



JEFF R. BRANICK

County Judge

Jefferson County Courthouse
P. O. Box 4025
Beaumont, Texas 77701

Beaumont (409) 835-8466
Pt. Arthur (409) 727-2091 Ext.8466
Facsimile (409) 839-2311

March 23, 2021

TO: Jefferson County Banks

RE: Jefferson County District and County Clerks' Depository

Ladies and Gentlemen:

The County of Jefferson is currently seeking competitive proposals for banking services for the District and County Clerks' Trust Funds, from all banks located in Jefferson County.

Jefferson County is seeking a contractual banking relationship that conforms to all applicable state and federal laws, which will provide for all banking services required for the funds of the Jefferson County District and County Clerks. (pursuant to Sec. 117.021, V. T. Local Government Code and V.C.T.S. 842a-2).

The District and County Clerks requests a four year contract, with selection to be determined by the Jefferson County Commissioners' Court.

Sealed proposals from banking corporations desiring to be selected as Depository, will be accepted prior to, but no later than, 1:00 p.m., on April 01, 2021. Proposals will be opened in the Jefferson County Commissioners' Courtroom, in Beaumont, Texas, Wednesday, April 01, 2021, at 1:30 p.m.

Proposals should be addressed to the Commissioners' Court of Jefferson County, and delivered to Charlie Hallmark, Jefferson County Treasurer, at the County Judge's Office, Jefferson County Courthouse, 1149 Pearl St., 4th Floor, Beaumont, Texas 77701. Any questions concerning this proposal should be addressed to County Treasurer, Charlie Hallmark, phone 409/835-8509. Proposals received later than the date and time above will be returned unopened.

Proposals must be submitted on the attached Bid Worksheet. Proposals not submitted on the attached Bid Worksheet, using the EXACT format provided, will be disallowed. 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 engagement or the bank's plans, experience or credentials with other banks, the County or District Clerk, or any member of Commissioners' Court until requested by county officials to make a personal presentation.

The Jefferson County Treasurer's Office has available for examination, statements and other information of past County Depositories. This information is voluminous and copies can be provided upon request for a reasonable charge. To examine this information please call the Treasurer's Office at (409) 835-8509 so arrangements can be made.

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

A Certified or Cashier's Check for \$19,878.10 must accompany the bid and is tendered under the terms of the law (116.023, V.C. Local Government Code) and of these conditions.

Each bank must submit a copy of their plans showing that they are in compliance with the Community Reinvestment Act of 1977, Sec 2903, as well as a list of references of other public entities currently under depository contract.

Jefferson 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 District and County Clerks. Jefferson County reserves the right to informally negotiate certain finer points of the final contract with a qualified bidder.

Sincerely,

Jeff R. Branick
Jefferson County Judge

Charlie Hallmark
Jefferson County Treasurer

REQUEST FOR PROPOSAL

**PROPOSAL TITLE: JEFFERSON COUNTY DISTRICT AND COUNTY
CLERKS' TRUST FUNDS DEPOSITORY CONTRACT**

PROPOSAL NUMBER: RFP 21-017/DC

RECEIVING DATE: MAY 5, 2021

RECEIVING TIME: 11:00 A.M.

OPENING DATE: MAY 5, 2021, 1:30 P.M.

**CONTACT PERSON: Charlie hallmark
(409)835-8509
E-mail:challmark@co.jefferson.tx.us**

**SPECIFICATIONS FOR PROPOSALS
RFP 21-017/DC DEPOSITORY BANK CONTRACT
JEFFERSON COUNTY DISTRICT AND COUNTY CLERKS' TRUST
FUNDS**

The selection of County Depositories and the terms of depository contracts are governed by Tex. Loc. Gov't. Code Ann., Chapter 116 and Chapter 117 (Vernon 1999 and Supp. 2000)

GENERAL SPECIFICATIONS:

