



**Request for Proposal
Depository Banking Services**

RFP RELEASE DATE: November 13, 2024, at 10:00 AM CST

SUBMISSION DUE DATE: December 2, 2024, at 10:00 AM CST

City of Spring Valley Village
1025 Campbell Rd.
Spring Valley Village, TX 77055

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I. DEFINITIONS

A. Below is a list of abbreviations and their definitions to ensure clarity within this RFP.

ACH – Automated Clearing House

AFP code – Association for Finance Professionals service code

Circular 7 – Federal Reserve Bank Operating Circular No. 7

CRA – Community Reinvestment Act

CUSIP – An exclusive nine-digit identification number assigned to registered securities in the United States and Canada, following the Uniform Securities Identification Procedures (USIP)

DVP – Delivery Versus Payment

ECR – Earnings Credit Rate

EIC – Economic Improvement Corporation

ERP – Enterprise Resource Planning

Fed Funds Rate – The Fed’s main benchmark interest rate that influences how much consumers pay to borrow and how much they’re paid to save. This affects yields on certificates of deposit (CD) and savings accounts, as well as rates on credit cards, auto loans, home loans, and home equity lines of credit (HELOC’s).

FHLB – Federal Home Loan Bank system

FIRREA – Financial Institutions Reform Recovery & Enforcement Act

FDIC – Federal Deposit Insurance Corporation

Fx – Foreign Exchange

ICS – Insured Cash Sweep

IB – Investment Banking

MMA – Money Market Account

MMMF – Money Market Mutual Funds

NAV – Net Asset Value

NSF – Non-Sufficient Funds

OTC – Over the counter

Par Amount – The face value for a bond or a share of stock.

RFP – Request for Proposals

SEC – Securities & Exchange Commission

SWACHA – Southwestern Automated Clearing House Association

ZBA – Zero Balance Account

II. INTRODUCTION

The City of Spring Valley Village, Texas (the “City”) is soliciting applications from eligible financial institutions to serve as its Banking Services Depository for the purpose of assisting with the banking functions for designated funds of the City. Only those depository institutions doing business within a 2-mile radius of Spring Valley Village and with full depository service capabilities are eligible to serve as the depository. Qualified financial institutions (“Proposer(s)”), that meet the requirements set forth in this Request for Proposals (“RFP”) and are capable of providing the services requested are encouraged to participate. Proposers 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 through its responses to the questions presented.

The City intends for its banking partner to provide state-of-the-art technology to assure that its current banking needs would be met for all departments and allow the City to incorporate technological changes and improvements into its operations over the period of the contract.

The City will select a depository through a competitive RFP process for a depository services contract with an initial term of three years beginning January 1, 2025, and ending December 31, 2027. The parties may then extend the contract for an additional two-year term unless terminated in writing by either party 90 days prior to the expiration of the contract.

Securities pledged as collateral to secure the City’s deposits will be governed by the Texas Local Government Code, Chapter §2257, Public Funds Collateral Act and further by the Investment Policy of the City. Full collateral requirements and conditions are included in this RFP.

The depository services contract will be executed under the terms of FIRREA and provide that the City may terminate the contract for cause during the contract term, upon the City providing ninety (90) days prior written notice of its intent to terminate. All service fees must be guaranteed for the initial term of the contract and City may negotiate fees for any additional term or for new services.

The objective of this RFP is to identify the financial institution most capable of providing the highest level of service and highest earnings at the lowest cost to the City. Through this contract, the City intends to minimize banking costs, improve operational efficiency, and

maximize earnings. This RFP represents the City's cash management goals, specifies all the required qualifications, and banking services required, the activity volumes on accounts, method and terms of compensation, submission instructions, and contract award provisions.

By submitting a proposal in response to this RFP, the Proposer is deemed to agree to these terms and conditions. Any Proposer is deemed to have read, understood, and agreed to all terms, conditions, and requirements set forth in this RFP. This RFP and the proposal submitted will be incorporated into the final bank depository services contract, as entered into by the parties.

All questions in this RFP must be responded to in the order given to equitably evaluate each proposal and the Proposer's ability to serve the City. A complete response must be given to each item in Sections IV and V in the order given along with completion of Attachment A (Fee Proposal). The City anticipates and appreciates concise and complete proposals. However, additional and necessary explanatory information or materials may be included in the proposal.

A. Depository Compensation

All proposed service fees shall be fixed for the initial term as submitted on Attachment A – Proposed Fees. The City may consider a negotiation of fees for any additional term. Only fees listed on Attachment A will be accepted so any fees required to perform the required services should be added to Attachment A and included as part of the submitted proposal. The Proposer may submit a pro forma, but all service categories needed to provide the current required services must be detailed for use on Attachment A.

