

INVITATION TO BID

BID TITLE: BANK DEPOSITORY

OPENING DATE: April 11, 2011

OPENING TIME: 9:15 A.M.

**PLACE: ERATH COUNTY COURTROOM LOCATED ON THE
SECOND FLOOR OF THE ERATH COUNTY COURTHOUSE**

**CONTACT PERSON: DONNA KELLY
ERATH COUNTY TREASURER
100 W. WASHINGTON
STEPHENVILLE, TEXAS 76401
(254) 965-1483
countytreasurer@co.erath.tx.us**

GENERAL INSTRUCTIONS TO BIDDERS

All sealed bids, along with a certified or cashier's check, must be received in the Erath County Treasurer's office located on the third floor of the Erath County Courthouse by 9:00 a.m. on April 11, 2011.

All bid documents must be in sealed envelopes clearly marked as bank depository bid or sub depository bid. Completed bids must contain one original and one copy. The original bid must be clearly marked and contain all original signatures.

Public opening of the bids will be during the regular meeting of the Erath County Commissioners' Court held in the Erath County Courtroom located on the second floor of the Erath County Courthouse.

The Commissioners' Court of Erath County reserves the right to reject in part or in whole any or all bids, waive minor technicalities, and award the bid which best serves the interest of Erath County. **Late bids will be returned to the bidder unopened.**

Bids may be withdrawn at any time prior to the official opening. Alterations made before opening time must be initialed by bidder to guarantee authenticity.

The undersigned agrees, if this bid is accepted, to furnish all services upon which fees or interest rates are offered and upon the terms and conditions in the specifications. The period for acceptance of this bid will be thirty (30) calendar days unless a different period is noted by the bidder.

THE COUNTY EXPRESSLY REQUESTS THAT BIDDERS NOT DISCUSS THIS ENGAGEMENT OR THE BANK'S PLANS, EXPERIENCE OR CREDENTIALS WITH ANY OTHER BANKS OR ANY MEMBER OF COMMISSIONERS' COURT UNTIL REQUESTED BY COUNTY OFFICIALS TO MAKE A PERSONAL PRESENTATION.

The County is exempt from Federal Excise and Sales Tax; therefore, tax must not be included in this bid. Bids should be submitted on the attached bid work sheet or a similar format.

SPECIFICATIONS BANK DEPOSITORY

GENERAL SPECIFICATIONS:

SCOPE OF CONTRACT-It is the intent of the Erath County Commissioners' Court to contract with banks desiring to be designated as the Erath County Depository Bank or a Subdepository Bank. The Contract will include all Erath County Public Monies held by the Treasurer, the Registry Funds held by the District and County Clerks, funds collected by the Tax Assessor-Collector, the funds held by the Erath County Community Correction Department, any other funds collected or held under the tax identification number of Erath County.

RESPONSE REQUIRED FOR EACH SECTION-Each section of the Invitation to Bid requires a response from the applicant. Applicant must format responses in the same sequence as the Invitation to Bid.

EVALUATION PROCESS-DEPOSITORY BANK-Erath County will award the Depository Bank contract based on, but not limited to, the following criteria:

1. Bank's financial position as it effects the Bank's ability to pledge adequate securities against County funds.
2. Net rate of return on County funds.
3. Ability to meet service requirements.
4. Cost of services.
5. Cash management products available that will be necessary for Erath County banking procedures.

EVALUATION PROCESS-SUBDEPOSITORY BANK-Erath County will award the Subdepository Bank contract based on but not limited to, the following criteria:

1. Bank to be located in Dublin, Texas.
2. Ability to meet service requirements.
3. Cost of Services.
4. Net rate of return on County Funds.

COMPLIANCE WITH STATUTES-By returning the Bid Worksheet, Bank acknowledges that is understands the Revised Civil Statutes of Texas (Article 2544,et seq. of the Revised civil Statutes of Texas as revised by Local Government Code, Chapter 116.000 through 116.155, Chapter 117.021 through 117.058 that pertain to the managing and safekeeping of county funds, including but not limited to those specified and will comply with those statutes. In this document the statutes will be referred to as the "Code".

BANK AFFILIATION-Each bank must be a member of the Federal Reserve System and the Federal Deposit Insurance Corporation. A bidder must be a Federal or Texas Chartered bank doing business in and having a full service facility within Erath County, Texas. State chartered banks must be able to perform all services required by this invitation to bid for either the Depository bank or Subdepository bank. State chartered banks who are submitting a bid must be a member of the Federal Deposit Insurance Corporation.

DURATION- The contract will be effective for a period of four years beginning June 14, 2011 ending June 14, 2015. On expiration of the contract under Code 116.021, the contract may be renewed for two years under terms negotiated by the Commissioners Court. If a timed deposit maturity extends beyond the expiration date of the contract, the depository bank will pledge sufficient securities required for public funds to Erath County to provide for the maturity of the time deposit.

The depository bank will allow a 60 day extension of contract terms in the event that the County must transition to a new bank at the end of the contract period.

