

COUNTY OF LLANO, TEXAS



INVITATION TO BID

FOR

DEPOSITORY BANKS

For Llano County

RFP # 25-409-01

Cheryl Regmund
Llano County Treasurer
Llano County
100 W Sandstone, Courthouse Annex Bldg.
Llano, Texas 78643

(325) 247-7743

Email: cregmund@co.llano.tx.us

INSTRUCTIONS TO BIDDERS

Bid Title..... Depository Bank Contract
Bid Opening Date..... April 1, 2025
Bid Opening Time..... 10:00 a.m.
Location Llano County Treasurer’s Office
Mark Envelope..... Depository Bids
Contact Person..... Cheryl Regmund, Treasurer
Phone..... 325-247-7743
Award Date..... April 14, 2025
Location..... Llano County Commissioners Court
Llano County Law Enforcement Center 2001 North Highway 16, Llano, Texas

All bids must be in sealed envelopes clearly marked by Bid Number and Bid Title. Bids must contain all original signatures as well as a certified or cashier’s check as a Good Faith Guarantee. Bids must be received in the County Treasurer’s Office on or before the time and date specified above. Bids received after the time and date specified, whether delivered or mailed, will not be considered and will be returned unopened. (Faxed proposals will not be allowed).

The Commissioners Court of Llano 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 Llano County.

Bids may be withdrawn at any time prior to the official opening.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

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

Bids must be submitted on the attached Bid Worksheet. Additional attachments of explanation are allowed as long as the bid worksheet has been answered completely in the space provided. By returning the Bid Worksheet, the Bank certifies the:

1. Length of contract shall be for a term of 4 years;
2. Contract may be extended for a period of 2 additional years upon successful negotiations between County and Bank for new interest rates and financial terms;
3. All rates and fees bid are to be firm for the life of the contract if accepted;
4. Award of contract(s) will be executed by the Llano County Commissioners Court and will be confirmed by an award letter;
5. Any deviation from these terms and conditions must be stated as such when returning the Bid Worksheet.

SPECIFICATIONS FOR DEPOSITORY BANKS

It is the intent of Llano County to execute a contract with a bank desiring to be designated as the County Depository Bank and or sub depository bank for our satellite locations if necessary. By returning the Bid Worksheet, Bank acknowledges that it understands the Revised Civil Statutes of Texas Local Government Code, Chapter 116.000 through 116.155 that pertain to the managing and safekeeping of County funds and will comply with those statutes.

It is also the intent of Llano County to execute a contract, pursuant to Local Government Code Ch. 117, et seq., with a bank desiring to be designated as the County Depository Bank and or sub depository bank for "Separate" and "Special" interest bearing accounts. By returning the Bid and the Worksheet, Bank acknowledges that it understands the Texas Local Government Code, Chapter 117.001 through 117.125 that pertain to the managing and safekeeping of "Separate" and "Special" interest bearing accounts and will comply with those statutes.

Duration: As proved in Article 116.021 (a) and (b) of the Code, the Bank contract will be effective for a period of four (4) years, as awarded by Commissioners Court, and ending sixty (60) days from the time fixed by law for the next selection of a depository, with an option to renew for an additional period of two (2) years. If a timed deposit maturity extends beyond the expiration date of the depository contract, the depository will pledge sufficient securities required by law for public funds to Llano County to provide for the maturity of the time deposit.

Awarding Contract: Llano County will award the Bank Contract based on the following criteria:

1. Bank's past and prospective financial condition.
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 enhance County banking procedures
6. Bank's ability to pledge adequate securities against County funds.

Investments and Credit Card Services Made Outside Depository Banks: Llano County reserves the right to make external investments and credit card services in accordance with the laws of the State of Texas and the Investment Policy of Llano County. (Copy available on website)

Submitting Financial Statements: All banks wishing to be designated as a 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.

Good Faith Guarantee: Bank must submit with the Bid Worksheet a certified cashier's check in the amount of \$147,069.00 (one-half of one percent of the county's revenue for the preceding year, Code 116.023; and one-half of one percent of the average daily balances of the County and District Clerk's Trust Accounts, code 117.021) payable to Ron Cunningham, County Judge as guarantee of good faith. The check will be held by the County until a depository Bank is selected and the bond and/or security has been filed.

Payment for Services: Bank will specify fees required for services. Banking services not detailed on worksheet will be provided at no cost to the County.

Amount to be Pledged: The initial amount of securities to be pledged against Llano County funds shall be adequate to fully collateralize the funds of Llano County and be no less than 102% of total deposits at market value and according to the laws of the State of Texas and shall continuously remain as such. This amount is subject to change as deposits fluctuate, with the approval of the Llano County Treasurer. Securities pledged must be held by a Third Party Bank approved by Commissioners Court or at the Federal Reserve Bank.

Interest and Interest Rate: Variable interest rate bids and fixed interest rate bids on accounts and certificates of deposit shall be quoted by bank. Llano County reserves the right to select the rate most favorable to the county at any time during the term of the contract, subject to banking laws.

Types of Interest Bearing Account:

Interest Bearing Checking Accounts: Llano County will have approximately nine (9) accounts established under these specifications for disbursing checks written on Llano County funds. Checks and transfers will be written from these accounts. These estimates may vary in the duration of the contract, and other accounts may be added as required.

Reports: (Services Provided)

Collateral Requirement: A detailed monthly collateral-to-deposit report is required. The report shall contain security descriptions, par value/current face and current market value. To compensate for increases or decreases in county deposits and fluctuation of market value of pledged collateral, the minimum market value of collateral will be 102% of county deposits based on market value.