Attachment A contains the complete account analysis information for a prior 12-month period to provide average monthly activity. No additional account analysis or statement information will be made available. On the Attachment the AFP number and unit for any other charge, as applicable, should be clearly noted. It is recognized that depositories differ in categorizing and charging fees, therefore, if a particular AFP service category/ line item is not on Attachment A, a Proposer may add the item(s) by name and then include applicable fees. All fees required to provide the service must be included.

The City requires the ability to pay for services on either a fee and/or compensating balance basis and must be able to change between these methodologies during the contract period. The City will make a decision on the initial method it will use initially only after analysis of the proposals and then, on an on-going basis as interest rates change. It is likely that the City will chose a fee basis.

B. City Investments

The City reserves the right to purchase, sell and invest its funds and funds under its control, including bond funds, as authorized by the Texas Government Code, Chapter §2256, Public Funds Investment Act, and in compliance with the City's Investment Policy. The City contracts with an investment adviser and all trades will be through third party brokers to perfect delivery versus payment settlement. The Proposer is being asked to provide a safekeeping/custody function as part of this RFP.

The City may choose to invest in time deposits at the institution, but all investments including CDs are bid competitively at the time of purchase.

C. Collateralization

The Proposer must provide collateral per the Texas Local Government Code §2257 and further defined by the City's Investment Policy and this RFP. The depository/collateral agreement will be executed under the terms of FIRREA. Conditions and questions regarding collateral are found in the Required Services Collateral Section of this RFP.

III. SUBMISSION AND AWARD PROCEDURES

A. Application Submission

To be eligible for consideration under this RFP, the proposal must be submitted by 10:00 AM CST on December 2, 2024, to the address below. Please submit one original and three copies of the proposal. Please clearly write on the outside of the envelope/package **Depository Banking Services Proposal.**

City of Spring Valley Village
c/o Jasmin Torres
1025 Campbell Rd.
Spring Valley Village, TX 77055

The City will not accept proposals not received by 10:00 AM CST on December 2, 2024. Proposals submitted after 10:00 M CST will not be considered or returned to the Proposer.

Emailed proposal responses will not be accepted.

The RFP and any other RFP information may be downloaded or viewed at the following website <https://www.springvalleytx.com/342/Purchasing>

Proposer's submission of a proposal shall be prima facie evidence that the Proposer has full knowledge of the detailed requirements as outlined in this RFP. Proposers must submit their questions to bwalker@springvalleytx.com by 3:00 PM CST November 27, 2024. The City will respond to questions in a timely manner after the questions deadline. Explanations or instructions given before the award of the contract are not binding and do not form a part of or alter in any way, any depository contract. All direct questions about the meaning or intent regarding this RFP and Project shall be submitted to bwalker@springvalleytx.com. The City shall not be responsible for any communication between any employee of the City or City Official.

B. Restrictions on Communications

To ensure fair and equitable evaluation and selection of a proposal, the City Spring Valley Village prohibits ex parte communication initiated by the proposer, or proposer's officer, employee or representative, to a Councilmember, or any City employee or any representative of the City involved in the evaluation and selection of a proposal prior to the final determination and contract award.

Ex parte communication includes lobbying on behalf of the proposer, or unsolicited contact from the proposer or the proposer's officer, employee or representative to discuss details of a proposal outside of negotiations and before negotiations have concluded and a contract award has been made.

Ex parte communication may be grounds for disqualifying the offending proposer from consideration or contract award.

The anti-lobbying term does not apply to questions of process and procedure, including oral communications with the Director of Finance, provided the communications are strictly limited to matters of process or procedure already contained in the solicitation document. Ex parte communication does not include a request for a status update.

All communications between the proposer and the City shall be made in writing to bwalker@springvalleytx.com

C. Cover Letter Required

A Proposer must submit a cover letter with the Proposal, which also must be signed by an individual authorized to bind the institution, state that the proposal is valid for 120 days from the submission date and give contact information for any proposal questions. The cover letter may not exceed two (2) pages in length.

D. RFP Questions

The City will not hold a pre-proposal conference. Questions regarding this RFP, or the services requested, must be submitted to bwalker@springvalleytx.com by November 27, 2024, at 3:00 PM CST. The City will provide responses to questions timely to all Proposer's as well as on the City's website as an addenda item on the RFP for Proposers to review.

