

# Request for Proposal Notice

for Depository Services by

\_\_\_\_\_ Independent School District

Address City, State, Zip

\_\_\_\_\_ Independent School District is soliciting proposals from banks to serve as a depository to assist with the banking functions for funds of the district.

## Introduction

In accordance with the Texas Education Code (TEC), Chapter 45, Subchapter G, School District Depositories, the Board of Trustees of the district will select a depository through soliciting proposals for a depository services contract for a term of two years beginning \_\_\_\_\_, 20\_\_\_\_ and ending \_\_\_\_\_, 20\_\_\_\_ or until a successor depository is selected, qualified, and agrees to a depository agreement based on either fees or compensating balances.

The district and the depository may agree to extend this contract for two additional two-year terms in accordance with the TEC, §45.205. This section requires that the contract and any extension of this contract coincide with the district's fiscal year. If the district changes its fiscal year, the term of the contract may be shortened or extended no more than one year by mutual agreement to coincide, provided that this contract remains in effect until its successor is selected and has been qualified. If the parties cannot agree, the district has the option to change the term of this contract.

The legal provisions providing for naming a depository of the district are set forth in the TEC, Subchapter G, School District Depositories, §§45.201 through 45.209. Investments by the district are governed by the Texas Government Code (TGC), Chapter 2256, Public Funds Investment. Securities pledged as collateral to secure district deposits are governed by the TGC, Chapter 2257, Collateral for Public Funds.

## Bank Questions

There will/will not be a preproposal conference. Questions regarding this proposal request, or the services requested, will be accepted in written or email form only, at the address above on or before \_\_\_\_:\_\_\_\_ am/pm on \_\_\_\_\_, 20\_\_\_\_. Responses to all material questions submitted will be communicated in writing or by email to all known interested banks by \_\_\_\_:\_\_\_\_ am/pm on \_\_\_\_\_, 20\_\_\_\_.

## Proposal Submission

To be eligible for consideration under this request, the bank must submit three complete paper copies of each proposal by \_\_\_\_:\_\_\_\_ am/pm CST or CDT on \_\_\_\_\_, 20\_\_\_\_ to the address below. The district will not accept proposals received after that time. Late submissions to the district address will be returned unopened.

The proposal must be submitted in a sealed envelope or packet marked "Depository Services." An accompanying transmittal letter must be signed by a person authorized to bind the institution, state that the proposal is valid for 180 days from the submission date, and give full contact information regarding the proposal.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

xxx-xxx-xxxx  
xxxx@xxxxxx

All questions in the attached uniform proposal blank should be answered and provided to the district as the bank's proposal.

The bank must attach a cashier's check in the sum of \$\_\_\_\_\_ payable to the district. If any portion of this contract is awarded to the bank, the check will be returned to the bank. If the bank fails to execute the contract in a reasonable time, the district will cash the check as liquidated damages. If the proposal is not accepted, the check will be returned to the bank immediately after contract award.

The district is/is not also providing this proposal request electronically. The fee schedule, Attachment A, is in Excel format. The bank must submit the proposal in both paper and electronic form.

**Evaluation Process**

*[NOTE: According to the TEC, §45.206(d), the district must state the selection criteria and select the proposal based on the ranking in relation to the stated selection criteria.]*

The district will use the following criteria to evaluate the proposal and award the contract:

- xx % - Cost of services (charges for keeping district accounts, records, and reports and for furnishing checks)
- xx % - Additional services offered (purchasing card, payroll card, lease rate, other)
- xx % - Funds availability schedule
- xx % - Automated services offered
- xx % - Ability of the bank to provide the necessary services and perform the duties as depository. Experience in providing depository services to similar accounts (strength of project team)
- xx % - Collateralization policy and type of third-party institution holding collateral
- xx % - Fraud prevention and notification policy
- xx % - Interest rates offered on time deposits
- xx % - Other — Specify: \_\_\_\_\_
- \_\_\_\_\_ - Total

The district reserves the right to reject any or all proposals and to accept the proposal the district considers most advantageous. If any portion or provision of this proposal and any contract between the depository and district entered into is invalid, the remainder, at the option of the district, must remain in full force and effect and not be affected. Acceptance of a proposal will be based on the total package of services offered by the bank.

**Legislative Change**

Changes in the law that may be enacted by the Texas Legislature, in session, could alter the scope of requirements as stated in this document. The proposal should conform to all statutes in effect at the time of proposal opening.

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### **Schedule for Selection Process**

The district will make every effort to adhere to the following schedule:

xx/xx/xx	Release of Request for Proposal (RFP)
xx/xx/xx	Deadline for questions concerning the RFP or services requested
xx/xx/xx	Responses given to any questions provided to all known interested banks
xx/xx/xx	Deadline for proposal submission
xx/xx/xx	District Board award of contract
xx/xx/xx	Contract commencement

### **Other Requirements**

The following requirements must be met:

1. The bank selected as the depository will notify the district in writing within 10 days of any changes in federal or state regulations or laws that would affect the depository agreement.
2. The depository's records relating to the district's accounts must be open to review by the district, its independent auditors, and the Texas Education Agency.
3. The district reserves the right to pay for depository services by targeted balances or by fees.
4. The district reserves the right to exclude direct payroll deposit service from the depository contract if the bank does not offer direct payroll deposit service.

### **District Rights**

The district 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 the district;
- request additional information or require a meeting with bank representatives for clarification;
- cancel, revise, or reissue this request for proposal or any portions of it,
- negotiate any conditions;
- retain all other provisions even if any provision of the proposal is determined invalid;
- modify deadlines; and
- select any proposal considered to be in its best interest as determined by the district.

**Simple Example:**

**Attachment B  
District's Current Account Structure**

The district presently maintains accounts as listed below. The district reserves the right to open additional accounts or to close accounts during the term of the depository contract.

<u>Type of Account</u>	<u>Number of Accounts</u>	<u>Interest-Bearing/ Non-Interest-Bearing</u>
General Operating	1	IB checking
Payroll	1	IB
Tax	1	IB
Worker's Comp	1	NIB
Activity	2	IB

**Complex Example:****Attachment B  
District's Current Account Structure****VOLUMES**

<u>Type of Account</u>	<u>Average Number of Items</u>	<u>Average \$ Amount of Items</u>
Property Taxes Deposits	6 – 10 /month except daily November to January	
Payroll		
Monthly checks	400	
Monthly direct deposit	2,500	
Semimonthly checks	850	
Semimonthly direct deposit	850	
Weekly checks	400	
Weekly direct deposit	400	
Monthly payroll		\$11,000,000
Accounts Payable		
Monthly checks or payments	2,000	\$4,000,000
Food Service		
Daily deposits	35	\$45,000
Deposits		
Daily deposits	40	
Student Activity (Number of accounts)		
High School	3	
Middle School (deposit only)	6	
Elementary School (deposit only)	22	
Other	4	

**ACCOUNT STRUCTURE**

<u>Type of Account</u>	<u>Number of Accounts</u>	<u>Description of Accounts</u>
Controlled Disbursement	3	Payroll, Accounts Payable, Tax Office Refund
Depository Plus Accounts	30	Elementary & Middle School Activity Funds
Positive Pay	6	Payroll, Accounts Payable, Tax Office Refund, High School Activity Funds
Food Service	1	Depository Account — individually identified by campus
Checking	7	1 Operating; 1 Debt Service; 3 Construction; 1 Internal Service; 1 District Activity