- 1.1 **SCOPE OF THE CONTRACT** - It is the intent of Jefferson County to execute a contract with a bank desiring to be designated as the County Depository Bank for the Trust Funds/Registry funds of the District and County Clerks as mandated by the court.
- 1.2 **RESPONSE REQUIRED FOR EACH SECTION AND SUBSECTION** – Each and every section and subsection of this bank proposal requires a response from the Bank Depository applicants. Responses should be carefully considered. Applicants must format responses in the same sequence as the bank proposal.
- 1.3 **MINOR EXCEPTIONS** – Minor exceptions, conditions, or qualifications to the provisions of the County's specifications must be clearly identified as such, with the reasons therefore.
- 1.4 **DOCUMENT ON DISK** – At Bidder's request, this document will be furnished as a "WORD" file on CD Rom to facilitate the completion of the bid. This document will also be available on the Jefferson County Web Site. www.co.jefferson.tx.us
- 1.5 **EVALUATION PROCESS** – Jefferson County will award the Trust Funds Depository Bank contract based on, but not limited to, the following criteria:
 - a) Bank's financial position.
 - b) Bank's ability to pledge adequate securities against County funds.
 - c) Experience in providing depository services requested with other public entities.
 - d) Net rate of return on County funds.
 - e) Ability to meet service requirements.
 - f) Cost of services.
 - g) Cash management products available that will enhance the County's banking procedures.
 - h) The experience and continuity of the bank officials who have been identified as primary contact personnel.
- 1.6 **INTERVIEWS** - The County may require Proposing Banks to attend an interview with the Jefferson County Officials reviewing the proposals.
- 1.7 **QUESTIONS AND CLARIFICATIONS** – Any questions or requests for clarifications should be submitted to:

Charlie Hallmark, County Treasurer

Phone: 409/835-8509 Fax: 409/839-2347

E-mail: challmark@co.jefferson.tx.us

CONTRACTURAL REQUIREMENTS:

- 2.1 **TYPE OF BANKING RELATIONSHIPS** – The Depository Bank will handle daily banking services including, but not limited to, checking accounts, other types of interest-bearing accounts, non interest-bearing accounts, time deposits, and/or Certificates of Deposit.
- 2.2 **COMPLIANCE WITH STATUTES** - By returning the Bid Worksheet, the 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 117.001 through 117.126 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 District and County Clerks funds and will comply with those statutes.
- 2.3 **BANK AFFILIATION** – A proposing bank must be a member of the Federal Reserve System and the Federal Deposit Insurance Corporation. The bank must be a Federal or Texas chartered bank doing business in and having a service facility within Jefferson County.
- 2.4 **DURATION** - The Bank contract will be effective for a period of four (4) years ending sixty (60) days from the time fixed by law for the next selection of a depository.
If a time deposit or certificate of deposit maturity extends beyond the expiration date of the depository contract, the depository will pledge sufficient securities as required by law for public funds, to provide for the maturity of the time deposit or certificate of deposit.
- 2.5 **RENEGOTIATIONS** - This four year 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.
- 2.6 **INVESTMENTS MADE OUTSIDE DEPOSITORY BANK** – The Jefferson County District and County Clerks reserve the right to make investments outside the Depository Bank in accordance with the Laws of the State of Texas, as a result of court order, and the Investment Policy of Jefferson County. All investment purchases shall be made on a delivery versus payment basis.
- 2.7 **SUBMITTING FINANCIAL STATEMENTS** - All Banks wishing to be designated as a Depository Bank will include as part of the Bid:
- a) The Bank’s last three (3) quarterly Uniform Bank Performance Reports.
 - b) The Bank’s last three (3) Call Reports
 - c) The Bank’s Annual Financial Reports for the past 2 years.

