



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

Topic: Approval of RFP 025-2017 Bank Depository Services

Submitted By: Ms. Cordelia Flores-Jackson / Mr. Sam Flores **Of:** Director of Purchasing / Comptroller

Approved for transmittal to school board: May 17, 2017

Recommendations:

The Purchasing Department opened proposals for RFP 025-2017 Bank Depository Services on Wednesday, June 13, 2012, at 3:00 p.m. Three proposals were received by the following financial institutions:

BBVA Compass Bank
Inter National Bank

The District's Financial Consultant, Mr. Richard G. Long from Valley View Consulting LLC, has provided the District with an analysis of the proposals. The Business/Finance Division and Tax Office Department has reviewed all responses and the aforementioned analysis. Administration is recommending award to BBVA Compass as the financial institution that provides the best value to the District.

Rationale:

Staff has complied with all applicable federal, state and local purchasing policies and procedures in obtaining pricing information for the items listed above. Staff is recommending the awards based on being the best value to the district.

Budgetary Information:

2017-2019 General Fund

Board Policy Reference and Compliance

CH local – purchasing and acquisition

Texas education code 44.031

Texas education code, Subchapter G, Chapter 45

Board approval
Awarding of bids/proposals
May 17, 2017

RFP 025-2017 Bank Depository Services

Recommendation:

Requesting approval to procure services from the best proposer(s)/ offer(s) meeting specifications as follows:

<u>Vendor(s)</u>	<u>Amount</u>
BBVA Compass Bank	See Attached Tabulation

Administration advertised on Sunday, March 26, 2017, and Sunday, April 2, 2017. Fifteen (15) proposals were mailed. Two (2) proposals were received on Wednesday, April 19, 2017, at 3:00 p.m. at the UISD Service Center Purchasing Department.

Budget information:

2017-2019 General Fund

Resource Personnel:

Laida P. Benavides, Assistant Superintendent for Business/Finance
Sam Flores, Comptroller
Rosa Cabello, Accounting Manager
Irene G. Ruiz, Senior Accountant
Monica Madrigal, Tax-Assessor-Collector
Cordelia Flores Jackson, Director of Purchasing
Karina Mendoza Guerra, Purchasing Manager

UNITED INDEPENDENT SCHOOL DISTRICT



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Superintendent

201 Lindenwood Drive
Laredo, Texas 78045
Phone: (956) 473-6219
Facsimile: (956) 728-8691

To: Ms. Cordelia Flores Jackson
Director of Purchasing

From: Mr. Samuel D. Flores
Comptroller

Ref: Depository Contract

Date: April 28, 2017

The Finance Division is recommending that the depository contract for 2017-2019 biennium be awarded to BBVA Compass Bank.

The recommendation is based on the following criteria:

- BBVA has the financial strength necessary to meet U.I.S.D.'s volume – cash balances and transactions.
- BBVA provides online banking services for all 55 accounts including balance inquiry, ACH transactions, Direct Deposits, and Payroll Deductions.
- The net effect of interest earned over charges assessed is positive.

I would like to thank the committee for their time with reviewing the banking information, especially Mr. Dick Long with Valley View Consulting for his in-depth analysis. If you have any questions, please contact me at 473-6368.

Copy: Ms. Laida P. Benavides, CPA
Asst. Superintendent for Business and Finance

It is the policy of the United Independent School District not to discriminate on the basis of race, color, national origin, sex or handicap in its vocational programs, services or activities as required by Title VI of the Civil Rights Act of 1964, as amended; Title IX of the Education Amendments of 1972; and Section 504 of the Rehabilitation Act of 1973, as amended.



April 28, 2017

United Independent School District
201 Underwood Drive
Laredo, Texas 78045

We have certainly enjoyed the opportunity to assist the United Independent School District (the "District") with this Primary Depository Bank Services Request for Proposals (the "RFP") project.

The objective of this engagement was to select a primary depository bank following the expiration of the current contract which ends August 31, 2017. This agreement, when approved, will commence on September 1, 2017 and terminate on August 31, 2019. The contract will allow for two (2) two-year extensions for a possible total term of six (6) years, subject to TEA approval.

Procedure

The project began with the establishment of a calendar of events to ensure that the required project steps were performed in a timely and sequential manner, by the June 15th TEA deadline.

The process for selecting a depository bank is governed by various State of Texas statutes, including: Texas Education Code, Chapter 45, Subchapter G School District Depositories; Chapter 176 Conflict of Interest Act; Chapter 2256 Public Funds Investment Act; and Chapter 2257 Public Funds Collateral Act.

In addition to complying with these State statutory requirements, it was necessary to understand and comply with the District's financial and purchasing policies and Investment Policy.

The RFP project was conducted as follows:

1. Analyzed historical bank service usage and balance records.
2. Reviewed the minimum banking services and potential additional services.
3. Developed a list of eligible financial institutions within the District's service area:
 - a. Bank of America
 - b. BBVA Compass Bank
 - c. Commerce Bank
 - d. Falcon International Bank
 - e. First Convenience Bank
 - f. First National Bank
 - g. Inter National Bank
 - h. International Bank of Commerce
 - i. JPMorgan Chase Bank
 - j. State Farm Bank
 - k. Texas Community Bank

- l. Vantage Bank
 - m. Wells Fargo Bank
-
4. Drafted the RFP.
 5. Posted the notice, as required, and advertised.
 6. Distributed RFP's to the identified and receptive financial institutions.
 7. By the closing deadline, proposals were received from:
 - a. BBVA Compass Bank (Incumbent)
 - b. Inter National Bank

Proposal Analysis

The analysis began with an overall review of each financial institution's general financial strength and ability to provide the services necessary to meet the District's current and future service needs. Both respondents were deemed financially sound.

