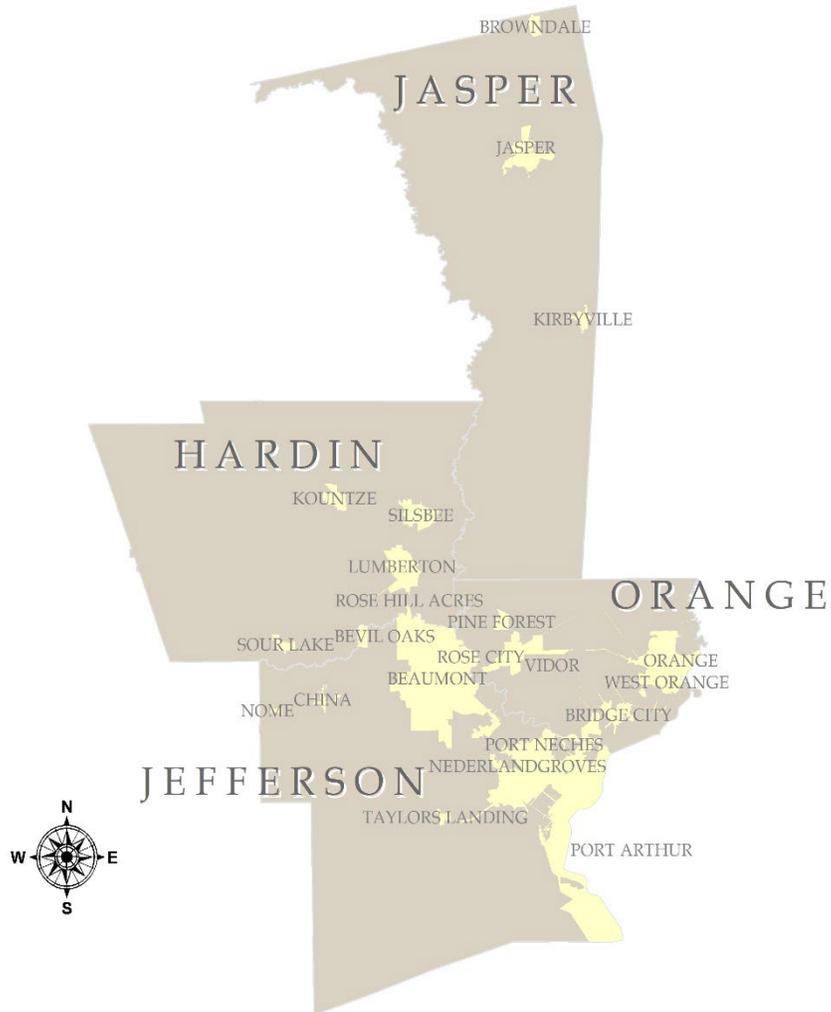


REQUEST FOR PROPOSAL

BANKING SERVICES



**South East Texas Regional Planning Commission
2210 Eastex Freeway
Beaumont, Texas 77703**

**(409) 899-8444
(409) 347-0138 FAX**

Contents

INTRODUCTION	1
ORGANIZATIONAL PROFILE.....	1
GENERAL INFORMATION	1
SUBMISSION REQUIREMENTS.....	1
ADDITIONAL INFORMATION.....	2
SELECTION CRITERIA	2
TERMS AND CONDITIONS.....	2
MINIMUM QUALIFICATIONS FOR SUBMITTING A PROPOSAL	3
STATEMENT OF BANKING SERVICES.....	4
COLLATERAL REQUIREMENTS	7
CERTIFICATIONS REQUIRED	8
BANKING SERVICES BID REQUIREMENTS	9
LIST OF BRANCH LOCATIONS IN THE FOUR (4) COUNTY REGION	9
EXCEPTIONS TO RFP.....	9
COMMITMENT TO WAIVE ALL BANKING SERVICES FEES	9
SERVICE FEE SCHEDULE OF CHARGES.....	9
INTEREST EARNINGS ON COLLECTED BALANCES	10
CERTIFICATION OF COMPLIANCE WITH SETRPC INVESTMENT POLICY	10

Introduction

The South East Texas Regional Planning Commission (SETRPC), as required by its by-laws, is seeking proposals from qualified banking institutions to serve as its prime depository. SETRPC is seeking proposals from selected banking institutions located within the Hardin, Jasper, Jefferson, and Orange County areas. SETRPC desires to acquire banking services which represent the best value to SETRPC as determined by SETRPC.

