

# Depository Services Contract

May 28, 2013

## **SUMMARY:**

Business Administration recommends approval of Northstar Bank as the depository bank for the Denton Independent School District for the period July 1, 2013 through June 30, 2015.

## **BOARD GOAL:**

VI. Growth, Change & Fiscal Responsibility... In pursuit of excellence, the district will: demonstrates effective and efficient management of district resources.

## **PREVIOUS BOARD ACTION:**

On May 24, 2011 the Board awarded the depository bid to Northstar Bank for the term July 1, 2011 through June 30 2013.

## **BACKGROUND INFORMATION:**

According to Texas Education Code, subchapter G, School District Depositories, a bank may serve as the district's depository for a period of two years, with the possibility of extending the contract for two additional two year periods provided that the terms of the contract are not modified. The District was notified by Northstar Bank in March 2013 that they did not want to extend the current contract as written. Therefore, the District was required to send out a Request for Proposal (RFP) in order to secure a bank to serve as the depository for the District.

## **SIGNIFICANT ISSUES:**

Nineteen RFP packets were mailed. Each bank within the school district's boundaries received an RFP packet. Five proposals were returned (Northstar Bank, Wells Fargo, First United, BBVA Compass, and Independent Bank). All proposals were received by 5:00 p.m. on April 24, 2013 as requested in the Proposal Notice. All of the banks used the appropriate proposal form as requested in the Proposal Notice. The criteria used to evaluate the proposal selection included the following:

1. Cost of services
2. Additional services offered
3. Funds availability schedule
4. Automated services offered
5. The ability of the proposer to provide the necessary services and perform the duties as Depository. Experience in providing Depository services to similar accounts.
6. Collateralization policy
7. Fraud prevention/notification policy
8. Interest rates offered on time deposits

## **FISCAL IMPLICATIONS:**

Northstar Bank is proposing to waive all banking service fees for the contract period and will also pay interest on the District checking accounts . The proposed rate to the District is the 90Day T-Bill Rate plus 5 bps.

## **BENEFIT OF ACTION:**

The District has a good business relationship with Northstar Bank and will be able to continue with the current banking procedures.

## **PROCEDURAL AND REPORTING IMPLICATIONS:**

The District will provide the Texas Education Agency with three copies of the signed Depository Contract for Funds of Independent School Districts, one copy of the accepted bid/proposal form, one copy of the signed data sheet, and one copy of the Texas Surety Bond form by June 15, 2013.

## **ALTERNATIVES:**

No alternative actions are proposed.

## **SUPERINTENDENT'S RECOMMENDATION:**

Recommends approval of the proposal submitted by Northstar Bank for depository services from July 1, 2013 through June 30, 2015.

## **STAFF PERSONS RESPONSIBLE:**

Debbie Monschke, Assistant Superintendent of Administrative Services  
Julie Simpson, Accounting Supervisor

**ATTACHMENT:**

- Depository Services Contract 2013-2015 Proposal Ranking
- Depository Services Contract 2013-2015 Time Deposit Rates
- Depository Contract for Funds of Independent School Districts

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Signature of Divisional Assistant Superintendent: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_