

# **Request Approval of Depository Services Contract**

April 21, 2015

## **SUMMARY:**

Business Administration recommends approval of BBVA Compass as the depository bank for the Denton Independent School District for the period July 1, 2015 through June 30, 2017.

## **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 28, 2013 the Board awarded the depository bid to Northstar Bank for the term July 1, 2013 through June 30, 2015. On March 10, 2015 the Board rejected the single proposal submitted by Independent Bank as this did not create a competitive environment.

## **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 January 2015 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. The first RFP was mailed on January 28, 2015. The second RFP was mailed on March 11, 2015.

## **SIGNIFICANT ISSUES:**

Sixteen RFP packets were mailed. Each bank within the school district's boundaries received an RFP packet. Two proposals were returned (BBVA Compass and Independent Bank) by 2:00 p.m. on April 3, 2015 as requested in the Proposal Notice. Both 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:**

BBVA Compass is offering \$10,000 to cover the cost of supplies to set up the new bank accounts and two remote deposit scanners.

**BENEFIT OF ACTION:**

The District has a previous business relationship with BBVA Compass and the bank is able to provide the necessary depository services required by the District.

**PROCEDURAL AND REPORTING IMPLICATIONS:**

The District will provide the Texas Education Agency one completed and signed Depository Contract for Funds of Independent School Districts by June 15, 2015 via electronic submission.

**ALTERNATIVES:**

No alternative actions are proposed.

**SUPERINTENDENT'S RECOMMENDATION:**

Recommends approval of the proposal submitted by BBVA Compass for depository services from July 1, 2015 through June 30, 2017.

**STAFF PERSONS RESPONSIBLE:**

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

**ATTACHMENT:**

Depository Services Contract 2015-2017 Proposal Ranking  
Depository Services Contract 2015-2017 Proposed Fee Schedule  
for the General Fund Bank Account  
Depository Contract for Funds of Independent School Districts

**APPROVAL:**

Signature of Staff Member Proposing Recommendation:

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Signature of Divisional Assistant Superintendent:

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Signature of Superintendent:

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