

WEBB COUNTY-CITY OF LAREDO REGIONAL MOBILITY AUTHORITY

REQUEST FOR PROPOSALS TO PROVIDE DEPOSITORY SERVICES

RFP Issue Date: September 3, 2015

Responses Due: 3:00 p.m. C.S.T. September 24, 2015
Webb County-City of Laredo Regional Mobility Authority
c/o Juan Cruz & Associates, LLC
216 W. Village Blvd., Suite 202
Attn: Juan Cruz

INTRODUCTION

The Webb County-City of Laredo Regional Mobility Authority (the “WC-CL RMA”), a regional mobility authority and political subdivision of the State of Texas governed by the provisions of Texas Transportation Code, Chapter 370, is requesting proposals from qualified banking institutions for depository services.

The WC-CL RMA is an independent governmental agency created by the Texas Transportation Commission pursuant to the joint request of Webb County and the City of Laredo. Its formation was approved on February 27, 2014. The WC-CL RMA is governed by a nine member Board of Directors, with four members of the board being appointed by the Webb County Commissioners Court, four members of the board being appointed by the Laredo City Council, and the presiding officer being appointed by the Governor. The WC-CL RMA’s purpose is to provide the City of Laredo and Webb County with opportunities to accelerate needed transportation projects which will improve mobility, enhance safety, support economic development, and improve the quality of life for residents of the region, under the direction of a local board making local choices about local mobility priorities.

Through this request for proposals (“RFP”) the WC-CL RMA is seeking a qualified institution for banking depository services. Depository services include those tasks and responsibilities associated with the collection and disbursement of the WC-CL RMA’s funds, provision of timely and reader-friendly reports, implementation of security measures to protect and assist the WC-CL RMA with its fiduciary responsibilities with respect to financial assets, provision of cash management techniques, as well as, other financial services that may include, but not be limited to, custodial, safekeeping, trust, escrow, commercial services, and on-line computer services.

SCOPE OF SERVICES

While the WC-CL RMA requires a variety of banking services, the primary depository services pertain to the secure processing of the WC-CL RMA’s collections and disbursements, and provision of timely and reader-friendly reports. A necessary component of compliance with the WC-CL RMA’s fiduciary responsibilities is the utilization of improved technological security mechanisms and processes to safeguard the WC-CL RMA’s financial resources. The WC-CL RMA intends to review additional and/or modified security measures through the selected depository to protect the WC-CL RMA’s financial resources from fraudulent acts. Services provided by the depository must include cash management techniques that enhance the WC-CL RMA’s short-term investment earnings options and provide liquidity without incurring losses when the situation for additional cash needs presents itself. Other services required by the WC-CL RMA include, but are not limited to custodial, safekeeping, trust, escrow, and on-line services.

Collection Services

The WC-CL RMA currently has minimal cash collection activity; however, it is anticipated that future revenue collections will encompass the processing and related costs of the processing of the revenue categories listed below:

Currency and Checks – Cash, coin, and check receipts. The WC-CL RMA currently has minimal currency and checks receipt activity but anticipate the amount of currency and check collection activity will increase over time commensurate with its initiation of project funding and development and revenue generating operations.

ACH – The WC-CL RMA anticipates that it will utilize and/or make available to customers payments to the WC-CL RMA by electronic means and will require the depository to have the capability to provide ‘Automated Clearing House’ collection services.

Transfer – The depository must have the capacity to accept and process incoming wire transfers and provide prompt reporting to the WC-CL RMA.

Disbursement Services

The WC-CL RMA utilizes several mechanisms to make payment on its obligations. As with the collection process, the efficiency of the WC-CL RMA’s financial operation is enhanced by the effective disbursement services provided by the depository. The depository’s responsibilities will include, but not be limited to, the timely processing of disbursements, implementation and exercise of prudent security measures, provision of easily reconcilable data and information, and prompt reporting to the WC-CL RMA.

Account Reconciliation

As part of the WC-CL RMA’s fiduciary responsibilities, it is charged with the accurate reconciliation of its financial transactions. It is expected that this objective will be accomplished through the implementation of automated systems and timely, user-friendly reports.

Reports

While the WC-CL RMA intends to increase the use of electronic banking tools in its financial operations, the need for hard copy reports is also required. Similar to the account reconciliation process, any reports, whether generated from an electronic service for the depository, should be designed to achieve the WC-CL RMA’s stated goal of improving productivity and promoting transparency, thus placing a premium upon the report’s timeliness and a user-friendly structure that is downloadable and exportable.

