Introduction

McCoy Water Supply Corporation (**McCoy or Depositor**) is requesting proposals from qualified banking institutions to provide bank depository services to McCoy as described below. The objective of this Request for Proposal (**RFP**) is to identify the financial institution (**Depository**) that will provide the best value in fulfilling the banking needs of McCoy.

Bid specifications and evaluation criteria have been developed and are described herein.

Each proposal must be complete and specifically address the requirements described in the RFP.

Proposals must address and respond to all specified requirements.

Bidding Procedures

As an accommodation to bidders, this RFP is being made available in Word® and Excel® formats. In exchange, bidders are subject to the following notice:

**NOTICE: ANY CHANGES TO THIS DOCUMENT WHICH ARE NOT CLEARLY AND OBVIOUSLY INDICATED WILL DISQUALIFY YOUR PROPOSAL.**

Each bidder shall quote pricing for the services requested in this RFP that will be in effect for the initial contract term and all potential extension periods. Any other services or features related to those listed in this document should also be provided – either with additional lines or on separate, more comprehensive fee schedule(s). All likely and potential fees should be quoted.

Services for which a bidder intends to charge a fee must have all applicable fees indicated. Any service that does not have a fee indicated will be considered to be free of any and all charges in the Depository Bank Contract. Conciseness and completeness is appreciated.

One original and 3 copies of the proposal package shall be submitted by the stated deadline. Fee schedules shall also be provided in a spreadsheet format on a CD or flash drive.

Each submitted proposal must be signed by an individual authorized to represent the institution, and acknowledge that the proposal is valid for 180 days from the submission date. The cover letter or executive summary shall provide full contact information for the individual(s) with authority to negotiate during the period of proposal evaluation.

Sealed proposals should be submitted with a label indicating “**Bank Depository Request for Proposal**" along with the name of the bidder. The proposal shall contain:

* Responses to each of the inquiry areas of the RFP
* Fee Schedule(s) listing all likely and potential fees
* Indications of any proprietary or confidential sections of the proposal

Proposal packages will be accepted until 5:00 p.m. CST on Monday, December 21, 2015 at 2125 FM 541, McCoy, Texas, 78113.

Pre-submission Questions

Questions pertaining to this RFP will be accepted in writing until Wednesday, December 2, 2015, 5:00 p.m. CST. Questions should be submitted to the following e-mail address: [gcamargo@mccoywsc.com](mailto:gcamargo@mccoywsc.com).

Responses will be provided as an addendum no later than Monday, December 7, 2015, 5:00 p.m. CST.

All questions received along with their respective responses, will be shared with all potential bidders and posted on <http://www.mccoywsc.com/procurement>.

Proposal Expenses

All costs incurred by the bidder in preparing and responding to the RFP shall be borne by the bidder.

Selection Criteria

The following criteria will be included in the evaluation of the submitted proposals.

* Responsiveness to RFP
* Ability to meet services requested in this Request for Proposal
* Financial Institution history, reputation and stability
* Comments from References (i.e. customer service, responsiveness)
* Knowledge and experience with government entities
* Collateral (type and ability to pledge)
* Rates and fees

Required Information

Each bidder must provide the following:

* Audited financial statements for the most recent fiscal year
* Three (3) government references
* Sample statements
  + Monthly account statement
  + Account Analysis statement
* The Financial Institution’s best funds availability schedule (offered in proposal)
* Sample of daily online balance report
* Retail lockbox literature and information
* Proposed agreements
  + Deposit agreement
  + Collateral / Security agreement
  + Treasury Management agreement(s)
    - Online banking agreement
    - ACH Origination agreement
    - Positive pay agreement
    - Wire transfer agreement
  + Custodial and safekeeping agreement
  + Proposed vault services agreement
  + Any additional agreement that require Board approval
* Form CIQ disclosing any potential conflicts of interest by the Bidder
* Bidder’s IRS Form W-9

Designated Depository Contact Personnel

Upon selection, the Depository shall provide a list of personnel qualified to provide product information and assistance in the following areas:

* General information
* Investments and safekeeping
* Accounting and Bookkeeping
* Deposit discrepancies
* Wire transfers
* Vault services
* Balance reporting
* Controlled disbursements
* Pledged collateral
* Automated Clearing House

In addition, the Depository shall provide contact information of the designated account officer and any “key” support team member who will be working with this relationship on a day-to-day basis.

