



RFP No. 170501

**Request for Proposal ("RFP") for
Application for Lubbock County Bank Depository Services**

Submittal Location and Time

Proposal Due Date:

**2:00 p.m.
May 31, 2017**

**Mande Reeves
c/o Lubbock County - Interim Purchasing Director
Purchasing Department
916 Main Street, Suite 503
P.O. Box 10536
Lubbock, Texas 79401**

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- B. Rates and Cost/Fee Worksheet**
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1. INTRODUCTION

Lubbock County (also referred to as County), pursuant to Chapter 116 and 117 of the Texas Government Code (LGC), is requesting applications from eligible and qualified financial institutions to provide County the banking services as described herein. The services provided will be in accordance with this RFP and attachments. It is County's intent that a Bank Depository Services Agreement detailing the services to be provided will be duly executed between County and the selected financial institution.

The philosophy incorporated into this RFP is to solicit applications for banking services currently utilized or considered by County. County intends to manage its funds to minimize bank service charges, improve operational efficiency and optimize investment income opportunities as authorized by policy and permitted by State law. Depending upon market conditions, future collected funds balances may be reduced and invested in other available investment alternatives.

This RFP represents County's cash management goals and specifies all required qualifications, the banking services required, estimated activity volumes, the method and terms of compensation, submission instructions and contract award provisions. Qualified institutions are invited to submit a proposal.

2. ADMINISTRATIVE INFORMATION

INCORPORATION OF PROPOSAL

The contents of this RFP, and the selected Proposer's Response to the RFP, costs and any negotiated changes will be incorporated, in their entirety, into the future formal Contract. Proposer will be asked to sign a contract much like the one in Attachment I.

SCHEDULE FOR PROPOSAL SUBMISSION

5/15/17	Release of Request for Application
5/19/17	Deadline for questions concerning the RFP or services requested
5/24/17	Responses to any questions on the RFP provided to all Proposers
5/31/17	2:00 p.m. - Deadline for proposal submission
6/26/17	County Commissioners' Court award for contract
8/01/17	Contract commencement

Dates subject to change based on the needs of County.

COUNTY PROCUREMENT COORDINATOR

The point of contact for this RFP shall be:

Mande Reeves, Interim Purchasing Director, Lubbock County Purchasing Department
916 Main Street, Suite 503
P.O. Box 10536
Lubbock, Texas 79401
806 775-1017 (office)
806 775-7981 (fax)
mnreeves@co.lubbock.tx.us

The point of contact shall hereinafter be referred to as the Interim Purchasing Director.

COMMUNICATIONS REGARDING THE RFP

Upon release of this RFP and during the entire process, lobbyists, firms and their employees of related companies as well as paid or unpaid personnel acting on their behalf shall not contact any Evaluators, Evaluation Committee Member, County Employees, Department Heads, County Judge or Commissioners, Elected Officials or its Consultants for meeting, conferences, or discussions that are specifically related to this RFP.

Unauthorized contact of any type with any individual associated with Lubbock County, including, but not limited to, Evaluators, Evaluation Committee Members, County Employees, Department Heads, the County Judge or Commissioners, Elected Officials or its Consultants may subject the Proposer to immediate disqualification from further consideration in the sole discretion of County.

All communication should be in writing to the Interim Purchasing Director. Any oral communication, amendment or interpretation that is not in writing shall not legally bind County. Only information supplied by the Purchasing Department in writing or in this RFP should be used in preparing proposal responses.

Written Questions and Inquiries: All questions and inquiries pertaining to this RFP must be submitted in writing no later than May 19, 2017, and must be directed by mail, fax 806.775.7981 or via e-mail (mnreeves@co.lubbock.tx.us) to Mande Reeves as indicated in this RFP. County reserves the right to reject/not respond to any questions received after the deadline date.

Questions and inquiries received after the due date and time will not be considered, unless they are determined, in County's sole discretion, to be critical to proper preparation of a response.

Proposers are responsible for insuring all answers to questions are reviewed prior to proposal submittal. Answers provided to posted questions address minor irregularities and are for clarification purposes only and do not revise or modify the specification requirements. Answers to questions that result in revisions to the specifications will be addressed by Addendum. No oral statement of any person shall modify or otherwise change, or affect the specifications.

