

Capital Area Council of Governments Request for Proposals for Depository Services

General Information

The Capital Area Council of Governments (CAPCOG) is a political subdivision of the State of Texas organized and operating under the Texas Regional Planning Act of 1965, as amended, Chapter 391 of the Local Government Code. The Capital Area Emergency Communications District (“CAECD”) is a special purpose district established in state law in accordance with Chapter 772, Subchapter G, of the Texas Health and Safety Code. The CAECD was established on September 11, 2013, creating the need to select a depository. CAECD is managed and staffed by CAPCOG, and shares the same governing board. Under §772.518 of the Texas Health and Safety Code, the CAECD Board of Managers must select a depository in accordance with the laws applicable to a county’s selection of a depository under Subchapter B of Chapter 116 of the Texas Local Government Code.

In accordance with these laws, CAPCOG is issuing this request for proposals (RFP) to eligible financial institutions to be designated as depository for both CAPCOG and CAECD. This includes the basic services of receiving deposits, paying items, wiring funds, stop payments, and other business banking activities. This agreement will not cover any investment transaction activities, other than safekeeping, as CAPCOG plans to manage its own investment portfolio. CAPCOG is requesting proposals for a banking services contract for an initial two-year period from 1/1/2024 – 12/31/2025, with an option to renew for an additional two-year period from 1/1/2026 – 12/31/2027. The depository contract shall provide that CAPCOG reserves the right to cancel any agreement, at any time, upon sixty (60) days prior written notice of its intent to terminate any agreement.

Through this contract, CAPCOG intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities. This RFP represents the cash management goals, specifies all banks’ required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and the contract award provisions. The terms and provisions of the Texas Local Government Code, Chapter 116 will be applied to this depository contract, including the conflict of interest provisions of Section 131.903 of the Code.

The specifications on the attached proposal form represent a preferred level of service from CAPCOG's perspective. The specifications are not intended to preclude a bidder from presenting alternative features to the ones stated, either in terms of providing improved service to CAPCOG, or more acceptable conditions to the depository. Clarifying information is required on all proposed exceptions or alternatives and should be provided as an addendum to the proposal form.

Timeline

Table 1. RFP Timeline

Milestone	Date
RFP Issued	10/18/2023
Questions Due	11/10/2023, 4:00 pm
Q & A Response Due	11/13/2023
Proposals Due	11/17/2023, 1:00 pm
Recommendation Finalized	11/27/2023
CAECD Board Approval	12/13/2023

Summary

CAPCOG's fiscal structure funding depends primarily upon grants from the state and federal governments as well as fee-for-service contracts including shared funding for special projects and member government dues. CAECD is authorized to impose and receive 9-1-1 fees. Combined revenues for Fiscal Year 2024 (October 1, 2023 – September 30, 2023) for CAPCOG and the CAECD are expected to be approximately \$44 million.

CAPCOG's banking structure currently consists of three (e) checking accounts and 4 TEXPOOL investment accounts outside of the banking structure. One checking account is utilized for most payables of CAPCOG (and the CAECD), including payroll, and one checking account for the CAECD is utilized for some direct payables. The third checking account is related to a non-profit and has very little activity. The following data provide some insight into CAPCOG's typical and expected banking activity:

- Checks for payables are written bi-weekly and funded by transfers to the checking account from other accounts and outside sources.
- Approximately 80-180 checks are written each month and approximately 150-300 ACH disbursements each month.
- CAPCOG pays employees on a bi-weekly schedule. Throughout the year, CAPCOG has approximately 60-70 employees with a payroll of approximately \$170,000 every two weeks. Currently all employees are utilizing direct deposit services.
- Cash is deposited to various CAPCOG bank accounts on a weekly basis.
- The total average account balance is about \$1.5 - \$2.0 million, split about evenly between CAPCOG's account and the CAECD account.
- Due to one large non-recurring capital project expected to be completed by the end of 2024, we expect several large payments and reimbursements of approximately \$800,000 - \$2 million in 2024.