Organizational Profile

The South East Texas Regional Planning Commission was formed in June 1970, as a voluntary association of local governments pursuant to Texas law, Local Government Code, Chapter 391, Regional Planning Commissions (V.A.C.S. Article 1011m). As one of 24 planning councils in Texas, the South East Texas Regional Planning Commission works with its member governments to solve area wide problems by promoting intergovernmental cooperation and coordination by means of conducting comprehensive regional planning and by providing a forum for the discussion and study of area issues. SETRPC's mission is to compliment local government without infringing on local home rule, with the goal of making our local jurisdictions better able to respond to the needs of their citizens. The Region's population was represented on our Executive Committee by virtue of all four of the counties that make up Planning Region 15 (Hardin, Jasper, Jefferson and Orange) being members of the South East Texas Regional Planning Commission. Representatives of local school districts, water districts, ports, navigation districts and river authorities also serve on the Executive Committee. The governing body of the South East Texas Regional Planning Commission is the SETRPC Executive Committee. All individuals serving on the Executive Committee are elected officials from the various counties, cities and special districts that make up the Commission's membership. Likewise, the SETRPC officers consist of elected officials from each county, city or special district.

By focusing their efforts on collective goals outlined in the SETRPC Mission Statement, Purpose and Core Values, the Executive Committee, officers and SETRPC staff ensure that the region is pursuing resources, which will provide a greater quality of life for all residents.

SETRPC's federally and State assisted area wide responsibilities include transportation planning and implementation, environmental protection, nutrition and social services for the elderly, criminal justice, economic development, community services and community development. SETRPC is also charged with area wide administration of the Foster Grandparent and RSVP Programs, AARP Experience Corps program, planning and implementation of the region wide Enhanced 9-1-1 Emergency Network System, Homeland Security and coordination and facilitation of emergency management planning activities. SETRPC also administers a program of air quality monitoring funded by private industry.

General Information

Submission Requirements

- All Proposals must be submitted in a sealed envelope marked "RFP-Banking Services" to:

Controller
South East Texas Regional Planning Commission
2210 Eastex Freeway
Beaumont, Texas 77703

- Issue date of this RFP is Friday May 13, 2022

- Proposals must be received by 5:00 June 10, 2022. Proposals received after this time will not be opened or considered by SETRPC.
- One (1) original and three (3) copies of the proposal must be submitted.
- An electronic copy of the proposal should be sent to jking@setrpc.org
- All proposals must “hold firm” after submission to SETRPC for one hundred and eighty (180) days.
- Proposals must include all certifications and information requested
- All variances from SETRPC’s specifications, terms, and/or conditions, no matter how slight, must be indicated in writing as stated in this RFP. Otherwise, it will be assumed that the proposal fully complies with the stated terms, conditions, and specifications as defined herein.
- This Request for Proposal does not commit SETRPC to enter into any formal or informal banking services agreement or to incur any costs related to the preparation of a response.
- SETRPC reserves the right to accept or reject any and/or all proposals. SETRPC reserves the right to waive any irregularities and/or informalities in any proposal and to request additional information as necessary. SETRPC reserves the right to extend the deadline for receipt of responses to this RFP as it deems necessary. It is the intent of SETRPC to accept such proposal that is deemed to be in the best interest of SETRPC.

Additional Information

Any question or requests for additional information shall be made to **Jeff King, Controller, at (409) 899-8444 ext. 6044.**

Selection Criteria

The following criteria will be utilized by SETRPC to evaluate the banking services agreement proposals and to make a selection:

- Compliance with the minimum requirements as indicated in this RFP.
- Availability of required banking services as indicated in this RFP.
- Ability to comply with the collateral requirements as indicated in this RFP and SETRPC’s Investment Policy.
- The best value to SETRPC for quality banking services as indicated in this RFP.
- Previous service relationship with SETRPC.
- Earnings credit calculation on account balances
- Convenience of locations for regional residents
- Costs of services.

Terms and Conditions

- Term: The intent of this RFP is for SETRPC to arrange for banking services for a three (3) year period with an option to renew for an additional two (2) years. Should SETRPC wish to not renew the agreement for the additional two (2) years after the initial three (3) year term, SETRPC shall provide written notice not less than 90 days prior to the conclusion of the initial term.