PROPOSAL ERRORS AND OMISSIONS

Due care and diligence has been used in the preparation of this information, and it is believed to be substantially correct to secure comparable Proposals. If a Proposer discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, he/she shall immediately notify the Interim Purchasing Director of such errors in writing and request modification or clarification of the document. Any modification made to this RFP will be issued as an addendum.

PROPOSAL WITHDRAWAL

A Proposer may withdraw its proposal at any time before the deadline for submitting proposals by notifying the Interim Purchasing Director in writing of its withdrawal. The notice must be signed by the Proposer. The Proposer may thereafter submit a new or modified proposal, provided that it is received at the Lubbock County Purchasing Department, 916 Main Street, 5th Floor, Suite 503, P.O. Box 10536, Lubbock, Texas no later than the proposal due date and time listed in the timeline of the RFP. Modifications offered in any other manner, oral or written, will not be considered. Proposals cannot be changed or withdrawn after the proposal due date and time listed in the timeline of the RFP.

REJECTION OF PROPOSALS

County reserves the right, at its sole discretion, to reject any and all proposals received in response to this RFP or to cancel this RFP in entirety as determined to be in the best interests of County.

Any proposal received which does not meet the requirements of this RFP, may be considered to be non-responsive and proposal may be rejected. Proposers must comply with all of the terms of this RFP and all applicable Federal, State and Local laws and regulations.

County reserves the right, at its sole discretion, to waive any technicalities in proposals provided such action is in the best interest of County. Where County waives minor technicalities in proposal, such waiver does not modify the RFP requirements or excuse the Proposer from full compliance with the RFP. Notwithstanding any minor technicalities, County holds any Proposer to strict compliance with the RFP.

DISCLOSURE OF PROPOSAL CONTENT

Unless mandated by a judicial proceeding or other law, County will not disclose any of the evaluation and selection processes until after the final contract is executed.

Ownership of materials: Any materials submitted to County will become the property of County and will be subject to the Texas Public Information Act. All documents that you send to County will be subject to disclosure if requested by a member of the public. There are a very limited number of narrow exceptions to this disclosure requirement. Vague and general claims to confidentiality are not acceptable. Therefore, any proposal which contains language purporting to render all or significant portions of their proposal "Confidential", "Trade Secret" or "Proprietary", or fails to provide the exemption information required will be considered a public record in its entirety. Do not mark your entire proposal as "confidential". To the extent, if any, that any provision in this Agreement is in conflict with Tex. Gov't. Code '552.001 et seq., as amended (the "Public Information Act"), that provision is of no force and effect. Furthermore, it is expressly understood and agreed that County, its officers and employees may request advice, decisions and opinions of the Attorney General of the State of Texas in regard to the application of the Public Information Act to any software, or any part thereof, or other items or data furnished to County whether or not the same are available to the public. It is further understood that County, its officers, and employees retains the right to rely on the advice, decisions and opinions of the Attorney General, and that County, its officers and employees has no liability or obligations to your company for the disclosure to the public, or to any person or persons, of any software, or a part thereof, or other items or data furnished to County by your company in reliance on any advice, decision or opinion of the Attorney General of the State of Texas.

Designation of information: All confidential, trade secret or proprietary information must be *clearly identified* by the Proposer prior to submission of the proposal.

Confidential information means information that (i) qualifies as trade secret or proprietary under the law; and (ii) is designated as confidential information as described below.

Information: The statement of qualifications and proposals are deemed to contain two types of information: (i) confidential information, also known as "proprietary information" or "trade secret information," which must be specifically designated by Proposer in the statement of qualifications and proposals; and (ii) non-confidential information, which is information not specifically designated as confidential information."

Management of Information: (i) All proposal information that is specifically designated by Proposer as *confidential information*, and meets the standard definition as such, including detail prices and cost

information, shall be held in confidence during the evaluation process and thereafter to the extent authorized by law; (ii) Information **not** designated as confidential information may be discussed in open meetings throughout the entire RFP procurement process and thereafter and will be made available to the public subject to the Texas Public Information Act; and (iii) County will uphold the confidentiality of Proposer trade secrets to the extent authorized by law.

County assumes no responsibility for asserting legal arguments on behalf of Proposers. Proposers are advised to consult with their legal counsel concerning disclosure issues resulting from this proposal process and to take precautions to safeguard trade secrets and other proprietary information.

