



REQUEST FOR PROPOSALS

The City of Edinburg is soliciting sealed proposals to be received by the City Secretary's Office located at 415 W. University Drive, Edinburg, Texas 78541. City of Edinburg normal business days are Monday through Friday between the hours of 8:00 a.m. to 5:00 p.m. and shall be closed on recognized holidays.

Proposals will be received until **3:00 p.m. Central Time**, on **Tuesday, November 09, 2021** shortly thereafter all submitted proposal will be gathered and taken to the Edinburg City Hall Community Room, 1st Floor, to be publicly opened and read aloud. Any proposal received after the closing time will not be accepted and will be returned to the proposer unopened. It is the responsibility of the proposer to see that any proposal submitted shall have sufficient time to be received by the City Secretary's Office prior to the proposal opening date and time. The receiving time in the City Secretary's Office will be the governing time for acceptability of the proposals. Proposals will not be accepted by telephone or facsimile machine. All proposals must bear original signatures and figures. The Proposal shall be for:

RFP NO. 2022-005 BANK DEPOSITORY CONTRACT

Bidders/Respondents receiving a "NOTICE TO BIDDERS" and/or "REQUEST FOR PROPOSALS" notice in the mail or reading same in the newspaper are advised that the bidding documents can be downloaded from the City of Edinburg web page address: www.cityofedinburg.com, or may obtain copies of same by contacting the office of: LORENA FUENTES, ASSISTANT PURCHASING MANAGER, LOCATED AT 415 W. UNIVERSITY DRIVE, Edinburg, TX 78541 by calling (956) 388-8972 or by e-mailing your request to the following e-mail address: lfuentes@cityofedinburg.com

If you have any questions or require additional information regarding this proposal, please contact Mr. Dagoberto Soto, Jr., Director of Finance, at (956) 388-1895.

Hand-delivering Proposals: 415 West University Drive,
c/o City Secretary Department (1st Floor)

If using Land Courier (i.e., FedEx, UPS): City of Edinburg
c/o City Secretary
415 West University Drive
Edinburg, Texas 78541

If Mailing Proposals: City of Edinburg
c/o City Secretary
P.O. Box 1079
Edinburg, TX 78540-1079

The City of Edinburg reserves the right to refuse and reject any or all proposals and to waive any or all formalities or technicalities and to accept the proposal deemed most advantageous to the City, and hold the proposals for a period of **60** days without taking action.

Proposals must be submitted in an envelope sealed with tape and prominently marked on the lower left hand

corner of the proposal envelope with corresponding proposal number and title.

Please read your requirements thoroughly and be sure that the RFP offered complies with all requirements/specifications noted. Any variation from the solicitation requirements/specifications must be clearly indicated by letter, on a point by point basis, attached to and made a part of your RFP. If no exceptions are noted, and you are the successful respondent, it will be required that the service(s) be provided as specified.

PURPOSE

(1) The purpose of these solicitation documents is to execute a Professional Services Contract for:

BANK DEPOSITORY CONTRACT

INTENT

(2) The services to be provided under this RFP shall be in accordance with and shall meet all specifications and/or requirements as shown in this solicitation for RFP. There is no intention to disqualify any respondent who can meet the requirements.

SUBMITTAL OF RFP

(3) RFPs shall be submitted in sealed envelopes as referenced on the attached solicitation. Five (5) complete sets of the response, one (1) original marked "**ORIGINAL**," and four (4) copies marked "**COPY**". In addition, a **USB** with a PDF file of response must be provided. RFPs submitted by facsimile (fax) or electronically shall **NOT** be accepted. Submittal of an RFP in response to this solicitation constitutes an offer by the respondent. Once submitted, RFP's become the property of the City of Edinburg and as such the City reserves the right to use any ideas contained in any RFP regardless of whether that respondent/firm is selected. Submission of a RFP in response to this solicitation, by any respondent, shall indicate that the respondent(s) has/have accepted the conditions contained in the RFP, unless clearly and specifically noted in the RFP submitted and confirmed in the contract between the City and the successful respondent otherwise. RFPs which do not comply with these requirements may be rejected at the option of the City. RFPs must be filed with the City of Edinburg before the deadline day and hour. No late RFPs will be accepted. They will be returned to respondent unopened (if properly identified). Failure to meet RFP requirements may be grounds for disqualification.

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P.O. Box 1079
Edinburg, Texas 78540-1079

TIME ALLOWED FOR ACTION TAKEN

(4) The City of Edinburg may hold RFP/s 60 days after deadline without taking action. Respondents are required to hold their RFP/s firm for same period of time.

RIGHT TO REJECT/AWARD

(5) The City of Edinburg reserves the right to reject any or all RFPs, to waive any or all formalities or technicalities, and to make such awards of contract as may be deemed to be the best and most advantageous to the City of Edinburg.

ASSIGNMENT

(6) Respondents are advised that the City of Edinburg shall not allow the successful respondent to sell, assign, transfer, or convey any part of any contract resulting from this RFP in whole or in part, to a third party without the written approval of the City of Edinburg.

AWARD

(7) Respondents are advised that the City of Edinburg is soliciting RFPs and award shall be made to the respondent that in the opinion of the City of Edinburg is the best qualified.

NUMBER OF CONTRACTS

(8) THE CITY reserves the right to award one, more than one, or no contract(s) in response to this RFP.

STATUTORY REQUIREMENTS

(9) It shall be the responsibility of the successful respondent to comply with all applicable State & Federal laws, Executive Orders and Municipal Ordinances, and the Rules and Regulations of all authorities having jurisdiction over the work to be performed hereunder and such shall apply to the contract throughout, and that they will be deemed to be included in the contract as though written out in full in the contract documents.

ALTERATIONS/AMENDMENTS TO RFP

(10) RFP **CANNOT** be altered or amended after opening time. Alterations made before opening time must be initialed by respondent guaranteeing authenticity. No RFP may be withdrawn after opening time without acceptable reason in writing and only after approval by the City of Edinburg.

NO RESPONSE TO RFP

(11) If unable to submit a RFP, respondent should return inquiry giving reasons.

LIST OF EXCEPTIONS

(12) The respondent shall attach to his/her RFP a list of any exceptions to the specifications/ requirements.

PAYMENT

(13) The City of Edinburg will execute payment by mail in accordance with the State of Texas Pay Law after SERVICES have been completed, introduced to the City, and found to meet City of Edinburg specifications/requirements. No other method of payment will be considered.