- Modifications and Amendments: SETRPC reserves the right to negotiate such additions, deletions, or changes as it deems necessary during the term of the agreement.
- Terminations: Either party may terminate this agreement upon giving written notice to the other party 120 days in advance of termination.
- Effective Date: After approval by the Executive Committee of the SETRPC the selected proposal shall become effective on October 1, 2022, and the bank will commence operating pursuant to this agreement on that date.
- Approval: The bank personnel submitting the proposal shall have the authority to submit such proposal and obligate the bank to the terms and conditions specified herein for the duration of the agreement.

Minimum Qualifications for Submitting a Proposal

In response to this RFP, the bank acknowledges and understands that the following conditions must be met at the time services are provided to SETRPC:

- Federal or Texas Chartered Bank

Chartered Bank located within Hardin, Jasper, Jefferson or Orange Counties and capable of servicing SETRPC's banking activity needs as specified herein.

- Member of the Federal Reserve System.
- Adequate Size to Provide Service.

A bank submitting a proposal shall have adequate organization, facilities, equipment, and personnel to provide prompt and efficient service to SETRPC.

- SETRPC Liaison

A bank submitting a proposal shall assign a specific person to serve as the primary liaison with SETRPC. The office for this individual shall be at the banking facility located within Hardin, Jasper, Jefferson or Orange Counties. Should another bank employee be assigned to this function during the term of the agreement, SETRPC must be notified in writing as soon as is practical.

- SETRPC Employee Check Cashing Privileges

A bank submitting a proposal for the banking services contract must agree to cash, without charge to SETRPC or its employees, all SETRPC employees' payroll checks drawn upon its bank after proper identification is presented by the employee, regardless of whether or not the employee has an account with the bank.

- Branch Locations within the four (4) county region
- Notice of Change

The bank shall notify SETRPC in writing within five (5) calendar days of any changes and/or amendment in Federal and/or State regulations that would thereafter affect SETRPC's relationship with the bank.

- Charge for Services

SETRPC shall require that all fees remain constant throughout the contracted period. SETRPC shall not be required to pay any amount greater than that paid by other commercial customers for services rendered by the bank during the term of the agreement.

- Direct Deposit

The bank shall allow for direct deposit of SETRPC payroll checks, with terms and conditions acceptable to SETRPC. A copy of the proposed agreement for this service must be submitted with the RFP response.

- Other Required Information

1. Call report for the prior period
2. Banks latest rating by (Veribanc, Highline, FDIC, etc.)
3. Community Reinvestment Act (CRA) rating
4. List of other governmental customers.
5. Draft copies of all forms, agreements, etc. which will require the signature of SETRPC should the bank be awarded the banking services agreement.
6. List of any/all litigation current or pending against the institution

- Terms of RFP

The terms and conditions specified by this RFP shall be considered an integral portion of the agreement between SETRPC and the bank and shall remain in effect during the terms of the agreement.

Statement of Banking Services

SETRPC has determined that the followings services and products are the minimum necessary to fulfill the current and foreseeable future banking service requirements of SETRPC.

- Type and use of Accounts - SETRPC currently has nine (9) accounts. Seven (7) of those accounts are used to hold idle funds for different divisions of SETRPC. Another account is used for payroll and the final account is the operating account. Total balances for all accounts range from 1,500,000 to 3,800,000 during the year. SETRPC will make deposits to the operating account daily and will require the Bank to give same day credit on collectible funds the Bank receives before 2:00 p.m. SETRPC's employment base ranges from 50 to 60 full-time staff during the year. Of that number just less than 100% are paid via direct deposit.
- On-Line Banking Services - SETRPC requires on-line banking services accessible through the internet that at a minimum includes balance reporting, initiation of ACH debits, positive pay entry, credits and wire transfers, voids and placement of stop payments on checks. Additional capabilities should include, but not be limited to, the ability to view and print statements and export information. The proposer should provide the following information
 - When are reports available
 - How long are report images maintained online
 - What are the options for electronic documents storage (i.e., archiving by CD or online and retention periods)
 - The bank's dispute resolution process
- For wire transfers please describe the bank's service, including:
 - Policy on daylight overdrafts, including aggregation of accounts and wire deadlines
 - Ability of SETRPC to initiate and monitor wire transfers online
 - Ability to create and store recurring/repetitive wire instructions/templates