RENEGOTIATIONS-Section 116.021(b) (c) of the Code specifies:

(b) If the contract is for a four-year term, the contract shall allow the county to establish, on the basis of negotiations with the bank, new interest rates and financial terms of the contract that will take effect during the final two years of the four-year contract .

(c) On the renewal of the contract, the county may negotiate new interest rates and terms with the bank for the next two years in the same way and subject to the same conditions as provided by Subsection (b).

INVESTMENTS MADE OUTSIDE DEPOSITORY BANKS-Erath County reserves the right to make investments outside the Depository Bank in accordance with the Laws of the State of Texas and the Investment Policy of Erath County. All investment purchases shall be made on the delivery versus payment basis.

FINANCIAL STATEMENTS-Banks wishing to be designated as the Depository Bank or Subdepository bank will include as part of the bid:

1. The Bank's paid-up capital stock and permanent surplus.
2. The Bank's most recent Annual Financial report, and a statement showing the financial condition of the bank on the date of this application.
3. The Bank's last two Call Reports.

The successful applicant shall continue for the term of the contract to furnish the County Treasurer updated issues of the annual financial report.

GOOD FAITH GUARANTEE-A bank desiring to be the Depository bank must submit with the Bid Worksheet a certified check or a cashier's check in the amount of \$ 84,215.00.

(which is one half percent of the County's revenue for the preceding year, code 116.023 (2), and one-half of one percent of the funds held by the County and District Clerk during the preceding year code 117.021(d), payable to Erath County as a guarantee of good faith. The check will be held by the County, until the Depository Bank is selected and security has been pledged in the amount of the prior daily balance of all County funds.

The Subdepository Bank will not require a certified check, because the balances of the two accounts will not exceed \$100,000.00 as insured by the FDIC.

Commissioners' Court shall immediately return the certified checks of the rejected applicants. The Commissioners' Court shall return the successful applicants check after the applicant has provided security for the funds or executes and files depository bond that is approved by Commissioners' Court.

LIQUIDATED DAMAGES FOR NOT PROVIDING SECURITY-As stated in code section 116.023:

If a bank is selected as a depository and does not provide the bond or security, the county shall retain the amount of the check as liquidated damages. The county judge shall readvertise for applications, if necessary, to obtain a depository for the county.

Good faith guarantee is not applicable to Subdepository Bank.

SECURITY-Within 15 days after the selection of the depository the selected Bank must qualify as the depository by providing security for county funds. To compensate for increases or decreases in County Deposits and fluctuations of market value of pledged collateral, the minimum market value of collateral will be 110% of County deposits.

The following securities are acceptable to Erath County:

1. U.S. Treasury Notes
2. U.S. Treasury Bills
3. Government National Mortgage Association Certificates
4. Federal Farm Credit Banks Notes and Bonds
5. Federal Home Loan Banks Notes and Bonds
6. Federal national Mortgage Association Notes and Bonds
7. Federal Home Loan Mortgage Corporation Notes and Bonds
8. State of Texas Bonds
9. Bonds of City, County and Independent School Districts located in Texas with a Moody's rating of AA or better or a Standard and Poor's rating of AA or better.

COLLATERAL MANAGEMENT-The bank must include, as part of the Proposal, a statement as to how the bank intends to ensure on a daily basis, that sufficient collateral is pledged to protect covered accounts. Also, a detailed monthly collateral report is required. The report shall contain security descriptions, par value, current face values, and current market value.

VALUE OF COLLATERAL-The Bank must propose how it will value pledged securities. The County at any time may investigate the value of any of the securities that may be pledged by the Bank. The full cooperation of the Bank will be required in such instance.

SERVICE REQUIREMENTS:

CONTACT PERSON-Bank must identify a local senior level management person who will be responsible for overseeing the County's relationship, who would serve as the County's primary contact and who would be able to make decisions regarding operational aspects of this contract.

ON-LINE SERVICES-It is required that as a part of the bid the Depository Bank will provide an online PC communication link to the County. This program must perform the following functions.

1. Balance Inquiry
2. ACH Transactions
3. Issue Stop Payments
4. Initiate Auto Transfers
5. Initiate wire transfer
6. Verify checks that have cleared
7. Remote deposit

STATEMENTS-Monthly statements will include checks, deposit slips, transfer slips, debit and credit memos, processed for all accounts. Completed hard copy of statements shall be no later than 5 business days after the close of the month. If the checks or deposit slips are not returned in the bank statement the bank must provide compact disk with this information. A sample bank statement will be included as part of the proposal.

PAYROLL DIRECT DEPOSIT- Bank must provide the capability for the county to utilize "Direct Deposit" payroll processing, allowing employees to select the bank of their choice.

COMPUTERIZED OUTPUT- The depository bank must provide compact disk, and on line transmission with all paid items each month of the accounts used by the County Treasurer that will be utilized in the bank account reconciliation process. The bank will work with the County's software provider in order to provide this service.

TREASURY SECURITIES: The depository bank may serve as an agent for the County to purchase US Treasury and US Government Agency Securities for the maturities requested by the County.

AWARD OF CONTRACT-will be executed by the Erath County Commissioner's Court and will be confirmed by an award letter. Erath County reserves the right to cancel the contract upon sixty days notice.