Right to Reject

McCoy reserves the right to reject any and all bids, and at its option, may waive any and all informalities, minor irregularities and/or technicalities. McCoy may reject the proposal of a bidder who is in litigation or who has previously failed to perform properly or complete on time contracts and commitments of a similar nature, and reject the proposal of a bidder who is not, in the opinion of McCoy, in a position to satisfactorily perform the contract. Any alternates set forth in this proposal may also be accepted or rejected. Any bid may be rejected if the evidence submitted by, or investigation of, such bidder fails to satisfy the expectation that such bidder is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.

Exceptions

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Exceptions, conditions, or qualifications to the provisions of these specifications or contracts must be clearly identified in writing as such, with alternate language proposed by bidder.

Each of these exceptions, conditions, or qualifications to the RFP’s specifications will be included, as appropriate, in the Contract document. Items and matters not explicitly excepted in this manner shall be deemed to be in conformance with the RFP.

McCoy is the final judge of acceptability for items quoted on this RFP

Account Structure

The current account structure consists of the following accounts:

Account Non-Interest Bearing Interest Bearing

ACH Transactions

This is a required service of the Depository. Bidder should describe and explain service capabilities, options and submission methods.

Check Clearing Services

This is a required service of the Depository. Bidder will be responsible for honoring all properly presented checks. Bidder should describe and explain any supporting capabilities, options and features to enhance the issuance, tracking and reconciliation associated with check clearing services.

Check Imaging / Archiving Services

The bidder should describe and explain service capabilities, options and features associated with accessing and storing cleared checks and/or their images.

Information about any required software, file layout and format specifications should be provided.

Coin and Currency Change Orders

The bidder should describe and explain service capabilities, options and features associated with change order requests and fulfillment, including any branch or site restrictions and notification requirements.

Image Cash Letter or Remote Deposit Service

The bidder should describe and explain service capabilities, options and features associated with electronic check deposit processing.

Information about any required software, equipment and submission cut-off times should be provided.

Account Reconciliation

The bidder should describe and explain service capabilities, options and features associated with reconciliation services.

Sample reports are also requested for full and partial reconciliation services.

Daily Balance Reporting

The bidder should describe and explain service capabilities, options and features associated with online information reporting services.

Information about any required software, equipment and daily cut-off times should be provided.

Daylight Overdrafts

The bidder should describe and explain the institution’s policy for handling daylight overdrafts, and how any potential charges are based.

Debit and Credit Adjustments (Deposit Corrections)

The bidder should describe and explain service capabilities, options and features associated with deposit and transaction adjustments.

Deposit Availability

The bidder should describe and explain cut-off times for same-day posting of transactions (1) in branch, (2) via the vault, (3) remote capture and any other accepted method.

Any restrictions and requirements should also be explained (i.e. locations to be used and/or avoided – such as with an armored courier).

Account Analysis Earnings Credit

The bidder should describe and explain which services are included and excluded from account analysis billing.

Bidder should also explain the method or calculation used to determine the earnings credit rate applied to balances on the monthly account analysis.

Identify which balance, ledger or collected, the earnings credit shall be applied, and if a percentage reserve requirement is subtracted from this balance.

Investments

Awarding of the Depository contract does not restrict where investments may be placed. Investments may be made in certificates of deposit in the Depository or any other financial institution. Investments may also be in other types of securities as permitted by the approved written Investment Policy.

