

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

Scope of Services / Requirements

The following related entities may elect to participate under Hidalgo County:

“Bank Depository Services”

- Hidalgo County Drainage District No. 1
- Hidalgo County Community Service Agency
- Hidalgo County Head Start Program
- Hidalgo County - Urban County Program

The following outlines the Request for Proposals:

General Information:

Hidalgo County (hereinafter referred to as “**COUNTY**”) Commissioners Court, in complying with applicable Texas Statutes, is herein requesting applications from any banking corporation or financial institution to serve as a County Depository Bank. The county intends to designate one (1) “operating bank” (hereinafter referred to as “**BANK**”) that will provide the following functions: (A) general banking services, including but not limited to the establishment of interest bearing checking accounts, other electronic transfers and electronic data interchange. (Refer to Appendix A).

The specific references governing these services are:

Local Government Code Chapters 116 & 117, “Depositories for County Public Funds,” and Government Code Chapters 2256 “Public Funds Investments Act” and 2257 “Collateral for Public Funds.”

The text of these governing statutes may be obtained at: <https://statutes.capitol.texas.gov>

By submitting a proposal, **BANK**, acknowledges that it understands the aforementioned laws, which pertain to the safekeeping of county funds and will comply with these statutes.

Pursuant to the *Texas Local Government Code 116* and *Vernon’s Texas Codes Annotated, Government Code, Chapter 2257*, sealed applications will be received by **COUNTY** on or before **3:00 P.M.** on **March 05, 2025** for the selection of a bank depository for the forthcoming four-year period commencing **May 21, 2025**. Applications may be submitted by any “bank” as defined by the *Texas Local Government Code Section 116.001*.

There is no express or implied obligation for **COUNTY** to reimburse responding firms for any expenses incurred in preparing proposals in response to this application and **COUNTY** will not reimburse responding banks for these expenses.

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

The Hidalgo County Drainage District Number One (hereinafter referred to as “DRAINAGE DISTRICT”) Board of Directors may, at their option, utilize the depository selected by COUNTY as the depository for DRAINAGE DISTRICT. Should the Board of Directors of DRAINAGE DISTRICT elect to do so, the bank selected shall offer DRINAGE DISTRICT the same terms and provisions as it offers COUNTY under the depository agreement, except as such provisions may differ in accordance with Texas Water Code Chapter 49 & 56.

Good Faith Guarantee(s)

This application for depository for funds of Hidalgo County must be accompanied by a certified or cashier’s check made payable to Hidalgo County in the amount of \$ 3,218,359.44 (one half of one percent of revenues for the year 2023) (To be updated with 2024 figures once they are available.) (*EXCEPT FOR AUDITORS OFFICE FIGURES BASED ON THE PRIOR AUDITED YEAR 2023) as a guarantee of good faith on the part of the bank that if the application submitted is selected, the successful applicant will, within fifteen (15) days after notice of selection, enter into a pledge contract with the Commissioner’s Court and if accepted file bonds of securities in sufficient amount to secure the public monies entrusted to them within fifteen (15) days of selection as prescribed by the *Texas Local Government Code Chapter 116.051* And *Vernon’s Texas Codes Annotated, Government Code, Title 10 Chapter 2257*. Should the bank fail to qualify as depository as required and within the fifteen (15) days specified, the certified or cashier’s check shall go to Hidalgo County as liquidated damages in accordance with the *Texas Local Government Code Chapter 116.023* and *Vernon’s Texas Codes Annotated, Government Code, Title 10, Chapter 2257*.

Certain Trust Funds and Court Registry Funds

This application for depository for funds of Hidalgo County must be accompanied by a certified or cashier’s check made payable to Hidalgo County in the amount of \$ 111,776.64 (one half of one percent of the average daily balance of the registry funds held by the County Clerk and the District Clerk during the preceding calendar year as promulgated by Texas Local Government Code, Chapter 117. A certified check or cashier’s check that complies with this section, 117.021 (d) is a good-faith guarantee on the part of the applicant if the application is accepted it will execute the bond required under this subsection. If the bank selected as depository does not provide the bond, Hidalgo County shall retain the amount of the check as liquidated damages and the county shall select another depository as provided by this subchapter of the *Texas Local Government Code Chapter 117.021* and *Texas Government Code, Chapter 2257*.