SYNONYM

(14) Where in this solicitation package SERVICES is used, its meaning shall refer to the request for BANK DEPOSITORY CONTRACT as specified.

RESPONDENT'S EMPLOYEES

(15) Neither the Respondent nor his/her employees engaged in fulfilling the terms and conditions of this Service Contract shall be considered employees of the City. The method and manner of performance of such undertakings shall be under the exclusive control of the vendor on contract. The City shall have the right of inspection of said undertakings at any time.

INDEMNIFICATION CLAUSE

(16) The Respondent agrees to indemnify and save harmless the City, from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Assistant Purchasing Manager, as a necessary requirement in connection with the final estimate for payment in which such patented appliance, products or processes are used

INTERPRETATIONS

(17) Any questions concerning the project and/or specifications/requirements with regards to this solicitation for statement(s) of qualifications shall be directed to the designated individuals as outlined in the RFP. Such interpretations, which may affect the eventual outcome of this request for statements of qualifications, shall be furnished in writing to all prospective Respondents via Addendum. No interpretation shall be considered binding unless provided in writing by the City of Edinburg in accordance with paragraph entitled "**Addenda and Modifications**".

VERBAL THREATS

(18) Any threats made to any employee of the City, be it verbal or written, to discontinue the providing of item/material/services for whatever reason and/or reasons shall be considered a breach of contract and the City will immediately sever the contract with the Respondent/Consultant on contract.

CONFIDENTIAL INFORMATION

(19) Any information deemed to be confidential by the respondent should be clearly noted on the pages where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under Texas Public Information Act, since information deemed to be confidential by the respondent may not be considered confidential under Texas Law, or pursuant to a Court order.

PAST PERFORMANCE

(20) Respondent's past performance shall be taken into consideration in the evaluation of RFP submittal.

JURISDICTION

(21) Contract(s) executed as part of this solicitation shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due and performable and payable in Hidalgo County, Texas.

RIGHT TO AUDIT

(22) The City of Edinburg reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Edinburg, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice, to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to the Supply/Service and/or Purchase Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

VENUE

(23) The parties agree that venue for purposes of any and all lawsuits, cause of action, arbitration, and/or any other dispute(s) shall be in Hidalgo County, Texas.

IF YOU HAVE ANY QUESTIONS ABOUT COMPLIANCE, PLEASE CONSULT YOUR OWN LEGAL COUNSEL. COMPLIANCE IS THE INDIVIDUAL RESPONSIBILITY OF EACH PERSON OR AGENT OF A PERSON WHO IS SUBJECT TO THE FILING REQUIREMENT. AN OFFENSE UNDER CHAPTER 176 IS A CLASS "C" MISDEMEANOR.

CONFLICT OF INTEREST

(24) CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of the City of Edinburg not later than the 7th business day after the date the person becomes aware of facts that require the statement be filed. See Section 176.006, Local

Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor. For more information or to obtain Questionnaire CIQ go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/>.

CERTIFICATE OF INTERESTED PARTIES (Form 1295)

(25) In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016. For more information go to the Texas Ethics Commission web page at <https://www.ethics.state.tx.us/>.

CONFIDENTIALITY OF INFORMATION AND SECURITY

(26) Should the successful respondent become the holder of and have access to confidential information in the process of fulfilling its responsibilities in connection with an awarded contract the successful respondent agrees that it shall keep such information confidential and will comply fully with the laws and regulations of the State of Texas, ordinances and regulations of the City, and any applicable federal laws and regulations relating to confidentiality.

TERMINATION OF CONTRACT

(27) The City of Edinburg reserves the right to terminate the contract if, in the opinion of the City of Edinburg, the successful vendor's performance is not acceptable, no funds are available, or if the City wishes, without cause, to discontinue this contract. Termination will be in written form allowing a 30-day notice.

RESPONSE DEADLINE

(28) Responses to the RFP must be addressed to City Secretary, City of Edinburg, 415 W. University Drive by **Tuesday, November 09, 2021 until 3:00 p.m.** for consideration. An original and four (4) complete sets and a **USB** with a PDF file of response must be submitted no later than this date and time in a **sealed envelope** indicating that its contents are in response to the RFP for **"BANK DEPOSITORY CONTRACT"**. **Respondents are advised that all confidential records must be submitted in a separate sealed envelope and marked accordingly.**

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Edinburg, Texas 78541

If Mailing RFPs:

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c/o City Secretary
P.O. Box 1079
Edinburg, Texas 78540-1079

ADDENDA AND MODIFICATIONS

(29) Any changes, additions, or clarifications to the RFP are made by amendments (addenda). Any respondent in doubt as to the true meaning of any part of the RFP or other documents may request an interpretation from the Purchasing Division. At the request of the respondent, or in the event the Purchasing Division deems the interpretation to be substantive, the interpretation will be made by written addendum. Said Addenda shall be mailed, e-mailed, hand delivered and/or faxed, to all prospective respondents. All Addenda issued in respect to this RFP shall be considered

official changes to the original documents. Verbal statements in response to inquiries and/or requests for explanations shall not be authoritative or binding. It shall be the respondent's responsibility to ensure that they have received all Addenda in respect to this project. Furthermore, respondents are advised that they must recognize, comply with, and attach a signed copy of each Addendum which shall be made part of their RFP Submittal. Respondent(s) signature on Addenda shall be interpreted as the respondent's "recognition and compliance to" official changes as outlined by the City of Edinburg and as such are made part of the original solicitation documents. Failure of any respondent to receive any such addendum or interpretation shall not relieve such respondent from its terms and requirements. The City may issue a written addendum no later than five calendar days prior to the date bids must be received. Addendums are available online at www.cityofedinburg.com.

RFP PREPARATION COSTS

(30) The City of Edinburg shall not be held liable for any costs incurred by any respondent for work performed in the preparation of and production of a RFP or for any work performed prior to execution of contract.

EQUAL EMPLOYMENT OPPORTUNITY

(31) Respondent agrees that they will not discriminate in hiring, promotion, treatment, or other terms and conditions of employment based on race, sex, national origin, age, disability, or in any way violate Title VII of 1964 Civil Rights Act and amendments, except as permitted by said laws.