Monthly Statements

Account statements shall be provided at least monthly for all accounts, and potentially more often on some accounts. Statements shall be delivered within ten (10) business days from the end of the month. Online statements should be available within three (3) business days from the end of the month.

Bidders should also explain how cleared checks, or their images will be made available.

Research Requests

Any research request which cannot be resolved online are requested to be completed within three (3) business days of the request.

Returned Items

All checks deposited that do not clear the first time shall be submitted a second time before charged back and returned to the depositor or the depositor’s agent within two (2) business days. All returned items shall be debited (deducted) against the account it was originally deposited, or the designated “collection” account.

The bidder should describe and explain service capabilities, options and features associated with handling of returned items.

Other items such as bank drafts or credit card charges shall be returned to McCoy with supporting documentation to allow McCoy to identify and correct the transactions.

Securities Clearance and Safekeeping

The Depository may act as transfer agent for some or all security transactions. All security transactions shall be executed delivery versus payment. The Depository must have the capability of executing on behalf of the Depositor DTC and Federal book entry security purchases and sales through the Federal Reserve Bank or a New York correspondent bank. The controls for securities clearance will be established by mutual agreement. Include in the proposal a sample security clearance and custody agreement.

A safekeeping confirmation for each security transaction will be issued and mailed within two (2) business days of settlement. A monthly report listing all securities held in safekeeping will be mailed within seven (7) business days of the end of each month.

The bidder should describe and explain service capabilities, options and features associated with securities clearance and safekeeping/custody services.

Information about any required software, equipment and submission cut-off times should be provided.

Stop Payments

The bidder should describe and explain service capabilities, options and features associated with confirming whether or not a check has cleared, the placement of a stop payment.

Information about any required software, equipment and submission cut-off times should be provided.

Wire Transfers

The bidder should describe and explain service capabilities, options and features associated with initiation of outgoing wire transfers and the handling of incoming wire transfers.

Bidders will also describe how the status of outgoing and incoming wire transfers can be timely verified throughout the day.

Information about any required software, equipment, cut-off times, and release provisions should be provided.

Remittances from Bill Payment Processors

The bidder should describe and explain service capabilities, options and features associated with receiving payments and the associated backup detail information on those payments from bill payment processors.

Information about any required software, equipment and special provisions should be provided

Lockbox Service

The bidder should describe and explain service capabilities, options and features associated with Lockbox services.

Information about where and when lockbox processing is performed and by whom should be provided.

Collateral Requirements

The Depository is required to comply with Chapter 2257 of the Government Code (a.k.a. the Public funds Collateral Act, or PFCA). Eligible securities, as defined in chapter 2257 and identified in the approved written Investment Policy, shall be deposited with a third party custodian prior to an initial deposit.

The pledged collateral must be maintained at all times during the term of the Depository contract at the levels required in this section.

In order to perfect the Depositor’s security interest in the pledge collateral under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), it is required that a collateral agreement between the Depositor and the Depository and the approved custodian be signed by all parties prior to the deposit of any funds. The collateral agreement must be approved in resolution form by the Board or Loan Committee of the Depository as reflected in their certified minutes. The resolution should also state that the officer signing the collateral agreement is authorized to sign on behalf of the Depository. The signed collateral agreement must be presented promptly after the first meeting of the Board or Loan Committee from when the agreements are executed between the Depositor and the Depository.

The market value of pledged collateral should be maintained at 105% of ledger balances on deposit, less the amount of applicable FDIC insurance coverage, at all times.

Any fees for collateral should be clearly indicated in the proposal.

Securities pledged as collateral should be clearly indicated in the proposal.

The custodian shall provide an original safekeeping receipt for each security being pledged.

The Depository will provide, on a timely basis, a monthly report of securities pledged. The report should provide the following:

1. Security type and description including coupon, maturity and call date, if any;
2. Par value; and
3. Market value of each security and total market value for all securities.