3. EVALUATION PROCESS

EVALUATION PROCEDURES AND PROCESSES

Management and coordination of the evaluation process including all meetings, requests, and documentation will be handled by the Lubbock County Interim Purchasing Director.

Each proposal shall be evaluated for completeness and for compliance with the requirements of this RFP and will be independently evaluated by each Committee member.

Proposals which substantially deviate from the basic intent of the RFP will be eliminated.

If desired by the Evaluation Committee, written, site visits, and/or oral presentations to supplement the Proposal for the purpose of clarification from selected Proposer (s) may be requested. The time and place for oral presentations will be announced at a later date, if such a presentation is required.

Proposals will be assessed to determine the most comprehensive, competitive and best value solution for Lubbock County.

County will consider the availability of services and the cost of those services as well as the earnings potential under the contract.

County reserves the right to accept other than the lowest price Proposal.

All Proposers will be accorded fair and equal treatment.

Recommendation will be made to Lubbock County Commissioners' Court for the firm evaluated to be most qualified, highest rated and offering the best value to County. Award may not be made to the Bank submitting the lowest priced proposal. County will choose the Bank submitting the best, most responsive overall proposal to satisfy County needs. Upon formal approval, a contract will be formally drafted and entered into with the selected Bank.

EVALUATION AND SELECTION FACTORS

The Evaluation Committee will evaluate proposal on the criteria listed below. The objective is to enter into a future Contract with the best qualified Proposer(s) offering the most favorable terms and conditions for the handling of County funds. Each category shall be weighted as follows:

Evaluation Criteria and Weights

Points

Factor 1: The ability to qualify as a depository for public funds in accordance with state law. 15

Factor 2: The ability to provide requested information or financial statements for the periods specified.	10
Factor 3: The ability to meet all requirements in the banking RFP.	20
Factor 4: Complete response to all required items on the bid form.	10
Factor 5: Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.	25
Factor 6: The credit worthiness and financial stability of the bank.	20
Total Points	100

AWARD AND NEGOTIATION PROCESS

All proposals received by the specified deadline will be reviewed and evaluated consistently with the stated Evaluation and Selection Factors. Before the final evaluation and ranking of Proposals is complete, County, at its sole discretion, may request interviews, presentations, and/or site visits with Proposer(s) found to be among the most qualified. Proposals will be ranked based on final evaluation with a recommendation to begin negotiations with the Proposer that received the highest evaluation.

The Proposer awarded or chosen pursuant to the provisions of this section will not be based solely on price, but will include and be limited to evaluation criteria listed in the RFP. Upon completion of the evaluation process, the Evaluation Committee will make a recommendation which will then be presented by the Interim Purchasing Director to Lubbock County Commissioners' Court to award to the highest rated firm. Negotiations may or may not be conducted with the finalist; therefore, the Proposal submitted should contain Proposer's most favorable terms and conditions, since selection and award may be made without further discussion or need for clarification.

Any exceptions to the terms and conditions of the proposed Contract or the statements regarding Proposer's inability to comply with any of the provisions thereof are to be declared in the Proposer's proposal.

In the event that County cannot reach agreement with the selected Bank by negotiation of a contract, County may formally end negotiations by written notification to the selected Bank. County shall have the right, but not the obligation, to sequentially negotiate with the next most-qualified Bank and will continue in this manner until either a contract is awarded or this Request for Proposal is canceled. Upon successful completion of negotiations, the results will be reduced to a written contract for the services to be rendered.

All necessary contract documents will be reviewed by the Lubbock County Criminal District Attorney's Office-Civil Division and will be tailored specifically for this RFP. No contract shall be binding on County until it has been approved as to form by the Lubbock County District Attorney's Office-Civil Division and executed by the Lubbock County Commissioners' Court. County will not be liable for, nor will it pay for, any amount of work commenced prior to the approval of the contract by the Lubbock County Commissioners' Court.

4. PREPARING AND SUBMITTING A PROPOSAL

PREPARATION COSTS

County shall not be responsible or liable for any costs directly or indirectly associated with the preparation, submittal, presentation, on-site interviews, demonstration/web presentation or other

costs incurred by participating in this procurement process.