AUTHORIZATION TO BIND RESPONDENT TO RFP

(32) RFPs MUST give full firm name and address of respondent, and be manually signed. Failure to do so will disqualify your RFP. Person signing bid must show title or AUTHORITY TO BIND HIS/HER FIRM IN A CONTRACT. Firm name and authorized signature must appear on each page that calls for this information. The legal status of the Respondent whether corporation, partnership, or individual, shall also be stated in the RFP. A corporation shall execute the RFP by its duly authorized officers in accordance with its corporate by-laws and shall also list the state in which it is incorporated. A partnership Respondent shall give full names and addresses of all partners. All partners shall execute the RFP. Partnership and Individual Respondent shall state in the proposal the names and addresses of all persons with a vested interest therein. The place of residence of each Respondent, or the office address in the case of a firm or company, with county and state and telephone number, shall be given after the signature.

BRAND OR MANUFACTURER REFERENCE

(33) Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type and style of product desired. Proposals on alternate brands will be considered if they meet specification requirements. If a bidder quotes on equipment other than the one(s) specified in the bid, sufficient specifications and descriptive (pictured literature) data must accompany same to permit thorough evaluation. In the absence of these qualifications, he/she will be expected to furnish the product called for.

COOPERATIVE PRICING

(34) Bidders are advised that in addition to responding to our "local" solicitation for bids/Bids with Dealer pricing, vendors/contractors are encouraged to provide pricing on the below referenced items/products/services based on BuyBoard, TX-MAS, H-GAC and/or any other State of Texas recognized and approved cooperative which has complied with the bidding requirements for the State of Texas. If bidding other than or in addition to "dealer" pricing, kindly duplicate the bid forms for each bid being provided from a cooperative contract. Any and all applicable fees must be included. All cooperative pricing must be submitted on or before bid opening date and hour.

HB 89 PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING ISREAL

(35) The 85th Texas Legislature approved new legislation, effective Sept. 1, 2017, which amends Texas Local Government Code Section 1. Subtitle F, Title 10, Government Code by adding Chapter 2270 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott Israel; and

2) will not boycott Israel during the term of the contract

SB 13 ENERGY COMPANY BOYCOTTS

(36) The 87th Texas Legislature approved new legislation, effective Sept. 1, 2021, which amends Texas Local Government Code 2274.002 Section 1. Subtitle A, Title 8 by adding Chapter 809 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott energy companies and will not boycott energy companies during the term of the Contract. If Respondent does not make that verification, Respondent must so indicate in its Response and state why the certification is not required , or
- 2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Respondent shall promptly notify Agency.

GUIDANCE:

EXCEPTIONS: Clause only applies to contracts and contractors that meet the following criteria: (i) a “company” within the definitions of Section 2274.001(2) of the Tex. Gov’t Code; (ii) with 10 or more full-time employees; and (iii) with a contract to be paid a value of \$100,000 or more wholly or partially from public funds of the governmental entity. The clause does not apply to a governmental entity that determines the requirements of Section 2274.002(b) of Tex. Gov’t Code are inconsistent with its duties related to debt obligations or funds as described in Section 2274.002(c) of the Tex. Gov’t Code. For more information regarding this bill visit: [Bill Text: TX SB19 | 2021-2022 | 87th Legislature | Enrolled | LegiScan](#)

SB 19 FIREARM ENTITIES AND TRADE ASSOCIATIONSS DISCRIMINATIONS

(37) The 87th Texas Legislature approved new legislation, effective Sept. 1, 2021, which amends Texas Local Government Code Section 1. Subtitle F, Title 10 of the Texas Government Code 2274.002, Respondent verifies that it:

- 1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and
- 2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

If Respondent does not make that verification, Respondent must so indicate in its Response and state why the verification is not required. If circumstances relevant to this provision change during the course of the contract, Respondent shall promptly notify Agency.

GUIDANCE:

APPLICABILITY: This clause applies only to a contract that:

- (1) is between a governmental entity and a company with at least 10 full-time employees; and
- (2) has a value of at least \$100,000 that is paid wholly or partly from public funds of the governmental entity.

EXCEPTIONS: This clause is not required when a state agency:

- (1) contracts with a sole-source provider; or
- (2) does not receive any bids from a company that is able to provide the written verification required by Section 2274.002(b) of the Texas Government Code.

For more information regarding this bill visit: [Bill Text: TX SB19 | 2021-2022 | 87th Legislature | Enrolled | LegiScan](#)

Confidential Information Respondents are advised that all confidential records must be submitted in a separate sealed envelope and marked accordingly.

CITY OF EDINBURG REQUEST FOR PROPOSAL

The City of Edinburg will consider proposals for the performance of depository services from Banks, Credit Unions or Savings Associations doing business within the City of Edinburg. Sealed proposal responses will be received at the City Secretary's Office, P.O. Box 1079, Edinburg, TX 78540, or hand delivered to the City Secretary, 415 W. University Drive, Edinburg, TX 78541. Proposal responses received after the opening time and date will be returned to the sender unopened. All responses will be publicly opened and read aloud at the opening time and date.

The return envelope should be marked:

Request for Proposal 2022-005 (RFP# 2022-005)

Bank Depository Contract

Opens 3 P.M., November 09, 2021

In submitting the attached proposal, including terms, conditions, instructions to proposers and specifications, the vendor agrees that acceptance of any or all proposed items by the City of Edinburg, Texas within sixty (60) days constitutes a contract.

Proposal Title	Bank Depository Contract
Opening Time/Date	3 P.M., local time, November 09, 2021
Bank's Name	_____
Bank's Address	_____ _____
Telephone Number	_____
E-mail Address	_____
Facsimile Number	_____
Authorized Signature	_____
Printed Name and Title	_____

All bid responses are required to be signed by an authorized representative of the bidding entity. Bid responses received unsigned will not be considered.