E. Criteria for Evaluation

The City will consider various types of criteria for its evaluation and selection. As such, the City will consider the best value criteria (Texas Local Government Code §252.043) during its evaluation of the proposal. The best value criteria include the following:

1. The cost of depository services,
2. The reputation of the financial institution and of their services,
3. The quality of the financial institution's services,
4. The extent to which services meet the City's needs,
5. The financial institution's past relationship with the City, if any,
6. The impact on the City's ability to comply with laws and rules relating to contracting HUB's and nonprofit organizations employing persons with disabilities,
7. The total long-term cost to the City to acquire the financial institution's services, and
8. Any relevant criteria specifically listed in the RFP.

The City will also consider other relevant criteria for evaluation of proposals including,

1. Capability to provide all services required, preferably electronically
2. Financial strength of the institution
3. Earnings potential
4. Collateralization
5. Customer service structure and network
6. Ability to provide the required services
7. Responsiveness to questions & requests within RFP

The City reserves the right to consider historical information and facts, whether gained from the proposal, references, or any other source, in the evaluation process, including the Proposer's past working or business relationship with the City, if any. The City further reserves the right to consider the Proposer's background, personnel, experience, financial and other

references, management practices, and any working relationships, past or present, a Proposer may have with other business associates.

The City reserves the right to reject any and/or all proposals and to accept the proposal the City considers most advantageous (Texas Local Government Code §271.027).

If any portion or provision of this RFP, the proposal, or resulting contract between depository and City is found invalid, the remainder, at the option of the City, shall remain in full force and effect. City acceptance of a proposal will be based on the total package of services offered by the depository.

F. Scoring

The City will rate proposals based on a scoring system. Each Proposer is responsible for submitting all relevant, factual, and correct information with his or her proposal. The City will assign a ranking score to each Proposer based on the available data for 100 total possible points.

Best value for the City – 35 points

Proposed Cost – 15 points

Other Relevant Criteria – 50 points

The City reserves the right to interview Proposers on an as needed basis. The Proposer should be prepared to provide a presentation of no longer than 20 minutes if an invitation for interview is extended to the Proposer.

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G. Anticipated Solicitation Schedule

The City will make every effort to adhere to the following schedule. For a proposal to be accepted, it must be submitted by 10:00 AM CST, December 2, 2024. Proposals will not be accepted after this time.

ANTICIPATED SOLICITATION SCHEDULE		
Wednesday	November 13, 2024 Memorial Examiner	Release of Request for Proposal and 1 st Legal Advertisement
Wednesday	November 20, 2024 Memorial Examiner	2 nd Legal Advertisement
Wednesday	November 27, 2024	Deadline to submit questions concerning the RFP or services requested <i>(Please submit all questions via email to bwalker@springvalleytx.com)</i>
Monday	December 2, 2024 10:00 am	Deadline for Submission of Proposals
Monday – Friday	December 2 – 6, 2024	Negotiations begin: Agreement to be reviewed by City Attorney’s Office
Tuesday	December 17, 2024	City Council Award of Contract Announced

On the Proposal opening date, the City will only identify the names of Proposers. To the extent permitted by law, proposals will be opened in a manner that avoids disclosure of the contents. Each Proposer must identify any information contained in its application which it considers a trade secret or confidential information. Such material must be identified conspicuously by marking each page concerning such information. In the event such material is not conspicuously identified, a Proposer agrees that such material will be considered public information.

The City assumes no obligations, responsibilities, and liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFP. All costs shall be borne solely by each Proposer.

H. Negotiation and Execution of Contract

The City reserves the right to negotiate any terms of a contract with a Proposer. Unless specifically referenced by an RFP amendment, all requirements, terms and conditions stated in this original RFP by the City will apply and will be included within or as part of the contract.

Once the contract negotiations are successfully concluded a recommendation will be submitted to the City Council. The City will not be bound under any contract until the City Council authorizes the City Administrator to execute the Depository Services Contract and the contract is executed by both parties.

I. City Rights

The City reserves the right to:

1. waive any defect, irregularity or informality in the RFP or RFP procedures,
2. reject any and all proposals (Texas Local Government Code §271.027),
3. accept any proposal or portion thereof most advantageous to City,
4. request additional information or require a meeting with the Proposer's representatives for clarification of its RFP,
5. cancel, revise, and/or reissue this request for proposal or any portions thereof,
6. negotiate any conditions,
7. retain all other provisions even if any provision of the RFP is deemed invalid,
8. modify deadlines, and
9. select any proposal deemed to be in the City's best interest as determined by the City.

J. Other

1. During the contract period, the depository will notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would thereafter affect the depository contract.
2. The depository's records relating to the City's accounts shall be open to review by either the City or its independent auditors during normal business hours.
3. The City reserves the right to pay for depository services by compensating balances or by fees and to change the methodology during the contract period with no less than a 30 days' notice.