SUBMISSION

All responses must be sealed in a package clearly labeled/marked on the outside with the name of the Bank submitting the response and the following information:

RFP No. 170501

**Request for Proposal
Application for Lubbock County Bank Depository Services**

Must Be Delivered To:

**Mande Reeves, Interim Purchasing Director
c/o Lubbock County Purchasing Department
916 Main - Suite 503
P.O. Box 10536
Lubbock, TX 79401**

Late RFP submissions will not be accepted. County is not responsible for delays in the delivery of mail by the U.S. Postal Services, FedEx, UPS, Private Couriers, or delivery by any other means. It is the sole responsibility of the Proposer to ensure that his/her proposal reaches the Lubbock County Purchasing Department, 916 Main Street, Suite 503, P.O. Box 10536, Lubbock, Texas, by the designated date and hour indicated on the Cover Page and/or addendum (when applicable).

Note: Please reference the RFP Number and Company Name on the outside of all sealed envelopes, packaging and/or boxes.

Any RFP received after the required due date and time shall be considered late, void, unacceptable and shall be returned unopened to Proposer upon request.

The time/date stamp clock in the Lubbock County Purchasing Department shall be the official time of receipt.

Each Proposer must provide a total of one (1) original and four (4) copies of the entire proposal including all data as outlined in the RFP including Questionnaire and Rates and Cost/Fee Worksheet. The original bound copy of the proposal is to be clearly marked as "original" on the outside cover and contain original signature of a person authorized to make a binding offer. A digital copy of the proposal must also be submitted.

By submitting a Proposal, the Proposer represents that it has thoroughly examined and become familiar with the services required under this RFP and that it is capable of providing the services that will achieve County's task and objectives.

All Proposals shall be valid for a period of one hundred eighty (180) days after the Proposal submission deadline. The one hundred eighty (180) days may be extended by mutual agreement of all parties.

County reserves the right, at its sole discretion, to reject any and all offers received in response to this RFP or to cancel this RFP in its entirety if deemed by County to be in the best interests of County.

PROPOSAL FORMAT

The submitted Proposal should be specific and complete in every detail. It should be practical and should be prepared simply and economically, providing a straightforward, concise delineation of

capabilities to satisfactorily perform the Contract being sought. Proposers are advised to organize their submissions to be as brief and succinct as possible while providing relevant information. The submission of irrelevant and superfluous information is discouraged.

Proposer must submit its Proposal in strict accordance with all requirements of this RFP, and an agreement to fully comply with the requirements must be stated in the Proposal. Deviations, clarifications and/or exceptions must be clearly identified and listed separately as alternative items for County's consideration.

The original proposal shall be prepared on standard 8-1/2" x 11" paper. All proposals shall be submitted as hard copy bound documents, each page shall be consecutively numbered and identified sequentially by section. Proposals must be tabbed and indexed in accordance with the information requested. Foldouts that contain charts, spreadsheets, and oversize exhibits are permissible. Tabs or other separators shall serve to divide major sections of the proposal.

In order to equitably evaluate each Bank's ability to meet the banking service needs of County, a standard format for all proposals is required. A response must be given to each item of the Questionnaire along with all attachments required. Responses must be in the same order as the questions presented with a response to each question stating acceptance or modification, or additions to, or a statement of the inability to provide said service. Only applications submitted in the prescribed format and using the provided Attachments will be considered and evaluated for contract award. Additional explanatory information may be included as part of the proposal with appropriate reference link to the tabbed supplemental information.

An electronic copy of this proposal is being provided to each interested provider. Submission of the proposal however must be in written form.

Each proposal shall be organized in the manner describe below.

I. Transmittal Letter

- The proposal must include a letter of transmittal attesting to its accuracy, signed by an individual legally authorized to bind the Proposer to representations in the response.
- The transmittal letter shall provide the name, address, telephone, e-mail address, and facsimile number of the Proposer along with the name, title, address, telephone number and fax number of the individual authorized to contractually bind the company/firm and be signed by the authorized individual.

II. Executive Summary

Limited to three (3) pages: Include the type of services proposed, a summary containing highlights of the proposal, describing how the Proposer will meet the requirements of the RFP, including the Proposer's approach to providing the services described in this RFP; statement of the Proposer's understanding of the services required; and how the Proposer will ensure responsiveness to County staff and service and product requirements.

III. Table of Contents

A table of contents shall be provided that identifies the consecutive page numbers where to find the various sections included in the proposal.