RFP 2022-005

Proposer's Initials _____

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Appendix A - Investment Policy

A. TERMS AND CONDITIONS

1. **DEFAULT** In case of default after proposal acceptance, the City of Edinburg, Texas ("City") may exercise any and all rights it may have in compliance with the law.
2. **PRICES HELD FIRM** The City reserves the right to require that submitted proposals remain in force for a sixty (60) day period after opening or until award is made; whichever occurs first.
3. **RESOURCE CONTACT** All information and/or questions pertaining to this proposal shall be directed to Dagoberto Soto, Jr., Director of Finance, at (956) 388-1895. It is the responsibility of the proposer to seek clarification of any uncertain terms.
4. **NEGOTIATION** Any attempt to negotiate or to give information on the contents of this proposal with the City or its representatives prior to award shall be grounds for disqualification.
5. **TAX EXEMPT** The City of Edinburg is exempt from all Texas Sales Tax and Federal Excise Taxes. Tax Exemption Certificates are available upon request.
6. **FORMS PROVIDED** All proposals must be submitted on the forms provided to insure uniformity and comparability of responses. Proposals may be rejected if they show any omissions, alterations in wording, conditional clauses, or irregularities.
7. **PRICE FIXING** In submitting a response to this request, the proposer thereby certifies that (s)he has not participated in nor been party to any collusion, price fixing or any other Contracts with any company, firm or person concerning pricing on the enclosed bid.
8. **GRATUITIES** The City may, by written notice to the successful proposer, cancel this contract without liability, if it is determined by City that gratuities in the form of entertainment, gifts, or otherwise, were offered or given by the successful proposer, or any agent or representative of the successful proposer, to any officer or employee of the City with a view toward securing or amending, or the making of any determinations with respect to the performing of such contract.
9. **FORCE MAJEURE** Neither party shall be required to perform any term, condition or covenant in this contract so long as such performances is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of the party required to perform and which by the exercise of due diligence said party is unable, wholly or in part, to prevent or overcome.
10. **APPLICABLE LAW** This Contract shall be governed by the Uniform Commercial Code. Wherever the term "Uniform Commercial Code" is used, it shall be construed as meaning the Uniform Commercial Code as adopted in the State of Texas as effective and in force on the date of this Contract.
11. **TAXES, UNEMPLOYMENT BENEFITS, ETC.** The successful proposer hereby accepts exclusive liability for, and agrees to indemnify the City against liability for, the payment of any and all contributions or taxes for unemployment insurance, old age pensions or annuities or other purposes now or hereafter imposed by the Government of the United States, which are in whole or in part measured by and/or based upon the wages,

salaries, or other remuneration paid to persons employed by the successful proposer on work in connection with this order.

12. **ANTI-DISCRIMINATION** The successful proposer, in performing the work required hereunder shall comply with the provisions of Executive Order Number 1146 and shall not discriminate against any employee or applicant for employment because of religion, race, color, sex, age or national origin.
13. **FAIR LABOR STANDARDS ACT** The successful proposer in performing the work required hereunder, warrants that the bank is in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.
14. **OPENING PLACE, TIME AND DATE** The City will conduct a public proposal opening at the location, time and date as specified on the first page of the request. Proposers are encouraged to attend. A tabulation of the responses received at the time and date of the opening, will be made available upon request to proposers at a later date.
15. **LIENS** The successful proposer agrees to and shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods and services which may be provided under the request, by seller or seller's vendor(s) and if the City requests, a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.
16. **WITHDRAWAL** The City reserves the right to withdraw the request for any reason prior to the opening time and date without proposer claims.
17. **FAX/E-MAIL** The City will not accept a response or alterations to a response via a facsimile machine or e-mail. The FAX machine is available for information inquiries only. No responses received via FAX machine and/or e-mail will be considered.
18. **ALTERING PROPOSALS** Proposal responses cannot be altered or amended after the submission deadline. Any interlineations, alterations, or erasures made before opening time and date, must be initialed by the signer of the proposal, guaranteeing authenticity.
19. **CHANGE ORDERS** No oral statement of any person shall modify or otherwise change, or affect the terms, conditions, or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the Director of Finance.
20. **REJECT BIDS** The City of Edinburg reserves the right to accept or reject proposals submitted, waive formalities in bidding, and accept the proposal deemed most advantageous to the City of Edinburg.
21. **ADDITIONAL INFORMATION** The City reserves the right to request additional information or to meet with representatives from proposing banks to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.
22. **COST** All costs incurred by the proposer in responding to the RFP shall be the responsibility of the proposer.

B. INSTRUCTIONS TO THE PROPOSERS

1. The contract award shall be based on, but not necessarily limited to, the following factors:
 - a. Ability to qualify as a depository for public funds in accordance with state and local laws.
 - b. Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
 - c. Ability to meet special needs and requirements of the City requested in the banking RFP.
 - d. Proposer's past performance record with the City.
 - e. City's evaluation of the bank's ability to perform.
 - f. The credit worthiness and financial stability of the bank.
 - g. Rates paid on overnight repurchase transactions.
 - h. Safekeeping agreements accepted.
 - i. Physical convenience for City officials.
 - j. Complete response to all required items on RFP form.
2. The City of Edinburg may make such investigations as it deems necessary to determine the ability of the proposer to provide satisfactory performance in accordance with specifications, and the proposer shall furnish to the City all such information and data for this purpose as the City may request.
3. If a bank declines to submit a proposal, bank is requested to submit a letter stating that they are declining to submit a bid.
4. Award will be made to a single depository.
5. Any exceptions to the RFP are to be clearly indicated on the page entitled, "Exceptions to RFP". Any major changes or deletions that alter the intent of the RFP may be grounds for the City to disregard and reject the response.
6. The City has designated Dagoberto Soto, Jr., Director of Finance, (956) 388-1895 as the contact person for questions pertaining to the RFP.
7. Upon award, the successful proposer will designate in writing an individual to be the official contact person for all correspondence and the bank shall be responsible for training and communicating the terms of this Contract to bank employees.
8. The City shall reserve the right to require a review meeting at least once every six months to evaluate the working relationship between the City and the bank. The object of the meeting shall be to address any problems and to discuss the procedures involved in protecting the City's funds and pledged collateral.
9. The final selection of a depository bank shall be made by the City of Edinburg City Council. The successful proposer shall be required to enter into a contract which incorporates all of the obligatory points in the completed RFP and the contract must be approved by the Board of Directors of the bank.

C. SPECIFICATIONS

SCOPE AND INTENT:

The City is seeking proposals from eligible financial institutions to be the City's banking services depository and for the Edinburg Economic Development. This includes the basic services of receiving deposits, paying items, web transfers, wiring funds out, receiving funds wired in, stop payments, and other normal business banking activities.

The philosophy incorporated into this request for proposal (RFP) is to solicit comparable market charges for services provided and to pay for all services provided by the bank. The City also places a great deal of importance on the interest paid on daily deposits above any minimum requirements. The City desires to enter into a contract which will minimize the City's costs, yet will be viewed as a good Contract on behalf of the bank.