When the depository has been selected, the certified or cashier’s checks presented with the application shall be returned to the unsuccessful applicants immediately. The Commissioners’ Court shall return the check of a successful applicant when the applicant executes and files a Depository Bond that is approved by Commissioner’s Court.

Terms of Engagement

Pursuant to Texas Local Government Code Chapter 116, Subchapter B. Section 116.021 (a)(b)(c), it is intended that the initial contract term will be for four (4) years with the COUNTY’S option to renew/extend for an additional one (1) two (2) 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

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

final two (2) years of the initial four (4) year term. Should the COUNTY choose to renew/extend the contract after the initial four (4) year term, the COUNTY may establish, on the basis of negotiations with the bank, new interest rates and financial terms to take effect during the final two (2) year term.

This depository contract must commence no later than **May 21, 2025** and must continue until 60 days after the time fixed by statute for the next selection of a Depository Bank. If a time deposit’s maturity date extends beyond the expiration date of the contract, the contracting bank will pledge sufficient securities required by Hidalgo County to provide for the maturity of the time deposit.

Ethics Policy

Any organization offering to be a depository shall file a statement disclosing all financial relationships that may be a conflict of interest as stated in Texas Local Government Code Section 131.903.

Investments Made Outside Depository Bank

Hidalgo County reserves the right to make external investments according to the laws of the State of Texas and the Investment Policy of Hidalgo County. Hidalgo County may refrain from making external investments if the depository bank, at a minimum, matches the external interest rate the County would earn from making such investments.

Required Information

Bank must respond to all provisions and adhere to the format provided in this proposal to be considered a responsive applicant. The application must be signed by a duly authorized banking official and upon award of the depository contract by Commissioner’s Court, the application and all attachments may be included in the official Depository Contract if desired by the County. Please submit the following:

1. Audited financial statements for the two most recent years. All banks wishing to be designated as the depository bank must state the amount of the bank’s paid-up capital stock and permanent surplus and must submit a statement showing the financial condition of the bank on the date of the application. The County will require a copy of the financial report of the bank at least annually, upon publication.
2. References from customers whose service requirements are similar to those of Hidalgo County.
3. Bank Administrative Institute (BAI) questionnaire for most recent period.
4. Resolution from the board of directors of the financial institution giving the bank officer signing the proposal authorization to enter into agreements.
5. Current check clearing availability schedule with a description of areas where availability is provided sooner than the published schedule.

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

6. List of names, titles, phone numbers, email addresses, and a brief biography of the bank personnel that will have ongoing responsibility for servicing Hidalgo County.
7. An Equal employment opportunity provisions statement must be submitted that indicates the bank will not discriminate against any employee or applicant for employment because of race, religion, sex, color, age, disability, national origin, or genetic information which will become part of the contract conditions if the financial institution is awarded the contract. The statement should include a description of the financial institution’s affirmative action plan.
8. Call Report or Thrift Financial Report for the most recent year-end. In addition, please provide most recent quarter if more recent than year-end.
9. Current Bank Credit Rating by Moody’s, Standard and Poor’s, Bank Watch, and Sheshunoff.
10. Community Reinvestment Act (CRA) provisions:
 - Date of last CRA examination that included Hidalgo County
 - The bank’s overall CRA rating.
 - The bank’s CRA rating under the Lending Test(s) and under the Community Development Test(s).
 - Describe any problems encountered in achieving any rating of less than satisfactory or adequate.
 - Describe any activity by your bank in the areas of lending, affordable housing, community service, or economic development and revitalization that have taken place in Hidalgo County since the bank’s most recent CRA report which you wish to have considered.
11. A copy of your bank’s most recent Community Reinvestment Act performance evaluation.
12. A description of any community reinvestment initiatives and special loan programs offered in Hidalgo County, including the financial institution’s funding level for each program and the amounts of funds actually dispersed under each program (e.g.: small business loans, low income consumer loans, affordable housing, community and economic development.)
13. The total number and dollar amount of small business loans, excluding credit card loans, your bank has made (funded) in Hidalgo County during each of the last five (5) years.

