**CITY OF SANDY OAKS**

**REQUEST FOR APPLICATIONS FOR DEPOSITORY SERVICES**

The City of Sandy Oaks is requesting the submission of applications for the performance of depository services. Any qualified bank, credit union, or savings association that maintains a place of business within the State of Texas (“State”) and offers within the State the services required by the depository services contract may submit an application in the forms indicated under “Due Date/Location” on this request no later than **4:00 p.m., August 6, 2025** to the designate officer, Michael Martinez, Mayor, by email to mmartinez@cityofsandyoaks.com, by mail at P.O. Box 828, Sandy Oaks, Texas 78112, or by delivery at 22870 Priest Road, Sandy Oaks, Texas 78112. The Sandy Oaks City Council will consider the selection of one or more depositories at its regular meeting on **August 14, 2025 beginning at 6:30 p.m. at Sandy Oaks City Hall, 22870 Priest Road, Sandy Oaks, Texas 78112**.

**Evaluation of Applications and Selection Criteria:**

The City will evaluate applications based on the following criteria: 1) Time deposit interest rates; 2) Cost of Service; 3) Service availability; 4) Safety and creditworthiness of bank; and 5) Experience working with municipalities. The City intends to contract with the best-ranked applicant. If a satisfactory contract cannot be negotiated with the highest qualified applicant, negotiations will be formally terminated. Negotiations shall then be undertaken with the next highest qualified applicant until a qualified applicant is selected.

**Phone Numbers/Contacts:**

Questions related to the scope of work should be directed to:

Michael Martinez

Phone: 210-870-0219

Email: mmartinez@cityofsandyoaks.com

**Due Date/Location:**

Applications must be mailed or delivered in a sealed package with one (1) original and seven (7) copies of the application and one (1) electronic PDF copy (USB). In lieu of an electronic USB copy, an electronic PDF may be delivered separately by email to Mayor Michael Martinez at mmartinez@cityofsandyoaks.com.

Mailed applications shall be addressed and delivered to:

Michael Martinez, Mayor

City of Sandy Oaks

RE: Application for Depository Services

P.O. Box 828

Sandy Oaks, Texas 78112

Hand delivered applications shall be addressed and delivered to:

Michael Martinez, Mayor

City of Sandy Oaks

RE: Application for Depository Services

22870 Priest Road

Sandy Oaks, Texas 78112

Applications **must be received on or before 4:00 PM CDT, August 6, 2025**. All applications must be in the possession of the City of Sandy Oaks on or before the scheduled date and time. Late submittals will not be accepted and will be returned unopened.

**REQUEST FOR APPLICATIONS**

**DEPOSITORY SERVICES**

1. **INTRODUCTION**

The City of Sandy Oaks (hereinafter “City”) is requesting applications for a depository services contract. Through this contract, the City intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities. This Request for Applications (“RFA”) represents the cash management goals, specifies 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.

1. **APPLICATION INSTRUCTIONS AND QUALIFICATIONS**
2. MINIMUM QUALIFICATIONS

A bank, credit union, or savings association that submits an application (referred to herein as “Applicant,” “Bank,” or “Financial Institution”) must be a Federal or State of Texas chartered banking institution that maintains a place of business within the State with the ability to offer the full range of banking services required by the RFA. Requirements for depositories of municipal funds are established by State law under Chapter 105 of the Local Government Code of Texas. The application submitted will become part of the final contract.

1. APPLICATION SUBMISSION INSTRUCTIONS
2. Application Format

In order to fully and equitably evaluate the ability of each Applicant to meet the depository and banking services needs of the City, a standard reply format is required. Each application must include a response to each item in the RFA. Applications must contain the following sections in the order indicated:

