



**CITY OF BEAUMONT
BEAUMONT, TEXAS**

RFA FOR: REQUEST FOR APPLICATIONS FOR
BANK DEPOSITORY SERVICES

RFA NUMBER: PF0311-02

RFA DUE: THURSDAY, APRIL 28, 2011 PRIOR TO 2:00 P.M.

**PRE-APPLICATION
CONFERENCE:** There will be a Pre-Application Conference on Thursday, April 14, 2011
at 11:00 a.m. at the Civic Center, 701 Main St., Beaumont, Texas.
Attendance is not mandatory, but recommended.

SUBMIT RFA TO: This is a FORMAL BID and must be submitted to:

City Clerk's Office / City Hall
City of Beaumont
801 Main St., Suite 125
Beaumont, TX 77701

You may submit your RFA by mail, overnight delivery or in person.
Formal RFAs will not be accepted by fax or e-mail.

PURCHASING DIVISION

For RFA Results Monday-Friday, 8:00 a.m. to 5:00 p.m., call 409-880-3720.

www.cityofbeaumont.com/purchasing

NOTICE TO RESPONDERS

Sealed Request for Applications (RFA) will be received by the City Clerk of the City of Beaumont, 801 Main Street, Room 125 prior to **2:00 p.m.**, local time, **Thursday, April 28, 2011** and all RFAs will be opened and publicly read in the City Council Chambers on that date for:

Request for Applications for Bank Depository Services

Application forms, specifications and all necessary information may be obtained from the Purchasing Division, City Hall, 801 Main, Room 315, Beaumont, Texas 77701. **RFAs shall be submitted to the City Clerk's Office, City Hall, 801 Main, Room 125, Beaumont, Texas 77701 prior to the above stated time.**

There will be a Pre-Application Conference on Thursday, April 14, 2011 at 11:00 a.m. at the Civic Center, 701 Main St., Beaumont, Texas. Attendance is not mandatory, but recommended.

The City reserves the right to reject any or all applications, or to accept any application or combination of applications deemed advantageous to it.

Vendors requesting RFA packets should call the Purchasing Division at (409) 880-3720 or you may download the specifications from our website at:

http://cityofbeaumont.com/Purchasing/purchasing_bidlists.htm

Please make reference to RFA Number: **PF0311-02**.
RFA Closing Date: **April 28, 2011**.

Tina Broussard
City Clerk

First Publication: **March 17, 2011**.
Second Publication: **March 24, 2011**.

REQUEST FOR APPLICATIONS FOR BANK DEPOSITORY SERVICES

1. The City of Beaumont, Beaumont, Texas ("City") is soliciting sealed **APPLICATIONS** from qualified banking institutions to provide Bank Depository Services.
2. The initial contract period will begin October 1, 2011 and end September 30, 2013. At the option of the City, the contract may be extended for three (3) additional twelve (12) month periods under the same terms and conditions.
3. **Sealed Applications will be accepted until 2:00 P.M. on Thursday, April 28, 2011** in the Office of the City Clerk, City of Beaumont, 801 Main Street, Suite 125, Beaumont, Texas 77701. Application envelopes shall be sealed and designate on the front lower left hand corner the following:

Subject: RFA# PF0311-02 Bank Depository Services

Submission Deadline: 2:00 P.M., Thursday, April 28, 2011

NOTE: Applications received after this deadline cannot be considered.

4. **SUBMISSION REQUIREMENTS:**

- 4.1 The sealed Application submission shall include one (1) original and four (4) complete copies of the Application and one CD-ROM of the MS-Excel Fee Schedule.
- 4.2 The Application shall be accompanied by a bid bond, in the form of a cashier's check, in the amount of **\$5,000** made payable to the City of Beaumont, which shall be returned to each applicant upon final acceptance and execution of a contract with the successful applicant.
- 4.3 Any Applications received after the time and date stated above, regardless of delivery, will not be considered and returned unopened.
- 4.4 **All prospective Applicants may attend a NON-MANDATORY Pre-Application Conference on Thursday, April 14, 2011 at 11:00 A.M. at the Civic Center, 701 Main St., Beaumont, Texas.**
- 4.5 Questions concerning this RFA or requests for a copy of the RFA documents should be directed to Patrick Bardwell, Purchasing Manager, at (409) 880-3175 or via e-mail at pbardwell@ci.beaumont.tx.us

TABLE OF CONTENTS

Introduction.....	5
Request for Application.....	6
Calendar of Events.....	6
Criteria for Evaluation.....	7
Account Activities.....	8
Bank Depository Services.....	9
Collateral Requirements.....	17
Investment Activities.....	18
Overdraft Provisions.....	19
Other Stipulations.....	20
Application Requirements.....	21
Miscellaneous.....	23

EXHIBITS:

1. Bank Transactions By Account.....	24
2. Bank Account Analysis Summary.....	25

REQUIRED SCHEDULES – To Be Completed By Applicant.....26

1. Fee Schedule
2. Certificates of Deposit
3. Overdrafts
4. Contact Personnel

RESPONSE ATTACHMENTS – To Be Provided By Applicant.....31

1. Sample Account Analysis Statement
2. Historical Interest Rates & Basis of Rate Establishment
3. Sample Bank Depository Services Agreement
4. Sample Collateral Agreement
5. Bank Financial Information
6. Security Protection & Control Measures
7. Technology Specifications
8. Sample Safekeeping Account Statement
9. Sweep/Overnight Investment Information
10. Statement of Commitment and Summary business continuation plan.
11. Lists of Comparable References and Current Texas Public Funds Clients

INVESTMENT POLICY.....32

RFA SHEET.....33

CITY CHARTER AND GENERAL CONDITIONS OF BIDDING.....39

INTRODUCTION

The City of Beaumont (the “City”) pursuant to Chapter 105, Texas Local Government Code is requesting Applications from eligible and qualified financial institutions to provide the City the banking services as described below. The services provided will be in accordance with this Request for Application (the “RFA”) and attachments. It is the City’s intent that a Bank Depository Services Agreement detailing the services to be provided will be duly executed between the City of Beaumont and the selected financial institution.

Any and all charges and fees associated with the Bank Depository Services Agreement must be clearly and accurately included in the RFA response. The charges and fees represented in the RFA response shall overrule any and all previous bank service or other agreements between the City and the financial institution, as they relate to the accounts and services included herein. The City will not be obligated by any charges and fees not clearly and accurately presented in the RFA response. Services initiated after consummation of the Bank Depository Services Agreement shall carry charges and fees mutually agreed to, in writing, by the City and the financial institution. Regardless of time delay, the financial institution shall refund or credit the City for any erroneous charges and fees not agreed to in writing.

The philosophy incorporated into this RFA is to solicit Applications for banking services currently utilized or considered by the City. The City intends to manage its funds to minimize service charges and optimize investment income as authorized by policy and permitted by State law. Depending upon market conditions, future balances may be reduced and invested in other available investment alternatives.

The new agreement period will be for a two-year period of October 1, 2011 through September 30, 2013, with a provision for three one-year extensions under the same terms and conditions of the contract, at the option of the City. The agreement will also provide for a transition period not to exceed ninety (90) days for migration to a new bank at the end of the term.

The City reserves the right to open or close any number or type of accounts, as it deems necessary throughout the term of the agreement. Any fee charged for services not listed but later requested by the City will be mutually agreed upon in writing. All fees shall be fixed for the entire contract period.

The Bank Depository Services Agreement is an important component of the treasury and cash management system of the City. From this perspective, the City is seeking a financial institution that is:

- ◆ Capable of providing the services required by the City,
- ◆ Willing to be attentive and responsive to the City’s financial matters,
- ◆ Financially sound and meets the City’s requirements, and
- ◆ Physically located within the City’s boundaries.

REQUEST FOR APPLICATIONS

Pursuant to Chapter 105 of the Local Government Code, this RFA is intended to serve as the Application form for the Bank Depository Services Agreement. There are multiple blanks to fill in and questions to be answered. The evaluation of the Application will be based on the responses included herein.

Exceptions, conditions, or qualifications to the provisions of the City's specifications or requirements must be clearly identified as such, with the reasons therefore, and alternate language proposed by respondent, if any, clearly stated and inserted in the appropriate place in the Application submission.

Each of these exceptions, conditions, or qualifications to the City's specifications may be included, as appropriate, in the contract documents. Items and matters not explicitly excepted in this manner shall be deemed to be in conformance with the City's specifications.

The RFA also requests certain information to be attached and specifically labeled. Responses must be complete, address all aspects of the RFA, and include all requested information to receive full consideration by the City in the selection process. The City may choose to waive any irregularities in any responses received and reserves the right to reject all Applications.

The City desires to enter into a contract of mutual party benefit and will answer all questions pertaining to this RFA. In this regard, the City will hold a pre-Application conference at the Beaumont Civic Center prior to the deadline for submission of Applications. Attendance at the pre-Application conference is NON-MANDATORY. Please note the following calendar of events for the dates and times of key elements in the Application procedure.