Online Service: It is required, that as part of the Bid, the Depository Bank will provide on-line banking for daily reporting of fund balances, fund transfers, collected and ledger balances, bank statements, stop payment requests, confirmations and detailed debits and credits

Statement: Monthly statements will include images of checks, deposit slips, transfer slips and debit and credit memos, processed for ALL accounts. The daily ledger balances, average daily collected balances, number of debits, number of credits, and other items on which charges are based, should also be included in each monthly statement.

Statements should be processed and available online the first (1st) business day of the following month, or mailed no more than three (3) business days after the close of each month.

Contact Person: Bank will specify an Officer of the Bank who will be responsible for attending to inquiries, requests for services, and daily activities regarding the managing of Llano County accounts.

Daylight Overdraft Provisions: The proposal should include any bank policy regarding daylight overdraft charges or handling.

Separate Account: Means funds transferred from a special account into a separate interest-bearing account.

Special Account: Means an account in a depository in which registry funds are placed.

Stop Payments: The bank will be required to process stop payments on verbal or on-line instructions from the County Treasurer or her Assignee with follow-up written confirmation.

Stale Dated Checks: The bank will agree not to honor stale dated checks on Llano County accounts which are not endorsed as acceptable after the 90-day limit.

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

Standard Deposit Services: The bank will guarantee immediate credit on all wire transfers, ACH transactions and government checks upon receipt and all other checks based on the bank's availability schedule. All deposits received before the bank's established deadline will be credited daily.

Other Specific Services: As described on the Bid Worksheet, the bank will acknowledge services provided and attendant fees for such.

Bid Worksheet for Depository Bank Bid

BID PROPOSAL WORKSHEET FOR DEPOSITORY BANKS FOR LLANO COUNTY

INTEREST BEARING CHECKING ACCOUNTS

*Variable Interest Rate Fixed Interest Rate

*Variable Rate = 91 Day US T-Bill Effective (as determined by daily T-Bill rate at www.treas.gov. or latest T-Bill Auction) + Margin (Based on basis points)

Example: If 91 Day US T-Bill effective rate is .10% on 1-1-21 and basis points are 1.0, the variable rate is 1.10%

CERTIFICATE OF DEPOSIT – VARIABLE INTEREST RATES

91 Day US T-Bill Effective Rate (as determined by latest T-Bill auction) + Margin (Based on basis points)

| | Less than \$ 100,000 | More than \$ 100,000 |
|----------------------------|----------------------|----------------------|
| Maturity 7-29 days | +____basis points | +____basis points |
| 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 days – 1 year | +____basis points | +____basis points |
| Maturity 1 year or more | +____basis points | +____basis points |

CERTIFICATE OF DEPOSIT – FIXED INTEREST RATES

| | Less than \$ 100,000 | More than \$ 100,000 |
|----------------------------|----------------------|----------------------|
| Maturity 7-29 days | _____ % | _____ % |
| Maturity 30-59 days | _____ % | _____ % |
| Maturity 60-89 days | _____ % | _____ % |
| Maturity 90-179 days | _____ % | _____ % |
| Maturity 180 days – 1 year | _____ % | _____ % |
| Maturity 1 year or more | _____ % | _____ % |

If interest rates on Interest Bearing Accounts, Money Market Accounts and Now Accounts are **not based on US T-Bill Effective Rate** please use the following format.

Specify information for Checking Accounts

Interest Rate _____

Minimum Balance Required _____

Number of Withdrawals per month allowed _____

without charge or penalties _____

Service Fee on checking accounts _____

Payment for Services:

The county may elect to pay for services either by direct fee payment or by compensating balance.

a. Direct fee

It may be the county's request that the bank bill and accept direct payment for services at the unit prices indicated in the previous section. Please indicate whether the bank will accept this method of payment.

| | |
|-------|-------|
| Yes | No |
| _____ | _____ |

If the County elects to pay the bank for services, each account billing will be presented monthly in hard copy with charges being on a straight fee basis with account balances not being a factor in determining the fees that are due.

b. Compensating Balance

In lieu of direct payment the county may request that a compensating balance be maintained at the managing bank in a zero-interest rate Certificate of Deposit within the control account only to cover services. The level of compensating balance will be determined as a result of:

- a. Services required (per bid)
- b. Service Price (per bid)
- c. Monthly activity (actual)
- d. Collected balances (actual)
- e. Legally required reserves (actual)
- f. Earnings allowance rate (per bid)

Please specify calculation of the earnings allowance rate. The formula for computing the earnings credit will use current reserve requirements. An example is as follows:

EXAMPLE

| | |
|---|-------------------|
| Collected bank balance (control account) | \$1,000,000. |
| (less reserves required - 10% presumed) | <u>100,000.</u> |
| | 900,000. |
| x Earnings Allowance (assume 91 day T-Bill rate) | x <u>3.3%</u> |
| Annual Earnings Credit | 29,700 |
| Divided by | 12 |
| Total earnings credit for the month | 2475 |
| Please specify bank's calculation | _____ |

DEPOSITORY BANK BID VALIDATION

Bank must complete the below information to validate the bid for Llano County Depository Bank.

The undersigned affirms that they are fully authorized to execute this bid. That this Bank has not prepared this Application in collusion with any other bank; and that the contents of this Application as to fees, interest rates, terms or conditions of said Application have not been communicated by the undersigned, nor by any employee or agent, to any other bank making Application or to any other persons engaged in this type of business prior to the official opening of this Application.

All Unsigned Applications will be disqualified

Name and Address of Bank

Signature: _____

Print Name: _____

Title: _____

Telephone Number _____