IV. Depository Background, Experience, Qualifications, and Expertise in providing the services as requested in the RFP to include but not limited to:

- Proposal shall detail the organization structure and the name of the individual who will

serve as organization's primary contact.

- Provide background information including principle place of business, length of existence, breadth of experience and expertise, management structure, and any other information that demonstrates relative qualifications and experience.
- Proposer should clearly demonstrate Proposer's qualifications to perform the activities described in the RFP.

V. Key Personnel

Identify all key personnel and their position within the Bank who will be assigned to this contract should your Bank be awarded the contract as a result of this RFP. Identify the proposed Project Manager and include a resume. Also include an organizational chart of the proposed Management Team including key personnel and their specific roles.

VI. Past Performance

Describe demonstrated experience over the past five (5) years that qualified your Bank to perform services outlined in the RFP or similar work.

VII. Project Plan

- Describe in detailed the approach and methodology to be used and the major deliverables to be produced, including proposed services and details for all other proposed solutions and technology to accomplish the tasks, scope of work/services and other activities outlined in this RFP.
- Detailed explanation of the Bank's policy and methodology used in the setting of the earnings credit rate. Provide a schedule of the earnings credit rates offered by the Bank since January 1, 2016.
- Describe any other cash management or banking services that could be offered to County. List all charges that would apply.
- State whether the Bank would offer any type of special checking, money market, or loan account or other incentives for County employees.

VIII. Conversion/Transition Process

The successful Bank must commit the necessary resources to the conversion/transition process to help ensure that the transition is performed in a timely manner and requested services are tested and operational no later than the start date of the new contract period.

- Discuss all fees and implementation costs County may be responsible for during the conversion process. All conversion costs must be clearly delineated from ongoing operating costs in the cost proposal section of the RFP. These fees must be reflected in the Rates and Cost/Fee Worksheet. (Attachment B)
- Describe the proposed conversion plan for transitioning County from its current Bank to your Bank (timeline) in connection with the proposed service requirements for which your Bank is providing a proposal. This will serve as an outline of the strategic approach to the conversion activities.
- Provide your implementation team structure. Provide a single point of contact for the conversion project (Project Manager), and discuss each team member's role and

responsibilities, including desired staff and management from County.

- Describe how regular communication with County will take place. Does the Bank provide a portal to County to ensure timely responses?
- Discuss how the Bank will manage all aspects of each product setup, including confirmation of the processing, and coordinating the timing requirements with County and the appropriate agencies.
- Discuss the expected lead-time that will be necessary before the conversion begins.
- Discuss your plans for educating and training County employees in the use of your systems/software.
- Discuss the post implementation process as products and services are transitioned day- to-day.
- Discuss any methods of compensation/reimbursement that may be available to County for costs incurred during the conversion from the current service provider to your Bank as the newly selected service provider.

IX. Quality Assurance Program/Quality Control Plan

Describe your bank's approach to quality assurance and quality control procedures for performing the services and requirements outlined in this RFP.

- Detail a description and information regarding the organization Quality Assurance Program.
- Resolve issues regarding contract monitoring and the resolution of any complaints.

X. Customer Service

- Describe how the interaction between your Bank and County will take place to ensure that the services are performed and reported in an accurate and timely manner.
- Describe the Bank's approach to keeping customers informed of new products and services that comes available.

XI. Response Questionnaire Form

- Attachment A

XII. Sample Reports and Statements

- Provide a sample of daily balance report.
- Provide a sample of account analysis and monthly statement.

XIII. Cost of Services and Rates and Cost/Fee Worksheet

All cost and other fees associated with RFP. Pricing shall be itemized for all items and services requested in this proposal.

- Attachment B

XIV. Additional Information

Provide any additional information deemed necessary by the Proposer to be pertinent but not

specifically requested elsewhere in the RFP including any value added services.

