

REQUEST FOR PROPOSALS

PROPOSAL TITLE: NEWTON COUNTY BANK DEPOSITORY CONTRACT

OPENING DATE: April 8, 2025

RECEIVING DEADLINE: 9:00 A.M.

OPENING TIME: 9:00 A.M.

CONTACT PERSON:

Newton County Treasurer

Ginger Sims

(409) 379-8127

Proposals must be on the attached Bid Proposal Worksheet. You are encouraged to offer any alternative approaches which will further enhance our operational and financial success.

The County expressly requests that proposers not discuss this bidding process or the bank's plans, experience, or credentials with other banks or any member of Commissioners Court until requested by County officials to make a personal presentation.

The County expressly makes no representation that County deposits will continue at the same level of previous years, or that the character of deposits will follow the same or similar patterns of previous years.

A Certified or Cashier's Check must accompany the application for at least one half (1/2) per cent of the County's revenue for the Preceding year, (Local Government Code Sec. 116.023), as a good faith Guaranteed that, if the application is accepted, the bank will pledge the Securities required to safeguard the funds.

Newton 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 Newton County.

Late proposals will be returned unopened.

SPECIFICATIONS FOR DEPOSITORY BANK BIDS

It is the intent of Newton County to execute a contract with a bank desiring to be designated as the County Depository Bank. By returning the Bid Worksheet, bidding Bank acknowledges that it understands the Revised Civil Statutes of Texas (Article 2544, et Seq., of the Revised Civil Statues of Texas, as revised by the Local Government Code, Chapter 116.000 through 116.155 and Chapter 117.000 through 117.126 as passed by the Texas legislature; Article 2547 a,b,c, and Article 2558a. Et.Seq.), that pertains to the managing and safekeeping of County funds and Trust Funds and will comply with those statutes.

SCOPE - The depository contract will include funds of Newton County, Texas, its special districts, the Newton County Clerk Registry of the Court (Trust Fund) accounts, and the Newton County District Clerk Registry of the Court (Trust Fund) accounts.

DURATION - The Bank contract will be for a two-year or four-year term.

- 1) If contract is for a four-year term, the contract shall allow the bank to establish, on the basis of negotiations with the county, new interest rates and financial terms of the contract that will take effect during the final two years of the four-year contract if:

(A) The new financial terms do not increase the prices to the county by more than 10 percent; and

(B) The County has the option to choose to use the initial variable interest rate option or to change to the new fixed or variable interest rate options proposed by the bank.

- 2) If for any reason a county depository is not selected under these guidelines, the Commissioners Court at any subsequent time after 20 days notice, may select, by the process described by Section 116.024 or by negotiated bid, one or more depositories in the same manner outlined.

If a time deposit maturity extends beyond the expiration date of the depository contract, the depository will pledge sufficient securities required by law for public funds to Newton County to provide for the maturity period.

AWARD OF CONTRACT - Newton County will award the Bank Contract based on the following criteria:

- A. Bank's past and prospective financial condition.
- B. Net rate of return on County funds.
- C. Bank's ability to meet service requirements.
- D. Cost of services.

INVESTMENTS MADE OUTSIDE DEPOSITORY BANK - Newton County reserves the right to make external investments in accordance with the Laws of the State of Texas and the Investment Policy of Newton County.

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 check or cashier's check in the amount of \$ 99,776.46 payable to Newton County as a guarantee of good faith. The County Treasurer will hold the check until a Depository Bank is selected and the bond and or security have been filed.

PAYMENT OF SERVICES - Bank will specify fees required for services. Banking services not detailed on the worksheet will be provided at no cost.

AMOUNT TO BE PLEDGED - The initial amount of security to be pledged against Newton County funds shall be adequate to fully collateralize the funds of Newton County according to the laws of the State of Texas and shall continuously remain as such. The deposit amounts are subject to fluctuation. To compensate for increases or decreases in county deposits and fluctuation of market value of pledged collateral, the minimum market values of collateral will be 110% of County deposits.

