

COLORADO COUNTY



INVITATION TO BID

BANK DEPOSITORY CONTRACT

BID DEADLINE: APRIL 13, 2023

AWARD DATE: APRIL 24, 2023

(COMMISSIONERS COURT SELECTS ONE OR MORE
COUNTY DEPOSITORIES FOR COUNTY FUNDS TEX.
LOC. GOV'T CODE 116.023 AND 117.023)




NOTICE TO BIDDERS
FOR
COUNTY DEPOSITORY
AND/OR SUB-DEPOSITORY CONTRACT (S)

Commissioners' Court of Colorado County will be receiving sealed bids until 2:00 p.m. on Thursday, April 13, 2023, for Colorado County Depository and/or Sub Depository Bank Contract(s). This contract is for a four (4) year depository contract as established in Chapter 116 and 117 of the Local Government Code. Sealed bids will be received by County Judge Ty Prause, at Colorado County Courthouse, 400 Spring Street, Room 107, Columbus, Texas, 78934. The bids will be publicly opened in the Courthouse Conference Room at 2:30 p.m. on Thursday, April 13, 2023.

Bids must be presented on the official bid worksheet that can be obtained by contacting the Joyce Guthmann, Colorado County Treasurer, 318 Spring Street, Room 106, Columbus, Texas, 78934, (979) 732-2865 or the County's website at www.co.colorado.tx.us.

Colorado County reserves the right to reject in part or in whole any or all bids, waiver all technicalities, and to accept the bid that is the most advantageous to Colorado County.

By Order of Colorado County Commissioners' Court on the 13th day of February 2023.


Ty Prause, County Judge
Colorado County, Texas



Colorado County, Texas

TY PRAUSE
County Judge

Ph. (979) 732-2604
Fax (979) 732-9389
Email: ty.prause@co.colorado.tx.us

P.O. Box 236
400 Spring Street, Rm. 107
Columbus, Texas 78934

February 22, 2023

Ladies and Gentlemen:

Colorado County is currently seeking competitive bids for banking services from all banks located in the County.

The contractual banking relationship must conform to all applicable state and federal laws and must accommodate all banking services required for the funds of Colorado County (Tex. Local Gov't Code § 116.021).

The County requests a four-year contract, with selection to be determined by the Colorado County Commissioners Court.

Sealed bids from banking corporations desiring to be selected as the County Depository and/or Sub-Depository(s), will be accepted prior to, but no later than, 2:00 p.m., on Thursday, April 13, 2023. Bids will be publicly opened at 2:30 p.m. on Thursday, April 13, 2023 in the Colorado County Courthouse Conference Room, 1st Floor of the Colorado County Courthouse, located at 400 Spring Street, Columbus, Texas. The Colorado County Commissioners Court shall select and award the Depository and/or Sub-Depository contract(s) on April 24, 2023, at 9:15 a.m., at the regularly scheduled meeting of the Colorado County Commissioners Court.

Bids should be addressed to Ty Prause, Colorado County Judge, 400 Spring Street, Room 107, Columbus, Texas 78934. Any questions should be directed to Colorado County Treasurer/Certified Investment Officer, Joyce Guthmann, Phone No. (979) 732-2865.

Bids must be submitted on the enclosed Bid Worksheet. Bids not submitted on the Bid Worksheet, using the format provided, may be disallowed. Please offer any alternative approaches which you feel are appropriate.

It is respectfully requested that proposers not discuss this engagement or the bank's plans, experience, or credentials with any other entity or individual unless and until requested by County Officials to make a personal presentation.

The County expressly makes no representation that County deposits will continue at the same level of previous years, or that the character of deposits will follow the same or similar patterns of previous years. Further, the County shall reserve the right to make external investments in accordance with the Laws of the State of Texas and the Investment Policy of Colorado County, attached hereto as Exhibit "B".

A Certified or Cashier's Check for \$115,000.00 must accompany the bid and be tendered under the terms of state law (Tex. Local Gov't Code § 116.023) and under these terms and conditions.

Colorado County reserves the right to reject in part or in whole any or all bids, waive all technicalities, and award the bid which best serves the interests of Colorado County. The County also reserves the right to informally negotiate certain finer points of the final contract with a qualified offer.

Thank you for your time and consideration.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Ty Prause', with a large, sweeping horizontal stroke underneath.

Ty Prause
Colorado County Judge

**INSTRUCTIONS TO
BIDDERS**

BID OPENING DATE	Thursday, April 13, 2023
BID OPENING TIME	2:30 p.m.
MARK ENVELOPE	DEPOSITORY & SUBDEPOSITORY BANK BID
CONTACT PERSON	JOYCE GUTHMANN Colorado County Treasurer Telephone number (979) 732-2865 Email: joyce.guthmann@co.colorado.tx.us

Bidders shall respond only to the Specifications and Bid Sheet and complete the copy only as provided. The Specifications and Bid Sheet are to be used by the prospective bidder to submit its Bank Depository Bid to Colorado County. The Specifications and Bid Sheet, Depository Bank Fee Schedule, and certified check must be received before 2:00 p.m., Thursday, April 13, 2023, by the office of County Judge Ty Prause, Colorado County Courthouse, 400 Spring Street, Room 107, Columbus, Texas 78934. Colorado County requests six (6) copies for the Investment Committee and County Clerk. Public opening of the bids will be held in the County Courthouse Conference Room, First Floor, Colorado County Courthouse at that time.

The Commissioners' Court of Colorado 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 Colorado County. Late bids will be returned to the Bidder unopened. Colorado County will not be responsible for unmarked, or improperly marked bids, or for bids delivered to the wrong location.