XV. References

Provide a minimum of three (3) comparable Texas government or public entity references of which the Proposer provided similar services in size and scope as described in this RFP during the last five (5) year period. It is the responsibility of the Proposer to ensure that the reference contact information for each contact person and phone number is correct and current. County will not track down references. The following information is required for each reference:

- Public Agency Name
- Primary Contact Person Name
- Title
- Mailing Address
- Telephone Number
- Fax Number
- E-mail address
- Contract Period (Start and End Date)
- Contract Value (Dollar Value)
- Description of Services Provided

XVI. Financial Stability

To fulfill County's fiduciary responsibility to protect public funds, the following documentation is required in order for County to evaluate financial responsibility:

- Provide the latest certification of the Bank's Community Reinvestment Act (CRA) rating by its rating agency. The Bank will be required to notify County Auditor of any change in this rating during the contract period, as soon as it is publicly available. Confirm agreement to this requirement.
- Provide the Bank's senior and subordinate debt ratings for the holding company. If the institution's debt is not rated provide the most recent four quarters rating from an independent rating agency. The Bank will be contractually liable for notifying County Auditor within thirty (30) days of any change in any of these ratings during the contract period. Confirm agreement to this requirement.
- Provide audited annual financial statements, in accordance with and as defined in the Financial Accounting Standards Board (FASB) regulation(s) for the most recent fiscal year. Statements should include the company's assets, liabilities, and net worth. At a minimum, include the Balance Sheet (Statement of Financial Positions), Income Statement (Statement of Operations), and the Retained Earnings Statement. Financial statements will be kept confidential, if so stamped on each page. The Bank will be required to submit an audited statement to County Auditor each year of the contract period, as soon as it is available. Confirm agreement to this requirement.

XVII. Litigation Disclosure

- List all performance related legal claims, litigation, demands, contracts terminated due to non-performance, lawsuits filed, threatened, pending and settlements involved in over the last five (5) years.
- Identify adverse actions sanctioned by any regulatory authorities over the last five (5) years.

XVIII. Proposal Exceptions

Proposer shall identify and list all exceptions taken to any part or sections of the RFP. An “exception” is defined as the Proposer’s inability or unwillingness to meet a term, condition, specification, or requirement in the manner specified in the RFP. All exceptions taken must be identified and explained in writing in your Proposal and must specifically reference the relevant section(s) of this RFP. Other than exceptions that are stated in compliance with this Section, each Proposal shall be deemed to agree and to comply with all terms, conditions, specifications, and requirements of this RFP. If the Proposer provides an alternate solution when taking an exception to a requirement, the benefits of this alternative solution and impact, if any, on any part of the remainder of the Proposer’s solution, must be described in detail.

XIX. Certificate of Interested Parties

If selected as County Depository, Bank will be required to complete a Certificate of Interested Parties on the Texas Ethics Commission website, per House Bill 1295, prior to contract approval and submit to Interim Purchasing Director.

- Attachment C

XX. Voluntary Suspension on Campaign Contributions

For transparency a voluntary temporary suspension on campaign contributions to any Lubbock County elected official or candidate for office whose office (or potential office) has any involvement in the selection process for the associated contract during the evaluation of this RFP through five (5) days after the contract is awarded is attached.

- Attachment D

XXI. Completion of Conflict of Interest Form

Chapter 176 of the LGC requires that any proposer or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ (Attachment E), the proposer or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the records administrator of Lubbock County no later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed as defined in Section 176.006 of the Texas Local Government Code. A person commits an offense if the person violates Section 176.006 of the Texas Local Government Code. An offense under this section is a Class C misdemeanor. A copy of the law is available at: <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. By submitting a response to this request, the proposer represents that it is in compliance with the requirements of Chapter 176 of the LGC.

XXII. Completion of W-9 Form

If selected as County Depository, you will be required to submit completed form to County.

- Attachment F

5. INTENT

It is the intent of County to execute a contract with a bank desiring to be designated as County Depository Bank. The RFP is to identify the financial institution (hereafter “the Depository”) that will provide the highest quality service at the lowest aggregate cost to County. Through this RFP, County intends to minimize banking costs, improve operational efficiency, and maximize earnings. By providing a response to this RFP, the Bank acknowledges that it understands the LGC, Chapters 116 and 117, that pertains to the managing and safekeeping of County funds and will comply with those statutes as it relates to Depositories

for County Public Funds, for the Trust and County Registry Funds of County and District Clerks, and General or Special Funds, now in effect, or that may hereafter be passed.

6. FINANCIAL ENVIRONMENT OVERVIEW

The County Treasurer handles banking, treasury, and receivables, and the County Auditor is responsible for accounts payable, payroll, investment activities and financial reporting functions. County has multiple locations and officials that require separate accounts. All or most of these may deposit and/or disburse funds. The County Auditor will be the main contact for all banking transactions.

