

CITY OF BRENHAM, TEXAS

REQUEST FOR PROPOSAL

BANK DEPOSITORY SERVICES

RFP # 25-011

RELEASE DATA: May 22, 2025

RESPONSE DATE: June 23, 2025

TABLE OF CONTENTS

- I. Introduction**
- II. City Qualifications and Submission Instructions**
- III. City Banking Overview**
- IV. Financial Institution Qualifications**
- V. Required Services**
- VI. Optional Services**
- VII. Alternative Services**

Attachment A: Schedule of Proposed Fees

Attachment B: City of Brenham Required Forms

CITY OF BRENHAM, TEXAS

REQUEST FOR PROPOSAL– DEPOSITORY AND BANKING SERVICES

I. INTRODUCTION

The City of Brenham (the “City”) is requesting applications for a five (5) year bank depository services contract in accordance with the City Charter and state law. The contract is to begin **September 1, 2025**, and extend through **August 30, 2030**.

Through this contract the City intends to minimize banking costs, improve operational efficiency, and maximize its investment capabilities. This Request for Application (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 in Brenham 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 application in response to this RFP, depositories will be deemed to agree to the mandatory contract and service provisions contained herein. This RFP and the application submitted will be incorporated into and form the basis of the bank depository services contract.

1. Local Presence

To assure a close working relationship and to facilitate services, depository institutions with full depository service capabilities within the geographic boundaries of the City will be given preference.

2. Application Format

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

This RFP is being issued in electronic format only and submission of the Proposal must be in an electronic format on a USB drive as detailed below. No hard copies of the RFP will be made available or accepted as the proposal.

3. Schedule for Application Submission

The City will make every effort to adhere to the following schedule.

05/22/25	Release of Request for Proposal
06/04/25	Deadline for questions concerning the RFP or services requested
06/09/25	Responses given to any questions on the RFP - provided to all known proposers
06/23/25	Deadline for application submission
07/17/25	City Council award of contract
09/01/25	Contract commencement

4. Application Submission

To be eligible for consideration under this request, RFP must be submitted by 4:00 pm CST on June 23, 2025 to the addresses below and must be marked as follows:

**Request for Proposal
Depository and Banking Services
RFP No. 25-011**

Two complete electronic copies of the bank's proposal shall be submitted via thumb/jump drive, by 4:00 pm CST on June 23, 2025 using one of the following methods.

- **Hand-deliver to:**
200 W. Vulcan Street
Purchasing Suite
Brenham, TX 77833
- **Mail to:**
P.O. Box 1059
Brenham, TX 77834-1059
ATTN: Kyle Branham
- **Ship to (FedEx, UPS, DHL, etc.)**
200 W. Vulcan Street
Brenham, TX 77833
ATTN: Kyle Branham

Applications received after the deadline will not be accepted and will not be returned.

As part of the proposal an accompanying transmittal letter must be signed by an individual authorized to bind the institution, state that the application is valid for 180 days from the submission date and give full contact information regarding the application. Information provided in the cover letter but not in the application will not be considered as an answer to specific questions.

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-application conference**. Questions regarding this RFP, or the services requested, will be accepted in e-mail form only, at kbranham@cityofbrenham.org by 4:00 pm June 4, 2025. Responses to all material questions submitted will be communicated by email to all known proposers by 4:00 pm June 9, 2025.

If you have no question but would like to see the questions and responses provide an email requesting such information.

6. Selection Criteria

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

- responsiveness and ability to provide services and reports required,
- banking services costs and earnings potential,
- experience, references, and continuity of bank and bank officials, and
- creditworthiness and stability of the bank.

The City will consider the availability of services and the cost of those services as well as the earning's potential under the contract. All these elements will be combined for evaluation of the applications.

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

7. City Rights

The City reserves the right to:

- waive any defect, irregularity or informality in the application or application procedures,
- reject any and all applications,
- accept any application 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 application or any portions thereof,
- negotiate any conditions with proposers,
- retain all other provisions even if any provision of the application is deemed invalid,
- modify deadlines, and
- select any application 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 application should be designated as such on each page containing the restricted information.

9. Bank Fees

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 may 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. This will enable the City to take advantage of changing interest rate environments.

The City is anticipating the use of a daily sweep of accounts into a SEC registered money market fund or possibly interest bearing or money market accounts. A complete monthly account analysis will be required regardless of the payment basis preferably with an overall relationship summary.