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

14. The total number and dollar amount of Small Business Administration loans your bank has made (funded) in Hidalgo County during each of the last five (5) years.
15. If the financial institution offers business planning and loan application assistance to small business loan customers, submit a description of the programs including the services offered for each of the last five (5) years.
16. The total number of investment capital provided in Hidalgo County during each of the last five (5) years.
17. State the amount of charitable contributions the bank has made to Hidalgo County organizations including educational, artistic, service, and civic organizations during the last five (5) years.
18. Provide the bank’s loan-to-deposit ratio for Hidalgo County operations for each of the last five (5) years.
19. Describe the financial institution’s local employment trends over the last five (5) years (number of employees, transfers or reductions, reorganizations, etc.). Include your local workforce projections for the term of the depository contract.
20. What is the cut-off time to ensure same day ledger credit?
21. Provide an availability schedule.
22. Does the bank outsource any of the proposed services?
23. What are the bank’s cut-of times for customer initiated Electronic Transfers?
24. Does the bank offer any service(s) to protect Hidalgo County’s account from unauthorized ACH debits?
25. Describe what differentiates the banks services from other providers?
26. Describe how the financial institution plans to keep their product current and competitive?
27. Does the bank conduct background checks on its employees?

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

28. How many bank employees are present when deposit banks are opened?
29. Describe security at the cash vault center. What additional security measures are employed?
30. When deposit discrepancies are discovered, what are the bank’s notification, reporting, and adjustment procedures?
31. Does the bank identify and adjust all discrepancies?
32. Describe the bank’s Disaster Recovery plan in detail.
33. Provide a copy of all documents, agreements (including agreements with third parties), signature cards and service terms that will be required to initiate depository services.
34. **Comprehensive Cash Management Capabilities** - Bank must provide comprehensive cash management programs and associated costs. (e.g.: electronic check presentment, check conversion, payroll card.)
35. **Comprehensive List of Service Prices** - Bank must provide a comprehensive list of service prices as well as any other cost that will be charged to the County for any reason. Specify any and all costs associated with providing services to Hidalgo County accounts. Indicate the charges per unit for each service. The estimated charges for each service, and the estimated compensating balance which the County would be required to maintain in order to offset the service charges. Specify when there is no charge for a service or when there are additional charges for a service. List any fee or service charges that you foresee. This list will be considered all-inclusive and prices shown on the list must be incorporated into the contract.

Because a four (4) year contract is contemplated, please provide a list of proposed service prices for the second two years of the contract. During the second two (2) years of the four (4) year term, the County has the option to establish, on the basis of negotiations with the Bank, new financial terms of the contract that will take effect during the final two (2) years of the four (4) year contract. The new financial terms must not increase the prices to the County by more than ten percent (10%). If there is no agreement between County and the Bank as to proposed changes, then the original terms shall continue for the remaining two years. Should the County choose to renew/extend the contract at the end of the initial four-year term, the County may, in accordance with LOCAL GOVERNMENT CODE Section 116.021(C), negotiate financial terms with the bank in the same way and subject to the same conditions as stated above.

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

36. **Interest Rates** - Hidalgo County is requesting bank applicants define specifically the method used by the applicant for interest calculations in its normal operations. Bank must furnish adequate information about the index and or instruments used to arrive at the proposed rate (e.g.: 90days T-Bill rate, Texpool rate, etc.). Hidalgo County must be able to independently calculate the proposed rate and interest payable under contract. Additionally, please specify what bank balances are subject to interest and if the ten percent (10%) reserve requirement is reduced before interest is paid?