Should the District choose to invest in securities, BBVA Compass Bank is capable of providing security safekeeping and clearance services. The related-fees were deemed non-pertinent to the overall selection decision.

The District may maintain balances sufficient for operations with the primary depository bank and invest excess funds in accounts or investment vehicles earning higher yields than may be offered by the primary depository.

The analysis of proposed fees, earnings credit, and investment income potential is summarized below.

Net Income/(Cost)

Each financial institution's fee schedule was analyzed based on the District's banking service needs and estimated activity levels. BBVA Compass offered \$5,000 supplies credit and two check scanners as incentives.

The average operating balances the District has maintained over the last year was approximately \$28,000,000. BBVA Compass's proposal requires a \$7,500,000 minimum compensating balance. The estimated balance to completely offset fees is \$8,300,000.

If the earnings credit rate exceeded the investment option offered, each financial institution's potential earnings credit rates were considered as "soft-dollar" earnings credit to be netted against the estimated service charges. If any remained, or if the rates dictated, non-compensating balances were invested in a more advantageous "hard" interest deposit option. It should be noted that both of the banks' earnings credit and/or hard-dollar options are currently below other investment options.

The estimated Proposed Fees, EC/HI, and Net Income/(Cost) for the initial two year service period:

Two-Year Term	BBVA Compass (incumbent)	Inter National
Proposed Fees	(115,560)	(147,861)
Earnings Credit and Hard Interest	352,600	140,000
Net Income/(Cost)	237,040	(7,861)

Assuming the full six year potential service period:

Six-Year Term	BBVA Compass (incumbent)	Inter National
Proposed Fees	(346,679)	(443,584)
Earnings Credit and Hard Interest	1,057,800	420,000
Net Income/(Cost)	711,121	(23,584)

Recommendation

BBVA Compass has been a good business partner for many years and their proposal projects significant economic advantage. Therefore, based on our analysis and discussion with District staff, we concur with the staff recommendation that the Board of Trustees award the depository bank services contract to BBVA Compass Bank, and authorize the Superintendent to execute the agreements incidental to implementing the banking relationship.

In today’s interest rate environment, it will also be in the District’s best interest to monitor non-BBVA Compass investment alternatives to enhance interest income.

Thank you for this additional opportunity to serve the United Independent School District. We look forward to future engagements.

Sincerely,



Richard G. Long, Jr.
Valley View Consulting, L.L.C.

Attachment.

UNITED ISD BANK RFP ANALYSIS



April 26, 2017	BBVA Compass (incumbent)	Inter National Bank
FEE ANALYSIS OF BANK DEPOSITORY SERVICES		
Proposed Fees		
Monthly Fee Estimate (excluding safekeeping charges)	(4,815)	(6,161)
Monthly Estimated Assessment Fee	Waived	1,525
Fees for Two Year Term	(115,560)	(147,861)
Fees for Four Year Term	(231,120)	(295,723)
Fees for Six Year Term	(346,679)	(443,584)
Contract Incentives		
Estimated Waived Fees		
Supplies	5,000	
Other	Two Scanners	
Transition/Retention Allowance		
Total Fees for Two Year Term less Incentives	(115,560)	(147,861)
Total Fees for Four Year Term less Incentives	(231,120)	(295,723)
Total Fees for Six Year Term less Incentives	(346,679)	(443,584)
Earnings Credit		
Minimum Compensating Balance		
\$7,500,000		
Earnings Credit Rate	0.70%	0.05%
Rate Basis	Managed Rate w/0.70% Floor	Managed Rate
Target DDA Compensating Balance	8,300,000	-
Monthly Earnings Credit less Reserve	4,842	-
Earnings Credit for Two Year Term	116,200	-
Earnings Credit for Four Year Term	232,400	-
Earnings Credit for Six Year Term	348,600	-
Reserve Requirement	0%	10%
Net Fees for Two Year Term	640	(147,861)
Net Fees for Four Year Term	1,280	(295,723)
Net Fees for Six Year Term	1,921	(443,584)
Interest Income Estimate		
Minimum Compensating Balance		
\$7,500,000; Maximum Interest		
Bearing \$30,000,000		
Investment Option	Public Funds	Interest Bearing Checking
Rate Basis	Managed Rate w/0.60% Floor (initial two years)	Managed Rate
Interest Rate	0.60%	0.25%

UNITED ISD BANK RFP ANALYSIS



April 26, 2017	BBVA Compass (incumbent)	Inter National Bank
Investment Balance	19,700,000	28,000,000
Monthly Investment Income	9,850	5,833
Two Year Investment Income	236,400	140,000
Four Year Investment Income	472,800	280,000
Six Year Investment Income	709,200	420,000
Two Year ECR and Hard Interest	352,600	140,000
Four Year ECR and Hard Interest	705,200	280,000
Six Year ECR and Hard Interest	1,057,800	420,000
Two Year Income/(Cost)	237,040	(7,861)
Four Year Income/(Cost)	474,080	(15,723)
Six Year Income/(Cost)	711,121	(23,584)
4/20/2017		
Historical Bank Balance	28,000,000	
91-Day T-Bill Discount Rate	0.81%	
Fed Funds Rate Actual	0.91%	
Local Government Investment Pool (TexPool)	0.72%	