Colorado County is exempt from Federal excise and sales tax; therefore, tax must not be included in this bid.

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. All bids become the property of Colorado County and will not be returned to the bidder.

Bids must be submitted on the attached Bid Worksheet. All bids MUST be submitted using the EXACT FORMAT provided for by this document. Please make a clear distinction between the Invitation to Bid's language and the Bank's response.

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. Bid proposals will remain valid for thirty (30) calendar days after the opening of proposals unless a different period is noted by Bidder. By returning the Bid Worksheet, the Bank certifies that:

1. All rates and fees bid are to be firm for thirty (30) calendar days.
2. The contract is in compliance with the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989. A resolution stating that this contract has been approved in writing by the bank's Board of Directors and is recorded in the minutes of their meeting must be furnished to Colorado County immediately upon awarding of contract.
3. Any deviations from these terms and conditions will be stated as such when returning the Bid Worksheet.

EVALUATION OF BIDS

Bids will be evaluated with the objective of providing a Bank Depository and Sub-Depository Contract for a four-year term (2023-2027). Bids will be evaluated by the Colorado County Investment Committee, which in turn will make Depository and Sub-Depository Contract recommendations to the Commissioners' Court.

Depending upon the time required for evaluation of bids, it is anticipated that the Commissioners' Court will select the four (4) year County Depository and Sub-Depository on Monday, April 24, 2023, at 9:15 a.m. The Commissioners' Court reserves the right to accept or reject any and all bids and to award the Depository and Sub-Depository Contract in the best interest of Colorado County to the most responsible bidder.

Award of contract will be executed by the Colorado County Commissioners' Court and will be confirmed by an award letter.

SPECIFICATION AND BID SHEET FOR
COUNTY DEPOSITORY AND SUB-DEPOSITORY OF
COLORADO COUNTY, TEXAS
2023 - 2027 (4 YEARS)

GENERAL SPECIFICATIONS:

1.1 Scope of the Contract: It is the intent of Colorado County to execute a contract with a bank wanting to be designated as the County Depository Bank. The contract will include public monies of Colorado County, the Colorado County Clerk Registry of the Court (Trust Funds) accounts, and the Colorado County District Clerk Registry of the Court (Trust Funds) accounts, and all accounts opened using the Colorado County Tax ID number.

1.2 Sub-Depository: Colorado County desires to execute a Sub-Depository Bank contract(s) with a bank, or banks, interested in being designated as a County Sub-Depository Bank to handle banking services for demand checking accounts in the cities lying outside of the geographical area of the county seat (Columbus, Texas).

1.3 Minor Exceptions: Minor exceptions, conditions, or qualifications to the provisions of the County's specifications must be clearly identified as such, with the reason, therefore.

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

1.5 Investments Made Outside Depository Bank: Colorado County reserves the right to make external investments in accordance with the Laws of the State of Texas and the Investment Policy of Colorado County, which is attached to this bid.

1.6 Interest and Interest Rates: Variable interest rate bids and fixed interest rate bids on accounts and certificates of deposit shall be quoted by the Bank. Colorado 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.

1.7 Evaluation Method: Colorado County reserves the right to select evaluation methods deemed most appropriate. Each bid will be evaluated on a case-by-case basis, regardless of any previous evaluation method.

1.8 Continuing Non-Performance: Continuing non-performance of the vendor in the terms of this Contract shall be a basis for the termination of the contract by Colorado County. The County shall not pay for services, equipment, or supplies that are unsatisfactory. Vendors will be given a reasonable opportunity before termination to correct deficiencies. This, however, shall in no way be construed as negating the basis for termination for non-performance.

1.9 Termination of agreement: Either party, upon ninety (90) days written notice prior to cancellation, may terminate the contract.

1.10 Claims Suits Causes of Action: Contractor shall provide the defense for and indemnify and hold harmless Colorado County from all claims, suits, causes of action, and liability arising out of the execution of this contract or in connection with Contractor's use of the premises thereunder.

CONTRACTUAL REQUIREMENTS

2.1 Two types of Banking Relationships: The following specifications provide for two types of banking relationships: 1) The Depository Bank will handle daily banking services including, but not limited to, checking accounts, other types of interest-bearing accounts, non-interest-bearing accounts and time deposits; 2) Sub-depository Banks will be authorized to handle checking accounts, other types of interest-bearing accounts, non-interest bearing accounts, and time deposits, not to exceed the Federal Deposit Insurance Corporation's limit per account.

2.2 Compliance with Statutes: By returning the Bid Worksheet, Bank acknowledges that it understands the Revised Civil Statutes of Texas, Article 2544, et. seq. of the Revised Civil Statutes of Texas, as revised by the Local Government Code, Chapter 116.000 through 116.155 as passed by the 70th Leg. 1987 and amended by Acts 1989, 71st Leg., Acts 1991, 72nd Leg., Acts 1993, 73rd Leg., Acts 1995 74th Leg., Acts 1997, 75th Leg.; Acts 1999, 76th Leg., Acts 2007, 80th Leg., Acts 2011, 82nd Leg., and Article 2547 a, b, c that pertain to the managing and safekeeping of County funds and will comply with these statutes. Also, the Bank acknowledges that it understands the Revised Civil Statutes of Texas, Article 2558 a, et. seq., as revised by the Local Government Code, Chapter 117.001 through 117.125 as passed by the 70th Leg. 1987 and amended by Acts 1989, 71st Leg., Acts 1991, 72nd Leg., Acts 1993, 73rd Leg., Acts 1995, 74th Leg., Acts 1997, 75th Leg., Acts 1999, 76th Leg., Acts 2007, 80th Leg., and Acts 2013, 83rd Leg., that pertain to the managing and safekeeping of County funds, certain trust funds and court registry funds held in trust by the County and will comply with these statutes. In this document the statutes will be referred to as the "Code".