The right of substitution of securities shall be granted to the Bank when approved by Newton County Commissioners Court. Securities pledged must be held by a Third Party Bank approved by Commissioners Court or at the Federal Reserve Bank and the County must receive a safekeeping receipt.

A written security agreement will be executed by the depository institution and Newton County and be approved by the Board of directors of the depository institution and Newton County Commissioners Court. The depository institution will furnish to Newton County a formal resolution stating the Board has approved the contract and the signing officer is authorized by the Board to sign for the Board.

INTEREST AND INTEREST RATES - Variable interest rate bids and fixed interest rate bids on accounts and certificates of deposit shall be quoted by the Bank. Newton 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 ACCOUNTS

- A. Interest bearing checking accounts** - Newton County will have accounts established under these specifications to disburse Newton County's funds. Checks and transfers, ACH transfers, internal bank transfers or deposits will be made to these accounts.
- B. Money market accounts** - Accounts are established under these specifications to earn a higher interest return for the County. The County will authorize transfers from the money market account to the interest bearing checking accounts as needed. These accounts will be used when their rates exceed interest bearing checking accounts.

SERVICES TO BE PROVIDED

A. Reports

1. **Collateral-to-Deposit** - A detailed monthly collateral-to-deposit report is required and shall contain security descriptions, par value and current market value.
2. **Monthly Account Analysis** - Monthly account analysis reports will be provided for each account and on a total account basis if requested by Newton County. The account analysis will contain, at a minimum, the following:

- daily average balance
- daily average float
- average collected balance
- reserve requirements
- price levels for each activity
- monthly volumes by type
- earnings allowance

A sample account analysis must be provided with this bid.

3. **FFIEC** - Depository Bank will have and maintain a minimum 5% primary capital to assets ratio as compiled by dividing total equity capital by total assets on the Federal Financial Institutions Examination Council reports. Copies of the FFIEC statement will be included in the bid and shall be a continuing quarterly reporting requirement of the Depository Bank.

Should primary capital ratio fall below 5 percent, Commissioners Court will review bank plans for future earnings and capital increases before a determination is made to close out the depository.

4. **Statements** - Monthly statements will include checks, deposit slips, debit and credit memos, and transfer slips for ALL accounts. This requirement can only be waived and imaging substituted by written authorization to the Bank from a signatory for the account. 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.

The account statements will have an ending date of the last day (or the last business day) of the month. The depository bank will provide such statements within five (5) working days after a calendar month-end.

- B. Contact person** - Bank will specify an officer of the Bank who will be responsible for handling inquiries, requests for services, and daily activities regarding the management of Newton County accounts.
- C. Daylight overdraft provisions** - The proposal should include any Bank policy regarding daylight overdraft charges or handling.
- D. Stop payments** - The Bank will be required to process stop payments on verbal instruction from the County Treasurer or her assignee with follow-up written confirmation.
- E. Stale dated checks** - The Bank will agree not to honor stale dated checks on Newton County accounts which are not endorsed by the County as acceptable after the 180 day limit.

F. 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.

G. Standard disbursement services - Standard disbursement services for all accounts are required to include the payment of all County checks upon presentation.

H. Extension of credit - The Bank will consider requests for extension of credit to the County based upon standard credit underwriting guidelines and procedures. Any extension of credit will require review and approval by the Bank and documentation as to the authority of the County to borrow and the nature of the borrowing (i.e., taxable, tax exempt, bank eligible). For those credit requests which are approved by the Bank, the loan pricing will be as follows:

I. Other specific services - As described on the Bid Worksheet, the Bank will acknowledge Services provided and attendant fees for such.

ON-LINE SERVICES - If available, it is requested that as a part of the bid the Depository Bank provide an on-line PC communication link to the County for daily reporting of fund balances, managing controlled disbursements, collected and ledger balances, stop payment requests, confirmations, and detailed debits and credits. Attached product description, pricing, and sample reports for the on-line PC link available. Banks should be prepared to provide the Treasurer's office an opportunity to physically work with this technology before the bid is awarded.