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
DETAIL RESPONSE ANALYSIS OF BANK DEPOSITORY SERVICES			
Bank Compensation			
		Fees, balances or combination w/no pricing difference	ECR non-interest bearing accounts; fees on A/A
District Investments			
	District may choose to invest in time deposits at the Depository, but investments will be evaluated competitively at the time of purchase	District may elect to invest in Certificates of Deposit outside of this proposed contract	Current CD rates and terms to be provided
Collateral			
	Method of collateral the Depository will use for District funds	Letter of Credit provided by FHLB Atlanta	Securities w/Frost as Custodian; may use FHLB LOC
Banking Service Fees			
	Attachment A - Volumes for Pricing Transactions	Provided	Provided
Depository Information			
1	Depository name, address, parent holding company & branch locations	500 San Bernardo Avenue, Laredo, TX 78216	7219 McPherson Road, Laredo, TX 78041
2	Uniform Bank Performance Report & annual audited financial statements	Provided	Provided
3	Depository ratings from independent Depository rating agency	Bauer Financial 5 of 5 stars	Bankrate.com 5 of 5 stars
4	Contact information		
a	Primary	Adrienne Trevino, FVP 956.794.1331	Abelina Perez, VP 956.721.7101
b	Secondary	Stephen Sanchez, TMO 210.370.6116	Alice Villanueva, ABM 956.721.7100
c	If primary and secondary contacts are unavailable, procedure for contacting Depository in an emergency or after hours	Contact Business Relationship Services, in an emergency contact relationship manager	Relationship team after hours by email
d	Describe problem resolution, customer service, day-to-day contact, and ongoing maintenance for governmental clients.	Provided	Provided
5	References	11 General Treasury Management References	El Paso County, El Paso County Housing, Vinton, Anthony Housing, Anthony ISD
6	Timeline and process for contract implementation	Provided	Provided
7	Copies of all agreements (provided as attachments)	Provided	Provided
8	District Investment Policy certification required upon award	Confirmed	Acknowledged
9	Contact for pre-award meeting	Adrienne Trevino	Abelina Perez

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
10	Transition incentives offered	\$5,000 Supplies credit (includes one Annual Audit Confirmation); Two (2) remote deposit scanners; Waive - Purchasing/Commercial Card set-up, Spend Net Navigator monthly maintenance and annual card fees (may qualify for cash rebates)	None
Banking Services			
1	Consolidated Account Structure with Sweep Mechanism		Internal sweeps or ZBAs
a	Proposed account structure	Compensating Balance (ECR) minimum \$7,500,000 w/manually adjusted interest bearing maximum \$30,000,000	Master Interest Bearing Account w/ZBAs
b	Average rate on recommended alternative structure for past 12-months	Managed Rates w/Floors; provided standard rate history	0.10%
c	If SEC-registered money market fund, provide name and prospectus	Not proposed but provided	N/A
d	Interest earned must not be charged as an expense on account analysis	Confirmed	Confirmed
2	Automated Cash Management Information		
a	Depository's online service and system capabilities	Compass e-Access	Business Online Banking
b	Backup process in case system is not available	Contact Business Relationship Services	Contact local branch team
c	When daily balance information is available	7:00 AM	24/7
d	Samples of screens or link access to a demonstration	Samples provided	Samples provided
e	Individual security sign-on and levels of security available	Administered by District; multi-level and dual authorizations available	District provides authorization form
f	Controlled disbursement cutoff times, Federal Reserve location of clearing, and District access to the information	9:00 AM from Lake Jackson, TX cleared through Dallas FRB, available through Compass e-Access Online	Service not offered
3	Deposit Services		
a	Daily cutoff times for same-day ledger credit	Deposits received at local branch typically 5:00-5:30 PM	5:00 PM w/remote capture 4:00 PM

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
b	How and when credit and debit advices are sent to the District	Through Compass e-Access information can be viewed by 7:00 AM	Business Online Banking
c	Type of deposit bags used or required and availability	Tamper-evident poly seal bags are required for all deposits delivered to night drops and cash vaults	No specific bag required
d	City where item processing occurs	Houston, TX	Des Moines, IA
e	Procedures for deposit discrepancies	Adjust all discrepancies w/debit and credit entries	Adjust all discrepancies w/debit and credit entries
f	Bank provide copy of courier manifest	No - District contracts directly with courier	Courier Provides
g	Return of validated deposit slips	Via courier or USPS	Next day via Courier
h	Accept rolled coins/strapped currency	Yes w/no additional fee, except large, unrolled coin bags	No rolled coin; fees apply
i	Charge backs	Business accounts w/special instructions - one redeposit	District initiates; one time
j	Counterfeit procedures	District contacted,; account adjusted; Secret Service involved	Notify Secret Service; follow their instructions
	Remote Deposit		Cannon CR 190i; proposed Lock Box service
a/k	Depository's capabilities in remote check deposit including process and cutoff time for same-day ledger credit	BBVA Remote Deposit Capture; 9:00 PM same-day cutoff	Same day availability prior to 4:00 PM; available online next day
b/l	Comparable references	Provided	Provided
c/m	Daily balancing report availability and sample	Provided	Online up to 90 days
d/n	Scanner equipment required, availability for purchase or lease, and cost	Offer two (2) free scanners, additional scanners available for purchase	Available for purchase; current scanners may be compatible
4	Standard Disbursing Services		
a	Image all checks and deposits	Yes	Yes
b	Images available online and/or on a CD provided monthly	Compass e-Access view checks, deposit slips and deposited items; CD's provided monthly	Online images the day after posting, CD can be requested
c	Length of time images are maintained online	120 days	Transactions - 18 months; Statements 12 months