2.3 Duration: The Bank contract will be effective for a period of four (4) years beginning, ending sixty (60) days from the time fixed by law for the next selection of a depository. The contract shall allow the bank to establish, based on negotiations with the County, new interest rates and financial terms of the contract that will take effect during the final two (2) years of the contract if:

- a. the new financial terms do not increase the price of each bank service fee to the County by more than ten percent (10%); and
- b. the County has the option to choose to use the initial variable interest rate option or to change to the new fixed or variable interest rate option proposed by the bank.

If a time deposit maturity extends beyond the expiration date of the depository contract, the issuer will pledge sufficient securities required by law for public funds to Colorado County for the duration 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.

2.4 Amount to be Pledged: Within fifteen (15) days after the selection of the depository the selected Bank shall qualify as provided by law. Colorado County will accept a Securities Pledge

Contract provided for under Texas Local Government Code Annotated Chapter 116, as the method of securing the funds of the County. The Bank selected as depository will execute within the timeframe prescribed by law a security pledge contract accompanied by securities as hereinafter specified.

The initial amount of securities to be pledged against Colorado County funds shall be adequate to fully collateralize the funds of Colorado County according to the laws of the State of Texas and shall continuously remain as such. 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.

Pledge securities shall be the kind prescribed by law under, and must be acceptable to Colorado County. Securities pledged must be held by a Third-Party Bank approved by Commissioners' Court or at the Federal Reserve Bank, Dallas, Texas, and the County must receive a safekeeping receipt. The following securities are acceptable to Colorado County:

- a. U. S. Treasury Bills
- b. U. S. Treasury Notes
- c. Government National Mortgage Association Certificates
- d. Federal Farm Credit Bank Notes and Bonds
- e. Federal Home Loan Bank Notes and Bonds
- f. Federal National Mortgage Association Notes and Bonds
- g. Federal Home Loan Mortgage Corporations Notes and Bonds
- h. State of Texas Bonds
- i. 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.

Adjustable-rate mortgages (ARMs) and Collateralized Mortgage Obligations (CMOs) will not be acceptable. The bank must be the true and legal owner of all securities, which will be pledged to Colorado County. The securities must be free and clear of all liens, claims, or pledged for other purposes. The County will not accept any security acquired by the Bank under a repurchase agreement. The securities will be deposited with the Federal Reserve Bank of Dallas without expense to the County under an appropriate contract to be drawn to the provisions of Chapter 116 of the Code and amendments in accordance with the application, if approved.

2.5 Collateral Management: The Depository Bank must include, as part of the Bid, 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 and current market value.

2.6 Value of Collateral: The Depository 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.

2.7 Awarding Contract: Colorado County will award the depository bank contract based on, but not limited to, the following criteria:

- a. Bank's past and prospective financial condition.
- b. Bank's ability to pledge adequate securities against County funds.
- c. Net rate of return on County funds.
- d. Ability to meet service requirements.
- e. Cost of services.

This proposal along with worksheets, submitted documents, and any negotiations, when properly accepted and awarded by Colorado County Commissioners' Court, shall constitute a contract equally binding between the successful offer and Colorado County. No different or additional terms will become a part of this contract with the exception of a Change Order.

2.8 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 Colorado County, Texas. State chartered banks MUST be able to perform all services required by this Invitation to Bid and MUST be a member of the Federal Deposit Insurance Corporation.

2.9 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.

2.10 Good Faith Guarantee: Bank must submit with the Bid Worksheet a certified check or cashier's check in the amount of \$115,000, made payable to the Honorable Ty Prause, Colorado County Judge, as a guarantee of good faith in making the application for becoming the Depository Bank for the Public Funds under the jurisdiction of Colorado County. The check will be held by the County until the Depository Bank is selected and the securities have been pledged. (See APPLICATION FOR DEPOSITORY BANK).

2.11 Good Faith Guarantee Not Applicable to Sub-Depository Banks: The code does not require a Bank desiring to be designated as a Sub-depository bank to submit the above funds described under Good Faith Guarantee.

2.12 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, the county shall retain the amount of the check as liquidated damages." A new depository shall then be selected.

2.13 Opening and Closing Accounts: Any accounts opened and/or closed under Colorado County's tax identification number must be approved by the County Treasurer and County Auditor.

TYPES OF INTEREST-BEARING ACCOUNTS:

3.1 Interest-Bearing Checking Accounts: Colorado County will have accounts established under these specifications for disbursing checks written on Colorado County funds. Checks and transfers will be written from these accounts and wire transfers, ACH transfers, internal bank transfers or deposits will be made to these accounts.

3.2 Sweep Account: Separate accounts may be established under these specifications for daily operating transactions. These accounts would be used when their rates exceed interest bearing checking account rates.

SERVICES PROVIDED:

4.1 Reports

- a. A detailed monthly collateral-to-deposit report is required. The report shall contain security description, par value/current face and current market value. To compensate for increases or decreases in County deposits and fluctuation of market value or pledged collateral, the minimum market value of collateral will be 110% of County deposits.
- b. It is requested that as part of the Bid the Depository Bank will provide an on-line PC communication link to the County for daily reporting on fund balances, verify checks that have cleared, remote deposits, ACH transactions, initiate transfers, issue stop payments, bank statements and detail debits and credits.
- c. Depository Bank will have and maintain a minimum five percent (5%) primary capital to assets ratio as compiled by dividing total equity capital by total assets on the Federal Financial Institutions Examination Council reports. Copies of the FFIEC Form 32 statement will be included in the bid and shall be a continuing quarterly reporting requirement of the Depository Bank. Should primary capital ratio fall below five percent (5%), the Commissioners' Court will review bank plans for future earnings and capital increases before determination is made to close out the accounts.