1. Cover Letter - This section should contain the name of the applying Financial Institution, the address of the Applicant’s office, and the individual(s) authorized to answer technical, price, and/or contract questions together with their telephone number(s) and mailing address(es). A person authorized to bind the Financial Institution must also sign the cover letter.
2. References - Indicate the Financial Institution's background in providing financial services to public organizations. List any financial services contracts currently in place. Provide a list of at least three (3) client references for other public organizations using the Applicant's services. Include client name, contact person(s), address(es) and phone number(s).
3. Required Information and Other Additional Data – All Financial Institutions must provide, as part of the application:
	1. Proof of Federal or Texas Charter lawfully authorized to conduct business in the State of Texas
	2. Ratings for the Bank from at least two rating agencies
	3. Audited financial statements for the most recent fiscal year
	4. Copy of the current call report
	5. Copy of most current rate sheet
	6. Statement regarding any recent or foreseen merger or acquisition
	7. Statement of capability of providing required services to the City and the timeframe after the contract is executed that the Bank may provide such services
	8. Overview of the Bank’s disaster recovery plan
	9. Reporting capabilities - Paper vs. Electronic vs. Internet
	10. Give any additional information considered essential to the application in this section. Include any examples of schedules or reports.
	11. Attachment A – Banking Services Charges (Bid Form) - The City requires a price per item fee with monthly and/or annual payments for services rendered, if applicable. The compensation application should be documented by completing the Bid Form and submitting it to the City with the RFA. The Bid Form will include all of the unit prices for services requested, along with the required documentation listed in more detail in Section III – Required Banking Services. The contract award will not necessarily be made to the Bank that provides the lowest cost application but rather to the Bank that submits the most responsive application l meeting the City's requirements. In addition, the Bank should include the cost and supporting documentation of any services not itemized on the Bid Form which the Bank feels must be included to provide the required services. The Bank may also include the billing rate for special projects, which may be entered into during the contract period but are not a part of the total cost application. Volume discount prices may also be indicated where appropriate.
	12. Attachment B – List of Bank Balances as of 06/30/2025 by account for the City.
4. RFA Questions

Questions regarding this RFA or the service requested will be accepted in written form at the addresses below on or before 4:00 pm, July 81, 2025:

Michael Martinez, Mayor

mmartinez@cityofsandyoaks.com

1. Selection Criteria

The City will evaluate applications based on the following criteria:

1) Time deposit interest rates;

2) Cost of Service;

3) Service availability;

4) Safety and creditworthiness of bank; and

5) Experience working with municipalities.

The City intends to contract with the best-ranked Applicant. If a satisfactory contract cannot be negotiated with the highest qualified applicant, negotiations will be formally terminated. Negotiations shall then be undertaken with the next highest qualified applicant until a qualified applicant is selected.

1. Award of Bid and Service Initiation. Applications must be mailed or delivered in a sealed package with one (1) original and seven (7) copies of the application and one (1) electronic PDF copy (USB). In lieu of an electronic USB copy, an electronic PDF may be delivered separately by email to Mayor Michael Martinez at mmartinez@cityofsandyoaks.com.

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Applications **must be received on or before 4:00 PM CDT, August 6, 2025**. All applications must be in the possession of the City of Sandy Oaks on or before the scheduled date and time. Late submittals will not be accepted and will be returned unopened.

This contract is expected to be awarded by City Council at its Regular Meeting on August 14, 2025.

1. **Required Banking Services**

This section includes the required banking services listed on Attachment A to be provided by the Bank under the contract. The Applicant should use the Attachment A to provide the specific price for each service, along with required supporting documentation. All fees shall be fixed for the entire contract period.

1. Consolidated Account Structure

The Applicant is to provide a master consolidation account and zero balance accounts from which daily balance and detail report is available. The City’s current account structure contains the following accounts:

Account title: Primary Checking, Secondary Checking (TDA), Tertiary Checking (ARPA)

1. Wire Transfer Services

The City currently generates incoming and outgoing wires each month. A standard wire transfer agreement will be executed with the Bank. This should include a copy of the Bank’s standard transfer procedures and wire transfer agreement. The City requires adequate security provisions and procedures. If the wire transfer requests are available online, full information should be submitted detailing this option.

1. On-Line Banking Services

The City requires on-line banking services accessible through the internet that at a minimum include balance reporting, initiation of ACH debits and credits and wire transfers, inter-bank transfers between accounts, and placement of stop payments on checks. The minimum balance reporting information should be for intra-day and previous business day and include: ledger balance, collected balance, one day float amount, two day float amount, total credits, total debits and detail debits and credits. Historical information should be maintained on-line and accessible for at least two months. Stipulated the time at which access is available and describe the system to be used. Reporting should include balance and detail reporting. Samples of the reports are to be included in the application.

1. Sweep Account Provisions

If the City chooses, the Bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option (money market fund, repo, etc.). Please include sweep options in the application.

1. Investment of Idle Funds and Safekeeping of City Securities

All certificates of deposit bought by the City will be bought on a competitive basis. The City 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 application.