2.8 **GOOD FAITH GUARANTEE** – A Bank desiring to be the Depository Bank for the District and County Clerks Trust Funds must submit with the Bid Proposal Worksheet, a certified cashier’s check in the amount of **\$19,878.10** (one-half of one percent of the Trust Fund’s revenue for the preceding year) payable to Jefferson County as a guarantee of good faith. The County will hold the check until a Depository Bank is selected and the bond and/or security has been filed.

2.9 **LIQUIDATED DAMAGES FOR NOT PROVIDING SECURITY** – As stated in Code Section 116.023:

“If a bank is selected as a depository and does not provide the bond and/or security, the county shall retain the amount of the check as liquidated damages.”

A new depository shall then be selected.

2.10 **SECURITY** - Within fifteen (15) days after selection of the Depository, the Bank so selected is to qualify as a County Depository for the funds of the District and County Clerks Trust Funds. As soon as the contract for securities pledged is provided and approved by the Commissioners' Court, an order will be entered by the County designating the successful applicant, or applicants, as Depository for the funds of the Jefferson County District and County Clerks. This contract shall remain in place until sixty (60) days after the time fixed for the next selection of a Depository, to-wit, May, 2019, or until such time as a new Bank has qualified as Trust Funds Depository, whichever should sooner occur. Thereupon, the County Treasurer will place with said Depository all the funds belonging to the Jefferson County District and County Clerks.

2.11 **PLEGGED COLLATERAL** -

a) Pledged Securities in the amount provided by law under Sec. 116.054, V. T. Local Government Code, will be provided in quantities sufficient to fully collateralize all of the Funds of Jefferson County and their subdivisions.

- 1) U.S. Treasury Notes
- 2) U.S. Treasury Bills
- 3) Federal Farm Credit Banks Notes and Bonds
- 4) Federal Home Loan Banks Notes and Bonds
- 5) Federal National Mortgage Association Notes and Bonds
- 6) Federal Home Loan Mortgage Corporation Notes and Bonds
- 7) Federal Home Loan Bank Letters of Credit

The bank must be the true and legal owner of all securities, which will be pledged to the Jefferson County District and County Clerks Trust Funds. The securities must be free and clear of all liens, claims, or pledged for other purposes. The County will not accept any security acquired by the bank under a repurchase agreement. The securities will be deposited with the Federal Reserve Bank, or the Bank of New York-Mellon Trust Company, without expense to the County under an appropriate contract to be drawn to the provisions of Tex. Loc. Gov’t Code Chapter 116 and amendments in accordance with the application, if approved.

2.12 **COLLATERAL MANAGEMENT**- The Depository Bank must include, as part of the Bid, a statement as to how the bank intends to ensure, on a daily basis, that

sufficient collateral is pledged to protect covered accounts. Also a detailed monthly collateral report is required. The report shall contain security descriptions, par value/current face and current market value.

- 2.13 **VALUE OF COLLATERAL** - The Depository Bank must propose how it will value pledged securities. The County at any time may investigate the value of any of the securities that may be pledged by the Bank. The full cooperation of the Bank will be required in such instance.
- 2.14 **DAILY REPORTS** - A daily list of account balances and market value of pledge collateral will be provided to the County Treasurer.

SERVICE REQUIREMENTS:

- 3.1 **CONTACT PERSON** - Bank must identify a local senior level management person who will be responsible for overseeing the County's entire relationship, who would serve as the County's primary contact and who would be able to make decisions regarding operational aspects of this contract.
Bank must also provide a list of contact personnel, with phone numbers, within the bank who are qualified to provide information and assistance in the following areas:
- General Information
 - Safekeeping and Securities Clearance
 - Posting and Deposit Discrepancies
 - Stop Payments
 - Balance Adjustments
 - Collateral Adequacy
 - Internal Transfers
 - Wire Transfers
 - Online PC Service
 - Certificates of Deposit rate quotes
 - Signature Cards
 - Opening and Closing of Accounts
 - On-line services
- 3.2 **ON-LINE SERVICES** - It is requested that as a part of the proposal the Depository Bank will provide an on-line PC communication link to the County for daily reporting of fund balances, collected and ledger balances, stop payment requests, confirmations, and detailed debits and credits. Attach 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.**
- 3.3 **ANALYSIS REPORT** - Monthly account analysis reports will be provided for each account and on a total account basis. The account analysis will contain, at a minimum, the following:
- average ledger balance
 - average float
 - average collected balance
 - average negative collected balance