BID WORKSHEET FOR DEPOSITORY BANK CONTRACT

A. INTEREST AND INTEREST RATES

Interest Bearing Checking Accounts:

Variable
Interest Margin
*

Fixed
Interest Rate

Money Market Accounts:

Variable
Interest Margin
*

Fixed
Interest Rate

*Variable Rate = 91 Day US T-Bill Effective Rate (as determined by latest T-Bill Auction) + Margin (Based on basis points).

Minimum 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 one 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 one year	_____ %
6. Maturity 1 year or more	_____ %

B. TYPES OF ACCOUNTS

1. Interest Bearing Checking Accounts

Maintenance on IBCA's: \$ _____

Comments: _____

2. Money Market Accounts

Maintenance on MMA's: \$ _____

Comments: _____

In-Bank Account Transfers \$ _____

Comments: _____

3. Commercial Checking Accounts

Charge per Debit \$ _____

Charge per Deposit/Item \$ _____

Maintenance Fee \$ _____

Earnings Credit \$ _____

Comments: _____

C. SERVICES PROVIDED BY BANK

Dollar Amount of Fee

1. Collateral-to-Deposit Report \$ _____

2. Monthly Account Analysis (individual and group) \$ _____

Comments: _____

3. FFIEC Reports (Federal Financial Institution Examination Counsel) \$ _____

Comments: _____

4. Contact Person _____

5. Daylight Overdraft Provisions \$ _____

Comments: _____

6. Stop Payments \$ _____

Comments: _____

7. Stale Dated Checks \$ _____

Comments: _____

8. Standard Deposit Services \$ _____

Comments: _____

9. Standard Disbursement Services \$ _____

Comments: _____

10. Other Specific Services

	<u>Yes</u>	<u>No</u>	<u>Dollar Amount of Fee</u>
a. Wire Transfers: Incoming	_____	_____	\$ _____
Outgoing	_____	_____	\$ _____
Repetitive	_____	_____	\$ _____
Non Repetitive	_____	_____	\$ _____
b. ACH Service Transfers	_____	_____	\$ _____
Outgoing Bank Initiated	_____	_____	\$ _____
Computerized	_____	_____	\$ _____
c. Night Depository Services, to include bags and keys	_____	_____	\$ _____

	<u>Yes</u>	<u>No</u>	<u>Dollar Amount of Fee</u>
d. Overdrawn Accounts	___	___	\$ _____
e. Deposited Items Returned to Bank and Debited Against Account, ie. ISF, Account Closed, etc.	___	___	\$ _____
f. Checks, as required by County	___	___	\$ _____
g. Deposit slips, transfer forms, endorsement stamps, etc. as required by County	___	___	\$ _____
h. Third Party safekeeping of securities purchased by County	___	___	\$ _____
i. Allow eligible repurchase agreements or eligible money market mutual funds from bank's portfolio of US Government Obligations on an overnight or weekend basis	___	___	\$ _____
j. Controlled Disbursement Accounts	___	___	\$ _____
k. Zero Balance Accounts	___	___	\$ _____
l. Additional Services and Charges Please List:			
_____	___	___	\$ _____
_____	___	___	\$ _____
_____	___	___	\$ _____

D. PAYMENT FOR SERVICES

Newton County may elect to pay for services either by direct fee payment or by compensating balance.

1. Direct Fee Payment – It may be the County's request that the bank invoice and accept direct payment for services at the unit prices indicated in the previous sections. Please indicate whether the bank will accept this method of payment.

Yes _____ No _____

2. Compensating Balance – In lieu of direct payment, the County may request a compensating balance be maintained at the Depository Bank to cover services. Please specify calculation of the earnings allowance rate.

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.

The paid-up capital stock of Bank is \$ _____, and the Permanent Surplus of the Bank is \$ _____.

A certified check in the amount of \$ 99,776.46 made payable to Newton County accompanies this bid and is tendered under the terms of the law and specifications.

We hereby agree to provide Depository Bank services as described to Newton County, Texas, if chosen by the Commissioners' Court, for a two-year or four-year period 60 days after April 08, 2025 up to and including 60 days after the selection of the new depository.

All unsigned bids will be disqualified.

Name and address of Bidding Bank:

Signature: _____

Name: _____

Title: _____

Phone: _____