TARGET DATE	CALENDAR / DESCRIPTION OF EVENTS
March 17, 2011	RFA distributed to prospective financial institutions.
April 14, 2011	Non-Mandatory Pre-Application Conference 11:00 A.M. at Civic Center.
April 28, 2011	Responses due 2:00 P.M. at City Hall, City Clerk's Office.
June 4, 2011	Recommendation finalized.
June 14, 2011	City Council consideration of contract award.
October 1, 2011	New Bank Depository Services Agreement period begins.

CRITERIA FOR EVALUATION

The City shall carefully review the submitted Applications. The evaluation of the Applications will be made based on, but not limited to, the following criteria, in no particular order of priority:

- ◆ Ability to perform and provide the required and requested services;
- ◆ Reputation of applicant and quality of services;
- ◆ Cost of services;
- ◆ Funds availability;
- ◆ Interest paid on interest bearing accounts and deposits;
- ◆ Earnings credit calculation on account balances;
- ◆ Completeness of Application and Agreement to points outlined in the RFA;
- ◆ Physically located within the City's boundaries;
- ◆ Convenience of locations;
- ◆ Previous service relationship with the City; and
- ◆ Financial strength and stability of institution.

The City reserves the right, at its sole discretion, to accept the Application which it considers most favorable to the City's interest.

The City reserves the right to negotiate with any and all applicants regarding their Applications, and to request oral presentations from any one or all respondents.

The City reserves the right to accept or reject any qualified Applications, to reject any and all Applications, and to waive minor informalities.

ACCOUNT ACTIVITIES

The City anticipates establishing an account configuration that consists of the following bank accounts:

- Concentration Account
- Disbursement Account
- Transit System Account
- Workers Comp
- Interest & Sinking
- Prior Lien Interest & Sinking

The Concentration Account serves as the City's master operating account. It is an interest bearing public funds checking account into which wires and ACH transfers are received, bank deposits are made, lockbox receipts are posted, credit card settlements are cleared, and receipts from direct account debits and payments received through the internet are deposited. From this account, wire and ACH transfers are initiated, credit card fees and charge backs are presented, returned checks and deposit corrections are posted, and bank services account analysis fees are debited. It is the master funding account for the controlled disbursement and zero balance accounts.

The Disbursement Account is a controlled disbursement account that issues checks for payroll and the accounts payable of the City and is funded by the Concentration Account. Checks are issued weekly on Mondays and Thursdays. The approximate number of checks per month is 1,307, totaling \$12,178,199.

The Transit System Account – is used to reimburse Municipal Transit Operating cost and is funded by the Concentration Account.

The Workers Comp Account – is used to pay Workers Compensation claims for City employees and is funded by the Concentration Account.

The Interest & Sinking Account – is used to pay for all long-term Capital related debt for the general government and is funded by the Concentration Account.

Prior Lien Interest & Sinking Account – is used to pay for all long-term Capital related debt for the water and sewer system and is funded by the Concentration Account.

Estimated historic activity and balance information from each of these accounts is tabulated in Exhibits 1 and 2, and targeted on the Fee Schedule. Actual balances and transaction activity could vary significantly.

BANK DEPOSITORY SERVICES

The City requests information on the following services:

- A. On-Line Banking Services – The City **requires** on-line banking services accessible through the internet that at a minimum include balance reporting, initiation of ACH debits, positive pay entry, credits and wire transfers, voids and placement of stop payments on checks. Additional capabilities should include the ability to view and print statements and export information to MS-Excel. The minimum balance reporting information should be for intra-day and previous business day and include: ledger balance, collected balance, one day float amount, two day float amount, total credits, total debits, and detail debits and credits, and should allow transaction search capability. Historical information should be maintained on-line and accessible for a minimum of two (2) months.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

- B. Controlled Disbursement – The City **requires** the use of controlled disbursement accounts. The controlled disbursement presentment notification should also be accessible through Online Banking. This information should be available and accessible by 10:00 A.M. local time.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

- C. Zero Balance – The City **requires** the use of a zero balance account for its Transit System and Workers Comp accounts.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

- D. Positive Pay and Account Reconciliation Service - The City **requires** positive pay and full account reconciliation services on the Disbursement, Transit System, and Workers Compensation accounts. The Bank would only honor those checks issued by the City that are pre-authorized through the positive pay system. Payment verification criteria will be date, check number, amount, and **payee name**. Positive Pay files will be transmitted electronically.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

- E. Retail Lockbox Processing – The City **requires** retail lockbox processing services for remittances of utility payments. On a daily basis, the remittance data and payment amount captured during processing will be transmitted to the City for the update of the accounts receivable file. Monthly items processed are approximately 5,015, totaling \$345,718.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

- F. Electronic Lockbox Processing - The City is considering electronic lockbox processing services for receipts of utility payments. On a daily basis, the remittance data and payment amount captured during processing will be transmitted to the City for the update of the accounts receivable file.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

- G. ACH Debit Blocking – The City **requires** ACH debit blocking capabilities on its accounts, with the ability to selectively permit specified ACH debits on certain accounts and restrict all ACH debits from certain accounts.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- H. “Post No Checks” – The City **requires** the fraud protection feature or service that prevents checks being presented for payment to be posted to the Concentration Account.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- I. Direct Debit – As an additional service to its patrons, the City **requires** the capability to direct debit customer accounts for certain charges. Currently, the City allows and encourages this option to its utility customers. Approximately 2,750 transactions are processed this way per month reflecting \$195,361.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- J. Remote Deposit Capture – The City owns equipment and **requires** remote deposit capture services for electronically preparing and submitting deposits. Bank will need to be able to integrate processing with the installed equipment, and allow the City a minimum of three (3) submittals per day. The requested deposit cutoff deadline for same day credit and reporting availability is 6:00 PM CST daily.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

K. Credit and Debit Card Payments – The City allows its patrons to pay for certain charges utilizing credit and debit cards. Currently the credit & debit card payments are accepted for VISA and MASTERCARD. This method of payment accounts for approximately \$155,390 from 994 transactions per month. The City maintains a separate credit and debit card-processing contract. However, the City will consider including your bank for this service in the next RFP issued for these services. Please provide information on services and costs associated with the bank's credit and debit card processing abilities.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

L. Safekeeping Services – The City's investment activities include security transactions and **require** the depository bank to provide safekeeping services for those securities in the City's portfolio.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

M. On-Line Payments Acceptance - The City is interested in exploring options and capabilities for accepting payments for an expanded scope of services through an on-line inter-active facility that would include payments by credit card, direct debit, funds transfer, etc. A function of the system would be the preparation of the accompanying remittance information.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

- N. Employee Check Cashing - The City **requires** the bank to cash employee checks (with proper identification) without service charges or fees to the employee or the City and without requiring the employee to open an account with the bank.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- O. Returned Check Reprocessing – The City **requires** deposited checks to be processed for collection at least twice before making non-paid checks available for pick-up by the City within two business days of the final rejected presentment. The City **requires** same day notification of all returned items in excess of \$5,000.00.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- P. The City **requires**, at a minimum, same day credit for all transactions submitted before 4:00 PM Central Standard Time, subject to the bank's availability schedule. City requests instant credit for deposits so as not to detain City employees for deposit verification. Notification of any discrepancies is required immediately upon verification.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- Q. Night Depository Services - The City **requires** Night Depository Services for the daily deposit of primarily currency and coin collected in payment of services. Please describe the procedures and safety protection for these transactions.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- R. Account Analysis – The City **requires** account analysis statements by individual account and at group level, which will reflect average ledger balance, average uncollected funds, average collected balance, reserve requirement, average available balance, rate and amount of earnings credit, detail of services provided with quantities and unit fees for each, and total service cost, delivered to the City on a monthly basis.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- S. Bank Statements - Statements **shall** be rendered within five (5) working days after the close of the calendar month. Accounts shall not be placed in dormant mode for inactivity. The statement shall include debits and credits made on the last day of the period and the detail items. Bank statements should be received on a monthly basis, even if there is no activity for the account. The City expects a CD-ROM containing the statements, checks (front and back), and deposit slips electronically imaged. Additionally, bank statement information should be accessible through the on-line system without incurring charges per access.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

- T. Collateralization – The balances maintained in all accounts must be collateralized in the same manner and under the same stipulations as outlined in the Collateral Requirements section. The City utilizes an interest bearing account and may consider an overnight sweep investment option. The maximum ledger balances could exceed \$12,000,000. Historically the average ledger balances are less than \$7,000,000. Please clearly explain any collateral limitations or fees. The City reserves the right to maximize or minimize bank balances regardless of historical patterns. It is expected that the successful bank will monitor the collateral adequacy on a daily basis and provide additional collateral to secure balances in excess of anticipated levels. The Bank will provide market value of securities pledged on a daily basis, not later than 10:00 AM CST. The City requires collateral sufficient to cover 102% of the ledger balance.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

U. Sweep Account – The City may consider the use of a sweep account for overnight investment of funds in excess of a target balance in the Concentration Account. This sweep investment account shall comply with the Public Funds Investment Act and the City’s Investment Policy.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

V. Payment for Services – The City **intends** to pay for all services provided by the earnings credit amount generated by account balances, or by direct payment, or a combination of both.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

W. Account Settlement – Settlement of the excess/deficient condition as reflected by the group level account analysis is to occur on a quarterly basis. If deficient, settlement is to be made by direct debit to the City’s Concentration Account.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

X. Research – The City requests that all research requests are responded to within three (3) business days of the request. This information should be emailed or faxed with supporting documentation.