4. This RFP and the proposal submitted will be incorporated into and form the basis of the depository services contract.

IV. CITY OVERVIEW

A. City Financial Overview

The City's Finance Department handles all depository and investment activities as well as accounts payable, receivables, payroll, and financial reporting functions for the City. The City currently uses the INCODE Enterprise Resource Planning system. The City Treasurer is responsible for these areas and reports to the City Administrator.

The primary sources of revenue for the City are charges for services, ad valorem tax and sales & use tax. The City has multiple locations at which funds are collected and from which funds will be deposited primarily through remote deposit with limited branch deposits. Coin/currency deposits are made on a regular basis to a depository branch by City staff. The Finance Department handles all reconciliations. Expenditures are paid by check, wire, or ACH (domestic and international). The City has been moving to more ACH transactions and requires as much automation as possible to streamline transitions and reconciliation.

The City has an average of 48 employees and makes its primary payroll on a bi-weekly basis. Although payroll deposits are now mandatory, the City pays a small percentage of its employees by check.

The City currently maintains three (8) depository accounts. The average monthly ledger balance for the City relationship over the past fiscal year has been \$ 2,865,000.

The City makes its primary daily deposit into its operating account. The City makes all accounts payable payments from the Main Operating Account. The City and its departments make all deposits to one central location which it then deposits at its depository as separate deposits. Cash deposits currently average \$160,000 per month and coin and currency is provided by the depository. Deposits may contain checks but primarily consists of coin/currency. Deposit location tracking is not currently used by the

City but may require this under new contract. Limited wire activity occurs within the Main Account. ACH transactions will occur in the main account. Reconciliation services are currently not used.

- Payables vary greatly with approximately \$1,104,000 processed monthly on weekly payable runs.
- The City has a \$143K bi-weekly total payroll with 99% on direct deposit.

The Finance Department handles all reconciliation on the accounts and requires one statement for each account and a relationship summary. Electronic statements and reports are required.

The City may also require use of interest bearing or money market accounts dependent upon interest rate opportunities and will decide on the use of the account as interest rates and conditions vary. All account structure decisions will be made by the City.

The Director of Finance will monitor the depository's performance against provisions of the contract, including the depository's proposal submitted in the response to this RFP. The Director will also be responsible for administering the contract with respect to day-to-day activities. A list of City personnel authorized to deal directly with the depository will be provided following award of contract by City Council. The depository shall provide the City with a similar list of authorized personnel.

V. FINANCIAL INSTITUTION QUALIFICATIONS

A. Creditworthiness

In order to fulfill the City's fiduciary responsibility to protect public funds, each Proposer submitting proposals shall provide the following in response to these questions:

1. A local branch within Spring Valley Village is required for deposits of coin and currency.
2. Each depository shall carry FDIC coverage.
3. Provide a link to the most recent audited annual financial statement of the Proposer. The Proposer will be required to submit an audited statement to the City each year of the contract within six (6) months of the end of the Proposer's fiscal year. Provide the link and confirm agreement to this requirement.
4. Provide current certification and rating of the Proposer Community Reinvestment Act (CRA) by its rating agency.

5. Provide the most recent senior and subordinate debt ratings of the holding company or if not rated, the rating from an independent rating agency such as Highline, Veribanc, or comparable depository rating agency.
6. The depository must notify the City within thirty (30) days of any change in credit ratings during the contract period. Confirm agreement to this requirement.

B. Customer Service

Service is a primary focus of the evaluation. The City is particularly interested in timely, responsive customer service on an ongoing basis. The City needs ongoing rapid service and dedicated support should emergency situations occur. Toward this requirement, each Proposer must answer the following.

1. How does the depository anticipate satisfying the City's need for customer service?
2. How will the depository provide the City with local relationship support for its services?
3. What services are provided by the holding company (non-local)?
4. How, specifically, does the depository support the local community as well as the City?
5. Will representatives meet with the City regularly? How often? How will the depository communicate on depository issues, problems, or new products?
6. Is there a process for escalation of unresolved problems or issues in place? How will service and contract performance be monitored?
7. Are any new services in process which may impact the City? When are these planned to be available?
8. Is the depository offering any transition or retention incentives? Describe fully and quantify completely.
9. What support will the depository be able to offer the City in a disaster situation to maintain stable depository functions with regards to systems, telecommunications and power, and operational facilities?
10. The City requires the right to use a third-party auditor to review the City's accounts, collateral, transactions, and depository records at any reasonable time agreed to with the depository. Confirm agreement with this condition.
11. Will the depository charge for audit confirmations? Describe.
12. Should special events be held by the City, will the depository support the efforts with available night deposits and coin/currency needs?