REQUIREMENTS:

The contract period shall be for three (3) years beginning **December 01, 2021 and ending November 30, 2024** with one two-year extension option or thereafter until the successor depository shall have been duly selected and qualified according to state laws. The primary objectives of the depository Contract, an important component of the overall treasury and debt management program of the City, are as follow:

To select a bank that is both capable of providing banking services and attentive to the City's money matters.

To maximize the total dollars earned by the City on account balances as prudent and effective custodians of the City's financial resources.

To maintain a good working relationship with the depository bank.

To adequately compensate the depository bank for services.

The request for proposal is intended to serve as the bid form for the depository Contract. There are several blanks to fill in and questions to be answered. All points outlined and materials requested should be incorporated into the responder's proposal to be considered for evaluation. If a service requirement cannot be met by a proposer, then the term "No Proposal" should be entered on the Bid Form for that specific requirement. Responsiveness to the service requirements will be a major part of the selection criteria. Attachments are appropriate if needed by the proposer in order to answer some of the RFP questions.

SECTION I: CALENDAR OF EVENTS

First advertising of the RFP in The Monitor.....	October 15, 2021
Second Advertising of the RFP in The Monitor.....	October 22, 2021
Public Opening of the Proposals, 3:00 PM local time.....	November 09, 2021
Review recommendation with the City Council and award of contract.....	November 16, 2021
New bank depository contract period begins.....	December 01, 2021

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SECTION II: COST OF SERVICES REQUESTED

The City will also require on-line access with the bank. This service must provide information on checks cleared on the City's account, status of deposits and available funds, capability for making intra-account transfers and wire transfers. Additionally, it must have automated clearing house functions (ACH) that the City may utilize for direct deposit of employee paychecks. The City provides 100% direct deposit to approximately 1,280 employees. Direct deposits are processed on a biweekly basis.

Does your bank provide these services? Yes No

Monthly cost for service _____ One account

_____ Each additional account

_____ Set-up charge

State any other fees that may apply to this service.

The City of Edinburg offers its utility billing customer direct debit banking. It is estimated that 20% (6,115) of the City's 30,053 utility customers will use this service. ACH debits for utility billing are processed four (4) times per month.

Does your bank provide these services? Yes No

Monthly cost for service _____ One account

_____ Set-up charge

State any other fees that may apply to this service.

State whether the bank would offer any type of special checking, money market, or loan account, or other incentive for City employees.

Does your bank provide these services? Yes No

Monthly cost for service _____ One account

_____ Set-up charge

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State any other fees that may apply to this service.

Proposers are to specify any other services available to the City of Edinburg which may be thought to be beneficial or that may apply to the City and state any related fees. Example - Sweep Account where excess City funds could be invested at a higher rate than the checking accounts.

Service Offered	Associated Fee
1. _____	_____
_____	_____
_____	_____
2. _____	_____
_____	_____
_____	_____

SECTION III: ACCOUNT ACTIVITIES

The City intends to establish the following bank accounts:

Demand Deposit Accounts

Master Account-Reconciliation Product

Pooled Cash Account (01)

Regular Accounts

T.C.S.A. Fund (30)
C.D.B.G. Fund (33)
Boys and Girls Club of Edinburg Fund (72)
Boys and Girls Club Endowment Account (72)
Government Grants

The Pooled Cash Account will constitute almost all of the City's banking business

The bank will be required to provide available cash balances online for all City Accounts each morning no later than 8:00 a.m.

The EDC intends to establish the following bank accounts:

Master Account-Reconciliation Product

Operating Account (Sweep Account)

Regular Accounts

Debt Revenue Account
Debt Service Fund
ICS Fund
LGFC Reserve Account
New Series 2019 Bond Fund (Debt Service Account)
New Series 2019 Construction Fund
New Series 2019A Debt Service Reserve Account
New Series 2019B Debt Service Reserve Account

The bank will be required to provide available cash balances online for all EDC Accounts each morning no later than 8:00 a.m.

The City will require Direct Deposit service, General ACH service, a partial reconciliation service and all checks returned to the City in numerical order or available online with images.

The City reserves the right to open or close any number or type of accounts throughout the period if necessary, although few changes are anticipated.

Electronic Bank Statements shall be rendered within five working days after the close of the calendar month. The cutoff cycle for all City accounts must be the calendar month. The statement shall include deposits made on the last day of the period.

The City intends to pay for all account services provided by the bank as set forth in Section II. The method expected to be used for the payment of these services shall be the direct payment method.

The City shall require account analysis each month, which shall clearly show volume counts, fees charged, and total price for servicing the account. The account analysis shall also show average ledger balances, average uncollected funds, average collected balances, interest rates and the amount of interest paid or credited to each account. Bidders are to submit a sample of the money account analysis statement that will be provided to the City.

The City shall receive same day credit for all funds deposited by 2:30 p.m. and drawn on a bank located in Edinburg, Texas and next day credit for all other funds. The funds shall be investable for any investment transaction that can be executed.

All checks deposited by the City which do not clear the first time, should be submitted a second time before returning them to the City.

INVESTMENTS - The City of Edinburg intends to manage its own investment portfolio. Therefore, the City reserves the right to withdraw, from time to time, any amount of funds of the City on deposit in any City account and to invest those funds in accordance with the City's investment policy.

SECTION IV: COLLATERAL REQUIREMENTS

Securities Pledged: As security for the deposits of the City, the Bank shall pledge to the City securities equal to the largest total balances the City maintains in the bank, less the amount of coverage provided by the Federal Deposit Insurance Corporation (FDIC). The aggregate amount needing to be collateralized is estimated to cover 102% of deposits for all accounts. The securities comprising the pledge shall comply with the City of Edinburg's Investment Policy.

Reporting Requirements: The bank shall provide detailed statements of securities pledged against City deposits each Monday and as of the last business day of month or at any time requested by the City Manager or Director of Finance.

Safekeeping: The securities pledged shall be held in safekeeping under the name of the bank and pledged to the City of Edinburg. Safekeeping must be done by a separate and different bank other than the depository bank or any affiliate of the depository bank. The safekeeping receipt shall clearly state the security is pledged to the City of Edinburg and the original copy of the safekeeping receipt shall be filed with the Director of Finance of the City of Edinburg.