- average positive collected balance
- reserve requirement
- available balance for earnings credit
- price levels for each activity
- monthly volumes by type
- earnings credit allowance (provide an explanation of how the earnings credit rate is calculated)

A sample account analysis report will be provided as part of the Bid.

3.4 **STATEMENTS –**

- Monthly bank statements will include checks or image of checks on CD Rom, 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.
- A hard copy of canceled checks or checks on CD shall be furnished to the County at month's end.
- Statements should be processed no later than ten (10) business days after the close of each month.
- A sample bank statement will be included as a part of the Bid.

3.5 **ACH TRANSACTIONS-** Bank must provide for acceptance of ACH (Automated Clearing House) credits and debits. **Bank will be required to provide detailed information**

3.6 **WIRE TRANSFERS -** Bank must provide the ability to send wire transfers on an automated or manual basis, and also to provide the ability to receive wire transfers. Bank must provide the ability to restrict outgoing wire transfers (debits) to only those authorized.

3.7 **INTEREST RATES -** Floating interest rate bids and a fixed interest rate bids on accounts and certificates of deposit will be quoted by the Bank. Jefferson County reserves the right to select the rate most favorable to the District and County Clerks at anytime during the term of the contract, within the guidelines of Section 116.021 (b) of the Code.

3.8 **DISBURSEMENT SERVICES -** A successful Bidder will furnish standard disbursing services for all accounts to include the payment of all County checks upon presentment.

3.9 **POSITIVE PAY –** The Bank will provide a means for the County to upload disbursed check information that will be compared to checks that are presented to the bank for clearing. Any discrepancies shall be cleared by a designated County employee before checks are paid by the bank. Any applicable cost should be quoted.

3.10 **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. Bank will include a copy of their Availability Schedule as part of the bid.

3.11 **CASH OVERDRAFTS -** For the purpose of determining cash overdrafts, the daily cash balance in all District and County Clerks accounts will be added together and if

a negative balance occurs, the District and County Clerks accounts are considered to be over-drafted. An applicable insufficient funds fee can then be charged.

- 3.12 **COMPUTERIZED OUTPUT** - The Bank must provide the capability for the County to download paid items that will be utilized in the bank account reconciliation process.
- 3.13 **SECURITY SAFEKEEPING** - Bank must provide for book entry/DTC acceptance and safekeeping of investment securities. A month end safekeeping statement including market values will be provided.
Indicate costs associated with a security purchase settlement.
- 3.14 **PAYMENT FOR SERVICES** - The County may elect to pay for service either by direct fee payment or by compensating balance.
- 3.15 **CASH MANAGEMENT** - On an ongoing basis the District and County Clerks will require cash management advice as to how accounts and procedures should be structured. Also, the District and County Clerks will want to be kept informed of recent developments in cash management products.
Bidders are invited to propose additional cash management services that are not specified herein.
- 3.16 **EXPENSE ALLOWANCE** – State the dollar amount, if any, that the Bank will provide for expenses incurred due to changing depository banks.
(For example: checks, deposit slips, endorsement stamps, and etc.)
- 3.17 **CAPITAL TO ASSETS RATIO** - Depository Banks will have and maintain a minimum five percent primary capital to assets ratio as compiled by dividing line 28 (total equity capital) by line 42 (total assets) on the Federal Financial Institutions Examination Council Form 032. Copies of the FFIEC form 32 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 five percent, the Commissioners Court will review bank plans to future earnings and capital increases before determination is made to close out the depository.
- 3.18 **STOP PAYMENTS** - The Bank will be required to process stop payments on verbal, faxed, or e-mail instructions from the designated county employees with follow-up written confirmation.
- 3.19 **STANDARD DISBURSEMENT SERVICES** - Standard disbursing services for all accounts are required to include the payment of all County checks upon presentation.
- 3.20 **BANK RECONCILIATION SERVICES** - The Bank will provide partial or full reconciliation services, on specific accounts determined by the County. List what is included in each service.
- 3.21 **OTHER SPECIFIC SERVICES** - As described on **the Bid Worksheet**, the Bank will acknowledge services provided and attendant fees for such.

