CITY OF PORT ARANSAS
710 W. AVENUE A
PORT ARANSAS, TX 78373
TELEPHONE: (361)749-4111 FAX: (361)749-5270

REQUEST FOR PROPOSALS (RFP)

Proposal Title:	Depository Contract
Proposal Closing Time:	2:00 p.m. Central Standard Time
Proposal Closing Date:	October 03, 2025
Technical Proposal Opening:	October 03, 2025, 2:00 p.m. Central Standard Time
Submission of Proposal:	Francisca Nixon City Secretary City of Port Aransas 710 W. Avenue A Port Aransas, TX 78373
Note:	Proposals will not be accepted via facsimile or e-mail
Specification questions:	Darla Honea Director of Finance City of Port Aransas 710 W. Avenue A Port Aransas, TX 78373 361-749-4111

CITY OF PORT ARANSAS
REQUEST FOR PROPOSALS

INTRODUCTION

A. Request for Proposal

The City of Port Aransas (City) is requesting proposals from qualified depository institutions to provide depository services to the City as described below. The depository means the bank, credit union, or savings association selected by the City to provide depository services. The objective of this Request for Proposal (RFP) is to identify the financial institution (depository) that can offer the highest quality service at the lowest cost to the City. This objective is similar to all other goods and services placed on a competitive bidding approach by the City. Services provided will be in accordance with the Bank Depository Contract and attachments executed between the City and the Depository.

B. Conditions Qualifying a Depository Institution to Propose

A proposer must be a Federal or State of Texas chartered banking institution with branch banking facilities located within the City limits of the City of Port Aransas. If the headquarters of the proposer is not located within the City limits, a branch bank of the proposer located within the City must be able to offer the full range of banking services required by this RFP.

C. Proposal Procedures

1. A proposer shall use the attached Proposal Form, Exhibit A, in submitting a proposal. It is required that the Proposal Form be completed in its entirety.

2. If a service requirement cannot be met by a proposer, then the term "No Proposal" should be entered on the Proposal Form for that specific requirement. In the case of a "No Proposal" remark, the proposer may offer an alternative equivalent service for the City's consideration.

3. Services for which a proposer intends to charge a fee must have the applicable fee indicated on the Proposal Form. Any service which does not have a fee indicated on the Proposal Form will be considered to be free of charge in the Depository Contract.

4. The proposal must be submitted in a sealed envelope bearing the title "City of Port Aransas Depository Contract Proposal" along with the name and address of the proposer. The proposer shall submit two (2) copies of the completed Proposal Form and the other required information identified below and shall be directed to Francisca Nixon, City Secretary, City of

Port Aransas, 710 W. Avenue A, Port Aransas , Texas 78373 no later than 2:00 p.m. on October 3, 2025.

5. A proposer may submit written questions in order to clarify any matters relating to this request for proposals. The proposer's question(s) and the City's response will be shared with all applicants that obtained a RFP.

6. Darla Honea, Director of Finance (749-4111) may be contacted for any questions concerning this RFP.

7. The City reserves the right to reject any or all proposals, to waive any non-material irregularities or informalities in any RFP, and to accept or reject any item or combination of items.

8. All costs incurred by the proposer in responding to the RFP shall be borne by the proposer.

9. Unauthorized modifications of specifications, forms or terms may render the proposal invalid.

D. Selection process

The City will evaluate the merit of the proposals received. The sole objective of this evaluation will be to recommend the financial institution whose proposal is most responsive to the City's banking needs. While the specifications of this RFP represent the minimum performance necessary for response, the City will consider additional services in the final selection process.

The following criteria will be used to evaluate the proposals submitted in response to this RFP (criteria are not listed in order of importance).

1. Meeting the legal qualifications and the terms and conditions specified in the RFP;

2. Completeness of Exhibit A, the Proposal Form;

3. Submission of the required information;

4. Ability of the proposer to provide the depository services described in the RFP;

5. Financial condition of the proposer;

6. Cost of the proposed depository services and the cost of the conversion and implementation of banking services;

7. Incorporation of effective and innovative cash management services;

8. Experience and success in providing banking services to municipal governments in Texas;

E. Contract Terms

1. The selected depository shall be designated as the City's depository for a two-year term beginning January, 2026 with three one-year (1) renewal options available. Under no circumstances will any depository service contract term exceed five years.