Because a four (4) year contract is contemplated, please propose new fixed and variable rates of interest for interest earning transaction accounts, certificates of deposit, NOW accounts, money market checking accounts and overnight investment facility for the second two years of the contract. During the second two (2) years of the four (4) year term, the County has the option to establish, on the basis of negotiations with the Bank, new financial terms of the contract that will take effect during the final two (2) years of the four (4) year contract. The new financial terms must not increase the prices to the County by more than ten percent (10%). If there is no agreement between County and the Bank as to proposed changes, then the original terms shall continue for the remaining two years. Should the County choose to renew/extend the contract at the end of the initial four-year term, the County may, in accordance with LOCAL GOVERNMENT CODE Section 116.021(C), negotiate financial terms with the bank in the same way and subject to the same conditions as stated above.

37. Provide a detailed description of the recommended implantation process.

Service Requirements:

1. **Standard Disbursement Services** - Standard disbursing services for all accounts are required to include the payment of all County checks upon presentation. No funds or fees may be withdrawn from the County Depository except by properly drawn warrants which have been approved and signed by appropriate authorities as designated on signature cards. All signature cards must be approved by the County Treasurer.
2. **Standard Deposit Services** - The bank will guarantee immediate credit on all wire transfers, ACH transactions and all checks based on Bank’s availability schedule. All deposits received before the banks deadline will be credited daily.

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

3. **Statements** - Monthly account statements will be provided in electronic file format, as well as paper. These statements will include all original cancelled checks, debit and credit memos, etc. and or optical images of the front and back of these items if the optical images are retained in accordance with the rules adopted by the Texas State Library and Archives Commission. The statement shall show the number of checks, deposits and deposit items posted, daily ledger balances, average daily ledger balance for the month, average daily collected balance for the month and other items on which charges are based. Such statements shall be provided within five (5) working days after calendar month-end.
4. **Collateral Reports** - A detailed monthly collateral -to deposit report is required. The report shall contain security descriptions, par value/current face and current market value.
5. **On-line Banking** - It is requested that as part of the bid the depository bank will provide an on-line communication link to the County for daily reporting of account balances, collateral and ledger balances, and detail debits and credits. On-line banking service will have the ability to download debits and credits on a daily and/or monthly basis identified by type of transaction and in a format acceptable to the county.

Discuss the methods (i.e.: Web-based, proprietary application, proprietary software) by which Hidalgo County can view up to date bank activity remotely.

- a. Can Information be accessed by multiple users?
 - b. Can information be accessed by multiple locations?
 - c. Can individual users be restricted to accessing information only on certain accounts or transaction types?
 - d. Can information be imported into a spreadsheet?
 - e. What is the associated cost?
6. **Fees and Services Charges** – Fees and Service charges, for monthly services on all Hidalgo County accounts, must be provided in a monthly analysis format detailing the type of service, volume, individual price, and total price.
 7. **Reconciliation** – The bank agrees to reconcile any differences in account balances within a period of time mutually agreeable to both the County and the bank following notification of such discrepancies. Differences in account balances include any difference between checks paid in comparison to positive pay amounts transmitted to the bank and differences between deposits made (declared) as compared deposit verified by vault.
 8. **Positive Pay and ACH Positive Pay** - Must possess the ability to provide all positive pay services and fraud prevention products, with reports provided to the various county departments via on-line banking. Values to be compared are account number, check number, amount and payee.
 9. **Vault Services** - Bank will provide local vault services for currency and check deposits or utilize a

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

third party that is local and will contract with armored car services.