STRUCTURE OF ACCOUNTS:

The District and County Clerks bank accounts will be structured as follows (numbers and dollar amounts are subject to change):

- Non-Interest Bearing Checking Accounts -- 2
- Estimated balances equal -- \$ 4,000,000.00

-- Certificates of Deposit – The District and County Clerk’s Trust/Registry Funds, as ordered by the court to be invested in C.D.s

Service charge consideration is expected because of these non-interest bearing balances.

**Bid Proposal Worksheet for
RFP 21-017/DC Depository Banks for
Jefferson County District and County Clerks Trust/Registry Funds**

Certificates of Deposit - Variable Interest Rate -

91 Day US T-Bill Effective Rate (as determined by latest T-Bill Auction)

	Less than <u>\$100,000.00</u>	More than <u>\$100,000.00</u>
1. Maturity 7-29 days	+ ___ basis pts.	+ ___ basis pts.
2. Maturity 30-59 days	+ ___ basis pts.	+ ___ basis pts.
3. Maturity 60-89 days	+ ___ basis pts.	+ ___ basis pts.
4. Maturity 90-179 days	+ ___ basis pts.	+ ___ basis pts.
5. Maturity 180 days-less than one year	+ ___ basis pts.	+ ___ basis pts.
6. Maturity 1 year or more	+ ___ basis pts.	+ ___ basis pts.

Certificated of Deposits - Fixed Interest Rate -

	Less than <u>\$100,000.00</u>	More than <u>\$100,000.00</u>
1. Maturity 7-20 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	_____ %	_____ %

COST ANALYSIS WORKSHEET -

Use the following cost analysis worksheet as a vehicle to quote your charges and rates. Please prepare a bank analysis statement based on the following using your bid figures for the service costs and your variable interest rate for interest paid. Use applicable rates for calculating interest rates and compensating balances as they stood for December 31, 2014.

BALANCE SUMMARY –

Average Book Balance	\$ 3,972,210.17
Less Average Float	<u>1,789.88</u>
Average Collected Balance	\$ 3,970,420.29
Average Negative Collected Balance	<u>0.00</u>

BALANCE RECONCILIATION -

Average Positive Collected Balance	\$ 3,970,420.29
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Less Cost of Analyzed Services (Balance Required) _____
 Additional Balance Required to Support Services _____
FEE RECONCILIATION -
 Earnings Allowance Credit Rate: _____
 Less Analyzed Services Provided _____
 Services Charged to Account (Excess or Deficit) _____
COST ANALYSIS WORKSHEET CONTINUES -

Earnings credit calculated on the following balances:

Total **\$3,970,420.29**

PLEASE PROVIDE AN EXPLANATION OF HOW THE EARNING CREDIT RATE IS CALCULATED: _____

Depository Services -

	DESCRIPTION	AVERAGE MONTHLY VOLUME	PRICE	CHARGE	BALANCE REQUIRED
BALANCE & COMPENSATION INFORMATION					
	RECOUPMENT MONTHLY	3972.00			
GENERAL ACCOUNT SERVICES					
	CASH VAULT MONTHLY BASE	2.00			
	DEPOSITED CHECK	25.00			
	CV CASH ONLY OR CHECK ONLY DEPOSIT	10.00			
DEPOSITORY SERVICES					
	POSITIVE PAY ONLY MONTHLY BASE	2.00			
	POSITIVE PAY ONLY - ITEM	24.00			
	DDA CHECKS PAID	17.00			
	IFI PAID CHECKS-IMAGE	22.00			
PAPER DISBURSEMENT SERVICES					
	ARP OPTIONAL REPORTS	2.00			
	ARP AGED ISSUE RECORDS ON FILE-ITEM	418.00			
	OUTGOING TRANSMISSION- PER ITEM	17.00			
	CEO ARP STMT & RPTS MONTHLY BASE	2.00			
	IFI PAID CHECKS - IMAGE	22.00			
PAPER DISBURSEMENT RECON SERVICES					
	ACH FRAUD FILTER REVIEW MO BASE	2.00			
	ACH FRAUD FILTER REVIEW MO BASE	2.00			

INFO REPORTING HISTORY STORAGE 90	508.00			
GENERAL ACH SERVICES				
CEO PREV DAY REPORTING SUBSCRIPT	2.00			
CEO PREV DAY REPORTING ITEMS LOADED	27.00			
CEO ALERTS SERVICE -EMAIL	16.00			
ARP STMTS & REPORTS (CSV/EXCEL) BASE	2.00			
ARP STMTS & REPORTS (CSV/EXCEL) ITEM	32.00			

OTHER SPECIFIC SERVICES - As described on the Cost Analysis Worksheet, the Bank will acknowledge services provided and attendant fees for such. Also indicate charges for the following:

- Locked or Sealable bags _____
- Laser Checks _____
- Checks (in individual books or binders) _____
- Deposit Slips _____
- Endorsement Stamps _____
- Coin Wrappers _____
- Currency Straps _____

OTHER UNSPECIFIED SERVICES AND/OR COSTS – Other services and/or costs not specified in this document should be listed and attached, along with a description and unit pricing.

<u>Service</u>	<u>Cost</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

References:

List two (2) references for whom bidder has supplied similar services and/or supplies. Please include phone number and name of contact person. Other governmental units are preferred

Business	Contact Person	Phone Number
_____	_____	
_____	_____	
_____	_____	
_____	_____	

DEPOSITORY BANK

The Bank must complete the information below to validate the bid for a Jefferson County District and County Clerks' Depository Bank.

The undersigned affirms that they are fully authorized to execute this bid. The contents of this bid has not been discussed or communicated by the undersigned, nor by any employee or agent, with any other bidder, member of Commissioners' Court, or any other persons engaged in this type of business, prior to the official opening of this bid.

All unsigned Bids will be disqualified.

Name and address of Bank:

Signature: _____
Name: _____
Title: _____
Telephone Number: _____
E-Mail: _____

Note: By my signature above, I hereby certify that the following are attached:

- Management
- A. A list of references of current Public Funds Users that utilize Cash Products similar to those requested in bid.
 - B. The Bank's last three (3) quarterly Uniform Bank Performance Reports.
 - C. The Bank's last three (3) Call Reports.
 - D. The Bank's Annual Financial Reports for the past 2 years.
 - E. A Certified Check or a Cashier's Check as a guarantee of good faith.
 - F. A sample monthly Collateral Report.

- available.
- G. Product description pricing, and sample reports for the on-line PC link
 - H. A sample Account Analysis Report.
 - I. A sample Bank Statement.
 - J. A Copy of Bank's Availability Schedule.
 - K. A Certified and Attested Resolution from a duly authorized meeting of the Board of Directors empowering the signee to execute this contract.
 - L. A response to every section and subsection in the Invitation to Bid.
 - M. Completed Cost Analysis Worksheets.
 - N. Attachments indicating other services and charges not specified in the Invitation to Bid.

**RETURN PAGES 10 THROUGH 13 WITH BID PACKAGE
AND ALL REQUIRED INFORMATION**