2. The Depository Contract will be awarded to the depository whose proposal conforms to the RFP and is most advantageous and cost effective to the City. The City of Port Aransas Depository Contract is expected to be awarded at the City of Port Aransas City Council meeting to be held on October 16, 2025 at the City of Port Aransas Council Chambers located at, 710 W. Avenue A, Port Aransas, TX 78373.

3. The following additional agreements will be executed between the designated bank and the City to be effective on January 1, 2026;
    a. Depository Bank Services Agreement
    b. Custodial Agreement

    Additional contracts and agreements relating to the normal conduct of banking transactions may be required during the term of the Bank Depository Contact. All supplemental contracts and agreements to the Bank Depository Contract must be approved as to both form and content by the Director of Finance and the City Attorney. All supplemental contracts and agreements will be attachments to the Depository Agreement.

4. City deposits in excess of the Federal Deposit Insurance Corporation (FDIC) insured coverage shall be secured by the pledge of eligible collateral having a market value, at all times, equal to 102% of the aggregate of said deposits. The Collateral requirements set forth in the Public Funds Collateral Act must be adhered to at all times.

    The City will consider an alternate proposal for surety bonds to be used as collateral for 102% of aggregate of said deposits.

5. If a bank does not execute a Banking Services and Depository Agreement and additional agreements within ten (10) business days after being notified of selection, the City may give notice to the bank of the City's

intent to select the next most qualified proposing bank or call for new proposals, whichever the City deems most appropriate.

6. The depository contract shall provide that the City reserves the right to cancel any agreement at any time upon ninety (90) days prior written notice of its intent to terminate any agreement. The designated depository shall provide the City ninety (90) days prior written notice of its intent to terminate any agreement. A decision to terminate the depository contract may not be as a result of an offering of a lower price from another financial institution during the contract period.

7. Qualification as Depository

    a. The bank to qualify as a municipal depository, must, not later than five days before the commencement of the term of the depository services contract, provide security for the municipal funds to be deposited in accordance with the terms of the depository services contract.

    b. Chapter 2257, collateral for public funds, Government Code governs the type, level, substitution, possession, release, and method of valuation of the security necessary to secure the deposit of municipal funds.

        Note: Banks cannot use CMO's as collateral for CD's or repurchase agreements. Banks should limit collateral types to that type of investment stated in the City's Investment Policy, Exhibit C.

8. Conditions to Acting as Depository

    a. The depository shall:
        1. keep the municipal funds covered by the depository services contract;
        2. perform all duties and obligations imposed on the depository by law and under the depository services contract;
        3. pay on presentation all checks drawn and properly payable on a demand deposit account with the depository;
        4. provide and maintain security at the level required by the provisions of Chapter 2257, collateral for public funds, Government Code;
        5. pay all transfers properly payable as directed by a designated officer; and
        6. account for the municipal funds as required by law.

b. Any suit brought in connection with a depository services contract must be tried in the county in which the city hall of the municipality is located.

SECTION II – BANKING SERVICES TO BE PROVIDED

A. Depository services to be provided are listed on Exhibit A, the Proposal Form. The following identifies and discusses the services to be provided:

1. Consolidated Operating Account. The purpose of the consolidated operating account is to consolidate cash balances on a daily basis. Daily deposits and incoming and outgoing wire transfers and ACH transactions will be made to and from this account.

2. Other Accounts. The City may have other accounts established for specific purposes or programs such as accounts related to bond proceeds, debt service funds, or reserve funds. The City reserves the right to open or close any number or type of accounts through the term of the contract.

3. ACH debits and credits.

4. Wire transfers. Incoming and outgoing transfers and inter-account transfers may be performed electronically and by phone.

5. Account reconciliation services. Reconciliation services will include the following minimum requirements:

   a. Return all cancelled checks, sorted by check number on a monthly basis within five (5) business days after month end.

   b. Return all other items, such as debit and credit memos and deposit slips in date order, on a monthly basis within five (5) business days after month end.

6. Returned checks. All checks returned to the bank or rejected by the bank due to "not sufficient funds" shall be processed by the bank a second time.

7. Custodial and safekeeping services. The bank may serve as the primary custodial agent for the City. Services to be provided would include the safekeeping of wirable investment securities purchased by the City and securities delivered as collateral for repurchase agreements with other financial institutions or securities dealers. The bank must have the capability of executing, on behalf of the City, delivery versus payment (DVP) transactions for both purchases and sales, settling through the Federal Reserve bank or a New York correspondent bank.