Under the contract County anticipates that it will maintain the current number of accounts. County will continue to use TexPool, dependent on interest rate opportunities and will decide on the use of the account as interest rates and conditions vary. All balance decisions reside with the County Auditor.

Average daily deposits into the Pooled Funds account in FY 2016 were approximately \$293,037.00, including wire transfers, cash, checks and remote deposit for investment of funds. Deposits are prepared by County staff and by the County Treasurer.

County currently maintains 73 bank accounts. The accounts are shown on Attachment G with March 31, 2017 balances. Overall aggregate ledger balances average \$19.6 million. The heaviest transaction activity will occur in the Lubbock County Pooled Funds account. The Pooled Funds Account is also used to cover accounts payable, payroll, and debt payments. All accounts can receive some limited deposits but not on a daily basis. Wires and security transactions occur normally in the Pooled Funds Account. The Payroll account is funded by a transfer from Pooled Funds. Positive pay is currently required on three accounts.

Currently, County uses a third party through the Depository Bank as its custodian for safekeeping services. Investments are made directly by County. All trades settle through on a delivery versus payment (DVP) basis. Settlement will be tied to one designated account. County will not use the depository institution for brokerage services in order to assure complete separation on DVP requirements.

County may make changes to its account structure as well as the services provided each account before or during the contract period.

County has multiple case management systems operating from various departments. There are no lockboxes currently in use. Collections are made primarily through and deposited from the County Treasurer's Office. Deposits are made to the bank daily by bank security pickup services from several locations. Multiple deposits are made in separate tamper-proof deposit bags. Currently, remote deposit is used in the Treasurer's Office, Tax Assessor Collector's Office and District Clerk's Office.

Bi-weekly payroll checks are written from the Payroll Account for approximately 1,300 employees for a total payroll averaging \$3.1 million per month. Direct deposit is used currently by 99.3 % of employees.

County has 1,905 active accounts payable vendors with approximately \$2.5 million processed in payables bi-monthly. Currently 20 % of the active vendors are paid by electronic funds transfers. The other 80 % are paid by accounts payable checks utilizing positive pay.

Any or all County funds may be maintained and invested by County outside this contract. County will be under no obligation to maintain time or demand funds in the bank except for use as a compensating balance.

Primary responsibility for administration of the banking services agreement resides with the County Auditor who will monitor the bank's performance against provisions of the agreement, including the bank's proposal submitted in the response to this RFP. The County Auditor will be responsible for administering the agreement with respect to day-to-day activities including deposits, withdrawals, wires, downloading

CSV files, positive pay, ACH transactions and collateral issues. The County Treasurer will be responsible for activities including deposits and disbursements. A list of County personnel authorized to deal directly with the bank will be provided following award of contract. The bank shall provide County a similar list of authorized personnel.

7. CONTRACT TERM

The Bank Depository contract will be effective August 1, 2017 through July 31, 2021 a period of four (4) years ending sixty (60) days from the time fixed by law for the next selection of a depository. If a timed deposit maturity extends beyond the expiration date of the depository contract, the Bank will pledge sufficient securities required by law for public funds to County to provide for the maturity of the time deposit. The contract shall allow County to establish, on the basis of negotiations with the bank, new interest rates and financial terms for the final two (2) years of the four (4) year contract as established in §116.021(b) of the LGC. On expiration of the contract, the contract may be renewed for two (2) years under terms negotiated by County. On the renewal of a contract, County may re-negotiate new interest rates and terms with the bank for the next two years in the same way and subject to the same conditions as provided by §116.021(b) of the LGC.

8. MANDATORY REQUIREMENTS

Proposer must supply documentation supporting that they meet the Mandatory Requirements and should provide the references so that County can confirm qualifications.

Bank must demonstrate that they are legally organized as a federal or state chartered bank and a member of the Federal Deposit Insurance Corporation (FDIC).

Bank must demonstrate that it is a qualified depository for public funds in accordance with Texas Statutes.

Bank must have sufficient equity capital to hold the compensating balances required by the Bank's proposal.