Bank may cancel the contract with the consent of the Erath County Commissioner's Court upon a sixty days notice. The bank must supply the authorization letter from the Board of Directors to make this a valid bid.

ERATH COUNTY ACCOUNTS

Erath County has 47 separate checking accounts, 9 cash management accounts with balances totaling \$1,700,970.00 and certificates of deposits totaling \$3,500,000.00. Bids should specify minimum balance requirements.

SUBDEPOSITORY BANK

Erath County will have 2 accounts in the Subdepository Bank located in Dublin. This bid should also specify minimum balance requirements.

Please include the cost on the following page for the required services for Erath County.

Structure of Accounts:

- Non-Interest Bearing Checking Accounts
- Interest Bearing Checking Accounts
- Cash Management Accounts
- Certificates of Deposit

Registry Funds- Separate Individual Savings Accounts. These accounts are held by the District and County Clerks as mandated by the court. Currently the officials have approximately 9 accounts with a combined balance of \$561,500, but this figure will fluctuate. The accounts will be in the Clerk's name for the benefit of the beneficiary and will be registered with the beneficiary's Social Security number.

Interest Bearing Checking Accounts:

Variable Interest Rate should be based on a 182 Day US T-Bill rate (as determined by the most recent weekly Treasury Bill Auction) +/- the banks predetermined basis point margin.

Cash Management Accounts:

These accounts allow daily liquidity to provide cash flow based on the operating needs of the county.

Certificates of Deposit-Variable Rate

The variable rate should be based on a 182 Day US T-Bill rate (as determined by the most recent weekly Treasury Bill Auction) +/- the banks predetermined basis point margin.

	Less than \$100,000.00	More than \$100,000.00
Maturity 30-59 days	+/- ____ basis points	+/- ____ basis points
Maturity 60-89 days	+/- ____ basis points	+/- ____ basis points
Maturity 90-179 days	+/- ____ basis points	+/- ____ basis points
Maturity 180-365 days	+/- ____ basis points	+/- ____ basis points
Maturity over 365 days	+/- ____ basis points	+/- ____ basis points

Certificates of Deposit – Fixed interest rate

	Less than \$100,000.00	More than \$100,000.00
Maturity 30-59 days	+/- ____ %	+/- ____ %
Maturity 60-89 days	+/- ____ %	+/- ____ %
Maturity 90-179 days	+/- ____ %	+/- ____ %
Maturity 180-365 days	+/- ____ %	+/- ____ %
Maturity over 365 days	+/- ____ %	+/- ____ %

BID WORKSHEET FOR DEPOSITORY BANKS

DEPOSITORY SERVICES	SERVICE CHARGE	BALANCE REQUIRED
INTEREST BEARING CHECKING ACCOUNT		_____
INVESTMENT ACCOUNTS		_____
WIRE TRANSFERS	_____	
SERVICE CHARGES ON CHECKING ACCTS.	_____	

SERVICE CHARGES ON
INVESTMENT ACCTS. _____

COST OF DEPOSIT
BOOKS _____

COST OF LASER CHECKS _____

NIGHT DEPOSITORY
SERVICES-INCLUDING
BAGS & KEYS _____

STOP PAYMENTS _____

TRANSFERS BETWEEN
ACCOUNTS _____

ABIDE BY VOID STATE-
MENT ON CHECKS _____

DIRECT DEPOSIT FOR
PAYROLL _____

WIRE SERVICE
INCOMING & OUTGOING
REPETITIVE _____

NON-REPETITIVE _____

SERVICE CHARGE

ACH TRANSFERS _____

OUTGOING BANK INITIATED _____

COMPUTERIZED _____

STOP PAYMENTS _____

OVERDRAWN ACCOUNTS _____

RETURNED ITEMS _____

DIRECT DEPOSIT OF
COUNTY EMPLOYEE
PAYROLL CHECKS

SHORT TERM FINANCING

FIXED RATE _____% VARIABLE RATE _____%

CERTIFICATES OF OBLIGATION

FIXED RATE _____% VARIABLE RATE _____%

OTHER UNSPECIFIED SERVICES AND / OR COSTS NOT SPECIFIED IN THIS
DOCUMENT SHOULD BE LISTED AND ATTACHED, ALONG WITH A
DESCRIPTION AND UNIT PRICING.

DEPOSITORY OR SUBDEPOSITORY BANK

All banks must complete the information below to validate the bid to be the depository or Subdepository bank.

The undersigned affirms that they are fully authorized to execute this contract by providing Erath County with a Certified and Attested Resolution from a duly authorized meeting of the Board of Directors of the submitting bank authorizing or empowering the undersigned to execute this contract; that this bank has not prepared this bid in collusion with any other bidder; and that the contents of this bid as to fees, interest rates, terms, or conditions of said bid have not been communicated by the undersigned, nor by any employee or agent, to any other bidder or to any other persons engaged in this type of business prior to the official opening of this bid.

All unsigned bids will be disqualified.

Name and address of Bank: _____

Signature: _____

Name: _____

Title: _____

Telephone Number _____