The City also requires the designation and use of a financial institution to serve as a secondary custodial agent. This institution will provide safekeeping of securities pledged as collateral by the depository bank. Since the secondary custodial agent may hold securities for an extended period of time, this service will also include the collection of periodic interest payments for the securities held and the wiring of those payments to the appropriate party.

The depository bank will pledge eligible securities with the secondary custodial agent for the account of the City as set forth in the Public Funds Collateral Act.

8. Debit and credit memos. The depository bank will forward original debit and credit memos for adjustments or corrections to the City within twenty (20) days of the original transaction. Adjustments or corrections to transactions which occurred more than twenty (20) business days prior to the adjustment or correction will not be accepted by the City.

9. Payroll direct deposit. The City desires to offer the option to its employees to have payroll checks directly deposited to their bank accounts. The City needs the depository to clear these transactions to the various financial institutions necessary.

10. Account Analysis Statement. The depository will forward an account analysis statement which reports activity for all accounts on a monthly basis to the Finance Director within fifteen (15) business days after month end. This report shall include a breakdown of service costs and incurred volumes, average balances and earnings credit information. Separate reports for each account maintained and a summary report for all accounts shall be generated.

11. Miscellaneous Bank Services;
    A. Stop payments
    B. Cashier's checks
    C. Printed deposit tickets
    D. Money orders
    E. Wires
    F. ACH transactions
    G. Payee Positive Pay
    H. ACH Positive Pay

B. Direct Fees for Services Provided

The City desires an equitable reimbursement arrangement for the banking services provided by the bank. A direct fee basis for services provided by the bank with an offsetting earnings credit for available balances on hand is the arrangement preferred by the City. This process requires the monthly calculation of a net banking service cost. The bank will calculate the total monthly service costs for all accounts and the total monthly earnings credit for all accounts on the account analysis statement. The net of total service costs and total earnings credits equals net banking service costs for the month.

C. Funds Transfer

Incoming wire transfers occur occasionally. The Bank will give both ledger credit and availability of wire transfers the day of the receipt, regardless of the time the bank receives the transfer through the Fedwire system. Credit to City accounts for incoming wire transfers should be immediate.

SECTION III – REQUIRED INFORMATION

The following documents must be submitted with the completed Proposal Form by the proposer:

A. Annual audited financial reports for the most recent two years (these can be returned to the proposer after review) .
B. Statement on how business accounts are handled. This would be the pamphlet that is given to each new business customer. Also please state if on-line services are available to access account information
C. Sample collateral report.
D. Sample security safekeeping portfolio report.
E. Sample account statement
F. Sample account analysis statement (this is needed if the proposal is structured for the City to pay a monthly fee based on net banking services).

SECTION IV – SUBMISSION OF PROPOSALS

All proposals submitted pursuant to this request for Professional Services for Bank Depository Services must be delivered to:

Francisca Nixon
City Secretary
City of Port Aransas
710 W. Avenue A
Port Aransas, TX 78373

Deadline for submission is 2:00 p.m. (CST), October 3, 2025. Proposals received after that time will not be considered and will be returned to the proposer unopened.

Other requirements are listed below:

A. Two (2) copies of the proposal shall be submitted.
B. All information requested of the proposer by the RFP shall be provided. Failure to do so may disqualify the proposal.
C. All information shall be entered in ink or typewritten.
D. Proposal shall be signed by an authorized representative of the company.
E. Proposals may be submitted in a sealed envelope or box to the address shown above.
F. Proposals may be submitted in person, by U.S. Mail, Special Delivery or courier service. No facsimile or e-mail proposals will be accepted
G. All exceptions to any point of the RFP must be clearly shown. It is suggested that exceptions be made as a separate section within the proposal for clarity.

SECTION V – PROPOSER'S RESPONSIBILITY

Proposers should carefully examine the entire RFP and any addenda thereto, and any related materials and dates referenced in the RFP. Proposers shall become fully aware of the nature and location of the work. All proposers are responsible for the cost to produce their proposal. All proposers are responsible for their proposal's content, timeliness of submission and withdrawal.

EXHIBIT A
CITY OF PORT ARANSAS
PROPOSAL FORM
DEPOSITORY BANK SERVICES

Bank Name: ____

Official Submitting: ____

Title of Official: ____

Instructions

1. Enter a per-unit charge for non-credit services listed below. Note that monthly activity amounts are estimates based on historical activity for all existing demand accounts. These estimates may not reflect future activity.