Financial Safeguards

The fiduciary responsibility of the WC-CL RMA requires sophisticated security measures to protect the WC-CL RMA from fraudulent or negligent acts. The depository will be required to demonstrate that it can provide these security measures.

Collateral Requirements

Deposits must be fully secured by a combination of FDIC Insurance and permitted securities as provide for in the Texas Public Funds Collateral Act equal to a value of at least 102% of the funds being secured. The collateral requirements may be minimized depending on the depository services available and other means of securing the WC-CL RMA’s funds through overnight and short-term investments and/or the timely maturity of investments coincident with large disbursements. Collateral deposits must be placed in the custody of a third-party institution that customarily provides such custodial services. The use of pooled collateral may be permitted upon review, evaluation, and approval of the WC-CL RMA.

The WC-CL RMA will require the depository bank to attach to the contract certified resolutions of the Board of Directors or Board authorized committee of the depository bank that set forth the security interest in the collateral supporting the WC-CL RMA’s deposits. The certification must meet all the requirements of FIRREA and FDIC policies that apply to the WC-CL RMA’s security interest in the pledged collateral and must specify the officers of the bank who are authorized to sign agreements with the WC-CL RMA.

Institutional/Corporate Trust Services

The WC-CL RMA currently has minimal corporate trust service requirements; however, as revenue collections commence it is anticipated that such trust services will be utilized on a daily basis with respect to its investment and other transactions. Specifically, the WC-CL RMA would utilize trust services to execute payment for purchased securities, to provide custodial service for the delivery of securities purchased by the WC-CL RMA, to hold funds related to WC-CL RMA projects and to be applied for specific purposes, and to provide for the delivery of securities sold by the WC-CL RMA to other institutions. In addition to the custodial services, the WC-CL RMA may require other specialized assistance such as transfer agent service and escrow services.

Safekeeping

As previously mentioned, any purchased securities would be held in trust and the WC-CL RMA does contemplate the engaging in activities which require safekeeping. However, consistent with the objectives listed in this RFP to enhance operational efficiency, the physical storage of certain instruments may require certain safekeeping or storage services. The depository will provide safekeeping services for the WC-CL RMA's investments, preferably not through a brokerage subsidiary of the institution. Securities must be cleared on a delivery versus payment basis and ownership documented by original clearing confirmations and safe-keeping receipts provided within one (1) business day of the transaction.

Technology

The WC-CL RMA will modify its financial operations, when appropriate, through the use of electronic banking services and tools where such modification would diminish work-load and improve operational efficiencies. It is intended that over the term of the depository contract, the WC-CL RMA will evaluate, in coordination with the depository, the benefits, costs, procedures, and risks associated with implementing online banking capabilities and new emerging technologies with proven performance.

MINIMUM QUALIFICATIONS

The minimum qualifications required of a proposing institution to provide depository services are listed below. Institutions must also include documentary evidence of qualification, where appropriate.

- Must be a member of the Federal Reserve System.
- Must be a member of the Federal Deposit Insurance Corporation (FDIC) or have other federal insurance coverage.
- Must have its main office or a branch in the State of Texas.
- Must have banking facilities within Webb County in the interest of operational efficiencies, and must be capable of providing the major portion of the depository services from a facility within Webb County.
- Local deposits must be equal to or greater than \$150,000,000 as shown on the latest published quarterly financial statement.
- Must maintain a "well capitalized" or "adequately capitalized" bank designation based on criteria set out by the Federal Deposit Insurance Act ("FDIA").

Conditions to be satisfied by the Depository:

- Maintain the municipal funds covered by the depository contract.
- Perform all duties and obligation required of the depository by law and under the depository contract.

- Pay, upon presentation, all checks drawn and properly payable on demand deposit account with the depository.
- Pay all transfers properly payable as directed by a designated officer.
- Provide and maintain security at a level equal to at least 102% of the value on the amount of deposits, plus accrued interest, less FDIC coverage, or other federal insurance coverage.

RESPONSE CONTENT

Responses to the questions that follow will be used by the Depository Selection Committee (as defined below) to evaluate the proposals to provide depository services. Each question should be specifically addressed. Utilization of existing brochures, pamphlets, and information items is an acceptable form of response to a question only if such material specifically addresses the question and does not require interpretation or evaluation to form a conclusion. Failure to respond to each question and failure to submit all attachments may result in a proposal being deemed non-responsive and not eligible for further consideration.