The City shall reimburse the depository bank for safekeeping charges at the rate bid. Specify the safekeeping charges that will apply:

An explanation of how the City's claim to book entry securities can be perfected is required with a bid response.

A copy of the safekeeping agreement and the name of the safekeeping bank to be used are to be included with the bid response. The safekeeping agreements shall clearly state that the safekeeping bank is instructed to release the collateralized securities to the City, if the City has determined that the depository bank has failed to pay on any accounts, has been closed by a regulatory authority, is in default of this Contract, or if the instructions for release have been formally requested by the City Council by Ordinance or Resolution.

The safekeeping agreement shall have signatories from the safekeeping bank, the depository bank and the City of Edinburg and must be formally adopted by the governing entities of the depository bank and the safekeeping bank.

Substitutions: Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with proper written authorization approved by the City Manager or the Director of Finance of the City of Edinburg. All securities to be pledged are subject to approval by the City. Any state or local bonds pledged shall have a rating of "A" or better by Moody's Investor Services.

Maximum Amount Offered: Proposers must state the maximum amount, if any, of pledged securities which the bank is willing or able to commit for collateralized accounts throughout the contract period above the \$250,000 FDIC insurance limit.

Wire Services: The third-party safekeeping bank must be a subscriber to the Federal Security Wire System.

SECTION V: OVERDRAFTS DEFINED:

The City does not intend to have a net overdraft position throughout the course of the contract. An overdraft shall be defined as a negative demand balance in the City accounts collectively, not by individual account. The City would expect the depository to view all the City's accounts together for purposes of any charges on overdrawn collected balances. This includes daylight overdrafts. Should an overdraft occur in the aggregate, the following stipulations shall apply:

1. The maximum number of days the overdraft shall be allowed is _____.
2. The maximum amount of the net overdraft to be allowed shall be _____.
3. The interest rate shall be _____% per annum computed on an actual day basis.

In the event a check or checks shall be presented for payment on any account or accounts maintained by the City, where there shall be insufficient funds for the purpose of paying checks, the depository bank shall pay such check or checks and agrees to promptly notify the Director of Finance of the City, by telephone or other means, of the existence of the overdraft situation, and to provide the Director of Finance a period of one business day to respond to such overdraft.

Short-Term Loans: The bank agrees to loan funds to the City on a short-term basis, if needed, for operational purposes and for capital expenditures only.

Specify the terms and conditions by which the bank shall loan funds to the City on a short-term basis:

1. The maximum number of days for the loan is _____.
2. The maximum amount of the loan shall be _____.
3. The interest rate shall be _____% per annum computed on an actual day basis.

SECTION VI: OTHER CONDITIONS:

The successful proposer shall notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would thereafter affect the depository Contract. The bank shall also notify the City of any services that become available to the City throughout the contract period.

In the event it would be ruled illegal under the provisions of any Federal Statute or regulation for the bank to pay interest in the manner outlined in this Contract, the City reserves the right to cancel the contract and to re-bid the depository services.

The bank’s records relating to the City’s accounts shall be open to review by either City staff members or City appointed independent auditors as authorized by City Manager or Director of Finance during normal business hours.

The proposing bank shall submit a copy of its most recent annual financial statement along with the last two quarterly FDIC call reports.

The term of the contract shall be the period beginning December 1, 2021 and ending November 30, 2024, with one two-year extension option or thereafter until the successor depository shall have been duly selected and qualified according to state laws. This contract shall be automatically extended up to 90 days if the City is actively proceeding with re-bidding procedures, but for whatever reason, cannot finalize the bidding or selection process by the end of the contract period.

This contract is governed by the laws of the State of Texas. Venue shall be exclusively in Hidalgo County, Texas.

Shall the bank fail, close, or be forced into reorganization during the term of this contract, the City reserves the right to cancel the contract and re-bid for the City’s depository services.

D. COST OF SERVICE ANALYSIS

Use this summary as a basis for analysis.

COMBINED AVERAGE DAILY BANK COLLECTED BALANCE	\$12,000,000
RESERVE REQUIREMENT	()
(Use your own rate and calculate)	
COMBINED INVESTABLE BALANCE	_____
EARNINGS CREDIT	_____

D. COST OF SERVICE ANALYSIS (CONTINUED)

LESS: ANALYZED SERVICES _____

ANALYSIS DEFICIT (EXCESS) CHARGED (CREDITED)
TO ACCOUNT _____ANNUALIZED COST OF SERVICES (ANALYSIS CHARGES
TIMES TWELVE). _____**RATE SUMMARY**

EARNING CREDIT	_____
RESERVE REQUIREMENT	_____
BORROWED FUNDS	_____
(BOOK/COLLECTED)	_____
FDIC ASSESSMENT	_____

ANALYZED SERVICES

DESCRIPTION OF SERVICE	UNIT PRICE	MONTHLY UNITS USED	TOTAL PRICE
Maintenance Fee	_____	6	_____
Debits Processed	_____	1,500	_____
Credits Processed	_____	800	_____
On us Items Deposited	_____	500	_____
Local Items	_____	2,000	_____
Foreign Items	_____	3,500	_____
Depository Bag Handling	_____	60	_____
Charge Back Fee	_____	20	_____
Netteller Wires	_____	4	_____
Rolled Coin	_____	1	_____
Loose Coin	_____	11,500	_____

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D. COST OF SERVICE ANALYSIS (CONTINUED)

Loose Currency	_____	415,000	_____
Incoming Wire Fee	_____	2	_____
Outgoing Wire Fee	_____	3	_____
ACH per Item Credit/Debit	_____	6,000	_____
ACH/Notice of Change	_____	1	_____
Online Web Transfers	_____	5	_____
ACH Returns	_____	6	_____
ACH Files Processed	_____	7	_____
Disposal Bank Bags	_____	220	_____
Armored Car Fees	_____	21	_____
Vault Armored Car Deposit PF	_____	63	_____
Reconciliation	_____	1	_____
ACH Monthly Maintenance	_____	1	_____
Stop Pay Fee	_____	8	_____
NSF Charge Fee	_____	0	_____
RDC Fee	_____	2	_____
Positive Pay	_____	2,100	_____
Audit Confirmation	_____	1	_____

RFP 2022-005**Proposer's Initials** _____

E. EVALUATION CRITERIA

The City will use the following criteria to evaluate each proposal:

- | | |
|--------------------------------------|-------------|
| A. Cost of Services Requested | 1-60 Points |
| B. Banking Services Offered | 1-25 Points |
| C. Locations in the City of Edinburg | 1-5 Points |
| D. Collateral Requirements | 1-5 Points |
| E. Overdraft Services | 1-5 Points |

F. PROPOSAL SUBMITTED BY

This Proposal is being submitted to the City of Edinburg by the following person duly authorized to act on behalf of this financial institution.