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
d	District checks paid without charge upon presentment	Will not cash business checks; No charge for employees but reserves the right w/90 days notice; not to exceed \$10	No - non-customers pay fee
e	Available images - charge backs, credit and debit memos and electronic notifications	Compass e-access; additional charge for charge backs	Images available; checks returned to District; no electronic notification
5 Positive Pay			
a	Transmission and transfer requirements for automated and manual checks	Compass e-Access upload file in CSV or fixed text format, upload in bank or custom format, FTS, and Secure Pay	Flies and manual uploads throughout day; Cut-off 6:00 PM
b	Manual input available online	Yes	Yes
c	Ability to change or delete check records if necessary	Void a check but the issue cannot be changed	May delete or reassign; or void
d	Depository's notification to District of a positive pay exception	Compass e-Access alerts or by email, phone or text message	Email notification next day
e	When District is notified of exception and election deadline	Exception reported by 9:30 AM, District instruction required by 12:00 PM	Email notification by 9:00 AM; decision by 12:30 PM
f	Teller and vault verification against positive pay file	Teller positive pay not available at this time; BBVA indemnifies customers against fraudulent checks cashed at the teller line in Compass bank branches	Yes, teller information is updated automatically
g	Payroll positive pay available	Yes	Yes
h	Copy of Depository's file layout format	Provided	Provided
i	Payee name verification	Payee name not available at this time; BBVA indemnifies customers against fraudulent checks cashed	No - Payee name not verified
6 Account Reconciliation			
a	Partial and full reconciliation process	Full reconciliation provided through Compass e-Access by paper or through a transmission	Yes

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
b	Format required for reconciliation	Compass e-Transmit or File Transfer Services; various formats accepted; usually available first day after cycle-end cutoff but may take up to seven business days to post if there are balancing issues	Partial via Positive Pay; full via Excel File
c	Reporting alternatives	Reconciliation reports through Compass e-Access, by data transmission or by mail	Available for 90 days from posting date
d	Reports available online and length of time	Compass e-Access viewable for 120 days	Available for 90 days from posting date
7 Fund Transfer and Wire Services			
a	Online wire initiation process and backup process	Compass e-Access, multi-factor authentication online, option for use of tokens, backup by phone or fax with PIN,	Domestic wires via Wire Manager; wire templates and control settings available
b	Paper transaction required for transfers or wires	No	No
c	Notification of incoming wires	Real time reporting through Compass e-Access or delivered by email or fax	Email notification or alerts through WNB Treasury Manager
d	Future dating for repetitive and non-repetitive wires and transfers	Yes, up to one year in advance	Future dating not allowed
e	Deadline for initiation by phone and online	Domestic wires by phone 4:00 PM and through Compass e-Access 4:30 PM	Online deadline 3:30 PM
f	Templates for repetitive transfers	Yes	Yes
8 Optical Imaging			
a	Items and reports available online	Compass e-Access provides 13 reports for images of various items	Yes
b	Items capture on monthly CD (if provided)	CompassView Statement provides data and images of paper based transactions posting to accounts	May be requested
c	When monthly CD or imaged reports are available	CD available 5 business days after the statement cutoff	10th business day

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
d	When and how long statements and account analyses are available online	Compass e-Access provides both Bank Statements and Account Analysis for 120 days	12 months
e	How long are images available online	Compass e-Access maintains images for 120 days	12 months
9 Automated Clearinghouse (ACH) Services			
a	Transmission alternatives for individual ACH transactions	Compass e-Access Pass Through ensures the ACH file is in proper NACHA format; Compass e-Transmit or File Transfer Services may also be used	ACH templates and bulk file transmission available
b	Filters and blocks available on District accounts for ACH transactions	ACH transactions filtered or blocked using ACH Authorization Service	Block and filter was Positive Pay module
c	ACH addenda online and in reports	Shown in its entirety through the EDI service module of Compass e-Access	CTX advice next business day
d	Policy on pre-notification and if charged as standard ACH transaction	Pre-notifications are optional but recommended; pre notes are charged in the standard ACH transaction count on account analysis	Pre-notes not required but recommended; charged as a standard ACH transaction
e	Deadline for transmission for payroll to credit employee accounts on Friday	Thursday by 6:00 PM; same day before 10:30 AM Sep 2017	Wednesday by 4:30 PM
f	Adhere to NACHA Requirements	Yes	Yes
g	Encrypted lines for transmission or electronic file	Yes	Yes
h	Deadline for submitting electronic file	Previous day by 6:00 PM; same day before 10:30 AM Sep 2017	Two days prior by 4:30 PM
10 Investment and Safekeeping Services			
a	Member of Federal Reserve or Federal Home Loan Bank	Yes - Direct participant with FRB and DTC	Security Clearance and Safekeeping not offered
b	Security transaction origination and monitoring online	Online monitoring - partial	N/A
c	Deadline for settlement instructions on cash same-day settlement and charge for late instructions	12:00 PM for same-day; late instructions are processed on best efforts basis; no additional charge for late trade notices	N/A
11 Collateral Requirements			