☐ Yes, can provide as requested/required.

☐ No, cannot provide as requested/required.

Comment. _____

Y. Bank Errors – Bank errors resulting in lost interest to the City will be reimbursed by the Bank to the City. The Bank and the City will agree upon the method of reimbursement.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

COLLATERAL REQUIREMENTS

- A. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, as security for the deposits of the City, the successful applicant shall pledge securities equal to 102% of their market value, of the largest total balances the City maintains in the bank, less the amount provided by the Federal Deposit Insurance Corporation. The securities so pledged shall satisfy the requirements of the Public Funds Collateral Act, Chapter 2257, Texas Local Government Code, and the City's Investment Policy.
- B. The securities pledged shall be held in safekeeping at an independent financial institution acceptable to both the City and the successful applicant. The original copy of all security receipts shall be filed with the City's Chief Financial Officer. Please stipulate the name of the proposed 3rd party custodial bank as well as any related fees.
- C. The successful applicant and the custodial bank shall provide the City a report of securities pledged at the end of each month within five (5) business days or at any time requested by the City. The report should reflect the total pledged securities itemized by:
- Name
 - Type / Description
 - CUSIP
 - Par Value
 - Current Face Value
 - Market Value
 - Maturity Date
 - Rating by Moody's or Standard & Poor's
- D. Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization of an authorized City signatory. The City shall approve all securities pledged. In the case of reduction requests, the bank shall provide in writing that collateral shall be available when needed to meet normal balance increases throughout the year.
- E. The Board of Directors or designated committee of the successful bank will be required to provide a resolution of certification approving the commitment and delivery of the collateral to the safekeeping institution not later than five (5) days before the commencement of the contract period.

In response to the Collateral Requirements Section:

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Yes, can provide as requested/required.

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No, cannot provide as requested/required.

Comment. _____

INVESTMENT ACTIVITIES

- A. Direct Investment Alternative – The City’s direct investment activities may take place in City accounts. The City shall have the right, at its sole discretion, to direct investment of its funds. The successful bank will be required to provide clearing and safekeeping services for City investment activity. The Investment Policy outlines the City’s options for investing any and all funds. The policies are subject to annual review and revision by the City Council.
- B. Certificates of Deposit – Certificates of Deposit (CD’s) purchased for the City shall be non-negotiable and shall be registered in the name of the City. The CDs must be fully insured by the F.D.I.C. or collateralized in accordance with the RFA requirements. Proof of collateral must be supplied to the City prior to CD purchase.
1. Interest Calculations – Interest on all CDs shall be computed on an actual day basis, and the interest shall be paid to the City on the maturity date. Payment shall be made by crediting the account from which the CD was purchased.
 2. Extension of CDs – The successful bank agrees to honor and continue any CD made during the term of the Bank Depository Services Agreement that will mature after the expiration date of the Agreement at the same rate established before the expiration of the contract.
 3. Report – The successful bank agrees to provide a report within five (5) business days after the end of each month showing all CD’s purchased and matured by the City.

In response to the Investment Activities Section:

☐

Yes, can provide as requested/required.

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No, cannot provide as requested/required.

Comment. _____

OVERDRAFT PROVISIONS

The City does not intend to have a net overdraft position occur during the course of the contract period. A net overdraft shall be defined as a negative balance in the City's accounts **collectively**, not by individual account.

In the event a check or checks shall be presented for payment where there is insufficient funds for the purpose of paying checks, the successful bank agrees to promptly notify the Chief Financial Officer or other signatory person, by telephone or other means, of the overdraft condition, and to provide the City a period not exceeding one business day to respond and rectify the condition.

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

OTHER STIPULATIONS

- A. The successful applicant shall notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would affect the Bank Depository Services Agreement.
- B. Notification of incoming wire transfers shall be made by telephone, fax, or email to the Cash and Accounts Receivable Administrator or Budget Officer within one (1) hour of the transaction and a written confirmation mailed to the City the same day of the transaction.
- C. In the event it would be ruled illegal under the provisions of any Federal or State laws or regulations for the successful applicant to comply with the requirements of the Bank Depository Services Agreement, then the City expressly reserves the right and privilege to cancel the Bank Depository Services Agreement and to re-solicit Applications.
- D. The successful applicant's records relating to the City's accounts shall be open for review during normal business hours by designated staff members or appointed independent auditors.
- E. The City reserves the right to open and maintain one or more demand accounts at financial institutions not affiliated with the successful applicant.
- F. The City expressly reserves the right to terminate the depository agreement with or without cause at any time by providing thirty (30) days written notice to the depository to close its accounts.
- G. All fees shall be fixed for the entire contract period, including any and all continuations.

Also, please note that Valley View Consulting, LLC is assisting the City with the preparation of this RFA and the evaluation of Applications received.

In response to the Other Stipulations Section:

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

APPLICATION REQUIREMENTS

- A. One (1) original and four (4) complete copies of the Application, the bid bond check, and one (1) CD-ROM of the MS-Excel Fee Schedule, sealed and clearly marked "Bank Depository Services RFA-RFA# PF0311-02, shall be delivered to the City Clerk **by 2:00 P.M., on Thursday, April 28, 2011** and addressed:

City Clerk's Office
City of Beaumont
801 Main Street, Suite 125
Beaumont, TX 77701

- B. **NO APPLICATION SHALL BE RECEIVED AFTER 2:00 P.M. ON THE DATE DUE.**
- C. The proposing institution shall use this RFA as the Official Response Form. Submitted prices, rates, conditions, and answers shall be included in final contract form. The signed, submitted response should include printed copies of all completed worksheets and will be deemed the respondent's official response.

To reduce errors and increase the ease of both response and evaluation, the City is providing :
1) a PDF file of the RFA specifications, and 2) a fee schedule in MS-Excel format, on the City's Purchasing web page:

http://cityofbeaumont.com/Purchasing/purchasing_bidlists.htm

It is important that any additions to, exceptions to, and changes of the RFA be highlighted or italicized. It is not necessary to include the City's RFA specifications PDF file on the Applicant's CD-ROM being returned to the City. The MS-Excel worksheet of the Fee Schedule is to provide unit prices for the bank service items listed and be extended for the activity volume indicated for each item, to arrive at a total service cost. **It is this fee schedule information and only this information that is required to be returned on CD-ROM with the Application.**

- D. The City reserves the right to request additional information or to meet with representatives from responding organizations to discuss points in the Application before and after submission, any and all of which may be used in forming a recommendation.
- E. The City reserves the right to reject any and all Applications, and to accept the Application it considers in its best interest based upon the requirements and descriptions outlined in this RFA.
- F. Applicant must qualify under current Texas law as a State or National bank to serve as a municipal depository bank and be located within the Beaumont city limits.

- G. Applicant shall supply a bid bond of \$5,000.00. The bid bond shall be in the form of a cashier's check made payable to the City, and shall be returned to each applicant upon final acceptance and execution of a contract with the successful applicant. Should the institution selected as the successful applicant by the City fail to become a bank service provider, for whatever reason, the bid bond will be forfeited to the City as liquidated damages.
- H. Transfer of funds will commence at such time the successful applicant has provided the City with all required forms and supplies necessary to insure uninterrupted day-to-day operations. The successful applicant commits its "best efforts" to complete the execution of documentation and transfer of funds by the October 1, 2011 contract period start date. Failure to complete by the start date, at the discretion of the City, could be considered grounds for bid bond forfeiture and alternative bank selection.
- I. The successful applicant shall, upon termination of contract, cooperate with the new bank for transfer of funds.
- J. RFAs will be opened on Thursday, April 28, 2011 at 2:00 PM but only the applicant name will be announced. No Applications will be received nor opened at the expiration of the response deadline. Upon written request, non-confidential information on the accepted Application will be available after the City Council selects the successful Applicant.
- K. Any questions concerning this RFA should be directed to:

Patrick Bardwell
Purchasing Manager
City of Beaumont
801 Main Street, Suite 315
Beaumont, TX 77701

(409) 880-3175 Phone
(409) 880-3747 Fax

pbardwell@ci.beaumont.tx.us

MISCELLANEOUS

- A. The City shall require a review meeting at least once every six (6) months to evaluate the working relationship between the City and the successful applicant. The objective shall be to address any problems and to seek solutions as well as keeping abreast of changes, new services, or new requirements.