Name of Financial Institution

Address of Financial Institution

Telephone Number

E-mail Address

Officer Name & Title (Printed)

Officer Signature

Date

G. ACCEPTANCE OF PROPOSAL

This proposal having been approved by the City of Edinburg City Council, is being accepted for the City of Edinburg by the following person duly authorized to act on behalf of the City.

Name (print)

Signature

Title (print)

Date

Appendix A - Investment Policy

ATTACHMENTS

HB 89 Form

HOUSE BILL 89 VERIFICATION

I, _____, the undersigned representative of

_____, (Company or Business name) (hereafter referred to as company) **being an adult over the age of eighteen (18) years of age, verify that the company named-above, under the provisions of Subtitle F, Title 10, Government Code Chapter 2270:**

1. Does not boycott Israel currently; and

2. Will not boycott Israel during the term of the contract.

3) Is not currently listed on the State of Texas Comptroller's Companies that Boycott Israel List located at <https://comptroller.texas.gov/purchasing/publications/divestment.php>

Pursuant to Section 2270.001, Texas Government Code:

1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and

2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

SIGNATURE OF COMPANY REPRESENTATIVE:

TYPE/PRINT NAME AND TITLE:

DATE:



INVESTMENT POLICY

1.0 POLICY

It is the policy of the City of Edinburg, Texas (the “City”) to invest public funds in a manner which will provide the highest reasonable investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. This policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy. The policy and strategy shall be reviewed by the City Council annually. Any modifications will be formally approved by the City Council. This investment policy, as approved, is in compliance with the provisions of the Public Funds Investment Act of the Texas Government Code Chapter 2256 (Public Funds Investment Act, PFIA). This investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of City’s funds.

2.0 SCOPE

This Investment Policy applies to all aspects of investing the financial assets of the City. These funds are accounted for in the City’s Comprehensive Annual Financial Report and include (but are not limited to): General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Trust and Agency Funds. These funds, as well as funds that may be created from time-to-time, shall be administered in accordance with the provisions of these policies, unless specifically exempted or excluded. All funds will be pooled for investment purposes. The strategy developed for this pooled fund group will address the varying needs, goals, and objectives of each fund.

This policy shall not govern funds which are managed under separate investment programs in accordance with Section 2256.004 of the Public Fund investment act. Such funds currently include Retirement/Pension Fund and Deferred Compensation Fund.

3.0 PRUDENCE

Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal liability for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

OBJECTIVES

The primary objectives, in priority order, of the City of Edinburg's investment activities are as follows:

3.1 Safety

Safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions in accordance with this policy is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The City shall seek to control the risk of loss due to the failure of a security issuer or guarantor by investing in high credit quality securities, by qualifying and monitoring financial counter-parties, through adequate collateralization, through diversification, and by establishing maximum maturities and weighted average maturities.

3.2 Liquidity and Maturity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets. Any internally created pool fund group of the City shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the City shall not exceed two years (2) from the time of purchase. The Council may specifically authorize a longer maturity for a given investment, within legal limits.

3.3 Diversification

Whenever practical, assets held in the portfolio(s) shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

3.4 Yield

The City's cash management portfolio shall be designed with the objective of regularly exceeding the average rate of return on six-month U.S. Treasury Bills. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment principles.

3.5 Investment Management

In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for City funds shall be in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.

4.0 INVESTMENT STRATEGY

Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment of the financial requirements of the City and consider preservation and safety of principal, liquidity, marketability of an investment.

- A. The investment strategy for operating, enterprise and special revenue funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The secondary objective is to create a portfolio structure which will experience minimal volatility. This may be accomplished by purchasing high quality, short- to medium-term maturity securities which will complement each other in a laddered maturity structure permitting some extension for yield enhancement.
- B. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before extension.
- C. The investment strategy for capital projects or capital project funds will have as its primary objective assurance that anticipated cash flows are matched and provide adequate investment liquidity. The stated final maturity dates of securities held may not exceed the estimated project completion date.

The City shall pursue an active versus a passive portfolio management strategy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade.

5.0 DELEGATION OF AUTHORITY AND RESPONSIBILITIES

There is hereby created an Investment Committee, consisting of the City Manager or his designee and the Director of Finance. The Investment Committee shall meet at least quarterly to determine general strategies and to monitor results. The Investment Committee shall be authorized to invite advisors to the meetings as needed including, but not limited to, the City Attorney, the City Council, or outside advisors.

The City Manager and the Director of Finance are hereby designated as "Investment Officers" pursuant to the Public Funds Investment Act Section 2256.005 Subsection F. All persons involved in investment activities will be referred to as "Investment Officers." The Investment Officers shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include safekeeping controls, documentation, internal controls, repurchase agreements, wire transfers, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The investment officers shall receive at least 10 hours of investment training relating to their investment responsibilities, as described by the Public Funds Investment Act, at least once every two (2) years. This training must be provided by an independent source which has been approved by the investment committee. At least one training session must be completed by the investment officer within twelve months of assuming their duties. The training must include, but is not limited to, education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

In conjunction with its annual financial audit, the City shall require a compliance audit of management controls of investments and adherence to this policy.

6.0 ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process 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. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any personal financial/investment relationships that could impact the performance of the City's investment portfolio. If an Investment Officer has a personal relationship as defined in the Act with a business organization engaging in investment transactions with the City, the Investment Officer must disclose the relationship and file a disclosure with the City Secretary and the Texas Ethics Commission if:

- A) The investment officer has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest.
- B) The investment officer is related within the second degree by affinity of consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to sell an investment business with the City shall file a statement disclosing that relationship. An investment officer has a personal business relationship with a business organization if:
 - o The investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - o Funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
 - o The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Director of Finance will maintain a list of Council authorized broker/dealers, financial institutions, money market mutual funds and local government investment pools offering to engage in an investment transaction with the City. An annual review of the services provided, financial condition and registrations of these firms will be conducted by the Director of Finance and a list of firms submitted to Council for approval at least once a year.