All item 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. Fees not shown on Attachment A to provide the service required will not be considered as part of the bid and therefore will not be paid unless relating to a new service during the contract 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 Finance Director. It is critical that Attachment A be completed in its entirety noting *all* service categories/fees required to provide the

required services. If Attachment A does not detail line item fees as defined by your institution which are required for a particular service the fee type and level should be added and clearly identified.

10. Contact with City Officials and Employees

All comments and questions will be directed to the City Finance Director as described above in #5. Contact with any other City employee or elected official without prior written consent of the Finance Director is expressly prohibited and will risk of elimination of the application.

All City required terms, conditions and forms are described in Attachment B.

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 Finance Director is responsible for the department and reports to the City Manager. The City consolidates all department deposits and deposits to the bank daily from one central cashier. Currently deposits are made by City staff. An average of five (5) individual deposits are made each day. The Finance Department handles all reconciliations. The City does use remote deposit and will consider expanding its use during the contract period.

The City utilizes automated banking services wherever cost effective. This proposal should address the automation potential on all services. Reporting should be electronic and downloadable. The banking services are directed to five major goals:

- Timely and accurate information flow provided electronically
- 100% utilization of funds and continuous investment of City funds at market rates
- Safety of City funds
- Minimization of banking costs to the City

The City is currently using two separate depositories one of which handles only a single payroll account. Under this contract all accounts will be consolidated into one depository. The average monthly ledger balance for the entire relationship is \$4,617,530. The current individual accounts and their average monthly balances are shown below.

Trust & Agency Account	\$ 3,482,008
Payroll Account	\$ 1,024,932
Operating Account	\$ 104,746
Accounts Payable	\$ 584
General City	\$ 5,260
Employee Benefits	\$ 656,388

- The Trust and Agency account is the main operating account and receives deposits and transfers daily. Wires and ACH will be active through this account. It is used for general City transactions including utility payments.
- The Operating account is used solely to collect hotel occupancy payments (all received via ACH) through an online portal.
- The General City account was special purpose and is no longer used. It may be eliminated under the new contract.
- The Employee Benefits account is used solely for employee benefit related insurance premiums and medical/dependent care flex claims, all paid via ACH.
- Approximately \$ 2.2 million in payables is processed monthly with payable runs on each Wednesday.

There is a separate 501c account (Brenham Community Projects Fund) for charitable donations registered under a different tax ID number but held at the bank under the City's contract. Funds are received in this account then transferred to another City account after an acceptance resolution by the City Council.

Under the proposed contract, the basic accounts will remain the same although the City would like to create a ZBA structure with all funds sweeping daily to an AAA-rated, SEC registered money market mutual fund striving to maintain a \$1 NAV. The City may choose to pay for services on a fee basis even without a sweep account structure.

Under the proposed contract, the Trust and Agency will remain the main account. The City will continue to use local government pools for additional liquidity and earnings.

The City issues approximately 489 accounts payable checks each month. Approximately \$ 2.2 million in payables is processed monthly with payable runs usually each week. Payroll (FTE) is processed biweekly for 280 employees averaging \$600,000 with some increase in summer for seasonal workers. Direct deposit is used for 93% of employees.

The Finance Department handles all reconciliation of the accounts and only one set of statements will be required.

The City needs access to interest bearing or money market accounts but will consider a sweep account structure to a money market mutual fund to increase earnings. All balance decisions will be made by the City.

Any or all City funds may be maintained and invested by the City outside this contract. A safekeeping account is not currently required but information is requested through this RFP. 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 in order to assure complete separation of delivery versus payment delivery requirements.

The Finance Director 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 application must include a response to each question in this 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 each year of the contract period, as soon as it is available. Confirm agreement to this requirement.
- b. Provide certification of the bank's Community Reinvestment Act (CRA) rating by its rating agency (summary information only).
- 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. Confirm agreement to this requirement.

2. Customer Service

Service will be 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 problems/issues that are unresolved? How is service and overall contract performance monitored?
- c. How does the bank support the local community?
- d. How does the bank intend to support the new and ongoing automation needs of the City?
- e. Will the bank meet on a regular schedule with the City?
- f. Are there any new services anticipated that might serve the City? When are they to be available?
- g. Is the bank offering any transition or retention incentives? Describe fully and quantify completely.
- h. 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 Agreement and Service Agreements

Provide a copy of all 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 before award of the contract is made by the City.

- a. Provide all the agreements required.

5. Implementation timeline.

The contract period will commence September 1, 2025. 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 October 1, 2025. Collateral should be in place two days before any funds are transferred.