C. References

List references from three comparable Texas public entity clients. For each reference, include the length of time under contract, a client contact, title, email address, and telephone number.

D. 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 any standard depository and collateral agreements and any service agreements which will need to be executed. Any changes required on the agreements will be discussed and agreed upon before award of the contract is made by the City.

E. Implementation Timeline

The contract will commence January 1, 2025. The City submits that it may not transfer all services and funds by this date but expects that most funds should be transferred by that date and that all services should be available by that date. The depository shall provide collateral in place at a minimum two business days before any City funds are transferred.

1. Provide a proposed, detailed timeline with steps for transition and implementation of the contract. Include each activity required defined by its responsible party and assigned responsibilities. Denote any limitations or potential delay points.

The depository must provide the number of business days required to assure the services are in place or the end date of when such services will be in place and available to the City.

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.

VI. REQUIRED SERVICES

To be considered, the proposal must include a response to each of the questions in this Section and all associated fees to provide that service must be detailed on

Attachment A – Proposed Fees.

Add any level of detail on descriptions and/or fees as necessary for complete disclosure.

It is the City's intent that the contract negotiated between the City and the depository selected through this process will encompass all the services and conditions required in this RFP. Additional services offered by the Proposer may be included pursuant to Section VIII as Proposed Additional Services. The Required Services are minimum requirements, and the City will not consider any Proposer unable to provide such minimal services for selection as the depository.

A. Consolidated Account Structure with Sweep Mechanism

The City must assure that all City funds are earning at the best, then-current interest rates at all times. The City currently uses an automated sweep to a money market mutual fund but it will be considered under this RFP as an alternative. A depository alternative structure may be proposed if competitive in order to reach the City's full investment goal and to minimize collateral requirements. Availability of spread products for money market accounts (ICS) may be considered as a potential account option but not as a sweep alternative.

An AAA-rated SEC registered money market fund which strives to maintain a \$1 NAV would be used for the sweep. If the depository has a valid alternative to a SEC money market fund in compliance with the City's Investment Policy, it may be presented. (The City's Investment Policy can be found on City Website). A repurchase agreement or off-shore accounts are not acceptable as sweep investment vehicles.

The depository shall clearly describe the depository's proposed structure for accounts considering varying interest rate environments.

1. Describe the depository's ability to provide a ZBA sweep structure and indicate whether the sweep would be from the master or subsidiary account(s).
2. How is sweep activity reported and applied? Is a separate monthly report provided? Provide a sample.
3. Provide the prospectus or CUSIP for any sweep fund alternatives. An AAA-rated, SEC registered fund striving to maintain a \$1 NAV is required for such a sweep.
4. Describe any account structure alternatives to the sweep proposed.
5. If the internal IB and MMA account rates are indexed (versus managed) provide the index base.
6. Is the sweep processed as the last transaction of the day? If it is a next day sweep, describe how funds are collateralized for funds held un-invested overnight.

7. The City may be required or may desire to open additional accounts or close/change accounts during the contract. Any new accounts shall be charged at the same contracted amount. Confirm agreement to this condition.
8. The City may contract for new services not proposed (or known) at the time of contract award. Unanticipated or new services may be negotiated but charged at not more than the then-published rates. Confirm agreement to this condition.
9. Will the depository assess a direct balance-based fee on the account analysis? What is the current rate? (Include this fee on the Attachment A)
10. Complete the following table with the rates for each category for the last twelve months and the current rate.

Type	Avg Past 12 Months	Current Rate
ECR	%	%
Interest Bearing Accounts	%	%
Money Market Accounts	%	%
Sweep MMMF	%	%

B. Automated Cash Management Information and Imaging

The City requires web-based, automated cash management services and daily balance reporting (prior and intra-day) for timely access to balance information and transactions. The City requires a high degree of automation in all service areas.

The City requires imaging of all checks, deposit slips and deposit items. All statements and account analyses must be available in electronic form along with archiving of information. To reduce paper handling and storage, the City is focused on electronic processing and imaging.

The City desires timely access to downloadable information for direct download to the City’s accounting ERP software INCODE. Daily balance reporting should include detail on all transactions with summary reporting on closing ledger and collected balances, at a minimum. The City must have administrative control regarding online access.

1. Provide a link to the Proposer’s automated information system with any necessary password for the City to review the capabilities.
2. Fully describe and list the depository’s on-line service capabilities and systems.
3. Describe the ability to search on historical transactions and reports as well as the ability to retrieve and download historical images.