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
	Terms and conditions		Agreed; INB provides receipt image
a	Collateral charges	Only potentially w/State Collateral Pool	No
b	Deadline for requesting collateral in excess of existing requirements	2:00 PM; request notification one business day prior to need for excess collateral	24 hour advance notice
12	Account Analysis		
a	When account analysis is available each month	7th business day after month-end	No later than 15th of month
b	Account analysis available online	Available through Compass e-Access, read only for 120 days	Yes
c	Paper account analysis and when sent	Mailed by the 7th business day after month-end	No
d	Length of time to correct any billing errors	Corrections completed as soon as possible, typically within a statement period	60 days
13	Monthly Statements		
a	When monthly statements are available each month	Available online through Compass e-Access the day after statement cut-off date, after 5 days for a partial reconciliation and within 7 business days after statement cut-off for full reconciliation	Online following business day
b	Monthly statement available online	Available online through Compass e-Access the day after statement cutoff date for a rolling 12 month period; statements not included on the CD-ROM	Online following business day; 12 months; CD-ROM also available
c	Paper statements and when sent	Mailed within 7 business days after statement cutoff	Mailed 3 to 5 business days after the end of the month
14	Overdrafts		
a	Accounts aggregated	No - stand alone	No
b	Rate basis for intra-day and inter-day overdrafts	Uncollected dollar amount at an annual rate equal to BBVA prime rate +4%; not to exceed 18%	Average daily for statement cycle; 1.5%

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
c	Policy for daylight overdrafts	Requires prior credit approval; if limit is exceeded wire would be held pending approval; no charge for daylight overdrafts	No charge
d	Overdraft courtesy	Yes - if overdrafts infrequent and handled case-by-case	No courtesy provided
15	Stop Payments		
a	Time period options available	Through Compass e-Access remain in effect for 2 years; stop pays placed by Business Relationship Services expire after 6 months	Up to 6 months
b	Options for extended stop payment periods	Extended by reissuing the stop payment	Must be resubmitted to extend
c	Cutoff hour for same-day action on stop payments	Compass e-Access 9:00 PM M-F same day action; Business Relationship Services 5:00 PM	Up to 5:00 PM
d	Initiated online and follow up documents	May be initiated online with no paper follow up documentation required	May be initiated online with no paper follow up documentation required
e	Information on current and expiring stop payments available online	All stop payment activity initiated through Compass e-Access is available for 120 days	Stop payment history and expiration dates
f	Stop Payment charges	See Attachment A - Pricing	
16	Customer Service		
	Customer service in languages other than English	English and Spanish	English and Spanish
17	Service Enhancements		
	District considerations to manage treasury operations more effectively	Provided	Provided
18	Post No Checks	Yes	Yes
19	ACH Debit Blocking	Offers both ACH Blocking and ACH Authorization	Offers both ACH Blocking and filters
20	Employee Check Cashing	No charge for employees but reserves the right w/90 days notice; not to exceed \$10	No - \$3.50 fee
21	Payment for Services	Agrees	Yes; overdraft interest hard dollar
22	Account Settlement	Prefers Monthly, can settle quarterly	Monthly

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
23	Collective Overdraft Provision	No - stand alone	N/A
24	Deposited Check Non-Payment Fees	Agrees	No; \$5.00 per item
7	Other District Bank Accounts	Agrees	Acknowledged
8	Reverse Positive Pay	Yes	Yes
11	Zero Balance Account	Yes	Acknowledged
12	Audit Confirmations	Third Party w/fees	Acknowledged
13	Balance Assessment	Waived	Assessment Fee passed in full
14	Reserve Requirement	No	10%
15	Earnings Credit Rate	0.70%	0.05%
Optional Services			
1	Nonsufficient Funds (NSF) Checks Re-presented as ACH		
a	Currently using ACH for collection of NSF checks and references	Not offered , clients manage collections	N/A
b	How NSF and later ACH transactions are matched and reconciled	N/A	N/A
c	NSF information available online	N/A	N/A
d	Target pay days specified by District	N/A	N/A
2	Merchant Services		
a	Merchant card services offered and interface formats supplied	Alliance between BBVA Compass and First Data Merchant Services Corporation; various formats available	Through Fitech
b	Number of institutions and end customers	Operations in 36 countries and serves more than 6.1 million worldwide client locations	115,000 active merchants
c	Fee components	Bills on a Cost plus Interchange and Assessments at Pass-thru basis; tiered pricing schedule based on per authorization attempt	Fees provided
d	Software to allow online payments to the District through Depository portal	Merchant Services' Payeezy eCommerce	FirstPay Net 2.0
e	Reporting functions and data availability	Business Track reporting portal allows users to view and manage all payment streams through one single consolidated tool	FirstView reporting tool