All information provided on the number of transactions is based upon historical or anticipated activity to the best of CAPCOG's knowledge. Although this is CAPCOG's best estimate of volume, CAPCOG does not guarantee these volumes.

CAPCOG's Annual Budgets and Annual Financial Reports are available at:

<https://www.capcog.org/transparency/transparency-reports/>. CAPCOG's Investment Policy is included as *Attachment C* to this document.

Minimum Banking Qualifications

Qualified proposing financial institutions must meet the following minimum criteria:

- Must be a financial institution chartered under laws of the United States or of the State of Texas; and
- Maintain a full-service branch with drive up and night depository capabilities within the city limits of the City of Austin.

Scope of Banking Services

This section lists desired services to be provided by the bank under this agreement. *Attachment A* lists each of the services. The bank should use *Attachment A* to provide the specific price for each service.

Account Structure

CAPCOG's banking structure currently consists of three (3) checking accounts. The CAPCOG and CAECD checking accounts are utilized for most payables of CAPCOG and CAECD. CAPCOG and CAECD desire all accounts to be interest bearing.

Standard Deposit Services

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and on all other checks based on the bank's published availability schedule.

Include deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation.

Checks drawn on CAPCOG accounts at your institution presented by CAPCOG employees will be cashed at no charge.

On-line Banking

The institution shall offer Internet access for the inquiry of account balances and activity for all bank accounts. This access should be available by using a password set by CAPCOG. In addition, the institution shall offer on-line transfer of CAPCOG monies between accounts held within the institution. The transfers should be credited and debited to the related accounts on the same business day of the transfer, if the request is received by 5:00 pm.

Direct Deposit

The banking institution must be able to provide direct deposit through a computer interface with CAPCOG via internet.

Include a schedule of funding for direct deposit so that payroll is available for CAPCOG employees at 12:01 a.m. on paydays. Also include a sample direct deposit agreement with your proposal.

Wire Transfer Services

A standard wire transfer agreement will be executed with the bank. The CAPCOG requires adequate security provisions and procedures. If the wire transfer requests are available online, full information should be submitted detailing the use.

Stop Payments

The institution must provide CAPCOG with the ability to stop payments on an automated (phone or internet) basis.

Investment of Idle Funds and Safekeeping of CAPCOG Securities

All certificates of deposit bought by CAPCOG will be bought on a competitive basis. CAPCOG has no obligation to invest its funds with or through the bank.

All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangements will be stipulated in the proposal.

Notices

The depository will notify CAPCOG in writing within ten (10) days of any changes in Federal or State regulations or laws that would thereafter affect the depository contract. The depository shall also notify CAPCOG of any additional services that become available to CAPCOG throughout the contract period.

Audit

The depository's records relating to CAPCOG's accounts shall be open to review by either CAPCOG staff members or CAPCOG-appointed independent auditors during normal business hours. The depository's records of CAPCOG transactions may be considered public records pursuant to the Texas Open Records Act.

PROPOSAL SUBMISSION INSTRUCTIONS

Proposal Format

In order to fully and equitably evaluate each bank's ability to meet the banking services needs of CAPCOG, a standard reply format is required. Each submission must include a completed form provided as Attachment A to this RFP. Only proposals submitted in the prescribed format and using the exhibit forms provided (*Attachments A and B*) will be evaluated for contract award. The proposal must be signed by a duly authorized official of the bank. The proposal submitted will become part of the final contract.

The specifications are not intended to preclude a bidder from presenting alternative features to the ones stated, either in terms of providing improved service to CAPCOG, or more acceptable conditions to the depository. Bidders are instructed to clearly note on the official proposal form any exceptions or alternatives to the specifications.

Submission Checklist

1. Completed Proposal Form (Attachment A).
2. Sample bank statement.
3. Sample account reconciliation statement.
4. Sample account analysis statement.
5. Sample monthly pledged collateral report.
6. Sample safekeeping agreement for collateral with fee schedule.
7. Availability of funds schedule with a clear explanation of deadlines.
8. Sweep account prospectus if applicable.
9. Sample ACH transaction agreements with procedures and deadlines for processing.
10. Sample wire transfer agreements with procedures and deadlines for processing.
11. Sample stop payment agreement.
12. Sample positive pay agreement with procedures.
13. Most recent audited annual financial statement of the bank along with the last two quarterly FDIC call reports.
14. Proposed depository contract.
15. Information regarding imaging services.
16. Information about on-line access to account information, i.e. software utilized and parameters of usage.