- 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 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 application must include a response to each of the questions in this Section V and all associated fees must be detailed on Attachment A. Add any level of detail as necessary for complete disclosure.

1. Account Structure

The City is responsible for assuring that all City funds are earning at the best, then-current interest rates available at all times. The City currently pays for services on a compensating balance basis but retains the right to switch to a fee methodology with or without a sweep account structure. The City is interested in initiating an automated sweep to a money market mutual fund in order to reach its full investment goal and to minimize collateral dependence and regulatory fees.

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

- a. Describe the account structure proposed.
- b. Describe the bank's ability to establish a sweep structure using an external money market mutual fund.
- c. If an SEC registered money market fund is utilized for the sweep application, provide the full name and identifying cusip of the fund along with a link to the prospectus.
- d. If swept, are funds swept at end of day or next day?
- e. How is interest earned reported from a sweep? If a daily or monthly report is created provide a copy.
- f. Will the bank assess a balance-based fee? At what specific rate?
- g. Does the bank limit withdrawals in money market accounts to six per month?
- h. If internal rates are not bank managed provide the proposed computation basis for the accounts.
- i. Will interest earned on interest bearing accounts be charged as an expense on the account analysis?
- j. Confirm that the City may use a compensating balance or fee basis for payment of bank fees.
- k. Based on your fees and the historical volumes on Attachment A what is your target balance on a compensating balance basis?
- l. 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 2024
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 not 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 to your online service portal for the City to examine. Is a single portal used exclusively?
- b. Describe the bank's on-line service capabilities.
- 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 real-time or delayed? Specify.
- e. Define the history and image retention features available.
- f. Can customized reports draw across reporting modules and activities? Describe and detail. Can the system consolidate information from different accounts? At what level?
- g. Describe back-up procedures for use by the City with any interruption in the automated system delivery of information.
- h. What items generate an alert? How are these alerts or messages delivered? Must the user be signed on to your system to receive the alert or is it sent via email or text?
- i. What level of mobile banking is provided? Describe the services on the mobile app.
- 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. Remote deposit is currently used in the Utility Department. Coins are not currently rolled. On average the City makes five daily deposits on one deposit visit. One deposit may be in a locked bag with two in tamper-proof bags and two in zipper bags. Deposits are batched and currency strapped.

The City currently accepts credit cards in the Utility Customer Service, Municipal Court, Aquatics, Finance, Library, Animal Shelter, Main Street and Tourism departments. Various merchant service providers are used. The merchant services are not part of this RFP.

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 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. What is the bank's daily cut-off time at a local branch or is a vault required for deposits?
- b. Does the bank require strapping and rolling? Are there any limits on coin/currency in one deposit bag?
- c. Are all deposits imaged? When are images available?
- 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 originals or images of originals with each advice?
- f. Is location tracking available? Describe. Is this information carried through to statements and reports?
- 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.
- j. How much advance notice is required on coin and currency orders? Can orders be placed online? Is there any minimum purchase requirement? What is the turn-around time on orders?

- k. Include a list of all the bank's deposit locations.

Remote Deposit

The City uses remote check deposit in the Utility Department. These deposits include both consumer and commercial checks. The City owns one Canon Image Formula CR-190i II check scanner.

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

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

Under the contract, NSF checks paid to the City are to be automatically re-deposited for collection unless re-presentment of checks (RCK) is utilized. Complete information must be 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.

- a. Describe the bank's current NSF process. Are checks automatically re-deposited? How many times?
- 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 in full.
- d. How are the NSF and the later ACH matched/reconciled? Does the bank system cross reference the two transactions in any way?
- e. Is NSF information, image, or occurrence available on-line? When and how? How long is it available online?

4. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all City payroll checks without charge upon presentation for non-account holders. The City does utilize positive pay services for accounts and will require it for all accounts/checks. The City is currently not using any reconciliation services and does not anticipate immediate implementation. The City uses ACH for payrolls and select vendors (approximately 10 per month).

- a. When is daily clearing information available online through current day reporting?
- b. Are check images available on statements?
- c. Does the bank have positive pay services? Payee positive pay services?
- d. What level of reporting on items received is included? (check number, dollar amounts, value dates, transaction codes, etc.)
- e. Does the bank use virtual cards?
- f. Does the bank have a commercial card? Describe and include any rebate provisions.
- g. Will all employee checks for non-account holders be cashed without fee on presentment?