4.2 Statements: Monthly statements will include checks, deposit slips, transfer slips and debit and credit memos (imaged or original), 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 be ready to be picked up no more than three (5) business days after the close of each month. Statements will be picked up by the County Treasurer's office upon notification by the Bank.

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

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

4.5 Stop Payments: The Bank will be required to process stop payments on verbal instructions from the County Treasurer or assignee with follow-up written confirmation and/or such provision being included in on-line computer program.

4.6 Standard Disbursement Services: Standard disbursement services for all accounts are required to include the payment of all County checks upon presentation.

4.7 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.

4.8 Stale Dated Checks: The Bank will agree not to honor stale dated checks on Colorado County accounts which are not endorsed by the County as acceptable after the 180-day limit.

4.9 Short-Term Financing: The County may require short-term financing during this contract.

4.10 Zero Balance Accounts: Certain accounts may be set up with capability of retaining a zero balance, as some are clearing accounts which zero from time to time. Statements are necessary for each statement period on each account, whether or not the account has had activity, for audit purposes.

4.11 Safe Deposit Box: The County may need off-premises storage of back-up media.

4.12 Cost to County for Changing Depository: If awarded the Depository Contract and not the current Depository, indicate any offers to defer expenses incurred by the change.

4.13 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.

4.14 ACH Transactions: Bank must provide for acceptance of ACH (Automated Clearing House) credits and debits.

4.15 Wire Transfers: Bank must provide the ability to send wire transfers of an automated or manual basis, and to provide the ability to receive wire transfers. Bank must provide the ability to restrict outgoing wire transfers (debits) to only those authorized.

4.16 On-Line Services: It is requested that as a part of the bid the Depository Bank will provide an on-line PC communications link to the County for daily reporting of fund balances, balance inquiry, ACH transactions, stop payment requests, remote deposits, verify checks that have cleared and detailed debits and credits, and electronic export of data to be uploaded to County's financial system. File format will be provided.

4.17 Positive Pay: The Bank will provide a means for the County to upload disbursed check information that will be compared to checks that are presented to the Bank for clearing. Any discrepancies shall be cleared by the County Treasurer before checks are paid by the Bank.

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

Bank must complete the below information to validate the bid for Depository Bank/Sub Depository Bank.

The undersigned affirms that they are fully authorized to execute this contract by providing the County with a resolution from 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 person(s) engaged in this type of business prior to the official opening of this bid.

Name and address of Bidder:

Signature:_____

Name:_____

Title:_____

Telephone No.:_____

ALL UNSIGNED BIDS WILL BE DISQUALIFIED.

AGREEMENT TO PROVIDE BANKING SERVICES

DATE _____

We, _____ (Name of bank), do hereby agree to provide banking services to Colorado County, Texas, for a four (4) year period allowing the bank to establish, on negotiations with the County, new interest rates and financial terms of the contract will take effect during the final two (2) years of the four (4) year contract if:

1. the new financial terms do not increase price of each bank service fee to the County by more than 10%; and
2. the County has the option to choose to use the initial variable interest rate or to change to the new fixed or variable interest rate options proposed by the bank.

COLORADO COUNTY

By: _____

Ty Prause, County Judge

By: _____

By: _____

Joyce Guthmann, County Treasurer

ALL UNSIGNED BIDS WILL BE DISQUALIFIED
APPLICATION FOR DEPOSITORY BANK

Certified cashier's checks totaling \$115,000.00 (one-half of 1% of the County's revenue for the preceding fiscal year, per TLGC Code 116.023(c) and one-half of 1% of the Registry funds held by the County and District Clerk's during the preceding fiscal year, Code 117.021) made payable to the Honorable Ty Prause, Colorado County Judge, accompany this bid and are tendered under the terms of the law (Local Government Code, Section 116 and Section 117) and these specifications.

Amount of Paid-Up Capital Stock _____

Permanent Surplus _____

Total Stockholder's Equity as of _____

(date)

_____ is hereby authorized to receipt for said check upon return.

(Bidding Bank)

By: _____

Title: _____

The following is to be signed when check is returned to bidding bank:

Received certified cashiers' check for \$_____ for _____
(Bank)

Date: _____

By: _____

COLORADO COUNTY ANTI-COLLUSION

COLORADO COUNTY, DO HEREBY CERTIFY AND
AFFIRM THAT THE FOLLOWING STATEMENTS ARE
TRUE AND CORRECT:

Neither my Bank nor I have entered into any agreement, contract, arrangement or understanding with Colorado County that in any manner would defraud Colorado County;

Neither my Bank nor Colorado County have entered into any agreement with any person that would conspire to affect Colorado County trades or rates;

Neither Colorado County nor my Bank has offered to give, nor intend to give at any time hereafter any economic opportunity, future economic opportunity, special discount, gratuity, loan or service in connection with the business of Colorado County;

Neither my Bank nor Colorado County have utilized any information obtained in whole or in part as a result of my business relationship with the County for personal economic gain or for the benefit of others.

