



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: July 22, 2013

AGENDA ITEM: Consider Approval of Bank Depository Request for Proposal

PRESENTER: Earl Husfeld

ALIGNS TO BOARD GOAL(S): Financial/Facilities – The District shall exhibit excellence in financial and facility planning, management, and stewardship.

BACKGROUND INFORMATION:

- The Texas Education Code requires each school district to renew its depository contract every two years, with two additional two-year extensions available if mutually agreed. The next two-year term is from September 1, 2013 through August 31, 2015.
- School districts are required to use the depository contract forms provided by the Texas Education Agency. The depository bank may be selected through the sealed bid process or sealed request for proposal.

ADMINISTRATIVE CONSIDERATIONS:

- As required by the Texas Education Code, all banks located within the boundaries of the District were mailed a copy of the Request for Proposal Notice for Depository Services and Proposal Form for Depository Services.
- The depository proposal forms were mailed to a total of five (5) banks. From those five (5) banks, proposals were received on July 16th from two: First Financial Bank, N.A. and BBVA Compass Bank.
- As stated in the Request for Proposal Notice, six (6) criteria were used to evaluate the proposals received:
 - 30% - Cost of services (charges for keeping District accounts, records, reports and furnishing checks).
 - 10% - Additional services offered (payroll card, other).
 - 10% - Automated services offered.
 - 25% - Ability of the proposer to provide the necessary services and perform the duties as Depository. Experience in providing Depository services to similar accounts (strength of project team).
 - 10% - Collateralization policy and type of third-party institution holding collateral.
 - 15% - Interest rates offered on deposits/time deposits.

- After thoroughly reviewing and evaluating the proposals received, both responses are very competitive.
- First Financial Bank, N.A. has proposed to waive all service fees for the length of the contract, with no compensating balance required. Additionally, they have agreed to provide all bank products needed by the District (checks, deposit slips, deposit bags, etc.) free of charge. They are also offering premium interest rates on all interest bearing accounts.
- BBVA Compass Bank has proposed to waive service fees incurred by the District as long as the District maintains minimum interest-bearing balances of \$3,000,000 in their bank. They are also offering premium interest rates on all interest bearing accounts.
- In summary, after thorough analysis and evaluation of the proposals received, we have concluded the proposal submitted by First Financial Bank, N.A. to be the most advantageous to the Aledo Independent School District.

FISCAL NOTE:

None

ADMINISTRATIVE RECOMMENDATION:

The Administration recommends the Board of Trustees award the depository contract for the 2013-2015 biennium to First Financial Bank, N.A.