In response to the Review Meetings Section:

☐

Yes, can provide as requested/required.

☐

No, cannot provide as requested/required.

Comment. _____

- B. The final appointment of the successful applicant shall be made by contract award of the City of Beaumont City Council. The successful applicant shall be required to enter into a contract that incorporates all of the requirements of their submitted RFA as the OFFICIAL RESPONSE FORM, along with the accompanying related schedules and materials as called for in this RFA. Additional contract attachments include: collateral custodial agreement, FIRREA bank certification, and PFIA investment provider certification.
- C. This RFA has been duly advertised and is being offered for consideration to financial institutions as permitted by State law and City policy.

This Request for Application is being offered by the following person duly authorized to act on behalf of the City: Laura Clark, Chief Financial Officer.

BANK TRANSACTIONS BY ACCOUNT
December 2010

EXHIBIT 1

ACCOUNT	DESCRIPTION	BEGINNING		CREDITS		DEBITS		ENDING
		BALANCE	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	BALANCE
5007019276	Concentration Account	\$3,219,296.92	498	\$31,069,593.89	201	\$31,920,721.81		\$2,368,169.00
0542027152	Disbursement Account	-	23	14,332,502.84	134	14,332,502.84		-
5007019300	Prior Lien Interest & Sinking	3,282,159.43	2	1,041,374.73	-	-		4,323,534.16
5007031230	Transit System	-	24	341,582.79	109	341,582.79		-
3620022658	Workers Comp	-	25	118,697.67	163	118,697.67		-
5007019250	Interest & Sinking	1,147,562.97	3	761,995.16	-	-		1,909,558.13
TOTAL		\$7,649,019.32	575	\$47,665,747.08	607	\$46,713,505.11		\$8,601,261.29

Bank Account Analysis Summary
December 2009 – November 2010

EXHIBIT 2

Period	Avg. Ledger	Less Avg. Float	Avg. Collected	Less Reserve Requirement	Avg. Investable
Dec-09	\$3,259,882	\$230,501	\$3,029,381	\$302,938	\$2,726,443
Jan-10	4,585,014	314,603	4,270,411	427,041	3,843,370
Feb-10	9,116,711	327,138	8,789,574	878,957	7,910,616
Mar-10	8,344,077	192,910	8,151,167	815,117	7,336,050
Apr-10	7,357,871	167,590	7,190,282	719,028	6,471,254
May-10	6,789,608	214,751	6,574,856	657,486	5,917,371
Jun-10	7,288,860	202,284	7,086,576	708,658	6,377,919
Jul-10	8,743,878	168,161	8,575,718	857,572	7,718,146
Aug-10	8,626,207	212,971	8,413,236	841,324	7,571,912
Sept-10	8,909,296	178,039	8,731,257	873,126	7,858,131
Oct-10	6,055,033	168,375	5,886,658	588,666	5,297,992
Nov-10	<u>6,419,407</u>	<u>187,721</u>	<u>6,231,686</u>	<u>623,169</u>	<u>5,608,518</u>
Average	<u>\$7,124,654</u>	<u>\$213,754</u>	<u>\$6,910,900</u>	<u>\$691,090</u>	<u>\$6,219,810</u>

1. SCHEDULE 1 - FEE SCHEDULE
Based on November 2010 Transaction Volumes

- 1) Please include Unit Price for each item listed even if NO ACTIVITY is shown.
- 2) Also highlight any changes to descriptions or measurement units in both the written and electronic responses.

Service	Monthly # Of Units	Unit Price	Estimated Monthly Charge For Service
---------	-----------------------	---------------	---

General Account Services

DDA Account Maintenance	3	-	-
Zero Balance Account – Maint.	2	-	-
Information Services Cycle Statement	1	-	-
Account Analysis	1	-	-

Lockbox Services

RPS Items Processed	5,512	-	-
---------------------	-------	---	---

Depository Services

Cash Deposited Vault	660,808	-	-
Coin Deposited Bag	49	-	-
Currency Furnished – Minimum Order	2	-	-
Deposit Credits	213	-	-
Items Deposited on Us	2,853	-	-
Local Clearing House Items	114	-	-
Local Federal Reserve Items	885	-	-
Out of District Reg.	16,009	-	-
Encoding Charge	19,861	-	-
Return Item Paper Redeposit	53	-	-
Return Item Special Handling	-	-	-
Return Items	65	-	-

Remote Deposit Capture

Maintenance	1	-	-
Per Batch	35	-	-
Per Item	19,861	-	-
Per Transmission	20	-	-

Paper Disbursement Services

Controlled Disbursement – Maint.	1	-	-
Check Paid	1,361	-	-
Online Stop Payments	1	-	-
CD-ROM Check Service CD Storage	1	-	-
Positive Pay With Partial Recon	1	-	-
Items Reconciled Positive Pay Partial	1,064	-	-
Post No Checks Maintenance	1	-	-

Paper Disbursement Recon Services

Recon Output - Automated	1	-	-
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General ACH Services

ACH Originated Debit/Credit	6,105	-	-
ACH Originated – Addenda Records	320	-	-
ACH Received Debit	46	-	-
ACH Received Credit	238	-	-
ACH Return Item	11	-	-
ACH Debit Filter Protection	4	-	-
ACH Online Transactions	12	-	-

Electronic Data Interchange Services

EDI Report	1	-	-
------------	---	---	---

Wires & Transfer Services

System Wire Transfer Module	1	-	-
Online Wire Transfers	11	-	-
Online Account Transfers	5	-	-
Incoming Wire Transfers	9	-	-

Information Services

Prior Day Balance Report	1	-	-
Intra-Day Balance Report	1	-	-
Balance Report Items	1,173	-	-
FTP Transfer Service File Delivery	25	-	-
Hist. Rpt. Rpts. Printed	1	-	-
Hist. Rpt. Items Printed	684	-	-

Other Monthly

Collateral Fee (max. balances)	12,000,000		
Collateral Account Maintenance	1	-	-
FDIC Insurance-per \$1,000 Ledger		-	-

Security Clearance/Safekeeping

Security Clearance Charges/Trade			
Security Clearance Charges/Trade/Fed	1		
Security Clearance/Trade/DTC		-	-
Safekeeping Charges/Month	1	-	-
Safekeeping Charges/Security/Month/Fed	4	-	-
Safekeeping Charges/Security/Month/DTC		-	-

Monthly Total Estimated Fees (ex.: one time charges)

-

Other

Night Depository Bags (one time charge)			
Large Safe Deposit Box (annual charge)			
Small Safe Deposit Box (annual charge)			
Endorsement Stamps (one time charge)			-
Checks & Deposit Slips			-
ACH Software Charge			-

Other Fees for Contract term (one time charges)

-

Collected Balances/Earnings Credit

Formula	
Current Rate	<u>0.000%</u>
Average Collected Balance	<u>7,000,000</u>
Less Reserve Requirement	<u>-</u>
Investable Balance	<u>7,000,000</u>
Estimated Earnings Credit per Month	<u>-</u>

-

Checking/Sweep Account Interest Rate

Formula	
Current Rate	<u>0.000%</u>
Average Collected Balance	<u>7,000,000</u>
Estimated Monthly Earnings	<u>-</u>
Less Sweep Fee	<u>-</u>
Net Estimated Monthly Earnings	<u>-</u>

-

2) **Certificates of Deposit:**

Certificate of Deposit \$250,000 (or more): Please provide the basis or formula for determining the interest rate.