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
f	Billing options	Bills clients daily for our direct processing fees and debit interchange; ACH fees from each clients designated DDA	Merchants are billed monthly
g	Authorization method or process and how incorrect authorizations are reversed	Authorization varies depending on channels used; BBVA prefers host-to-host MPLS connection; reversals depend on terminal or software used	Fitech uses Vanity Frontend Alternative authorization
h	Debit card processing capabilities	First Data providing for online, offline and PIN-less transactions; BIN provided weekly; enables retailers to set priority routing for lowest cost	Fitech's BIN management system
i	Transmission process and notification of failed transmission	Support all major data connection methods; clients are notified of any 3rd party problems; in case of outage call center/customer support notifies clients	Customer Service monitors merchant activity
j	Data imaging available online and length of time available	Yes, several data imaging options; key data stored for various times based on POS provider	FirstView reporting tool
k	Dispute resolution process	Financial institution receives dispute information and forwards to First Data for response; upon response First Data works with issuing bank to resolve; Dispute ManagerSM web application available	Fitech send chargeback notification prior to debit; 15 days to address
l	Security measures for internet transactions and unauthorized use	Provided	Provided
3	Payroll Cards or Debit Cards		
a	Currently providing and for how long	Yes, since 2004	No
b	Number of institutions and end customers	263 PaySource clients; 21,235 cardholders	N/A
c	Program utilized	Visa	N/A

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
d	Enrollment process	Credit checks not required; verification of identity required for each person opening account; signature on application varies by state law; online management using Visa Prepaid Admin Tool	N/A
e	Manner by which funds are made available to cardholders	Compass PaySource allows access morning of the settlement date, as early as 7:00 AM; no cost to employees using POS purchases; allows for 1 free teller withdrawal and 1 free ATM withdrawal per pay period	N/A
f	Inactivity levels and potential fees	Cards continue to be valid after employment; no fee for carrying a balance for any length of time	N/A
g	Data transmission requirements and deadlines	For same day ACH credit processing transmit file by 10:30 AM (additional fees apply); Direct deposit payments by 6:00 PM one day prior to the pay date	N/A
4	Purchasing Cards		No
a	Card platforms supported	MasterCard/Visa	N/A
b	Information available online	Spend Net Navigator is the daily card maintenance/ management system; various reports and capabilities	N/A
c	Client support	Dedicated Commercial Card Support Desk available by phone 7:30 AM - 6:00 PM M-F with business partners available 24/7	N/A
d	Parameters and restrictions available for card control	Using Spend Net Navigator various department level restrictions/spending restrictions/limits are available to meet District needs	N/A

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
e	Settlement and corporate liability terms	BBVA requires corporate payment vs. individual payment; payment typically due 14 days past monthly cycle cutoff via ACH debit to the DDA account specified by District	N/A
f	How cards are issued, deleted, or replaced	Using Spend Net Navigator allows for new card orders, cancellation, modification and replacement; provides MasterCard and Visa Liability Waiver programs at no cost to District	N/A
g	Provide three comparable references for the service	Will provide references if BBVA is a finalist	N/A
5	Company Bank Program		
a	Banking program for District employees	Provide using Workplace Solutions	No charge for electronic transactions
b	Services under the program	Various incentives	Provided
c	Availability based on direct deposit or District employment	BBVA does not require direct deposit of payroll with Workplace Solutions	No charge for electronic transactions
6	Check Printing Services		
a	If offered, deadlines for same-day and next-day printing and from what location	Yes offered through Integrated Payables solution	N/A
b	If offered, deadlines for same-day and next-day printing and from what location	Accept check files for next day printing until 10:00 PM	N/A
a	Where printed and sent	Check printing is done from three locations in Florida, Georgia and Oregon	N/A
7	Smart Safe		
a	Service offered and conditions required	Service offered in partnership with Brinks	N/A
b	Cost effective for District	More data needed	N/A
7	Credit Cards		
	Provide service for credit cards assigned to District employees	Refer to Purchasing Card Section for details	N/A
9	Armored Car Services		
	Service availability and details	Not provided; however partner with Brinks and potentially Loomis	N/A

UNITED ISD BANK RFP ANALYSIS



April 26, 2017		BBVA Compass (incumbent)	Inter National Bank
Application Submission			
		Received	Received
Fee Schedules			
1	Bank Services	Received	Received
Response Attachments			
1	Sample Account Analysis Statement	Provided	Provided
2	Audited financial statements or website	Provided	Provided
3	Rate setting policy	Provided	Provided
4	Sample Collateral Agreement	N/A	Provided
5	Uniform Bank Performance Report or website	Provided	Provided
6	Security measures		
7	Technology specifications	Provided	
8	Sample Collateral Agreement	Report Provided	Provided
9	Sweep/Investment Account	Provided	Provided
10	Business Continuity Plan	Provided	
11	References	Provided	Provided
12	Attachment A - Volumes for Pricing Transactions	Provided	Provided
13	Sample Account Analysis Statement	Provided	
14	Attachment D - Collateral Agreement	N/A	Provided
15	Other Agreements	Provided	
16	Screen shots Cash Management System	Provided	Provided
17	Daily Balance Report	Provided	
18	Sample account reconciliation reports (if applicable)	Provided	

**Depository Contract for Funds
of Independent School Districts
under the Texas Education Code, Chapter 45, Subchapter G,
School District Depositories**

State of Texas

County-District Number

County of _____

Article I. The _____, referred to in this contract
Name of District

as the "District," is located in _____ County, Texas. The board of trustees of the District has selected
Name of County

_____, referred to in this contract as the "Depository," to serve as the Depository of the
Name of Depository Bank

school funds of the District (or if there are tie bids or proposals as defined in the Texas Education Code [TEC], as one of the Depositories). This selection was made in accordance with the TEC, Chapter 45, Subchapter G. The Depository will serve under this contract for a two-year term starting with the fiscal year beginning _____ and ending _____, and until its successor is selected and has qualified unless
Date *Date*

this contract is terminated sooner by the Depository's failure to adhere to all requirements of the TEC and of this contract. The school funds of the District include all school funds except those permitted by law to be deposited or invested otherwise at the sole discretion of the District's board of trustees.