10. **Wire / ACH Transfers** - Wire and ACH transfer capability using on-line application services with dual control (initiate and transmit transfer) security features, to include both debits and credits.
11. **Direct Deposit Payroll Processing** - Bank must have capability to accept and process payroll direct deposit ACH information via on-line banking.
12. **ACH Vendor Payment** - Bank must have capability to process ACH vendor payments via on-line banking.
13. **Stop Payments** - The County will require the bank to issue stop payments executed by computers or fax by authorized County personnel at either county locations or at a bank branch. Documentation for all rejected stop payments must be forwarded to the County. Stop payments will be honored for the period of twelve (12) months.
14. **Account Executive Person** - The bank will provide Hidalgo County with an Account Executive Service person located in Hidalgo County whose responsibility must be to serve as primary liaison between the Bank and Hidalgo County. This person will be responsible for attending to inquiries, requests for services, and daily activities regarding the managing of Hidalgo County Accounts.
15. **Waiver of Certificates of Deposit Penalty** - Occasionally the County of Hidalgo may need to cash a certificate of deposit before its date of maturity; if so, the bank agrees to waive any penalties for early withdrawal.
16. **Checks and Deposit Slips** - Bank will provide custom checks and deposit slips printed in conformity with County specifications.
17. **Deposits** - Bank must accept mixed deposits containing cash, checks, and coins from the County.
18. **Deposits at Branch Locations** - Bank must allow County personnel to make deposits at any branch location.
19. **Aggregate Overdraft Protection** - All demand deposit overdrafts incurred in the normal course of business will be covered at no cost to the County as long as sufficient compensating balances exist in other County accounts.
20. **Check Reader** - Bank will provide check reading equipment.
21. **Open Line of Credit** - Bank must be willing to provide emergency as well as non-emergency loans to County, if needed; interest rates on such loans must be negotiated with Commissioner’s Court.

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

22. **Endorsement** - Bank will provide endorsement stamps for use on warrants/checks.
23. **After Hour Deposits** - Night depository services, which include locking bags with keys for the numerous County Departments.
24. **Returned Check Handling** - Daily delivery of all charge back items (NSF’s), to include email notifications on ACH returns.
25. **Bank supplies** - Bank will provide bank bags with locks, money straps, coin wraps and money envelopes.
26. List other services, including any associated fees, which the bank is willing to provide.
27. Bank must be a member of the Federal Reserve System, Federal Deposit Insurance Corporation, a Federal or Texas chartered bank doing business in and having a full service facility in Hidalgo County, Texas, and a member of the Automated Clearing House Network able to receive funds by wire.
28. In addition to investments outlined in this application, the County reserves the right to purchase, sell and invest all funds (including the proceeds of bond issues received prior to and passed during the term of this contract) under its control through a primary government securities dealer, as defined by the Federal Reserve, or with a bank domiciled in the State of Texas as permitted by Section 116.112 of the Local Government Code and the Public Funds Investment Act or as stated in the County’s Investment Policy. Bank will and shall aid and assist County in any investment.

Legal Collateral Requirement Specifications

Allowable securities for collateralization only include:

- U.S. Treasury Notes
- U.S. Treasury Bills
- Government National Mortgage Association Certificates
- Federal Farm Credit Banks Notes and Bonds
- Federal National Mortgage Association Notes and Bonds
- Federal Home Loan Mortgage Association Notes and Bonds

Required Level of Collateral

The initial amount of securities to be pledged against Hidalgo County shall be adequate to fully collateralize the funds of Hidalgo County according to the State laws of Texas and shall continuously remain as such. The amount is subject to change as deposits fluctuate in which case the collateral may be reduced with the approval of the County Treasurer.

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

At all times, the market value of collateral including accrued interest must be equal to or greater than 105 percent of the sum of the par value of the certificates of deposit plus accrued interest, the daily bank ledger balances less funds insured by the Federal Deposit Insurance Corporation.

Monitoring of Collateral

Bank is responsible to notify the County of any deficiencies in the Bank’s pledged collateral on a daily basis, as well as obtaining additional collateral to cover any deficiencies.

Location of Collateral

Bank must deposit all collateral pledged to secure County funds at the Federal Reserve Bank in Dallas, Texas or with a mutually agreed upon third party with a notation that the securities are pledged to the County. Depository safekeeping receipts should be furnished to the County Auditor evidencing the pledged securities. Securities pledged to the County shall be placed in safekeeping by the depository bank providing safekeeping services and the original of the safekeeping receipt shall be given to the County Auditor. Securities so pledged shall be subject to physical inspection by a member of Commissioners Court and/or the County Auditor or their authorized representatives during normal banking hours. Collateral security will be pledged only “To the Commissioners Court of Hidalgo County, Texas.” Release of collateral must be approved by the County Treasurer.