<u>Term</u>	<u>Rate</u>	<u>Minimum \$</u>	<u>Maximum \$</u>
7 to 29 days			
30 to 59 days			
60 to 89 days			
90 to 119 days			
120 to 149 days			
150 to 179 days			
180 to 269 days			
270 to 364 days			
1 to 2 years			
2 to 3 years			

3) **Overdrafts:**

Overdrafts are not anticipated to occur, however, should a net overdraft condition occur, the following stipulations shall apply:

Maximum number of banking days the overdraft shall be allowed:

Maximum amount of the overdraft:

\$ _____

Interest rate per annum computed on the overdraft:

_____ %

4) **Contact Personnel:**

The City expects careful and responsive attention from the bank and requests **one** (1) relationship manager to coordinate the financial institution's efforts in providing the requested services. This individual will be the City contact and will be directly responsible for facilitating all City/financial institution interaction:

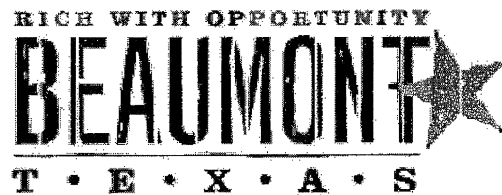
Description	Name	Title	Phone
Relationship Officer			

RESPONSE ATTACHMENTS (Please attach in the order requested):

1. Monthly account analysis statement that will be provided to the City, and indicate any capability to provide the information electronically.
2. Explanation of the institutions' policy and methodology used in setting rates paid on interest bearing accounts and account analysis earnings credit. Indicate if they are based on a market rate such as T-Bill discount or yield rate, or the federal funds rate, etc., and when the rates are changed. Also, please provide a historical schedule of rates paid. Note: The City prefers Fed Funds or LIBOR as the rate basis.
3. Sample Bank Depository Services Agreement.
4. Sample collateral agreement clearly stating that the custodian is instructed to release the collateralized securities to the City if the City has determined that the bank has failed to pay on any accounts, including but not limited to matured investments in Certificates of Deposit, or the City has determined that the City's funds are in jeopardy for any reason, including but not limited to involuntary closure or change in ownership. As applicable, the collateral agreement shall have signatories and be executed by the custodian, the successful bank, and the City.
5. Latest annual financial statements, the most recent quarterly F.D.I.C. call reports, and the Uniform Bank Performance Report for the latest fiscal year end. This requirement can be satisfied by providing a link or links to the information, rather than including printed material.
6. Information describing the institution's security measures to prevent fraud and unauthorized electronic and non-electronic transfers, and protect the integrity of computer banking services and internal computer systems.
7. Technology specifications for use of all proposed electronic systems and services.
8. Sample safekeeping report of the information the City shall receive monthly from the Custodian.
9. Information on the sweep/overnight investment account recommended for use by the City.
10. Summary of the institution's business continuation plans as they pertain to the City's ability to perform normal banking functions during natural and un-natural bank operation disruptions, including a Statement of Commitment to provide the City continuous and ongoing bank depository services to the best of the financial institution's ability.
11. Lists of Comparable References and Current Texas Public Funds Clients.

INVESTMENT POLICY

City of Beaumont



Investment Policy

Adopted Resolution of
City Council
on June 15, 2010

**City of Beaumont - Investment Policy
Table of Contents**

I.	Introduction.....	1
II.	Scope.....	1
III.	Prudence	1
IV.	Objectives.....	1
	A. Safety of Principal.....	2
	B. Liquidity.....	2
	C. Yield	2
V.	Delegation of Authority	2
VI.	Ethics and Conflicts of Interest	3
VII.	Training	3
VIII.	Selection of Financial Dealers, Institutions and Investments Pools	3
	A. Broker/Dealers	4
	B. Public Depositories.....	4
	C. Investment Pools	5
IX.	Authorized and Suitable Investments	5
X.	Marking to Market	7
XI.	Collateralization	7
XII.	Safekeeping and Custody	8
XIII.	Diversification	8
XIV.	Investment Strategies	9

A.	Pooled Fund Groups	10
B.	Debt Service Funds	11
C.	Debt Service Reserve Funds	12
XV.	Internal Control	12
XVI.	Performance Standards	13
XVII.	Reporting	13
XVIII.	Investment Policy Adoption	13

Exhibits

Exhibit A - Approved List Broker/Dealers.....	15
Exhibit B - Certification By Business Organization	16

City of Beaumont Investment Policy

I. Introduction

It is the policy of the City of Beaumont to invest public funds in a manner that will ensure that the investments are duly authorized, properly managed, adequately protected and fully collateralized. The City shall seek the optimum investment return with the maximum security while meeting daily cash needs and conforming to the City Charter, the Public Funds Investment Act (Chapter 2256, Government Code as amended) and all other state and local statutes governing the investment of public funds.

II. Scope

This Investment Policy applies to all financial assets of the City as accounted for in the City's Comprehensive Annual Financial Report. These include General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Fiduciary Funds. All are pooled for investment purposes except debt service and debt service reserve funds. Interest is allocated monthly to each fund based on its individual cash balance.

III. Prudence

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. The "prudent person" standard shall be applied in the context of managing the total portfolio rather than a single investment providing that the decision was consistent with this Investment Policy.

Investment Officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of responsibility for an individual security's credit risk or market price changes provided that deviations from exceptions are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. Objectives

The primary objectives, in priority order, of the City's investment activities shall be preservation and safety of principal, liquidity, yield and public trust.

A. Safety of principal

The City has as its foremost objective to ensure the safety of principal. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order to eliminate an over-concentration of assets in one institution, maturity or type of investment.

B. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. The portfolio shall be constructed so that investment maturities are matched with forecasted cash flow requirements and limited by investments with an active secondary market or convertible to cash little or no penalty.

C. Public Trust

Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

D. Yield

The City's investment portfolio shall be designed with the objective of attaining a rate of return that is consistent with risk limitations and cash flow characteristics of the City's investments.

V. Delegation of Authority

Authority to manage the City's investment program is derived from the City Charter (article VII, section 1-2). The Charter designates the City Manager as Director of Finance who shall have custody of all public funds, investments, bonds and notes of the City and be responsible for their safekeeping. The City Manager shall establish written procedures for the operation of the investment program consistent with this Investment Policy that include explicit delegation of authority to persons responsible for investment transactions. The City Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The City Manager, the Chief Financial Officer, and the City Controller are currently approved as Investment Officers of the City. Each Investment Officer shall be

approved by resolution of City Council to invest the City's funds. Such approval of specific persons shall remain in effect until rescinded by the City Council or until termination of the person's employment by the City. Investment Officers shall not deposit, withdraw, transfer or manage the funds of the City in a manner that is not consistent with the "prudent person" standard as described in section III of this Policy.

The City Council maintains the right to hire Investment Advisers to assist City staff in the investment of funds. Investment Advisers shall adhere to the spirit, philosophy and specific terms of this Policy and shall invest within the same objectives. The City Manager shall establish criteria to evaluate Investment Advisers, including:

1. Adherence to the City's policies and strategies;
2. Investment strategy recommendations within accepted risk constraints;
3. Responsiveness to the City's request for services and information;
4. Understanding of the inherent fiduciary responsibility of investing public funds; and
5. Similarity in philosophy and strategy with the City's objectives.

Selected Investment Advisers must be registered under the Investment Advisers Act of 1940 or with the State Securities Board. A contract with an Investment Adviser may not be for a term longer than two years and any contract, renewal or extension must be approved by the City Council.

VI. Ethics and Conflicts of Interest

Investment Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Investment Officers shall disclose any personal business relationships with business organizations approved to conduct investment transactions with the City. They shall also disclose any specific individuals who seek to sell investments to the City and are related to the Investment Officer within the second degree by affinity or consanguinity, as determined under Chapter 573. Disclosure shall be filed with the Texas Ethics Commission and the City Council.

VII. Training

In order to ensure qualified and capable investment management, each Investment Officer shall attend at least ten (10) hours of training relating to investment responsibilities within 12 months after assuming such duties and shall continue to attend an investment training session consisting of at least ten (10) hours of instruction not less than once every two years thereafter. Training shall be in accordance with the

Public Funds Investment Act and include education in investment controls, security risks, strategy risks, market risks, and compliance with State statutes governing the investment of public funds. All training shall be conducted by an independent source that has been approved by City Council. The approved "independent sources" to provide such training are: the Government Treasurers Organization of Texas, the Government Finance Officers Association, the Government Finance Officers Association of Texas, the Texas Municipal League, and the University of North Texas.

VIII. Selection of Broker/ Dealers, Financial Institutions and Investment Pools

Authorized investments shall only be purchased from those institutions selected and approved in accordance with this Policy.

Any business organization which seeks to execute investment transactions with the City shall provide a written instrument certifying that they have received and thoroughly reviewed the City's Investment Policy and have implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by this Policy. The certification, as shown by example in *Exhibit B*, must be signed by a qualified representative of the business organization. Investment Officers shall not buy any securities from a firm or make deposits with a fund, pool or financial institution that has not filed this instrument. *Each time City Council approves a material revision to the Investment Policy, the certification should be sent to the approved business organizations along with the newly revised Investment Policy.*

A. Broker/Dealers

The City shall select broker/dealers by their ability to provide effective market access and may include "Primary Government Securities Dealers" or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Broker/dealers selected must be members in good standing of the Financial Industry Regulatory Authority ("FINRA"), and be licensed by the State of Texas. Each broker/dealer will be reviewed by Investment Officers and a recommendation made for approval by City Council.

An "approved broker/dealer list", as shown in *Exhibit A*, shall be maintained by the Investment Officers at all times and reviewed by the City Council on an annual basis.

The City shall not enter into transactions with a broker/dealer until official City Council approval.

