to be notified of a positive pay exception? Is an alert sent by text or email or is it only shown on the portal?
e. At what time is exception information reported to the City? How?
f. What is the response deadline for City exception elections?
g. Are all checks, including those received by the bank tellers and vault, verified against the positive pay file before processing? How often is teller information updated?
h. Describe the bank's check reconciliation processes.
i. How much flexibility for the bank's systems to interface with the City's INCODE 10 system?

8. Funds Transfer and Wire Services

The City currently uses a limited four wires monthly entered on line along with minimum internal transfers.

a. Is wire initiation online for repetitive and non-repetitive wires? Describe the process.
b. Is online monitoring of wire status available?
c. Can templates be created and stored? Is there a fee for storage?
d. How and when will the bank notify the City of incoming wires?
e. Describe security provisions for wire initiation. Is dual control required?

f. Describe the internal and external transfer initiation and reporting process. Are transfers completed totally online?
g. Is future dating available for both repetitive and non-repetitive wires? How far in advance?
h. State the wire access times, posting times, and cut-off times.
i. State the bank's policy on the use of ledger balances for outgoing wires in anticipation of daily security activity or incoming wires.

9. Stop Payments

The City has limited stop pays but requires the continuation of online stop pay service. Positive pay will be used to stop checks also.

b. Are stop pays initiated online? How? How long is the initial stop pay period?
c. How is an existing stop pay renewed or extended? For what period? Must a new stop be created?
d. What is the deadline for same day action on stop pays?
e. What information on current and expiring stop pays is available on-line?

10. ACH Services

ACH is currently used for various payments to State agencies, payroll, drafting utility payments, and miscellaneous vendor payments. The City requires a pre-notification on all new addresses.

a. Is the City able to initiate individual ACH transactions online? How?
b. Does the bank have same day, one day and two-day ACH? Instant cash?
c. What filters and blocks are available on City accounts for ACH transactions? List.
d. Are ACH addenda shown in their entirety on-line and on reports? Are there additional fees for EDI information?
e. Is the originating account debited when the ACH transaction is initiated or on settlement?
f. What is the bank's policy on pre-notes? Is the pre-note charged as a standard ACH transaction?

11. Collateral Requirements

Authorized collateral, as defined below, must be pledged against the total time and demand deposits net of FDIC insurance with a 102% margin on the collateral *market value* and be maintained daily by the bank

The proposal must state agreement to the following terms and conditions.

- All collateral pledged to the City must be held in an independent, third party bank outside the bank's holding company.
- A collateral agreement shall be executed designating the custodian and regarding pledged securities in full compliance with Chapter 105 of the Texas Local Government Code, Chapter 2257 of the Texas Government Code, and **FIRREA** requiring a bank resolution.
- All time and demand deposits above FDIC coverage shall be collateralized at a minimum of 102% of principal plus accrued interest daily.
- The bank shall be responsible for the monitoring and maintaining of collateral at the City's required margin levels on a daily basis.

- Pledged collateral shall be evidenced by original safekeeping receipts/report sent directly to the City by the custodian within one business day of receipt.
- The City shall receive a monthly report describing collateral pledged preferably from the custodian.
- Substitution rights shall be granted if the bank obtains the City's prior approval and if substituting securities are received before previously pledged securities are removed from safekeeping.
- Authorized collateral includes only:
  - Obligations of the US Treasury
  - Obligations of US Government agencies and instrumentalities including mortgage backed securities which pass the bank test and excluding letters of credit.
  - Bonds of any state or its subdivisions if rated A or better by at least one nationally recognized rating agency.
  - Irrevocable FHLB letters of credit.

Preference will be given to pledged securities.

a. State the bank's acceptance of the collateral conditions above. State any exceptions clearly.
b. What institution will serve as custodian?
c. Will the custodian provide online inquiry on the collateral? Provide daily mark-to-market?
d. Does the bank have a collateral agreement for review, if so please provide. The agreement must be in compliance with Chapter 105 of the Texas Local Government Code, Chapter 2257 of the Texas Government Code and with the provisions of FIRREA.