Property Tax Payments

Bank must accept tax payments over the counter at all bank locations located within Hidalgo County during the peak collection period of October 1st through January 31st, or as instructed by the Tax Office.

- A. The bank should process each tax payment under the following guidelines:
 - a) Ensure a tax coupon is provided by taxpayer. All tax statements mailed to taxpayers have a detachable tax coupon which included the tax account number and amount due.
 - b) Ensure that each check is properly endorsed, contains taxpayer phone number, properly signed by maker, not postdated, and made payable to Pablo (Paul) Villarreal Jr., Tax Assessor/Collector.
 - c) Only current tax payments will be processed. If over, the County’s tax system will default to delinquent years, or refund. If short, it will be applied as a partial payment. Partial Payments are accepted.
 - d) The bank should provide a bank receipt for all tax payments receipted, to include cash transactions.
- B. The bank agrees to incur reasonable software and programming costs. The bank will be allowed to discuss any additional programming with the County vendor to minimize cost and receive the program in a manner, which provides service and reporting to both the bank and County. The bank shall perform the following procedures:

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

- a) All tax coupons and checks must be scanned and imaged in daily batches.
- b) The bank will furnish the Tax Office weekly USB drive or Electronic File saved to the Tax Office File share of all checks and tax coupons imaged. Online access to imaged checks and tax coupons is also acceptable. Images must be available to the Tax Office for an additional 2 years after the term of the contract.
- c) A Flat File must be provided daily to the Tax Office electronically and must reflect a list of all payments processed with respective payment type (Cash, Check, Money Order, etc.). The Flat File will be imported into the County’s Tax System. Any and all daily collection reports furnished by the bank shall be provided electronically.
- d) After processing daily payment batches, the bank will deposit total funds the following business day into the Tax General Account under the Tax Assessor/Collector’s name. The bank shall make these funds available to the County the same day they are deposited into the Tax General Account.

EXHIBIT “A”

Certificate of Deposit

Proposal shall be tied to U.S. Treasury Bills: Please provide basis points above, below, or equal to the corresponding maturities of a 26-week T-Bill coupon equivalent rate as reported to *The Wall Street Journal* on the next business day following the U.S. Treasury auction.

All proposals in this category should be clearly stated as to plus, minus, or same as T-Bill.

	Less than \$100,000.00	More than \$100,000.00
1. Maturity of 14 – 29 days	+/-	+/-
2. Maturity of 30 – 59 days	+/-	+/-
3. Maturity of 60 – 89 days	+/-	+/-
4. Maturity of 90 – 119 days	+/-	+/-

**Scope of Services/Requirements
Request for Proposals
“Bank Depository Services”
RFP-25-0046-03-05-12**

5.	Maturity of 120 – 149 days	+/-	+/-
6.	Maturity of 150 – 179 days	+/-	+/-
7.	Maturity of 180 days or more	+/-	+/-
8.	Maturity over one (1) year	+/-	+/-

For certificates of deposit, the rate will be equal to the 26 week Treasury Bill coupon equivalent ASKED YIELD TO MATURITY RATE less basis points outlined above, as published in *The Wall Street Journal*, “Treasury Bonds, Notes, Bills” section as of the same business day that the CD is negotiated.

Bank will offer County its Public Fund N.O.W. Checking Account. This account allows an unlimited number of checks to be written on it but at the same time pays a variable rate of interest on the collected balance. This account pays interest monthly on the investable balance (average balance less uncollected funds). The variable rate will be based at a rate equal to the most recent published thirteen (13) week U.S. Treasury Bill coupon equivalent ASKED YIELD TO MATURITY RATE, as published in *The Wall Street Journal*, “Treasury Bonds, Notes, Bills” section as of the first working day of the month and adjusted monthly thereafter.