4. What level of customization is available for reporting?
5. When is previous day information available? Is intra-day information real-time or periodically made available throughout the day? Specify update scheduling.
6. Define the history retention schedules for various types of online information.
7. Describe the security protocol for online services. How is authentication and authorization provided? Is dual authentication required?
8. How and by whom is the administration of the security module established and maintained?
9. What are the hours of available technical support? How is that support provided? Is training available?
10. What items are imaged (checks, statements, deposit slips, deposited items, etc.)?
11. Describe your alert/event messaging process. Are alert/event messages sent via email, text or simply online? Must the user be online or are text/emails sent directly to individuals as defined?
12. Do you provide download services for other entities using INCODE Enterprise Resource Planning system software?
13. Provide a list of ERP software you are transmitting or downloading information into currently.
14. Fully describe your mobile services including security provisions for those services.
15. Describe any cash forecasting capabilities.

C. Deposit and Collection Services

The City requires standard commercial deposit services. The City takes deposits to a branch. Branch deposits of coin/currency are made regularly averaging \$74K per month. Over the counter deposits contain coin and currency and change orders are processed at the branch. Check deposits are almost solely made up of checks processed through remote electronic deposit (averaging 1,333 checks per month). Coins are usually not rolled, and currency is not strapped. The City will continue making deposits to a branch location.

The City requires that all deposited checks to clear based on the depository's current published availability schedule, but any expedited availability options should be noted in the proposal. All cleared deposits received by the depository's established deadline must be processed for same day credit. The depository shall guarantee immediate credit on all incoming wires, 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. Based upon these requirements, a Proposer must answer the following:

1. What is the depository's daily cut-off time to assure same day ledger and, pending availability, collected credit at the Spring Valley Village branches?
2. Can the depository accept armored car deposits at a branch?
3. Is a vault deposit required? Describe.
4. What e-receivables services are available?
5. When and how are credit/debit advices sent to the City? Preference will be given to electronic delivery.
6. What deposit images are provided online? When?
7. How does the depository handle discrepancies in deposit amounts? What dollar limits are used for decisioning? What settlement process is followed?
8. How and when does notification of return items take place?
9. How are returned checks reported to the City? Do all NSF/returned items advices include a full description and reason for return? List the elements reported.
10. What type deposit bags are used or required? Are these available from the depository?
11. Can the depository provide location tracking on deposits? Describe.
12. What advance notice is required for change orders? Branch and vault?
13. Provide a list of all the depository's locations in Spring Valley Village and surrounding areas.
14. Besides positive pay, how does the depository assist in fraudulent check recovery?

D. Remote Deposit Services

The City uses remote deposit and deposits an average of 1,333 checks per month. The checks are processed at one location. The scanners currently in use are two Panini Vision X models. A web-based system is required. Based upon this information, a Proposer must answer the following:

1. Describe the depository's remote deposit/capture processing.
2. Describe equipment needs, capabilities, and limitations.
3. What is the final deposit cut-off time with remote deposit?
4. Provide a sample remote deposit batch report. How long are these retained for access online?
5. Will the City's current scanners operate with your system? If not, is scanner equipment available through the contract: purchase or lease? List the equipment required along with its approximate cost(s).

6. Will the depository provide a scanner?

E. Standard Disbursing Services

Standard disbursing services for accounts payable and employee payroll accounts with payee positive pay are required. Payrolls are paid primarily by ACH, but the City may issue an occasional physical check.

The City currently utilizes payee positive pay services on one account and will require it under the contract. The City also intends to continue to move toward more vendor payments by ACH. Based upon this information, a Proposer must answer the following:

1. When is daily check clearing information available online through intra-day reporting? How long are transaction details maintained online? Does this include images?
2. The City requires the depository to cash free of charge any non-account holder payroll checks for City employees with ID at the depository branch. Confirm agreement with this condition.
3. Describe any e-payables or payment consolidation services available.
4. Describe the depository's virtual credit card capabilities for vendor payments?
5. Describe the depository's commercial card program available including any rebate opportunities.

F. Stop Payments

The City uses few stop pays per month and requires an automatic renewal process. Online stop pay process is required. Based upon this information, the Proposer must answer the following:

1. What are the time periods available for initial and renewal stop pays?
2. How is a stop pay extended/renewed? Are all transactions online?
3. What is the deadline for same day action on stop pays?
4. What information on current and expiring stop pays is available on-line?
5. Will the on-line system verify if the check was cleared before accepting the stop pay? How far in the past will transactions be verified?

G. Reconciliation and Positive Pay

The City requires payee positive pay services with complete indemnification for fraudulent checks. Payee verification is currently used on one account processing an average of 185 items per month. The depository must provide a fully automated, web compatible

transmission process. Check data transmissions will be made as part of each check run. Manual check information must be able to be input online. Batch and individual transactions may be submitted.