1. Standard Disbursing Services

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

1. Standard Deposit Services

The Applicant must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and all other checks based on the Applicant’s published availability schedule. The Applicant should specify in their application their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

1. Reporting and Account Analysis

Monthly account analysis reports must be provided by the Applicant on a timely basis for each account and on a total account basis. A sample account analysis format must be provided as part of the application. Samples of monthly statements should also be provided. The monthly statements are to be received within ten business days of the next month.

1. Account Executive

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the application. Stipulate the name and brief biography of the account executive to be assigned to the City’s account.

1. Direct Deposit

Describe the requirements and deadlines for computer tap for ACH transactions. The application should indicate when funds will be available in participating banks.

1. Overdraft Provisions

Every effort will be made to eliminate overdraft situations on the accounts. However, in case this situation does arise, the application should include any and all bank policies regarding overdrafts charges or handling procedures.

1. Stop Payments

The application must include a statement on the proposed stop payment process on an automated or manual basis.

1. Collateralization of Deposits

The Applicant must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits, above the FDIC insured limit. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the Applicant’s holding company. The Applicant will execute a tri-party safekeeping agreement with the City and the Safekeeping bank for safekeeping of these securities. Collateral will be maintained at a minimum of 102% and marked to market at least once a month. Control will be shared jointly between the Applicant and the City. Substitution will be approved by the City and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The application will name the safekeeping bank for collateral.

1. Automated Clearing House Processing

The City utilizes Direct Deposit for payroll. A standard ACH Agreement will be executed with the Bank. Please provide information on services and costs associated with the Bank’s ACH processing abilities.

1. **OTHER SERVICES**

The City is interested in obtaining service and cost information on additional services for possible use during the contract period. These services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers and cost. The City will make its determination after receipt of application as to whether a service will be used. If the service is accepted later in the contract period the services and charges stipulated in the application will be applied.

1. **BANK COMPENSATION**

Any net settlement on compensating balances will be made annually. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.

**ATTACHMENT A – BANKING SERVICES CHARGES (BID FORM)**

*Any and all anticipated service charges must be shown on this form, with supporting documentation attached, to be applicable under the agreement. Add additional lines as required.*

|  |  |  |
| --- | --- | --- |
| **Service Unit** | **Unit Charge** | **Cost of Service** |
| Account Maintenance | Per month |  |
| Daily Balance Reporting | Per month |  |
| Zero Balanced Accounts |  |  |
| Master Account | Per month |  |
| Subsidiary Accounts | Per month |  |
| Credits Posted | Per transaction |  |
| Debits Posted | Per transaction |  |
| Encoding charge | Per transaction |  |
| ACH Processing | Per transaction |  |
| Origination of file | Per tape |  |
| ACH deletions | Per transaction |  |
| ACH entries | Per transaction |  |
| Returned checks | Per transaction |  |
| Controlled Disbursement | Per account / per month |  |
| Reconciliation | Per month |  |
| Sort list tape | Per transaction |  |
| Sort and list | Per transaction |  |
| Items Deposited |  |  |
| Deposits | Per transaction |  |
| Commercial Deposits | Per transaction |  |
| Group I items | Per transaction |  |
| Group II items | Per transaction |  |
| Group III items | Per transaction |  |
| Group IV items | Per transaction |  |
| Stop Payments | Per transaction |  |
| Overdraft Protection | Per transaction |  |
| Wire transfers – Incoming | Per transaction |  |
| Wire transfers – Outgoing | Per transaction |  |
| Investment Safekeeping |  |  |
| S/keeping interest/credit | Per transaction |  |
| S/keeping receipt deposit | Per transaction |  |
| S/keeping outgoing | Per transaction |  |
| Securities DVP FRB | Per transaction |  |
| Securities DVP NY | Per transaction |  |
| Check Printing | Per transaction |  |
| Extra Statements | Per transaction |  |
| Lockable Bank Bags | Per item |  |
| Disposable Bank Bags | Per item |  |
| Lockbox | Per month |  |
| Cutbacks | Per transaction |  |
| Special handling | Per transaction |  |
| Deposit Correction |  |  |
| EIM Charge Back |  |  |

**Attachment B—List of Bank Balances**

|  |  |
| --- | --- |
| **ACCOUNT NAME** | **BALANCE AS OF 6/30/25** |
| Primary | 462,809.76 |
| Secondary | 15,544.20 |
| Tertiary | 55,252.39 |
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