Broker/Banker

Witness

Date

EXHIBITS

EXHIBIT A

LIST OF ACCOUNTS

1. Colorado County Maintenance Fund
2. Colorado County Payroll
3. Colorado County Economic Development *
4. Colorado County Community Projects*
5. Colorado County Improvement Projects *
6. Sheriff Forfeiture Fund
7. Sheriff Account
8. Jail Commissary Account
9. Sheriff Inmate Trust Account
10. County Attorney Forfeiture Fund
11. County Attorney Seizure Fund
12. County Attorney State Supplement Fund *
13. County Attorney Trust Account
14. Kimberly Menke, County Clerk
15. Kimberly Menke, Bond Account
16. Valerie Harmon, District Clerk
17. Valerie Harmon, Special Account
18. Erica Kollaja, #045
19. Erica Kollaja, License Account
20. Erica Kollaja, Sales Tax Account
21. Erica Koilaja, VIT Account
22. Billy Hefner, J.P. #1
23. America Rescue Plan

* Non-interest bearing account

Other accounts held in trust as required.

EXHIBIT B
INVESTMENT POLICY

Colorado County



INVESTMENT POLICY

2023

PREFACE

It is the policy of Colorado County that, giving due regard to safety and risk of investment, all available funds shall be invested in conformance with state and federal regulations, applicable requirements, adopted Investment Policy and adopted Investment Strategy.

Effective cash management is recognized as essential to good fiscal management. Aggressive cash management and effective investment strategy development will be pursued to take advantage of interest earnings as viable and material revenue to all County funds. The County's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with this Policy.

Investments shall be made with the primary objectives of:

- Preservation of capital
- Safety of County funds
- Maintenance of sufficient liquidity
- Maximization of return within acceptable risk constraints
- Diversification of investments

INVESTMENT POLICY

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I. PURPOSE

A. Formal Adoption

This Investment Policy is authorized by the Colorado County Commissioners' Court in accordance with Chapter 2256, Texas Government Code, the Public Funds Investment Act, and Section 116.112, Local Government Code. A copy of the most recent version of the Public Funds Investment Act is attached hereto and incorporated by reference.

B. Scope

This Investment Policy applies to all of the investment activities of the County. This Policy establishes guidelines for 1) who can invest County funds, 2) how County funds will be invested, and 3) when and how a periodic review of investments will be made.

C. Review and Amendment

This Policy shall be reviewed annually by the Commissioners' Court. Amendments must be approved by the Investment Officer and adopted by the Commissioners' Court. Section 2256.005 (e), Gov. Code.

D. Investment Strategy

All funds of Colorado County are invested by matching the maturity of investments with liabilities. Investments are made with the intention of holding to maturity, but with the ability to liquidate should funds be needed at any time.

II. INVESTMENT OBJECTIVES

General Statement: Funds of the County will be invested in accordance with federal and state laws, this Investment Policy and written administrative procedures. The County will invest according to investment strategies for each fund as they are adopted by Commissioners' Court resolution. Section 2256.005(6) (2-3), Gov. Code.

A. Safety of Principal

The primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall first seek to ensure that capital losses are avoided, whether they be from security defaults or erosion of market value.

B. Maintenance of Adequate Liquidity

The investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturity with forecasted cash flow requirements; investing in securities with active secondary markets, and maintaining appropriate diversification.

C. Yield

It will be the County's objective to earn the maximum rate of return allowed on its investments within the policies imposed by safety and liquidity objectives, investment strategies for all funds and state and federal law governing investments of public funds.

III. INVESTMENT POLICIES

A. Authorized Investments

Investments described below are authorized by the Public Funds Investment Act as eligible securities for the County. County funds governed by this Policy may be invested in:

1. Obligations of the United States or its agencies and instrumentalities.
2. Direct obligations of the State of Texas, or its agencies or instrumentalities, including obligations that are fully guaranteed or

insured by the FDIC or by the explicit full faith and credit of the United States; Section 2256.009 (a) (2), Gov. Code.

3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities. Section 2256.009 (a) (4), Gov. Code and 2257.002 (5) (a).
4. Obligations of states, agencies, counties, cities having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. Section 2256.009 (a) (5), Gov. Code.
5. Certificates of deposit issued by state and national banks and savings and loan associations domiciled in Texas that are: Section 2256.010 (1-3), Gov. Code.
 - a. guaranteed or insured by the Federal Deposit Insurance Corporation or its successors; or, secured by obligations that are described by 1-4 above, which are intended to include all direct federal agencies that have a market value of not less than 110% of the principal amount of the certificates or in any manner and amount provided by law for deposits of the County. Section 2256.010 (1-2). The County does not accept Adjustable Rate Mortgages (ARMs) or Collateralized Mortgage Obligations (CMOs) as collateral.
 - b. governed by a Depository Agreement that complies with federal and state regulations to properly secure a pledged security interest; and,
 - c. solicited for bid orally, in writing, electronically, or any combination of those methods. Section 2256.005(c)(1-4) Gov. Code.
6. Eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been authorized by the Commissioners' Court; and whose investment philosophy and strategy are consistent with the Policy and the County's ongoing investment strategy. Disclosures must be submitted in compliance with Section 2256.0016, Gov. Code.
7. The County expressly prohibits any direct investment in asset or mortgage backed securities. The County expressly prohibits the

acceptance for collateralized deposits, interest-only and principal-only mortgage backed securities and collateralized mortgage obligations with stated final maturities in excess of ten years or with coupon rates that float inversely to market index movements. Section 2257.002 (5) (a).

The County expressly allows money market mutual funds and eligible investment pools, authorized by the Commissioners' Court, to invest to the full extent permissible within the Public Funds Investment Act.

B. Protection of Principal

The County shall seek to control the risk of loss due to the failure of a security issuer or grantor. Such risk shall be controlled by investing only in the safest types of securities as defined in the Policy; by collateralization as required by law; and through portfolio diversification by maturity and type. Section 2256.005 (b) (2-3), Gov. Code.