The City does not utilize reconciliation on its accounts. It would need the ability to download clearing information to the internal general ledger system. Based upon this information, a Proposer must answer the following:

1. Describe data transmission file and timing requirements for check registers. Are transmissions charged by file and by detail item?
2. Is payee positive pay input for manual checks available on-line? Describe the process.
3. Is exception reporting and handling managed totally online? Describe.
4. At what specific time is positive pay exception information reported to the City?
5. How is notification made? Is there daily notification of exceptions? Must the user be online to receive notification or will alerts be sent?
6. At what specific time is the response required for City exception elections?
7. Does the depository review exceptions (scrub) errors for possible repair before creating a City exception item?
8. Are all checks, including those received over-the-counter by the tellers, verified against the positive pay file before processing? How often is teller over the counter (OTC) information updated? If not verified, what are the process, liability, and security on over the counter (OTC) transactions?
9. Describe your partial reconciliation services including specific transmission requirements and reporting. What reports are available?

H. Funds Transfer and Wire Services

The City currently has only limited wires with an average of two incoming wires and one outgoing wire a month along with an average of one internal book transfer per month. Wires are largely domestic. International wire capability is required.

Incoming wire transfers must receive immediate, same day collected credit. Wire initiation must be available online. The City requires that wires be released the same or scheduled business day if information is provided by the established deadline. The City will require compensation for delays caused by the depository at that day's Fed Funds rate. Based upon the information, a Proposer must answer the following:

1. Are wires and book transfer transactions initiated online?

2. Can wire status be monitored online? Is online notification on wires provided?
3. Can repetitive templates be created and stored? Is there a fee?
4. Describe the wire security protocol. What level of authorization/release do repetitive or non-repetitive wires require? Is dual authorization required for all wires?
5. Is future dating of wires and transfers available? How far in advance?
6. Can international and FX wires be sent from the online system?
7. Describe wire detail reporting.
8. Describe wire access on mobile devices.
9. State wire access and cut-off times.
10. Describe the processing of book debits/credits.
11. State the depository's policy on the use of ledger balances for outgoing wires in anticipation of scheduled activity or incoming wires.
12. Can internal account transfers be processed totally on-line? Book debits/credits? Is there a charge for internal transfers?

I. ACH Services

The City expects to continue moving toward more ACH transactions for vendor transactions. ACH is currently used for payrolls and periodic transfers through the three accounts with fraud filters in place. The City requires pre-notification and filters/blocks on all accounts. The depository must be a member of SWACHA.

1. Is online ACH service available for individual transactions as well as by transmission for batched files?
2. Can the depository provide same-day, one-day, and two-day transactions?
3. Will the City be debited on initiation or settlement?
4. What is the policy and process for handling of ACH returned items? What details are provide on ACH return report?
5. Can ACH items and files be future dated? How far in the future?
6. What specific filters and blocks are available? How are items reported?
7. What process is used for file and item reversals and deletions?
8. Are ACH addenda shown in their entirety on-line and on detail reporting, reports and statements?
9. How is the addenda information made available – online and on reports?
10. What protective measures will the depository take to prevent or recover from electronic fraud?

J. Safekeeping/Custody Services

The depository must provide a book-entry safekeeping/custody services for securities owned by the City. Currently the City averages 11 positions (CUSIPs) in safekeeping and custody provided by the current depository. All City investments will be made by the City,

or its investment adviser, and instructions for clearing and safekeeping will be transmitted to the depository in writing or on the depository's automated system.

The depository will not be used for brokerage services in order to perfect delivery versus payment. Therefore, all trades will be third party clearing.

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

If the depository utilizes a correspondent depository for safekeeping/custody of City securities, the transactions will be handled through the depository or the correspondent's electronic systems and shall not require multiple interactions by the City. No delay in transactions, wires, or flow of funds will be acceptable under a correspondent relationship. Based upon the information, the Proposer must answer the following:

1. Does the depository provide safekeeping/custody services? Is the Proposer proposing safekeeping or custody services? If not, what correspondent would be used?
2. Are trades required to be entered on an automated system? Does the system require dual authorization or initiation/release? Describe the process and show example screens.
3. Is online monitoring of transactions available? How and when?
4. Is online access to security holdings report available? How?
5. Describe depository safekeeping arrangements proposed if a correspondent depository is to be used.
6. How are services charged (CUSIP or Par Amount, etc.) for individual clearing, safekeeping, and income distribution? Add detail on Attachment A.
7. Will safekeeping be hard charged or charged through analysis?
8. Are notifications sent on all transactions? When and how?
9. What time are delivery instructions required? Is there a fee charged for late instructions?