B. Public Depositories/Financial Institutions

The City Council shall select a primary depository as required by law. The primary depository as authorized by the City Council shall meet all requirements of the state law concerning depositories for municipal funds (Chapter 105, Government Code). The primary depository shall be selected through the City's banking services procurement process, including a formal Request for Proposal (RFP) issued in compliance with applicable State law, and offers the most favorable terms and conditions for the handling of City funds.

The City may also establish agreements with other financial institutions under separate contract for additional services that are necessary in the administration, collection, investment, and transfer of municipal funds. Such deposits will only be made after the financial institution has completed and returned the required written instruments and depository pledge agreements. No deposit shall be made except in a qualified public depository as established by State Law.

C. Investment Pools

Investment Officers may invest funds of the City through an eligible investment pool with specific approval by resolution of City Council and execution of a written agreement. To become eligible, investment pools must first meet all requirements of State Law. They shall provide the City with an offering circular that contains specific and detailed information, *investment transaction confirmations*, and detailed monthly transaction and performance reports. Pools shall have advisory boards composed of qualified members representing participants and non-participants who do not have a business relationship with the pool. Before selection, pools shall be thoroughly reviewed and evaluated by Investment Officers.

IX. Authorized and Suitable Investments

Authorized investments for municipal governments in the state of Texas are set forth in the Public Funds Investment Act, as amended. Suitable investments for the City are limited to the following:

- 8) Direct Obligations of the United States or its agencies and instrumentalities that have a maximum stated maturity date of 5 years or less. Federal agencies and instrumentalities that do not carry the explicit U.S. Government guarantee must be continuously rated no lower than AAA/A-1 or an equivalent rating by at least one nationally recognized rating agency.
- 8) Financial institution deposits placed with approved banks as described above (section VIII-B) which have a maximum stated maturity date of 5 years or less and are insured by the Federal Deposit Insurance Corporation, or their successors; or secured as described in section XI Collateralization. Additionally, the City may execute certificates of deposit through a depository institution that has its main office or a branch office in Texas that participates in the Certificate of Deposit Account Registry Service (CDARS), or similar program, and meets the requirements of Section 2256.009(b).
- 8) Fully collateralized direct repurchase agreements with a defined termination date of 90 days or less which are secured by obligations of the United States or its agencies and instrumentalities and pledged with a third party other than an agent for the pledgor. Investment Officers may invest in repurchase agreements through an approved primary government securities dealer or an approved depository bank as described above (section VIII-A, B). Each issuer of repurchase agreements shall be required to sign a master repurchase agreement. For flexible repurchase agreements executed with bond proceeds, the defined termination date of 90 days or less may be waived to allow the term of the flexible repurchase agreement to more closely match the expected term of the bond project.
- 8) No load money market mutual funds registered with and regulated by the Securities and Exchange Commission whose investment objectives include the maintenance of a stable net asset value of \$1 per share. Money market mutual funds must maintain a AAAM, or equivalent rating from at least one nationally recognized rating agency; and provide the City with a prospectus and other information required by the Securities and Exchange Act of 1934 and be specifically approved by City Council or purchased through the City's primary depository as an overnight investment tool. ***The City may not own more than 10% of the money market mutual fund's total assets.***
- 8) Approved investment pools as described above (section VIII-C) which are continuously rated no lower than AAA, AAA-m or an equivalent rating by at least one nationally recognized rating agency .

Investments Not Authorized - The following investments are not authorized under this section:

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal;
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- c. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years; and
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. The City is not required to liquidate investments that were authorized investments at the time of purchase.

The purchase of stock is not an authorized investment for municipal governments. However, stock may be accepted as a donation, provided that it is held in accordance with the terms of the donation and sold as soon as it is advantageous to do so. Reinvestment of proceeds must be in accordance with authorized and suitable investments for the City as listed above.

X. Marking to Market

All securities and certificates of deposit will be purchased or sold after at least three (3) offers or bids are taken to verify that the City is receiving a fair market value or price for the investment.

The market value shall continue to be monitored at least quarterly through on-line investment software to which the City subscribes, the Wall Street Journal, or some other independent market pricing source. The City shall not obtain market pricing from business organizations who may engage in investment transactions with the City.

XI. Collateralization

Collateralization will be required on all deposits, certificates of deposit and repurchase agreements. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, the collateralization level shall be equal to at least one hundred two percent (102%) of the aggregate market value of the deposit or investment including accrued interest less an amount insured by the Federal Deposit Insurance Corporation. Evidence of the pledged collateral shall be documented by a tri-party custodial or a master repurchase agreement with the collateral pledged clearly listed in the agreement. Collateral shall be reviewed monthly to assure that the market value of the securities pledged equals or exceeds the related deposit or investment balance.

Collateral requirements shall be in accordance with both the Public Funds Investment Act and the Public Funds Collateral Act. Collateral underlying repurchase agreements is limited to direct obligations of the United States or its agencies and instrumentalities. The City shall accept a surety bond or the following investment securities as collateral on deposits and certificates of deposit:

- ⌘ Direct obligations of the United States or its agencies and instrumentalities. Direct obligations of this state or its agencies and instrumentalities.
- ⌘ Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States and excluding those mortgage backed securities considered a high-risk mortgage security as described by Section 2257.0025 of the Government Code as well as those of the nature described by section 2256.009 (b) of the Government Code.
- ⌘ Other obligations that are guaranteed or backed by the full faith and credit of this state or the United States or their respective agencies and instrumentalities.
- ⌘ Obligations of states, agencies, counties, cities and other political subdivisions rated not less than A or its equivalent.
- ⌘ Letters of credit issued by the United States or its agencies and instrumentalities.

Financial institutions serving as depositories will be required to sign a depository agreement with the City. The collateralized deposit portfolio of the agreement shall define the City's rights to the collateral in case of default, bankruptcy or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

1. The agreement must be in writing;
2. The agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
3. The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
4. The agreement must be part of the Depository's "Official Record" continuously since its execution.

XII. Safekeeping and Custody

Collateral shall be placed for safekeeping in a custodial account at the Federal Reserve Bank or at an institution not affiliated with a firm pledging collateral acceptable to the City. With the exception of the Federal Reserve, all safekeeping arrangements shall be in accordance with a tri-party custodial agreement that clearly defines the responsibilities of each party and outlines the steps to be taken in order for the City to gain access to the collateral in the event of a "failure". The custodial agreement shall be executed between the City, the firm pledging the collateral and the custodial institution. All safekeeping receipts shall be delivered to the City and all collateral (whether a pledge or substitution) shall be formally accepted and released by Investment Officers.

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping institution. Financial institution deposits, pool funds, and mutual funds are excluded from this requirement. The investment shall be held in the name of the City or on behalf of the City.

XIII. Diversification

The City will diversify its investments to eliminate an over-concentration of assets in any one security type or institution.

- ⌘ Up to ninety percent (90%) par of the portfolio may be invested in direct obligations of the United States (U.S. Treasury Securities).
- ⌘ Up to seventy percent (70%) par of the portfolio may be invested in U.S. Agency or Instrumentalities.
- ⌘ No more than thirty percent (30%) par of the portfolio may be invested with any one U.S. Agency or Instrumentality.
- ⌘ No more than eighty percent (80%) par of the portfolio may be invested in certificates of deposit or repurchase agreements.
- ⌘ Up to one hundred percent (100%) par of the portfolio may be invested in investment pools for liquidity purposes with no more than eighty percent (80%) par of the portfolio invested in any one pool.
- ⌘ No more than fifty percent (50%) par of the portfolio may be invested in money market mutual funds.

- 80 No more than thirty percent (30%) par of the portfolio may be invested with any one institution in certificates of deposit and/or repurchase agreements.

XIV. Investment Strategies

The City shall maintain a separate investment strategy for each of the three fund types represented in the portfolio.

A. Pooled Fund Groups

Suitability - Any investment eligible in the Investment Policy is suitable for Pooled Fund Groups.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund's portfolio to less than 365 days and restricting the maximum allowable maturity to two years using the final stated maturity dates of each investment will minimize the price volatility of the portfolio.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

Liquidity - Pooled Fund Groups require the greatest short-term liquidity of any of the fund-types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

B. Debt Service Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized. The stated final maturity date on investments purchased shall not exceed the debt service payment date unless excess funds are available. In that case, maximum maturities shall not exceed two (2) years from the date of purchase and the dollar weighted average maturity of the portfolio shall not exceed 365 days as is consistent with investment strategies for operating funds.

Marketability - Investments with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore investment maturities should not exceed the anticipated cash flow requirements. Investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio shall be the minimum yield objective.

C. Debt Service Reserve Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation

constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

Marketability - Investments with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

XV. Internal Control

The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the City's Investment Policy.

XVI. Performance Standards

The City intends to pursue an active versus a passive portfolio management philosophy. That is, investments may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade.

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles that is consistent with risk limitations and cash flow needs of the City. Given this strategy, the basis used by Investment Officers to determine whether market yields are being achieved shall be the average return on 90 day U.S. Treasury Bills. "Weighted average yield to maturity" shall be the portfolio performance measurement standard.