The Depository is located at _____ County, State of Texas, and is a
Bank Mailing Address, City, Zip Code *Name of County*

bank as defined in the TEC, §45.201.

Article II. The District selected the Depository based on the Depository's written bid or proposal submitted as provided by State Board of Education rule. The District determined that the Depository's written bid or proposal was the best, or equal to the best, among _____ bids or
Number Submitted

proposals submitted to the District and opened on _____. The bid or proposal is incorporated in this contract by reference.
Date

This contract is subject to the TEC and any amendments to it and to any acts of the Texas Legislature that affect public moneys held by the District during the term of this contract.

Article III. The Depository has elected a method to adequately protect the funds of the District deposited with the Depository in accordance with the TEC, §45.208, and a copy of the election is attached to this contract and incorporated by reference.

Article IV.

- A. The TEC, §45.205, requires that this contract and any extension of this contract coincide with the District's fiscal year. If the District changes its fiscal year in accordance with the TEC, §44.0011, the parties may agree to shorten or extend the two-year term of the contract by no more than one year to coincide with the end of the new fiscal year, provided that this contract remains in effect until the Depository's successor is selected and has qualified. If the parties cannot agree, the District has the option to change the term of this contract to coincide with the end of a new fiscal year closest to its original expiration date.
- B. The District and the Depository may agree to extend this contract for two additional two-year terms in accordance with the TEC, §45.205(b). An extension under this subsection is not subject to the requirements of the TEC, §45.206.
- C. The District must electronically file this contract and any additional two-year extension of this contract with the Texas Education Agency.
- D. The Depository must allow the District to purchase time deposits that mature after the ending date of this contract; however, the Depository may apply new interest rates to the time deposits after the ending date of this contract. The District is entitled to withdraw these time deposits without penalty when this contract expires. But in that event, the Depository will be obligated only to pay interest rates comparable to rates offered in the contract for the term the time deposits were actually held. The Depository may impose an early withdrawal penalty on a time deposit withdrawn within six days of creation of the deposit, to the extent required to comply with federal regulations defining time deposits.
- E. If a contractual dispute results in litigation between the Depository and the District, the trial will be held in the county in which the District has its central office, but only if this venue designation is not considered to be a waiver of any immunity that either party to this contract may be entitled to claim.

Article V. The District and the Depository execute this contract and each retain a copy, both of which are considered to be originals, and file the contract with the TEA electronically as specified in Article IV, item C, above.

**To Be Completed by the District and Verified by the Depository
(For all funds received from the Texas Education Agency)**

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Routing Transit Number
(Must be 9 digits)

Type of Account:

Account Number
(Up to 13 digits)

Check One:
Checking
Savings

__ Check here if the TEA currently sends funds to an investment pool and no change is required in routing of funds.

Please note that the account information above must match the current direct deposit information on file with the Texas Education Agency, Accounting Division. If the District is changing the current direct deposit information, the District must submit a Vendor Direct Deposit Authorization form along with the depository contract.

Agreed and accepted on behalf of the District this _____ day of _____, _____

Signature of President of School Board

Agreed and accepted on behalf of the Depository this _____ day of _____, _____

Typed Name of Depository

Signature of Authorized Officer

Title of Authorized Officer

Acknowledgment

Acknowledged before me in _____ County, Texas, on _____, 20____, by
_____, bank officer of the Depository named in the preceding document, for the Depository.

Signature of Notary

(SEAL)

Notary Public in and for _____
County, Texas

**Election of Collateral Method for Funds
of Independent School Districts
under the Texas Education Code, Chapter 45, Subchapter G,
School District Depositories**

In accordance with Article III of the Depository Contract for Funds, the Depository has elected to use the following method(s) to protect the funds of the District:

- Surety bond (TEC, §45.208[b])
- Deposit or pledge securities (TEC, §45.208[f])

