



Board Action Required X

No Action Required

To: Coppel ISD Board of Trustees
From: Kelly Penny
Date: April 13, 2011

cc: Dr. Jeff Turner, Sid Grant, Barbara Sabedra, Denise Sullivan

Re: Depository Services RFP #1101 Recommendation

The Texas Education Code, Section 45.202 states, "The school depository or depositories of every independent school district may be selected only as provided by this subchapter." In accordance with Section 45.206, school districts must use a uniform bid or proposal blank in the form prescribed by the State Board of Education rule. The applicable sections of the Code entitled School District Depositories are detailed in Subchapter G, Section 45.201 through Section 45.209. Section 45.205 of the Code requires that depository contract(s) for each Independent School District (ISD) be renewed every two years. The current two-year period will begin September 1, 2011 and continue through August 31, 2013. 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 a 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 two additional two-year terms. An extension under this subsection is not subject to the requirements of Section 45.206."

In accordance with Chapter 45, Subchapter G of Texas Education Code regarding School District Depositories, the District chose to select a depository through the Request for Proposal (RFP) method, and specifications were mailed to eleven (11) banks on March 11, 2011. The Depository Services proposal deadline opening was April 6, 2011 at 2:00 p.m. Only three banks responded to the RFP: Capital One, Chase, and Comerica. Two no bids were submitted by Bank of Texas and Frost Bank.

Based on the newly proposed pricing of services provided compared to the pricing of what the District is currently receiving, Chase is the best value for the District. Chase's reduction in pricing and the increased earnings credit rate would result in an estimated monthly savings of \$1,250 which produces an estimated annual savings of approximately \$15,000. In addition, Chase was the previously awarded depository services vendor and has previously provided excellent service for the district.

Chase is the recommended vendor for depository services based on the following criteria:

1. Cost of required banking services including conversion costs
2. Automated and additional services offered and available
3. Collateralization policy and type of third-party institution holding collateral
4. Financial strength of the institutions and locations offered
5. Fraud prevention/notification policy
6. Customer service structure and network
7. Funds availability schedule
8. Interest rates offered on time deposits

The following documents must be completed properly and submitted to the Texas Education Agency, Division of Financial Audits in accordance with Section 45.208(e):

1. Three (3) completed and signed (original signatures from School Board President, Bank Officer, and Notary) Depository Contracts for Funds.
2. One (1) Depository Competitive RFP Data Sheet, completed and signed.
3. One (1) copy of the accepted Proposal Form for Depository Services.
4. One (1) completed and signed Texas Surety Bond form if the district elects to use a surety bond to secure its deposits.

To ensure sufficient time for TEA's review prior to the beginning of the district's biennium, a school district's depository contract and related forms listed above must be received by the Division of Financial Audits no later than June 15, 2011. No payments will be made to any district subsequent to September 1, 2011 that has not submitted an acceptable contract.

RECOMMENDATION: That the Coppell ISD Board of Trustees approve Chase Bank as the awarded depository services contracted vendor for Coppell ISD for the period September 1, 2011 through August 31, 2013 as set forth in Subchapter G, Section 45.205 of the Texas Education Code.