- Name, address, telephone number, fax number, e-mail address, and title of the firm's principal contact for purposes of this RFP to whom questions or requests for additional information should be directed.
- A brief description of the firm and its history.
- A description of the firm's Webb County and Texas offices, including a summary of resources that would be assigned to the WC-CL RMA.
- Provide the names of the executive staff responsible for making immediate and important decisions concerning the WC-CL RMA account and their availability during normal business hours, after hours, and weekends.
- Provide a brief description of the institution's capital structure to include total capital, equity, net capital and excess capital. Explain material changes that have occurred within the institution over the last three (3) calendar years regarding staffing, capital, and organizational structure, as well as planned future changes related to mergers, acquisitions, or changes in ownership. Provide a copy of the firm's most recent audited financial statements.
- Provide a complete description of the services Respondent would provide for each of the WC-CL RMA's depository needs listed below, as well as ideas and suggestions for changes or modifications that could be implemented to make the WC-CL RMA's financial operation more effective and efficient:
 - Collections and disbursements processing. Describe the process for collections and disbursements processing. In the description include the location where the processing occurs, and if controlled disbursements are utilized explain the controlled disbursements process and location of the processing.
 - Account Reconciliation. In narrative form, describe what options are available to the WC-CL RMA with regard to the account reconciliation process.
 - Cash Management Services. In narrative form, describe the process of utilizing the following:

- Controlled Disbursements
 - Zero Balance Accounts
 - Money Market Mutual Funds
 - Sweep Accounts
 - Other overnight and short-term investment vehicles available
 - Other cash management services available
- Financial Safeguards. Describe the security mechanisms in place and how they will protect the WC-CL RMA.
- Institutional/Corporate Trust Services. In narrative form, describe the Respondent's trust services related to the following:
 - Custodial services
 - Escrow services
 - Securities Lending services
 - Trust Online services
 - Other trust services that may be utilized by the WC-CL RMA
- Safekeeping. Describe Respondent's safekeeping services related to the following:
 - Canceled checks
 - Other safekeeping services
- Technology. Describe Respondent's online services available, including:
 - Hardware and software requirements
 - Process of implementation
- Provide documentation showing that Respondent has a total capital risk-based ratio of 8% or greater, a Tier 1 risk-based capital ratio of 4% or greater, and a leverage ratio of 4% or greater.
- Provide any other information that Respondent may deem applicable to the depository services that the WC-CL RMA may utilize but has not been directly requested in this RFP.

REQUIREMENTS AND DEADLINES

This RFP seeks information that will enable the WC-CL RMA to properly evaluate the abilities of responding institutions. Limit your institution's response to not more than thirty (30) pages, and respond directly to issues set forth in the preceding Section (Response Content).

Questions concerning the RFP must be directed (via email or in writing) to:

Webb County-City of Laredo Regional Mobility Authority
 c/o Locke Lord LLP
 600 Congress Avenue, Suite 2200
 Austin, Texas 78701
 Attn: Brian Cassidy
 Email: bcassidy@lockelord.com

- Public Information Act. All responses to this RFP shall be deemed, once submitted, to be the property of the WC-CL RMA. Responses may be subject to public disclosure under the Texas Public Information Act (“PIA”). Any material believed by the proposer to be proprietary, confidential, or otherwise exempt from disclosure under the PIA should be clearly marked as such. If the WC-CL RMA receives a request for public disclosure of all or any portion of a response, the WC-CL RMA will use reasonable efforts to notify the proposer of the request and give the proposer an opportunity to assert, in writing to the Office of the Attorney General, a claimed exception under the PIA or other applicable law within the time period allowed under the PIA.
- Cost of Responses. All costs directly or indirectly related to preparation of a response to this RFP and in any oral presentation required to supplement and/or clarify the RFP shall be the sole responsibility of, and shall be borne by, the responding firm.
- Proposer’s Acknowledgment. By submitting a response to this RFP, each proposer unequivocally acknowledges that the proposer has read and fully understands this RFP, and that the proposer has asked questions and received satisfactory answers from the WC-CL RMA regarding any provisions of this RFP with regard to which the proposer desired clarification.

All written and electronic correspondence, printed material, exhibits, appendices, photographs, and reports submitted in response to all sections of this RFP process are, upon their receipt by the WC-CL RMA, the property of the WC-CL RMA and may not be returned.

- Anti-Lobbying Prohibition. During the pendency of this procurement, prospective respondents may not contact the WC-CL RMA Board of Directors nor, except as provided herein, any WC-CL RMA staff or consultants concerning this procurement. All contact with the WC-CL RMA is to be through the WC-CL RMA contact designated in the Section (Requirements and Deadlines) above. Any institution violating the anti-lobbying prohibition through the actions of a representative or others acting on its behalf may be disqualified from consideration in this procurement.