Bank Service	Monthly Activity	Monthly Charge (MC) or Per Item (PI) Charge. Please Indicate MC or PI by each Charge Amount
Account Maintenance	1	__________
Debits – Total Checks Paid	399	__________
Wire Transfers	34	__________
Stop Payments	1	__________
Incoming Cash	50,210	__________
Return Items		
Chargebacks	3	__________
Reclears	6	__________
Fund Transfer	0	__________

EXHIBIT A

Bank Service	Monthly Activity	Monthly Charge (MC) or Per Item (PI) Charge. Please Indicate MC or PI by each Charge Amount
Paper Monthly Statements w/in Five business days	1	________________
ACH Origination Fee	1	________________
ACH Credit	274	________________
ACH Debits	43	________________
ACH Originated Debit/Credit	2,133	________________
ACH Return Item Fee	1	________________
Token Approval	1	________________
Direct Deposit Payroll Clearing	250	________________
Teller Cash Check	5	________________
Deposit Correction	1	________________
ATM – POS	30	________________
Digital Deposit Service	10	________________
Deposit Return Item Fee	2	________________
Deposit Item – Local	843	________________
Deposit Item – Non-Local	23,060	________________
Deposit Item – On Us	166	________________
Deposit Slip Credit	79	________________

Positive Pay Per Item (Issue)	454	___________
ACH Positive Pay	1	___________
Payee Positive Pay Account Fee	1	___________
Payee Positive Pay Item Fee	454	___________
Cashier Checks	As needed	___________
Money Orders	As needed	___________
Cost of Collateral	As needed	___________

<u>Bank Service</u>	<u>Monthly Activity</u>	Monthly Charge (MC) or Per Item (PI) Charge. Please Indicate MC or PI by each Charge <u>Amount</u>
Cost of Security Safekeeping Account	As needed	___________
Payroll Checks	As needed	___________
Operating Fund Checks	As needed	___________
Pre-printed Deposits Slips	As needed	___________

Please List Any Other Charges Applicable:

Service ____

Service ____

Service ____

Service ____

2. Discuss the interest rate formula to be used in calculating the monthly earnings credit on the Account Analysis Statement. Indicate the rate or index used and any adjustment to that to arrive at the effective earnings credit.

3. Discuss the interest rate formula to be used in calculating the interest paid on the operating account balances each month.

CITY OF PORT ARANSAS
BANK ACCOUNT SUMMARY
EXHIBIT B

Account Name	Average Balance	Number of Checks per month	Number of Deposits per month
Operating Account	1,635,206	399	303

SIGNATURE OF ENTIRE PROPOSAL AND SUBMITTALS

FIRM: ____

BY: ____

Signature Title

____

Print or Type Name

ADDRESS: ____

Street Address and/or P.O. Box Number

____

City State Zip Code

PHONE: ______________________ FAX: ______________________________

RETURN ENTIRE RFP PACKAGE AND ALL DOCUMENTATION REQUIRED
BY THIS REQUEST FOR PROPOSAL

PROPOSAL AFFADAVIT

AUTHORIZED OFFICER: All pages in proposal containing statements, letters, etc., shall be signed by a duly authorized officer of the company, whose signature is binding on this proposal.

The undersigned offers and agrees to furnish all of the services stated in the accompanying proposal. The period of acceptance of this proposal will be ninety (90) calendar days from the date of the proposal closing, unless otherwise indicated by proposer.

STATE OF ___________________________ COUNTY OF ___________________

BEFORE ME, the undersigned authority , a Notary Public in and for the State of _______________, on this day personally appeared ____________________________, who after being by me duly sworn, did depose and say:

"I, ___________________________________ am a duly authorized officer or/agent for
(name)

___________________________________ and have been duly authorized to execute the
(name of firm)
foregoing proposal on behalf of the said: _______________________________________

I hereby certify that the foregoing proposal has not been prepared in collusion with any other proposer or other person or persons engaged in the same line of business prior to the official receipt of this proposal. Further, I certify that the proposer is not now, nor has been for the past six (6) months, directly or indirectly concerning in any pool or agreement or combination, to control the price of services/items offered, or to influence any person or persons to offer or not to offer thereon.

Name and address of Proposer: ____

____________________________, ________________________, _____________________
BY: (print name) (Signature) (Title)

SUBSCRIBED AND SWORN to before me by the above named ___________________

______________________ on ____________________
Date

____
Notary Public in and for the State of ________________

RETURN THIS AFFIDAVIT AS PART OF PROPOSAL