12. Account Analysis

Monthly account analysis reports should be provided for each account and on a relationship basis. Within five business days of receipt of the monthly account analysis (and subsequent approval of the fees by City) the bank may direct debit the designated account for fees due if compensation is calculated on a fee basis.

A complete electronic account analysis is needed monthly regardless of the payment basis.

a. Provide a sample account analysis.
b. When is the analysis available each month online?
c. How long are analyses retained online?

13. Monthly Statements

The bank must provide monthly electronic account statements on all accounts with complete support documentation. All accounts must be on a monthly calendar and statements received on a timely basis. Timeliness of statements is critical.

a. When are monthly statements available each month online?
b. How long are statements retained online?

14. Account Executive

To ensure smooth contract implementation and continuation of services, a specific account executive and a back-up must be assigned to the City account to coordinate services and expedite the solution of any problem encountered. The account executive should be available to meet with City staff on banking matters as needed and at a minimum semi-annually.

a. Provide the name, title and location of the proposed account executive.
b. Provide the name, title and location of the backup representative.

15. Overdrafts

Every effort will be made to eliminate intra-day and inter-day overdrafts. However, because this situation may arise, state the bank's policy regarding account and total account overdraft policy.

a. State the bank's policy regarding aggregate overdraft charges and the fees, if any.

VI. OPTIONAL BANKING SERVICES

The City continues to investigate new services for inclusion under its depository services contract. These services are <u>not required</u> but will be evaluated in terms of availability, feasibility, service levels, services provided and charges for potential current, or future, use under the contract. The City will make its determination on the services used. If the service is initiated later in the contract period, the services and charges stipulated in this proposal will be applied. If the bank currently does not offer the service but is planning to make it available during the initial contract period, it should stipulate along with the anticipated date of activation.

1. Purchasing Cards (P-Card)

The City currently uses its depository's purchasing card for approximately 25 assigned cards for use by City staff. The cards are used primarily for minor purposes and travel.

a. Does the bank have a purchasing card program? Describe.
b. What conditions and alternatives for usage restrictions would be provided on these cards?
c. What bank charges would be made under this program?
d. Is there a rebate available through the program?

2. Account Validation Services

The City would like to add account validation services. Describe this service if provided by your bank.

3. Check Writing

The City has not used its depository to print and mail its vendor checks but may consider doing so.

a. Does the depository provide check printing services? Describe the service fully.
b. Describe the transmission, printing and mailing process to be utilized.
c. What are the requirements and turn-around time for release of same day and next day checks?
d. From what location are checks printed and mailed?

VII. ALTERNATIVE BANK SERVICES

If the banks have new or additional services which may be of value or interest to the City they should be fully described in this section. Any service presented should have all associated costs detailed on Attachment A.

ATTACHMENT A
PROPOSED FEES AND HISTORY
CITY OF SAN JUAN

Hidden columns C through K show the monthly activity volumes available. Complete the Fee Column adding all categories and fees required to provide the services proposed. Add any categories as needed.

	MO AVG	PROPOSED FEE	EXTENDED FEE	NOTES, IF APPLICABLE
LEDGER BALANCE	15,703,728			
BALANCE BASED FEE				
MAINTENANCE FEE	10		0.00	
ITEMS DEPOSITED ON-US	85		0.00	
ITEMS DEPOSITED LOCAL	395		0.00	
ITEMS DEPOSITED FOREIGN	418		0.00	
STOP PAYMENT	2		0.00	
OVERDRAFT INTEREST	0		0.00	
NSF CHARGE	0		0.00	
CHARGE BACK	2		0.00	
LOOSE COIN	90		0.00	
LOOSE CURRENCY	113,907		0.00	
STRAPPED CURRENCY	200		0.00	
DEPOSITORY BAG HANDLING	67		0.00	
ACH FILE	14		0.00	
ACH MONTHLY MAINTENANCE	1		0.00	
ACH RETURN	3		0.00	
ACH DR/CR ITEM	1,411		0.00	
DEBITS	481		0.00	
CREDITS	240		0.00	
WIRE - INCOMING	4		0.00	
NETTELLER WIRES	4		0.00	
POSITIVE PAY FILE	12		0.00	
POSITIVE PAY ITEM	328		0.00	
POSITIVE PAY MONTHLY MAINT	1		0.00	