



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

9C. Action

Date: May 14, 2007

SUBJECT: AWARD OF BIENNIUM DEPOSITORY CONTRACT

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: Budgeted in General Fund

Background Information:

- Section 45.205 of the Texas Education Code requires that depository contract(s) for each Independent School District (ISD) be renewed every two years. The next two-year period for Keller ISD is September 1, 2007 through August 31, 2009. Section 45.205(c) states "The contract term and any extension must coincide with the school district's fiscal year."
- Depository contracts are to remain in force for a term of two years and until its successor is selected and has qualified, in accordance with Section 45.205(a).
- As stated in Section 45.205(b), "a school district and the district's depository bank may agree to extend a depository contract for one additional two-year term."
- The board of trustees of each school district shall, at least thirty (30) days before the termination of the current depository contract, mail to each bank located in the district a notice stating the time and place in which bid applications will be received for selecting a school depository or depositories. At least two banks must receive bid notices in every case. A bank is considered to be within a district wherein it conducts business at or through a branch in the district.
- The notice must include a uniform bid blank in the form prescribed by State Board of Education rule. Section 45.206(b) states, "the school district may add to the uniform bid blank other terms that do not unfairly restrict competition between banks in or near the territory of the school district."
- To ensure sufficient time for review prior to the beginning of the district's biennium, a school district's depository contract(s) ... must be received by the Division of Financial Audits no later than June 15, 2007. No payments will be made to any district subsequent to either July 1, 2007 or September 1, 2007, that has not submitted an acceptable contract(s).

Administrative Considerations:

- Currently the district is identifying the financial institutions in the district to request a bid from. All financial institutions will be contacted and given the bid documents to submit a bid.
- The District sent out bid requests to all banks in the boundary of the District. The bids were sent to seventeen (17) banks and four (4) responses were received.
- The bid contains language for a two year renewal of the bid at the end of this biennium contract as prescribed by the Texas Education Code. The renewal can only extend the contract one time for an additional 2 year period. The exercise of this option at the end of this 2 year contract period will require Board approval.
- Please find attached the summary of fees to be charged to the district.
- The contract and legal review will be provided by the Texas Education Agency.
- Please also find attached the executive summary/letter of introduction for each responding bank.
- As demonstrated through the bid analysis Bank of America represents the best value for the district. Bank of America is our current depository.

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The administration recommends the Board of Trustees approve the 2007-2009 Depository Contract with Bank of America.

Respectfully submitted,

Kent V. Morrison, III
Chief Financial Officer