17. A statement by the institution which addresses the following:
 - a. Any recent or foreseen merger or acquisition
 - b. Whether the institution has been cited for violation of any state or federal banking laws in the past two years.
 - c. The names and qualifications (resumes) of the representatives at the institution local office who would be responsible for processing activity on CAPCOG's accounts.
18. Required Forms:
 - a. Certifications of Offeror
 - b. Certification of Compliance with Small, Disadvantaged, Minority, Women-Owned, and Historically Underutilized Business Policy
 - c. Certification Regarding Debarment
 - d. Certification Regarding Lobbying
 - e. Certification Regarding Prohibition on Contracts with Companies Boycotting Israel
 - f. Certification Regarding Disclosure of Conflict of Interest
 - g. Certification of Fair Business Practices
 - h. Certification of Good Standing- Texas Corporate Franchise Certification
 - i. Texas Public Funds Investment Act Certification
 - j. Certificate of Interested Parties Form – Form 1295 (The following form must be completed online if selected for a contract: Texas law states that a governmental entity or state agency may not enter certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The required form and instructions are located at the Texas Ethics Commission Website.

Submission Requirements

CAPCOG will need to budget time for the review of proposals and therefore must have some advance notice of the number of submissions we expect to receive. Proposals must be submitted to CAPCOG via e-mail to ahoekzema@capcog.org and received by CAPCOG no later than 1:00 pm Central Time, Friday, November 17, 2023.

CAPCOG is not liable for any costs incurred by a proposer in preparing and submitting proposals.

Request for Proposal Amendments

Modifications or additions may be made as a result of questions submitted. Written notification of any change will be made in writing to all known prospective bidders.

Selection Criteria

Evaluation of proposals will be made on the basis of the following objectives, not necessarily in the order given:

- Cost of the proposed banking services, and the cost of conversion and implementation of banking services.
- Convenience of banking services, electronic as well as lobby/backroom services.
- Ability of the bidder to perform the requested services in the RFP;
- Ability to meet the legal qualifications and the terms and conditions specified in the RFP;
- Effective rates paid on CAPCOG's accounts;
- Experience and success in providing banking services to municipal governments in Texas;

- Ability to provide CAPCOG with effective and innovative cash management services; and
- Completeness of the proposal form and submission of the required information.

This RFP for a depository is being duly advertised and is being offered for consideration to financial institutions chartered under laws of the United States or of the State of Texas.

CAPCOG will evaluate the proposals and select the one with the most favorable terms and conditions; however, CAPCOG reserves the right to reject any and all proposals that, in the opinion of CAPCOG do not meet the needs or warrant the placement of CAPCOG's funds.

CAPCOG reserves the right to waive any non-material irregularities in any proposal, and to accept or reject any item or combination of items. CAPCOG reserves the right to request additional information from proposing organizations to discuss points in the proposal, any and all of which may be used in forming a recommendation.

All costs incurred by the bidder in responding to the RFP shall be the responsibility of the bidder.

Award of Bid and Service Initiation

Award of the contract will be considered by the CAPCOG Executive Committee and CAECD Board of Managers its meeting on December 13, 2023.

RFP Questions

Questions regarding this RFP will be accepted via email to ahoekzema@capcog.org. All questions must be submitted by 4:00 pm, Friday, November 10, 2023. Responses to all material questions submitted will be communicated to each known prospective bidder.

Additional Information

For additional information on this RFP, including copies of attachments and any updates, please go to the "Doing Business with CAPCOG" page at: <https://www.capcog.org/divisions/administrative-services#doing-business>.

ATTACHMENTS

Attachment A – Proposal Format

Attachment B – Required Forms

Attachment C – CAPCOG Investment Policy