- A. If the Depository elected to file with the District a corporate surety bond, then the corporate surety bond is in an initial amount of \$ _____, which is equal to the estimated highest daily balance of the District funds determined by the board of trustees of the District to be on deposit with the Depository during the term of this contract. The corporate surety bond is executed in the form and with the content prescribed by State Board of Education rule. A fully executed copy of the corporate surety bond is attached to and made a part of this contract by reference, provided further that:
- (1) the initial amount of the corporate surety bond may rise or fall from day to day so long as all deposits of the District are fully protected;
 - (2) the bond is made payable to the District and is signed by the Depository and the surety company authorized to do business in this state;
 - (3) the bond and the surety on the bond are approved by the board of trustees of the District;
 - (4) the bond exists under the condition that the Depository must:
 - (a) faithfully perform all duties and obligations required by law and this contract;
 - (b) pay on presentation all checks or drafts ordered according to law by the District's board of trustees;
 - (c) pay on demand any demand deposit in the Depository;
 - (d) pay any time deposit after the required notice period expires;
 - (e) faithfully keep school district funds and account for the funds according to law; and
 - (f) faithfully pay over to the successor depository all balances remaining in the account; and
 - (5) the District may not pay a premium on the depository bond out of school district funds.
- B. If the Depository did not elect to make the corporate surety bond in the amount and as referred to in A, above, then the Depository must either deposit or pledge with the District, or with a trustee designated by the District, approved securities as defined in the TEC, §45.201. The pledged or deposited securities must meet the following conditions:
- (1) The pledged securities must be approved securities and authorized by law and must be in a total market value sufficient to protect the funds of the District on deposit as directed at any time by the District in accordance with standards acceptable to the Texas Education Agency.
 - (2) The pledge of approved securities must be waived only to the extent of the exact dollar amount of Federal Deposit Insurance Corporation insurance protection for the District's funds on deposit with the Depository from day to day, and if the insurance protection ends, this contract must immediately become void except as provided in (4) below.
 - (3) The conditions of the pledge of approved securities required by this contract are that the Depository must:
 - (a) credit the account(s) of the District with the full amount of all State of Texas warrants presented to the Depository for the District's account no later than the next banking day after the day the Depository receives the warrants credit the account(s) of the District with the full amount of electronically transferred funds on the effective settlement date;
 - (b) faithfully perform all duties and obligations required by law and this contract;
 - (c) pay upon presentation all checks or drafts ordered according to law by the District's board of trustees;
 - (d) pay upon demand any demand deposit of the District in the Depository;
 - (e) pay any time deposit or certificate of deposit upon maturity or after the required notice period expires;
 - (f) faithfully keep school district funds and account for the funds according to law; and
 - (g) faithfully pay over to the successor depository all balances of funds remaining in the account.
 - (4) The pledge of approved securities required by this contract must continue until either this contract ends or the Depository fulfills all its duties and obligations arising out of this contract, whichever is later. And a continuing security interest in the District's favor must immediately apply to any pledge to all proceeds of sale and to all substitutions, replacements, and exchanges of the securities, and in no event may this continuing security interest be voided by any act of the Depository; however, the Depository will have the right, with the District's consent, to purchase and sell, and substitute or replace with other approved securities, any of the approved securities pledged under this contract, provided that the Depository adheres to all the other conditions of this contract, and the pledge is in addition to all other remedies available in law to the District.
 - (5) The Depository must immediately furnish or cause to be furnished to the District original and valid safekeeping or trust receipts issued by the custodian holding the approved securities pledged under this contract, marked on their face by the custodian to show the pledge and market value as required above, and the Depository must upon the District's request provide a description of securities being pledged and evidence that the securities are legally acceptable in accordance with (1) above.
 - (6) The District may examine and verify at any reasonable time a pledged investment security or a record that a custodian maintains in accordance with the Texas Government Code, §2257.061. The District or its agent may inspect at any time an investment security evidenced by trust receipt.
 - (7) Upon any closing or failure of the Depository, or any event considered by a state or federal regulatory agency to constitute a closing or failure of the Depository, title to all securities pledged under this depository contract must be considered to be vested in, and to be held by

the District. The District is empowered to take immediate possession of and to sell any such pledged securities, whether in safekeeping at another bank or in possession of the District or the Depository, and the District is specifically so empowered by execution of this contract.

- (8) The collateral pledge agreement must conform to Title 12 United States Code Annotated, §1823(e), so to defeat the claim of the Federal Deposit Insurance Corporation, its successor, or any other receiver to the securities, and be:
 - (a) in writing;
 - (b) executed by the Depository at the same time the asset is acquired;
 - (c) approved by the Depository's board of directors or loan committee, with the approval reflected in the board's or committee's minutes; and
 - (d) maintained continuously from the date of its execution as an official record of the Depository.

The Depository must furnish the minutes of the Depository's board of directors or loan committee to the District.

- C. If the Depository elects to give both a corporate surety bond and to pledge approved securities, the corporate surety bond and pledged approved securities must be in an aggregate amount that, together with applicable Federal Deposit Insurance Corporation insurance, will adequately protect the total amount of District funds on deposit with the Depository from day to day. The provisions of A, above, permitting the amount of the corporate surety bond to rise or fall from day to day, and all the provisions of B, above, relating to the amount and conditions of pledge of approved securities, including but not limited to substitution and conditions of pledge, apply to the election permitted by this paragraph C.
- D. The Depository agrees to cover by corporate surety bond, pledge of approved securities, or both an amount that is equal to funds anticipated to be on deposit from day to day, which is estimated not to exceed \$_____. The amount of collateral will be calculated in accordance with the Texas Government Code, Chapter 2257, Collateral for Public Funds Act.
- E. After the beginning date of this contract if the amount of deposit exceeds that which is initially covered by corporate surety bond, pledged approved securities, and FDIC insurance, the amount covered will be increased, and original and valid safekeeping or trust receipts of the additional securities, increased corporate surety bond, or both will be provided in accordance with the TEC and Texas Education Agency rules.