XVII. Reporting

Investment Officers shall submit a monthly report to City Council summarizing the results of the City's investment activity. This report shall include the status of the current portfolio position, performance, trading activity, interest earnings and collateral.

A quarterly report shall be submitted to the City Manager, as Chief Executive Officer, and the City Council detailing investment transactions and performance for the reporting period in accordance with State law. The report shall be jointly prepared and signed by all Investment Officers. It shall include a summary statement prepared in compliance with generally accepted accounting principles for each fund type and a detailed listing that states the beginning market value, changes to the market value, ending market value and fully accrued interest for the period. In addition, Investment Officers shall report on adherence to the City's investment strategies as expressed in this Policy.

In conjunction with the annual audit, the quarterly reports shall be formally reviewed by the City's independent auditor on an annual basis and the results of the review shall be reported to City Council.

XVIII. Investment Policy Adoption

The City's Investment Policy is hereby adopted by resolution of the City Council. The City Council shall review and approve the Policy on an annual basis. This Policy serves to satisfy the statutory requirement to define and adopt a formal investment policy.

EXHIBITS

Exhibit A

**CITY OF BEAUMONT
Approved List
Broker/Dealers**

Business/Organization

Broker/Dealers:

JP Morgan Chase Securities

Coastal Securities

Duncan-Williams, Inc.

Wells Fargo Brokerage
Services, LLC

Rice Financial Products Company

Morgan Keegan & Company, Inc.

Exhibit B

City of Beaumont, Texas Certification By Business Organization

This certification is executed on behalf of the **City of Beaumont** (the Investor) and _____ (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code and
2. The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Investor's entire portfolio or requires and interpretation of subjective investment standards.

(Firm)

Qualified Representative of the Business Organization

(Signature)

(Name)

(Title)

(Date)

RFA SHEET



CITY OF BEAUMONT
BEAUMONT, TEXAS

RFA SHEET

RFA OPENING DATE:	Thursday, April 28, 2011
RFA OPENING TIME:	2:00 P.M.
CITY RFA NUMBER:	PF0311-02
FOR FURNISHING:	Request for Application for Bank Depository Services (AS PER SPECIFICATIONS)

OUTLINE OF RFA DATA:

Applications **MUST** complete and submit the following:

- 1) RFA pages 35 through 40.
- 2) Any and all requirements identified in the body of these RFA specifications.

RFA REQUIRED INFORMATION
RFA NO. PF0311-02

APPLICANT INFORMATION:

Company Name	
Applicant's Name In Printed Form	
Applicant's Signature	
Applicant's Title	
Company Physical Address	Street City Zip Code
Company Mailing Address	Street or P.O. Box City Zip Code
Company Telephone Number	
Alternate Phone Number	
Company Fax Number	
E-mail Address	

RFA CONTINUED

DATE OF DELIVERY AFTER RECEIPT OF ORDER: _____

WARRANTY: _____

Receipt is hereby acknowledged of the following addenda to the Specifications:

Addendum No. 1 dated _____ Received _____

Addendum No. 2 dated _____ Received _____

DOES YOUR RFA MEET SPECIFICATIONS? YES _____ NO _____

IF NO IS INDICATED, ATTACH SHEET INDICATING EXCEPTIONS.

PLEASE CHECK THE FOLLOWING THAT WILL APPLY TO YOUR COMPANY:

Ownership of Firm (51% or more) _____ Non-Minority _____ Hispanic _____ Black _____ Other _____
Minority (please specify) _____ Female Owned _____ Handicapped Owned _____
Small Business (less than \$1,000,000 annual receipts or 100 employees) _____

CERTIFICATE OF CORPORATE BIDDER

I, _____, CERTIFY THAT I AM
_____, (title) OF THE CORPORATION NAMED AS BIDDER
HEREIN; THAT _____ WHO SIGNED
THIS BID ON BEHALF OF THE BIDDER, WAS THEN
_____, (title) OF SAID
CORPORATION; THAT SAID BID WAS DULY SIGNED FOR
AND ON BEHALF OF SAID CORPORATION BY AUTHORITY
OF ITS GOVERNING BODY AND IS WITHIN THE SCOPE OF
ITS CORPORATE POWERS.

SIGNATURE OF OFFICER

TYPE OR PRINT NAME

TITLE OF OFFICER

BIDDERS

The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other Bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid.

Vendor _____

Address _____

Bidder _____
(Signature)

Bidder _____
(Print Name)

Position With Company _____
(Title)

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

(For vendor or other person doing business with local governmental entity.)

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.

By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1. Name of person doing business with local governmental entity.

2. Check this box if you are filing an update to a previously filed questionnaire.

☐

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3. Describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to expenditure of money.

4. Describe each affiliation or business relationship with a person who is a local government officer and who appoints or employs a local government officer of the local governmental entity that is the subject of this questionnaire.

Amended 01/13/2006

CONFLICT OF INTEREST QUESTIONNAIRE

(For vendor or other person doing business with local governmental entity.)

FORM CIQ

Page 2

5. Name of local government officer with whom filer has affiliation or business relationship.

(Complete this section only if the answer to A, B, or C is YES.)

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or business relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

☐

Yes

☐

No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity?

☐

Yes

☐

No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐

Yes

☐

No

D. Describe each affiliation or business relationship.

6. Describe any other affiliation or business relationship that might cause a conflict of interest.

7.

Signature of person doing business with the governmental entity

Date

Amended 01/13/2006

CITY CHARTER AND GENERAL CONDITIONS OF BIDDING

STATEMENT OF CITY CHARTER
PROVISION ON CONFLICT OF INTEREST

The following provision was adopted in an effort to avoid potential conflict of interest with prospective bidders and City employees or officers in the awarding of City contracts:

1. No officer, elected or appointed, or other employee of the City shall have a financial interest, direct or indirect, or by reason of ownership of stock or share exceeding one percent (1%) in a business entity contracting with the City. Nor shall such officer or employee be financially interested, directly or indirectly, in the sale to the City of any land, materials, supplies or services from such business entity, except on behalf of the City in his official capacity as an officer or employee.
2. Any willful violation of this provision shall constitute malfeasance in office and any officer or employee guilty thereof shall thereby forfeit their office or position.
3. Any violation of this section with the knowledge expressed or implied of the person or business entity contracting with the City shall render the contract involved null and void. (Beaumont City Charter, Article XVII, Section 9.)

I, _____, (n a m e)
h a v e r e a d a n d hereby understand the
aforementioned Beaumont City Charter provision prohibiting conflict
of interest between City employees or officers and prospective bidders
in the award of City contracts. I affirm to the best of my knowledge
and belief, that there is no conflict of interest between the herein
stated person or business entity and any City officer or employee
if a City contract is awarded. I further state that I have no outside
interests that conflict or suggest a potential conflict of interest with the
City. I understand that knowledge, express or implied, or concealment
of such material fact could nullify and void any such City contract
awarded.

If I am awarded this contract, I herein agree to report promptly any
further situation that might involve or appear to involve me in any
conflict of interest with the City. SIGNED this the _____
day of _____, 20 ____.

NAME

TITLE

GENERAL CONDITIONS OF BIDDING
REVISED 11/22/10

FAILURE TO COMPLY WITH THESE GENERAL
CONDITIONS OF BIDDING MAY RESULT IN THE BID
BEING DISQUALIFIED.

1. BIDDING:

- A. All bids must be on blank forms furnished by the Purchasing Division, and must be written in ink or by typewriter. Pencil quotations will not be considered. The bid must be executed personally by the bidder, or, if executed by an agent, a power of attorney or other evidence of his authority to act on behalf of the bidder should be sent with the bid. If the bidder is a corporation, the certificate of corporate bidder must be executed under the corporate seal by some duly authorized officer of the corporation other than the officers signing the bid. By execution of the bid, the bidder accepts all general and special conditions of the contract and the specifications.
- B. **TIME AND DATE:** Formal bids must be in the office of the City Clerk by 2:00 p.m., local time, on the day bids are due, unless otherwise specified; an early postmark will not suffice. Be sure you have allowed ample time for postal delivery. The City will not be responsible for the delivery of your bid to the office of the City Clerk. If you choose to send your bid by postal delivery then it is recommended that you call the City Clerk's office to verify receipt of your bid prior to bid opening.
Formal bids may NOT be faxed.

Informal bids are due at the date and time stated in the bid document. **Informal bids may be faxed.**
- C. **WITHDRAWAL OF BID:** A bidder may withdraw his proposal before council acceptance of his bid without prejudice to himself, by submitting a written request for its withdrawal to the City Clerk.
- D. Bids should show net prices, extensions and net total. In case of conflict between unit price and extensions, the unit price will govern.
- E. No change in price will be considered after bids have been opened.
- F. Unless otherwise specified, any catalog or manufacturer's reference or brand name used in describing an item is merely descriptive, and not restrictive, and is used only to indicate type, style or quality of material desired. If a bidder quotes on an article other than the one specified, which he considers comparable, the name and grade of said article must be specified in the bid and sufficient specifications and descriptive data must accompany same to permit thorough evaluation. In the absence of these

qualifications, he will be expected to furnish the article called for.