5. Positive Pay and Reconciliation

To safeguard against fraudulent checks, positive pay – and preferably payee positive pay - is required on all City 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 but manual entry through the portal is required also.

The City requires complete indemnification for fraudulent checks. The City may use positive pay in combination with partial reconciliation. No reconciliation services are now used.

- a. Describe the data transmission/transfer requirements for batch check runs for positive pay.
- b. Is online input for individual, manually written checks available online? Describe the process.
- c. How can check records be changed or deleted by the City, if necessary?
- d. How is the City to be notified of a positive pay exception? Is an alert sent by text or email?
- 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 tellers and vault, verified against the positive pay file before processing? How often is teller information updated?
- h. Describe the bank's reconciliation process.
- i. How much flexibility for the bank's systems to interface with the City's InCode ERP system?

6. Funds Transfer and Wire Services

The City rarely uses wires (preferring ACH) each month but does utilize internal book 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 wire 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 including security levels available or required for initiation and release.
- f. Describe the transfer initiation and reporting requirements. Are transfers completed totally online?
- g. Is future dating available for both repetitive and non-repetitive wires? How far in advance?
- h. State wire access 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.

7. Stop Payments

The City has a considerable number of stop pays averaging 13 per month. It requires online stop pays service.

- b. How are stop pays initiated online? How long is the initial stop pay period?
- c. How is a stop pay renewed/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?
- f. When a stop pay is created does the system automatically research the check's status? How far back?

8. ACH Services

ACH is currently used for various payments to State agencies, payroll and miscellaneous vendors. ACH credits are also received for tax and utility deposits The City requires a pre-notification on all new addresses.

- a. Describe the batch transmission requirements for ACH transactions.
- b. Is the City able to initiate individual ACH transactions online? How?
- c. What filters and blocks are available on City accounts for ACH transactions? Describe in detail.

- d. Are ACH addenda shown in their entirety on-line and on reports?
- e. Is the originating account debited when the 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?
- g. Are there any specific ACH reports available on paper or screens on-line? If so, describe.

9. Safekeeping Services

The City is not currently using safekeeping/custodian services but the bank should be able to provide a book-entry safekeeping services for securities owned by the City. All City investments will be made by the City and instructions for clearing and safekeeping will be transmitted in writing by email or fax. The bank and its brokerage subsidiaries will not be used for brokerage services to assure delivery versus payment settlement (DVP).

All securities must be cleared on a **delivery versus payment** (DVP) basis and ownership documented by clearing confirmations and/or safe-keeping receipts provided within one business day of the transaction. Funds for investments will be drawn from a designated City DDA account. All security income must receive automated same day collected credit on the City designated account without requiring any additional City action.

If the bank utilizes a correspondent bank for safekeeping of City securities, the transactions will be handled either through the depository bank's systems or directly with the alternative bank. No delay in transactions, wires, or flow of funds will be acceptable under a correspondent relationship.

The City anticipates an average of an average of 5 securities in FRB and/or DTC safekeeping at any one time from third party transactions. All fees for clearing and safekeeping must be stipulated on Attachment A Proposed Fees.

- a. Is the bank offering safekeeping/custody services?
- b. Is trade information entered online? What is the deadline?
- c. If using a correspondent, name the correspondent.
- d. Are security transactions available online for either origination or monitoring? Describe.
- e. Will safekeeping fees be hard dollars or on the analysis?

The City may choose to purchase time deposits from the bank but all time deposits will be competitively bid at the time of purchase.

10. 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 application 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 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 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?
- d. Will the custodian provide daily mark-to-market?
- e. What institution provides the monthly required collateral report.
- f. Provide the bank's collateral agreement for review. The agreement must be adopted under the terms of FIRREA.

11. 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 account analysis is needed monthly regardless of the payment basis.

- a. Provide a sample/pro forma account analysis.
- b. When is the analysis available each month online?
- c. How long is the analysis retained online?

12. Monthly Statements

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

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

13. Account Executive

To insure 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.

14. 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.

18. Additional Services

If the banks have additional services (such as e-payables and e-receivables) 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.

VI. OPTIONAL SERVICES

***To be considered the application must include a response to this section VII
and all fees associated with the service must be shown on Attachment A.
If the service is not available respond as such.***

The City continues to investigate new services for inclusion under its depository services contract. These services are not required 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 service's use. If the service is initiated later in the contract period the services and charges stipulated in this application 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. Check Printing

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 SERVICES

If the bank has any additional services that it feels could benefit the City, please use this section to describe those services.