The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the County's safekeeping agent. By so doing, county funds are not released until the County has received, through the Safekeeping Agent, the securities purchased. Section 2256.005 (b) (4) (E), and 2257.002 (d) (5), Gov. Code.

1. Diversification by Investment Type

Diversification by Investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments and controlling the market and opportunity risks associated with specific investment types. It is the County's policy to diversify its portfolio to eliminate the risk of loss resulting from the concentration of assets in a specific maturity (except zero duration funds), a specific issuer, or a specific class of investments. County investments shall always be selected to proven stability of income and reasonable liquidity. Section 2256.005 (d) (5), Gov. Code.

2. Diversification by Investment Maturity

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows:

a. Operating Funds

The weighted average days to maturity for the operating fund portfolio shall be less than 270 days and the maximum allowable maturity shall be no longer than two years and consistent with cash flow projections from each department not longer than two years. This applies to operating funds from all sources, traditionally associated with County government, which are not legally accounted for in another fund.

b. Surplus Funds

Monies not expended during a budget year but retained to meet future needs will have a maturity of no more than five years.

c. Construction and Capital Improvement Funds

The investment maturity of construction and capital improvement funds shall generally be limited to the anticipated cash flow requirement or the “temporary period,” as defined by federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations. The maximum maturity for all construction or capital improvement funds shall not be more than five years.

d. Debt Service Funds

Debt Service Funds shall be invested to ensure adequate funding for each consecutive debt service payment. The Investment Officer shall invest in such a manner as not to exceed an “unfunded” debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

e. Special Revenue Funds

Special revenue funds are legally restricted to expenditures for a particular purpose under the direction of a certain department. They may be invested in compliance with this

Policy and all applicable laws, subject to cash flow requirements with maximum maturity not to exceed two years.

f. **Registry and State Agency Funds**

Registry and State Agency Funds are held by the County in a trustee capacity. All funds will be invested in compliance with the Public Funds Investment Act and the County's Investment Policy, except when a court order is issued to follow a different procedure. Agency funds are to be invested not to exceed 90 days. Registry funds maturity are not to exceed court order limits.

3. Ensuring Liquidity

Liquidity shall be achieved by anticipating cash flow requirements of the County consistent with the objectives of the Policy, through scheduled maturity of investments. A security may be liquidated to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

4. Depository Agreements

Consistent with the requirements of state law, the County requires all bank and savings and loan association deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as county depositories will be required to sign a Depository Agreement with the County. The county depository contract shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the County's bank depository contract.

a. **Allowable Collateral**

Eligible securities for collateralization of deposits are defined by the Public Funds Collateral Act, as amended and meet the general constraints of this Policy.

b. **Collateral Levels**

To compensate for increase or decrease in County deposits and fluctuation of market value of pledged collateral; the minimum market value of collateral will be 110% of County deposits. Deposits include: time deposits, interest bearing checking accounts, certificates of deposits, accrued interest and any other instrument deposited into County funds. The depository institution will daily monitor pledged collateral to ensure sufficient collateral to be in compliance with this Policy.

5. Safekeeping

a. Safekeeping Agreement

The County shall contract with a bank or banks for the safekeeping of securities either owned by the County as a part of its investment portfolio or as part of its depository agreements.

b. Safekeeping of Deposit Collateral

All collateral securing bank and savings and loan deposits must be held by a third-party banking institution acceptable to and under contract with the County, or by the Federal Reserve Bank.

6. Collateral or Insurance

a. The County Investment Officer shall insure that all County funds are fully collateralized or insured consistent with Federal and State law and the current Bank Depository Contract in one or more of the following manners:

- (1) FDIC Insurance Coverage;
- (2) Obligations of the United States or its agencies and instrumentalities.
- (3) Authorized Investments Gov. Code 2257.002 (5) (a)

C. Investment Evaluation Committee

An Investment Evaluation Committee consisting of the County Treasurer, County Auditor, County Judge, one (1) member of the Commissioners Court and one (1) member of the public appointed by Commissioners Court. Members shall demonstrate knowledge of expertise in the area of finance, cash management, or investments. The County Treasurer will serve as the Chair for the Committee. This committee will meet on an as needed basis to review investments made in the previous period, evaluate the possibilities of the present market situation, and address any questions or proposals relative to the Colorado County Investment Policy. These meetings are to focus on the direction of future investments and provide continual impact from the Commissioners Court to the Investment Officer regarding the course of Colorado County.

D. Investment Providers

Selection of Investment Providers will be performed by the Investment Officer. The Investment Officer will establish criteria to evaluate Investment Providers, including:

- a. Adherence to the County's policies and strategies
- b. Investment performance and transaction pricing within accepted risk constraints
- c. Responsiveness to the County's request for services, information and open communication
- d. Understanding of the inherent fiduciary responsibility of investing public funds
- e. Similarity in philosophy and strategy with the County's objectives
- f. The financial institution will comply with the County's Depository Written Contract.

Selected Investment Providers shall provide timely transaction confirmations and monthly activity reports.

A written copy of the Investment Policy shall be presented to any person offering to engage in an investment transaction with an investing entity. For purposes of this subsection, a business organization includes investment pools. Nothing in this subsection relieves the investing entity of the responsibility for monitoring the investments made by the investing

entity to determine that they are in compliance with the investment policy. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

1. received and reviewed the investment policy of the entity; and
2. acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

The County shall not enter into an investment transaction with a business organization prior to receiving the written instrument signed by the qualified representative described above. Section 2256.006, Gov. Code.

Along with the signed affidavit, the business organization shall supply the County with the following:

1. Proof of institutional investment experience and references from public fund investment officers.
2. Proof of membership in good standing in the National Association of Securities, Inc.