- Ability to create and store future-dated wire instructions
 - Security measures for wire initiation and approval
- For Automated Clearing House (ACH) please describe the bank's service, including:
 - Method by which SETRPC can submit ACH files or initiate ACH via bank software
 - Pre-notification policy and cost
 - Re-presentation of checks (RCK) through ACH on a targeted date
 - Security measures for ACH initiation/origination and ACH reception (ACH filters and blocks)
 - Is the bank both a sending and receiving bank of the National Automated Clearing House Association (NACHA)
 - For Positive Pay services describe the bank's service, including:
 - Positive Pay services and verification items
 - Teller data update schedules
 - Data transmission methods and time windows
 - Control options – notification default
 - Internet/online access (including technical capabilities and system requirements)
 - Automated Balance Reporting and Other Required Services - SETRPC may require that the following reports be accessible to SETRPC via online.
 - Previous day collected and ledger balances for all accounts with a balance.
 - Current and previous day ACH debit and credit transactions including detail descriptions.
 - Current and previous day debit and credit wire transactions including detail descriptions.
 - Payroll Direct Deposit: SETRPC shall provide its employees the option of having their payroll check automatically deposited into their checking and/or savings account each payday. SETRPC shall create the necessary data transmission file to submit information through the ACH system on a semi-monthly basis.
 - Investment Services: SETRPC may purchase Certificates of Deposit from the Bank as deemed appropriate. Rates shall be based on U.S. Treasury Bills as stated in the Wall Street Journal. SETRPC may buy and sell U.S. Government Securities as deemed appropriate. The Bank may be requested to bid on this investment service. However, the securities purchased shall be purchased on a DVP basis (delivery vs. payment) and transferred via "book entry" to the account of an independent third-party institution. A separate tri-party custodial agreement shall be executed with each institution involved.

SETRPC will not, however, be obligated to invest all and/or any portion of its funds with the Bank; SETRPC retains the right to select and utilize the investment mechanisms determined to be in the best interest of SETRPC.
 - Safekeeping Services: Collateral for demand or time deposits and investments will be held by a third-party custodian and pledged to SETRPC as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve bank or branch of a Federal Reserve bank, Federal Home Loan Bank, or a third-party bank approved by SETRPC.

The Bank shall provide credit on the same day as the deposit occurs but pay interest only on collected funds. This involves same day credit on wire transfers of funds and ACH deposits from the Federal and State governments and same day provisional credit on warrants issued by the State comptroller. Deposit slips are not to be changed and errors shall be placed in the teller's difference until the following day.

- Availability of Funds
 - Does the bank's availability policies differ from the Federal Reserve Bank availability schedule
 - Provide the bank's policy on receiving same day credit for deposits. SETRPC requires same day credit for US obligation security maturities and coupon flow, on-us checks, and wires.
 - Does the bank offer an expedited availability

- Local Banking Availability

Bank shall be required to have branches located in all four counties which are accessible to all residents of the region.

- Stop Payments

Bank shall also make available to SETRPC the option of placing stop payment orders via online services each day.

- Monthly Statements (Proposer should include a sample copy of their monthly statement)

Monthly bank statements are required for ALL SETRPC bank accounts and shall be for periods of time consisting of calendar months. These statements shall include:

- Paid items listing in ascending check number order (date paid, check number, amount paid)
- Deposit listing
- Wire transfers
- Intra-bank transfers
- Check image file sorted by number
- Stop payments listing
- Return item listing

All statements must be received by SETRPC within five (5) business days after the end of each month via online services.

- Returned Checks

The Bank must submit checks charged back against SETRPC's accounts within ten (10) calendar days of the date the charge is incurred by SETRPC.

- Account Analysis (Proposer should include a sample copy of their account analysis)

SETRPC shall require a monthly account analysis, providing:

- Period Covered
- Average Ledger Balance
- Average Funds in the process of collection
- Average Collected Balance
- Reserve Requirement
- Investable Balance Available for Services
- Earnings Allowance
- Service rendered (including type and quantity)
- Per unit cost of each service provided
- Total monthly cost of all services

SETRPC shall require that all fees remain constant throughout the contracted period unless a conflict should arise with this RFP. Should this occur fees charged to SETRPC will be negotiated to comply with the provisions of this RFP. **SETRPC shall require investable balances from all accounts be used in calculating the earnings allowance.**

- Interest Earnings on Collected Balances

SETRPC may require that all collected funds remaining in SETRPC's accounts earn a return such that SETRPC will be credited daily or monthly with interest earnings. This rate should be included with the Bank's proposal.