Broker/dealers may include "primary" dealers as defined by the New York Federal Reserve or regional dealers. Financial institutions shall be qualified public depositories as designated by state law.

All firms desiring to transact investment transactions with the City must complete the City's internal questionnaire and execute a Policy Certification (Appendix A) before any transaction. A current audited financial statement is required to be on file for each firm. A written copy of this investment policy shall be presented to any person or firm seeking to sell to the City any investment. An authorized representative of the business organization seeking to sell an investment shall execute a written instrument substantially to the effect that the registered principal has: (1) received and thoroughly reviewed the City's investment policy; and (2) acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment

activities arising out of investment transactions conducted between the City and the organization. The City's investment officers are expressly prohibited from buying any security from a person or firm which has not delivered a document that complies with the requirements of this section of the investment policy to the City.

8.0 AUTHORIZED INVESTMENTS

Following is a list of investments that are authorized by this policy for inclusion in the City of Edinburg's portfolio of investments:

- 8.1 Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009
- 8.2 Certificates of deposit and share certificates as permitted by Government Code 2256.010.
- 8.3 Fully collateralized repurchase agreements permitted by Government Code 2256.011.
- 8.4 A securities lending program as permitted by Government Code 2256.0115.
- 8.5 Banker's acceptances as permitted by Government Code 2256.012.
- 8.6 Commercial paper as permitted by Government Code 2256.013.
- 8.7 No-load mutual funds, except for bond proceeds, and no-load money market mutual funds, as permitted by Government Code 2256.014.
- 8.8 A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
- 8.9 Public funds investment pools as permitted by Government Code 2256.016.

Competitive Bidding Requirement

All investment transactions will be made on a competitive bid/offer basis. It is the policy of the City to require competitive bidding for all individual security purchases except for those transactions with money market mutual funds and local government investment pools which are deemed to be made at prevailing market rates. At least three bids/offers must be obtained. Bids may be solicited in any manner provided by law. For those situations where it may be impractical or unreasonable to receive three bids for a transaction due to a rapidly changing market environment or to secondary market availability, documentation of a competitive market survey of comparable securities or an explanation of the specific circumstance must be included with the bid document. All bids received must be documented and filed for auditing purposes.

Monitoring Market Prices

The investment officer shall monitor the investment portfolio and shall keep City Council informed of significant changes in the market value of the City's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/ advisers of investment pools or money market funds. Monitoring shall be done at least quarterly, as required by law, and more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

Monitoring Rating Changes

The investment officer shall develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings.

A public funds investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

Effect of Loss Required Rating

An investment that requires a minimum rating does not qualify as authorized investment during the period the investment does not have the minimum rating. The City shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

10.0 COLLATERALIZATION

In accordance with state law and the depository contract, all demand deposits and all time deposits will be collateralized by the pledging of investment securities or irrevocable letters of credits. The City Manager and/or Director of Finance or his designee must approve the security prior to its pledging. Pledged securities shall always be held by a third party and evidenced by a current safekeeping receipt.

11.0 DELIVERY VERSUS PAYMENT

All security transactions, including collateral for repurchase agreements, shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third party custodian approved by the Director of Finance and evidenced by original safekeeping receipts.

12.0 DIVERSIFICATION

The City of Edinburg shall diversify its portfolio by security type and institution. The City will diversify to reduce reliance on any one issuer or financial institution. Risk of principal loss in the portfolio as a whole shall be minimized by diversifying investment types according to the following limitations.

<u>Investment Type</u>	<u>% of Portfolio</u>
U.S. Treasury Notes/Bonds/Bills	90%
U.S. Government Agencies	80%
Certificates of Deposit	50%
Limit per financial institution	10%
Repurchase Agreements	20%
Flex repurchase agreements by bond issue	100%
Money Market Mutual Funds	25%
Local Government Investment Pools	100%

13.0 MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not invest in securities maturing more than two (2) years from the date of purchase.

14.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a reasonable yield throughout budgetary and economic cycles, commensurate with the investment risk constraint and the cash flow requirements. The benchmark established for the portfolio in keeping with the cash flow requirements of the City shall be the six month U.S. Treasury Bill.

15.0 REPORTING

The Investment Officers shall provide a report on investment activity and returns to the City Council in the quarterly financial report. Investment performance will be monitored and evaluated by the Investment Officers on a quarterly basis. This investment report shall be in compliance with the Act and include, at a minimum:

- 1) Describe in detail the investment position of the entity on the date of the report;
- 2) Be prepared jointly by all investment officers and by signed by each investment officer;
- 3) Contain a summary statement of each pooled fund group that states the:
 - Beginning market value for the period;
 - Ending market value for the period; and
 - Fully accrued interest for the reporting period;
- 4) State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- 5) State the maturity date of each separately invested asset that has a maturity date;
- 6) State the account of fund or pooled group fund in the state agency or local government for which each individual investment was acquired;
- 7) State the six month U.S. Treasury Bill rate of return percentage to be used as the benchmark in comparison with the City's investments.

Prices used for the calculation of market values will be obtained from independent sources. An example of the report is included in Appendix D.

Quarterly reports must be formally reviewed at least annually by an independent auditor and reported to City Council.

16.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the City Council on no less than an annual basis. Any changes to the Policy shall be reflected in the approving resolution of Council.

17.0 INTERNAL CONTROLS

The Director of Finance shall establish a process for annual independent review by an external auditor in conjunction with the annual audit to assure compliance with policies and procedures.

18.0 EXEMPTION FOR EXISTING INVESTMENTS

The City is not required to liquidate investments that were authorized investments at the time of purchase.

APPENDIX A:

CITY OF EDINBURG

INVESTMENT POLICY CERTIFICATION

This certification is executed on behalf of the City of Edinburg, Texas (the "City") and the "Firm" pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code in relation to investment transactions conducted between the City and the Firm.

As the authorized representative of the Firm I hereby acknowledge that I have received and reviewed the attached Investment Policy of the City of Edinburg.

I hereby further acknowledge that the Firm has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the Firm not authorized by the Investment Policy, except to the extent that this authorization is dependent on analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Firm Name: _____

Address _____

Account Representative: _____

Title: _____

Signature _____

Date _____