At least on an annual basis, the Investment Officer and/or Commissioners' Court shall review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with Colorado County. The list of qualified brokers will be provided to the Commissioners' Court. Section 2256.025, Gov. Code.

E. Responsibility and Controls

1. Authority to Invest

In accordance with Sec. 116.112(a), Local Government Code and/or Chapter 2256, Sec. 2256.005(f) and (g), the Investment Officer, under the direction of the Colorado County Commissioners' Court, may invest County funds that are not immediately required to pay

obligations of the County. The Commissioners' Court shall designate by resolution one or more officers or employees as Investment Officer. The governing body of the County retains ultimate responsibility as fiduciaries of the assets of the County. Section 2256.005(f), Gov. Code.

It is the County's policy to provide training required by the Public Funds Act, Sect. 2256.008 and periodic training in investments for the County Investment Officer through courses and seminars offered by professional organizations and associations in order to insure the quality, capacity and currency of the County Investment Officer in making investment decisions.

2. Prudent Investment Management

The designated Investment Officer shall perform his/her duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility; rather than the prudence of a single investment shall be considered. The Investment Officer acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability. Section 2256.006, Gov. Code.

3. Standard of Care

The standard of care used by the County shall be the "prudent investor rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Public Funds Investment Act states:

"Investments shall be made with judgement and care, under circumstances then prevailing, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation but for investment, considering the probable safety of capital and the probable income to be derived. Section 2256.006, Gov. Code.

4. Standard of Ethics

The designated Investment Officer shall act as custodian of the public trust, avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. The Investment

Officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, the Investment Officer shall file with the Texas Ethics Commission and the County a statement disclosing any personal business relationship with an entity seeking to sell investment to the County or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investment to the County. Section 2256.005(I) (1-3), Gov. Code.

5. Establishment of Internal Controls

The County Auditor will maintain a system of internal controls over the investment activities of the County.

6. Investment Reporting and Performance Evaluation

A. Quarterly Report

In accordance with Government Code 2256.023, not less than quarterly, the Investment Officer shall prepare and submit to the Commissioners' Court, a written report of investment transactions for all funds for the preceding reporting period within a reasonable time after the end of the period.

B. Notification of Investment Changes

It shall be the duty of the County Investment Officer to notify the Commissioners' Court of any significant changes in current investment methods and procedures prior to their implementation, regardless of whether they are authorized by this policy or not.

C. Liability of Investment Officer

Investments shall be made with judgement and in the best interest of the County for the safety of capital and income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority, preservation and safety of principal, liquidity, and yield.

Although the County Investment Officer or County Treasurer cannot be held responsible for any loss of the county funds through the failure or negligence of a depository, Section 113.005 (a) Local Government Code.

BID WORKSHEET

2023-2027 BID WORKSHEET

Variable Interest Margin*	Fixed Interest Rate
------------------------------	------------------------

Interest Bearing Accounts:

--	--

Sweep Accounts:

*Variable Rate = 91 days US T-Bill Effective Rate (as determined by latest T-Bill Auction) +1- Margin (Based on basis points.)

MINIMUM

BALANCES

Minimum balance is required:

YES

NO

\$ _____

Interest Bearing Checking

YES

NO

\$ _____

Accounts

YES

NO

\$ _____

Sweep Accounts

YES

NO

Certificates of Deposit
Variable Interest Rate:

91 Day US T-Bill Effective Rate

(as determined by latest T-Bill Auction)

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 - less than 1
year

/- ____basis points

+/- ____basis points

Maturity 1 year or more

/- ____basis points

+/- ____basis points

Fixed Interest Rate:

Maturity 7 - 29 days

_____ %	_____ %
---------	---------

Maturity 30 - 59 days

_____ %	_____ %
---------	---------

Maturity 60 - 89 days

_____ %	_____ %
---------	---------

Maturity 90 - 179 days

_____ %	_____ %
---------	---------

Maturity 180 days - less than 1

_____ %	_____ %
---------	---------

Maturity 1 year or more

_____ %	_____ %
---------	---------

Wire Transfer	YES	NO	\$ _____
Incoming	YES	NO	\$ _____
Outgoing	YES	NO	\$ _____
Repetitive	YES	NO	\$ _____
Non-repetitive	YES	NO	\$ _____

COMMENTS:

ACH Service Transfers	YES	NO	\$ _____
Outgoing Bank Initiated	YES	NO	\$ _____
Computerized	YES	NO	\$ _____

COMMENTS:

In-house account transfers	YES	NO	\$ _____
Non-repetitive	YES	NO	\$ _____
Repetitive	YES	NO	\$ _____
Computerized	YES	NO	\$ _____

COMMENTS:

Account maintenance on checking accounts	YES	NO	\$ _____
--	-----	----	----------

COMMENTS:

Furnish deposit slips, deposit books, endorsement stamps, etc.	YES	NO	\$ _____
--	-----	----	----------

COMMENTS:

Night depository services, including bags and keys	YES	NO	\$ _____
--	-----	----	----------

COMMENTS:

Stop payments issued

YES

NO

\$ _____

COMMENTS:

Overdrawn Accounts

YES

NO

\$ _____

COMMENTS:

Returned Items

YES

NO

\$ _____

COMMENTS:

Printing and furnishing checks as
required by County (continuous,
laser or binder form)

YES

NO

\$ _____

COMMENTS:

Sequential check sorting

YES

NO

\$ _____

COMMENTS:

Provide safe-keeping for outside
purchases of securities by
Colorado County at a third party
financial institution, or with the
Federal Reserve Bank

YES

NO

\$ _____

COMMENTS:

Allow eligible repurchase
agreements or eligible money
market mutual funds from
obligations on an overnight or
monthly basis

YES

NO

\$ _____

COMMENTS:

Provide safe-keepin for outside
purchases of securities by
Colorado County at a third
party financial institution, or
with the Federal Reserve Bank

COMMENTS:

YES

NO

\$ _____

Allow eligible repurchase agreements or eligible money market mutual funds from obligations o
an overnight or monthly basis \$ _____

Internet and/or computer telecommunications link from which Colorado County accounts will be monitored
individuals authorized by the Treasurer's Office. Electronic export of data to be upload to County's financial syste
File format will be provided. YES NO \$ _____

COMMENTS:

Zero-Balance Accounts

YES

NO

\$ _____

Zero-Balance Accounts COMMENTS:

Payroll Direct Deposit

YES

NO

\$ _____

Payroll Direct Deposit COMMENTS:

Payroll Debit Cards

YES

NO

\$ _____

Payroll Debit Cards

COMMENTS:

YES

NO

COMMENTS:

Internet and/or computer telecommunications link from which Colorado County accounts will be monitored by individuals authorized by the Treasurer's Office. Electronic export of data to be upload to County's financial system.

File format will be provided. YES NO \$ _____

COMMENTS:

Zero-Balance Accounts YES NO \$ _____

Zero-Balance Accounts COMMENTS:

Payroll Direct Deposit YES NO \$ _____

Payroll Direct Deposit COMMENTS:

Payroll Debit Cards YES NO \$ _____

Payroll Debit Cards

COMMENTS:

Safe Deposit Box YES NO \$ _____

COMMENTS:

Lock Box YES NO \$ _____

COMMENTS:

Short-term Financing Fixed Rate Variable Rate
_____ % _____ %
(Interest on loans will be calculated on a 360 day basis)

COMMENTS:

Additional Services & Charges _____

Additional Charges for requested collection, disbursement, investment,
or misc. services not previously covered? If so, please describe and
indicate the fee for each. YES NO

COMMENTS:

List of Government Officials
For
Colorado County, Texas

Ty Prause
County Judge

Doug Wessels
Commissioner, Precinct No. 1

Ryan Brandt
Commissioner, Precinct No. 2

Keith Neuendorff
Commissioner, Precinct No. 3

Darrell Gertson
Commissioner, Precinct No. 4

Effective September 1, 2005, vendors and other persons who contracts or seeks to contract for the sale or purchase of property, goods, or services with the County shall file a completed "**Conflict of Interest Questionnaire**" with the appropriate records administrator (**County Clerk**) not later than the seventh business day after the date that the person begins contract discussions or negotiations with the County or submits to the County an application, response to a request for proposals or bids, correspondence, or other writing related to a potential agreement with the County.

Attachments as follows:

Conflict of Interest Questionnaire

List of Government Officials

Section 176.006 of the Texas Local Government Code

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

...

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

Sec. 176.006. DISCLOSURE REQUIREMENTS FOR VENDORS AND OTHER PERSONS; QUESTIONNAIRE. (a) A person described by Section 176.002(a) shall file a completed conflict of interest questionnaire if the person has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with an officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A); or

(2) has given an officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1).

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the person:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the person becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a); or

(B) that the person has given one or more gifts described by Subsection (a).

(b) The commission shall adopt a conflict of interest questionnaire for use under this section that requires disclosure of a person's business relationships with a local governmental entity.

(c) The questionnaire adopted under Subsection (b) must require, for the local governmental entity with respect to which the questionnaire is filed, that the person filing the questionnaire:

(1) describe each employment or business relationship the person has with each local government officer of the local governmental entity;

(2) identify each employment or business relationship described by Subdivision (1) with respect to which the local government officer receives, or is likely to receive, taxable income, other than investment income, from the person filing the questionnaire;

(3) identify each employment or business relationship described by Subdivision (1) with respect to which the person filing the questionnaire receives, or is likely to receive, taxable income, other than investment income, that:

(A) is received from, or at the direction of, a local government officer of the local governmental entity; and

(B) is not received from the local governmental entity; and

(4) describe each employment or business relationship with a corporation or other business entity with respect to which a local government officer of the local governmental entity:

(A) serves as an officer or director; or

(B) holds an ownership interest of 10 percent or more.

(d) A person described by Subsection (a) shall file an updated completed questionnaire with the appropriate records administrator not later than the seventh business day after the date of an event that would make a statement in the questionnaire incomplete or inaccurate.

Text of subsection as repealed by Acts 2007, 80th Leg., R.S., Ch. 226, Sec. 9 effective May 25, 2007

(e) A person is not required to file an updated completed questionnaire under Subsection (d)(1) in a year if the person has filed a questionnaire under Subsection (c) or (d)(2) on or after June 1, but before September 1, of that year.

(f) A person commits an offense if the person knowingly violates this section. An offense under this subsection is a Class C misdemeanor.

(g) It is an exception to the application of Subsection (f) that the person filed the required questionnaire not later than the seventh business day after the date the person received notice from the local governmental entity of the alleged violation.

(h) A local governmental entity does not have a duty to ensure that a person described by Section 176.002 files a conflict of interest questionnaire.

(i) The validity of a contract between a person described by Section 176.002 and a local governmental entity is not affected solely because the person fails to comply with this section.

Added by Acts 2005, 79th Leg., Ch. 1014, Sec. 1, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 226, Sec. 6, eff. May 25, 2007.

Acts 2007, 80th Leg., R.S., Ch. 226, Sec. 9, eff. May 25, 2007.

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 ☐ Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes

☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes

☐ No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date