All overnight investments shall comply with SETRPC's Investment Policy, the Public Funds Investment Act (Chapter 2256, Government Code as amended) and collateral shall be pledged (if applicable) as stipulated under collateral requirements.

Collateral Requirements

The successful bidder, in order to fully and completely protect SETRPC shall deposit not later than five (5) days before the commencement of the term of the depository services contract, and pledge with an independent third-party bank or at a Federal Reserve Bank, "approved securities" having a market value or face amount (whichever is less) equal to 102 percent of the market value of SETRPC's ledger balance. This deposit and pledge must always be maintained during the term of the Contract at 102 percent of the market value of SETRPC's funds. A separate tri-party custodial agreement shall be executed with each institution involved.

"Approved securities" shall mean only securities and corresponding safekeeping receipts which are in accordance with the Public Funds Investment Act and the Public Funds Collateral Act (Chapter 2256 and 2257, Government Code) as well as SETRPC's investment policy. SETRPC shall accept the following securities as collateral on deposits and certificates of deposit:

- Direct obligation of the United States or its agencies and instrumentalities which have a liquid market and a readily determined market value.
- Direct obligations of this state or its agencies and instrumentalities.
- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States and specifically **excluding** those mortgage-backed securities of the nature described by section 2256.009 (b) of the government Code.
- Other obligations which are guaranteed or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities.
- Obligations of states, agencies, counties, cities, and other political subdivisions rated not less than A or its equivalent.

The successful bidder shall provide SETRPC a report of securities pledged at the end of each month within five (5) business days or at any time requested by SETRPC. The report should reflect the total pledged securities itemized by:

- Name
- Type/Description
- CUSIP
- Par Value
- Current Face Value
- Market Value
- Maturity Date
- Rating by Moody's or Standard & Poor's

A copy of the SETRPC's investment policy will be provided to each interested respondent and available at www.setrpc.org for review. Each respondent shall be required to read and certify they have read the policy and certify the proposal meets all aspects of the policy.

Certifications Required

The following certification's shall be submitted individually in the indicated order:

- Banking Services Bid Requirements
- List of branch locations in the four (4) county region
- Exceptions to RFP
- Commitment to waive all banking service fees if applicable
- Banking Services Fees
- Interest Earnings on collected balances Bank Credit information
- Certification of Compliance with SETRPC Investment Policy

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Banking Services Bid Requirements

The proposer shall provide all the following information requested and a certified statement attesting to the accuracy and completeness of the information provided.

- Proposer is a Chartered Texas Bank located within the Hardin, Jasper, Jefferson, or Orange Counties.
- Proposer is a member of the Federal Reserve System
- Proposer has adequate facilities, equipment, and personnel to provide prompt and efficient services to SETRPC.
- Name of designated SETRPC liaison
- Proposer provides on-line banking services as specified in the RFP
- Proposer shall cash SETRPC payroll checks for all SETRPC employees
- Proposer has the ability to provide direct deposit services
- Proposer has provided a Call Report for the prior period
- Proposer has provided it's latest rating (Veribanc, Highline, FDIC, etc.)
- Proposer has provided its most recent Community Reinvestment Act (CRA) rating
- Proposer has provided a list of governmental customers
- Proposer has provided draft copies of all forms, agreements, etc. which will require the signature of SETRPC should the bank be awarded the banking services agreement
- Proposer will comply with all requirements of the RFP
- Proposer is a member of the FDIC
- Proposer has provided a list of any/all litigation pending against the institution

List of Branch Locations in the Four (4) County Region

Proposer shall provide a list of current branch locations within the four (4) county region and projected plans for expansion or retraction of facilities.

Exceptions To RFP

Proposer shall provide a certified list of exceptions to the RFP requirements

Commitment to Waive all banking services fees

If applicable include a proposal to waive all banking services fees. If not applicable, please provide a statement accordingly

Service Fee Schedule of Charges

If proposer doesn't waive banking service fees, they shall provide a certified schedule of service fees

Interest Earnings on Collected Balances

If respondent doesn't waive banking service fees, they shall provide a proposal of interest earnings on collected balances

Certification of Compliance with SETRPC Investment Policy

Respondent shall provide a certification stating they have read and understand the SETRPC investment policy, and all aspects of the proposal are in compliance with such.