- G. If this bid is altered, any erasure or alteration of figures on the item on which the erasure or alteration is made must be initialed by signee of this bid.
- H. Bids will not be considered in cases in which bidder quotes an item price and also an alternate price on the proposed substitute item, except in cases in which alternate bids are called for.
- I. All bids are to be delivered not later than the time stated in the specifications, F.O.B. Beaumont, Texas unless otherwise stated in the specifications and/or bid form.
- J. Bidders are invited to be present at the opening of bids. After opening, bids may be inspected in the Purchasing Division Office.
- K. If there is an honest mistake in the bid, due to clerical errors, and the bidder calls attention thereto promptly, he will not be bound by the bid.
- L. Where the mistake was a result of bidder's negligence, and City has no knowledge of the mistake when bids were opened, and contract awarded, he will not be released and shall be bound by the bid.
- M. If a mistake is not discoverable and verifiable by the City, bidder's incorrect interpretation of Engineering specifications set forth in a construction contract will not release him from his obligations once a contract has been awarded by City Council and bidder has received notice of such award.
- N. Sealed formal bids due in the City Clerk's office will not be accepted through facsimile equipment.

2. TAXES:

- A. The City is exempt from the Federal Excise and Transportation Tax, and the Limited Sales and Use Tax. Unless the bid form or specification specifically indicates otherwise, the price bid must be net exclusive of above mentioned taxes, and will be so construed. A vendor desiring refunds of, or exemptions from taxes paid on merchandise accepted by the City, must submit the proper forms. The Purchasing Manager, if satisfied as to the facts, will approve or issue the necessary certificates.

3. AWARD:

- A. The City reserves the right to consider and make awards of bids on articles of similar nature that in all respects will serve the purpose for which the purchase is being made. The City reserves the right to be the sole judge as to whether such articles will serve the purpose.
- B. Unless otherwise specified, the City reserves the right to accept or reject in whole or in part any bid submitted or to waive any informality in the best interest of the City.

4. BID DEPOSIT:

- A. No bid deposit will be expected of bidder unless specifications expressly provide otherwise.
- B. When specifications expressly call for a bid deposit, the deposit may be in the form of a cashier's check, cash, a certified check made payable to the City of Beaumont or a bond. The bond shall be executed by a surety authorized by the Texas State Insurance Commission and must be signed by both the surety and the bidder.
- C. When specifications call for a bid deposit, it should be placed in a separate bid envelope and enclosed with your bid. Should your bid deposit not be acceptable to the City, your bid will be returned.

5. DELIVERIES:

- A. Unless otherwise stated in the bid form or specifications, deliveries must consist only of new and unused merchandise.
- B. Full fare must be allowed and no charge made for packages.
- C. In the event that the deliveries of the supplies covered in the proposal are not made within the number of days specified, or in the event that the supplies delivered are rejected, and are not removed and replaced within the number of days specified in the official notice of rejection, the City reserves the right to purchase said supplies in the open market. Upon any such breach of contract, the City reserves the right to proceed against the successful bidder and/or the surety on his bond for any and all damages occasioned by the breach.

6. REJECTIONS:

- A. Articles not in accordance with samples and specifications must be removed by the bidder at his expense. All disputes concerning quality of supplies

delivered under this proposal will be determined by the City Purchasing Manager or his/her designated representative.

- B. All articles enumerated in the proposal shall be subject to inspection or delivery by an officer designated for the purpose and if found inferior to the quality called for, or not equal in value to the department's samples, or deficient in weight, measurements, workmanship or otherwise, this fact shall be certified to the Purchasing Manager who shall have the right to reject the whole or any part of the same.

7. BILLING:

- A. All bills are subject to approval by the Purchasing Manager.

8. PATENTS:

- A. The contractor agrees to indemnify and save harmless the City, the Purchasing Manager, and his/her assistants from all suits and actions of every nature and description brought against it or any of them, for or on account of the use of patented appliances, products or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted, upon request of the Purchasing Manager, as a necessary requirement in connection with the final estimate for payment in which such patented appliances, products or processes are used.

9. CONDITIONS PART OF BID:

- A. The general conditions of bidding defined herein shall be a part of the attached bid.

10. CONTRACT:

- A. No formal contract will be executed. The following will comprise the contract between the City and the successful bidder:
 - 1. Notice to bidders,
 - 2. General specifications,
 - 3. General conditions to bidding,
 - 4. the bid sheet(s),
 - 5. Resolution awarding the bid.
- B. In case of conflict, the specifications shall be controlling.

11. OSHA REQUIREMENTS:

- A. The vendor or contractor hereby guarantees to the City of Beaumont, Texas, that all material, supplies and equipment as listed on the proposal, contract or purchase order meets the requirements, specifications and standards as provided for under the Federal Occupational Safety and Health Act of 1970, as amended and in force at the date hereof.

12. BIDS:

- A. Bids must remain firm for thirty (30) days from bid opening date to allow for award by Council unless otherwise specified.

13. DISCOUNTS:

- A. Prompt payment discounts will be considered in making the award provided the period of the discount offered is sufficient to permit payment within such period in the regular course of business (minimum 10 days). Prompt payment discounts will not be considered for contract purchases.
- B. In connection with any discount offered, time will be computed from the date of receipt of supplies or services or from the date a correct invoice is received, whichever is the later date. Payment is deemed to be made on the date of mailing of the check.

14. DISCLOSURE FORMS:

- A. **All forms must be signed and returned with your bid sheet.**

15. EXCEPTIONS:

- A. If exceptions are being taken to any part of specifications, have them listed separately on your letterhead and manually sign it.

16. LOCAL BIDDER CONSIDERATION:

- A. Should bids for goods and/or commodities be received from a local vendor and an out of town vendor, a sales tax impact analysis formula shall be applied to the local vendor's bid. If it is determined by this formula that the local vendor's bid generates more sales tax revenue to the City than the difference between the two bids, award may be made to the local vendor.

- 17. PROTEST PROCEDURES: Any actual or prospective bidder or proposer who believes they are aggrieved in

connection with or pertaining to a bid or proposal may file a protest. The protest must be delivered in writing to the Purchasing Manager, in person or by certified mail return receipt requested prior to award. The written protest must include:

- A. Name, mailing address, and business phone number of the protesting party;
- B. Appropriate identification of the bid or proposal being protested;
- C. A precise statement of the reasons for the protest; and
- D. Any documentation or other evidence supporting the protest and any alleged claims.

The Purchasing Division will attempt to resolve the protest, including at the Purchasing Manager's option, meeting with the protesting party. If the protest is successfully resolved by mutual agreement, written verification of the resolution, with specifics on each point addressed in the protest, will be forwarded to the Chief Finance Officer (CFO).

If the Purchasing Division is not successful in resolving the protest, the protesting party may request in writing that the protest be considered by the CFO. Applicable documentation and other information applying to the protest will be forwarded to the CFO, who will promptly review such documentation and information. If additional information is desired, the CFO may notify the necessary party or parties to the protest to provide such information.

If the CFO is not successful in resolving the protest, the CFO may forward to the City Manager a request for review. The decision of the City Manager will be final.

18. PUBLIC INFORMATION ACT:

- A. Texas Government Code, Chapter 552, gives you the right to access government records; and an officer for public information and the officer's agent may not ask why you want them. All government information is presumed to be available to the public. Certain exceptions may apply to the disclosure of the information. Governmental bodies shall promptly release requested information that is not

confidential by law, either constitutional, statutory, or by judicial decision, or information for which an exception to disclosure has not been sought.

- B. To request information from this governmental body, please contact:

Tina Broussard, City Clerk
City Hall
801 Main St., Suite 125
Beaumont, TX 77701

- or -

P.O. Box 38271
Beaumont, TX 77704-3827

409-880-3745 (phone)
409-880-3740 (fax)

openrecords@ci.beaumont.tx.us

- 19. WEBSITE: Vendors are responsible for verifying addendum to specifications downloaded from web site.
- 20. INTERLOCAL AGREEMENT: Successful bidder agrees to extend prices to all entities who have entered into or will enter into joint purchasing interlocal cooperation agreements with the City of Beaumont. The City of Beaumont is a participating member of several interlocal cooperative purchasing agreements. As such, the City of Beaumont has executed interlocal agreements, as is permitted under Chapter 791 of the Texas Government Code, with certain other political subdivisions, authorizing participation in a cooperative purchasing program. The successful vendor may be asked to provide products/services based upon the bid price, to any other participant.