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

K. Collateral Requirements

Authorized collateral, as defined below, must be pledged against the total of time and demand deposits net of FDIC insurance with a 102% margin to deposits and maintained daily by the depository. All the City requirements listed below, including those more restrictive than the Public Funds Collateral Act, must be met by the depository.

The City will consider a blanket approval for collateral substitution if the City has online daily access to view the collateral, if the collateral is marked to market daily and if the custodian provides a monthly report.

If exceptions to any of the following conditions are made, they must be fully detailed. Preference will be given to pledged individual securities over a letter of credit. Based upon the information, a Proposer must answer the following:

1. All collateral pledged to the City must be held in an independent, third-party depository outside the depository's holding company.
2. A depository agreement shall be executed with the City for custody of pledged securities in full compliance with FIRREA requiring a depository resolution. Or completion of Circular 7 if the Federal Reserve is acting as custodian.
3. All time and demand deposits above FDIC coverage shall be collateralized at a market value minimum of 102% of principal plus accrued interest daily.
4. The depository shall be responsible for the daily monitoring and maintaining of collateral at the City's required margin levels.
5. Pledged collateral shall be evidenced by original safekeeping receipts/report/advices sent directly to the City preferably by the custodian within one business day of receipt.
6. The City shall receive a monthly report of collateral pledged including description, par, and CUSIP preferably from the custodian. Market values are preferred.
7. Collateral must be in place at a minimum of one business day before deposits are made initially.
8. Authorized collateral includes only:
 - Obligations of the US Treasury.
 - Obligations of US Government agencies and instrumentalities including mortgage-backed securities and CMOs which pass the depository test.
 - Obligations of US states and their subdivisions rated A or better.
 - Irrevocable FHLB letter of credit.
9. State the depository's acceptance of the collateral conditions above. Describe any exceptions.
10. What institution will the depository use to serve as the custodian?

11. Is the Proposer requesting a blanket approval for substitutions?
12. Will the custodian provide online access to pledged security reporting?
13. Will monthly reports and receipts be provided by the custodian or the depository or a third party?

L. Account Analysis

Monthly account analysis reports must be provided for each account and on a relationship basis. Within five business days of the City's receipt of the account analysis and subsequent approval of the fees by City, the depository may direct debit the designated account for fees due if compensation is being calculated on a fee basis.

A complete account analysis will be required monthly regardless of the payment basis. Based upon the information, a Proposer must answer the following:

1. When is the analysis available online each month?
2. How long is it maintained online?
3. Provide a sample.
4. How are account analysis fees collected?

M. Monthly Statements

The depository must provide monthly account statements on all accounts with complete supporting documentation. The City currently receives and requires statements online. All accounts must be on a calendar month cycle. Timeliness of statements is critical and non-performance will be grounds for termination of contract. Based upon the information, a Proposer must answer the following:

1. When are monthly statements available online each month?
2. How long are they maintained online?
3. Does the statement include images?
4. Provide a partial sample.

N. Account Executive

To ensure smooth contract implementation and the continuation of service levels, a specific account executive and a back-up at the local depository must be assigned to the City account. These individuals will be responsible for coordinating services and expediting solutions of any problem encountered. The account executive should be available to meet with City staff to review the relationship and discuss depository matters as needed and, at a minimum, annually. Based upon the information, a Proposer must answer the following:

1. What level of support is provided by the local representative? Are other contacts required with depository contacts/departments for any general situations?
2. How often does the representative plan to meet with the City on services?
3. Provide the name and title of the proposed account executive and the name and position of the back-up representative.
4. How will an alternative be selected?

O. Overdrafts

Every effort will be made to eliminate daylight and intra-day overdrafts. However, because this situation may arise, state the depository's policy regarding account and total account overdraft policy. The City prefers aggregation of accounts for overdraft purposes. Based upon the information, a Proposer must answer the following:

1. Are all accounts aggregated for overdraft calculation purposes or do accounts stand-alone?
2. State the rate basis for intra-day and overnight overdrafts.

P. Company Banking

The City is interested in giving its employees the opportunity for enhanced depository services. Based upon the information, a Proposer must answer the following:

1. Does the depository have a depository services program available for City employees?
2. List services provided under this program with applicable discounts or fees to the City or employee.

VII. OPTIONAL SERVICES

The City continues to investigate new services for inclusion under its depository services contract. These services are not currently 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 later during the contract. If the service is initiated later in the contract, the services and charges stipulated in this application will be applied.

If the depository currently does not offer the service but is planning to make it available during the initial contract period, it should so stipulate along with the anticipated date of activation.

VIII. PROPOSED ADDITIONAL SERVICES

If the depository wishes to present alternatives or additional services not covered by the RFP, please provide summary information on the service in this section.