The application must state the amount of the Bank's paid-up capital stock and permanent surplus, and the application must be accompanied by:

- A statement showing the financial condition of the bank on the date of the application; and
- A certified check or cashier's check for at least one-half percent of County's revenue for the preceding year. The certified or cashier's check that accompanies an application is a good-faith guarantee on the part of the applicant that if accepted as a County Depository it will execute the bond required under Section 116.023 of the LGC. The good faith check should be in the amount of **\$590,221.00** for the Public Funds under the jurisdiction of County.
- A certified check or cashier's check for at least one-half percent of the average daily balance of the registry funds held by the County Clerk and District Clerk during the preceding calendar year. The certified or cashier's check that accompanies an application is a good-faith guarantee on the part of the applicant that if accepted as a County Depository it will execute the bond required under Section 117.021 of the LGC. The good faith check should be in the amount of **\$14,456.00** for the Trust Funds of the County and District Clerks of County.

If a Bank is selected as a depository and does not provide the bond and/or security, County shall retain the amount of the check as liquidated damages, and County shall re-advertise for applications, if necessary, to obtain a depository for County.

9. SCOPE OF WORK AND REQUIRED SERVICES

ACCOUNT REPRESENTATIVE

Bank must identify a local senior level management person who will be responsible for overseeing County's entire relationship, who would serve as County's primary contact and who would be able to make decisions regarding operational aspects of this contract. Bank must also provide a list of contact personnel within the bank who are qualified to provide information and assistance in the following areas:

- General Information
- Safekeeping and Securities Clearance
- Posting and Deposit Discrepancies
- Stop Payments
- Balance Adjustments
- Collateral Adequacy
- Internal Transfers
- Wire Transfers
- Online Services
- Remote Deposit
- Security Pickup Services

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

CHARGES

Bank will specify on the RFP Rates and Cost/Fee Worksheet (Attachment B) their charges for services in connection with the maintenance of County's accounts. Charges not detailed on the worksheet will be provided at no cost to County. Charges for services should be at least partially offset by an earnings credit on monthly account balances.

LIQUIDATED DAMAGES FOR NOT PROVIDING SECURITY

As stated in LGC 116.023: "If a bank is selected as a depository and does not provide the bond and/or security, County shall retain the amount of the check as liquidated damages." A new depository shall then be selected.

SECURITY

Within fifteen (15) days after the selection of the Depository Bank by Commissioners' Court, the selected Bank shall qualify as provided by law. County will accept bonds, notes and other securities

as outlined under LGC 116.054, and Surety Bonds under LGC 116.053 as the method of securing the funds of County. The Bank selected as depository will execute within the time prescribed by law pledged securities as hereinafter specified, and/or a bond issued and executed by a solvent surety company or companies authorized to do business in the State of Texas.

MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE PROPOSERS

Bank must affirmatively demonstrate its responsibility by providing evidence of the following requirements:

- Have adequate financial resources, or the ability to obtain such resources as required;
- Be able to comply with the required or proposed delivery schedule;
- Have a satisfactory record of performance;
- Have a satisfactory record of integrity and ethics; and
- Be otherwise qualified and eligible to receive an award.

County may request representation and other information sufficient to determine proposer's ability to meet these minimum standards listed above.

COLLATERAL REQUIREMENTS

County requires a Bank that is fiscally strong and able to provide the services described on an uninterrupted basis. As public funds, County falls under the provisions of the Public Funds Collateral Act (Texas Gov't Code Chapter 2257), with additional restrictive County requirements. If funds are, for any reason, not swept all un-invested time and demand funds above FDIC insurance coverage must be collateralized to 110% with securities authorized by County.

Pledged securities shall be the kind prescribed by law under LGC 116 and must be acceptable to County. The following securities are acceptable to County:

1. U.S. Treasury Notes
2. U.S. Treasury Bills
3. Government National Mortgage Association Certificates
4. Federal Farm Credit Bank Notes and Bonds
5. Federal Home Loan Bank Notes and Bonds
6. Federal National Mortgage Association Notes and Bonds
7. Federal Home Loan Mortgage Corporation Notes and Bonds
8. State of Texas Bonds
9. Bonds of City, County and Independent School Districts located in Texas with a Moody's rating of AA or better or a Standard and Poor's rating of AA or better
10. An Irrevocable Standby Letter of Credit issued by the Federal Home Loan Bank of Dallas

The bank must be the true and legal owner of all securities, which will be pledged to County. The securities must be free and clear of all liens, claims, or pledged for other purposes.

Under Chapter 2257 of the Texas Government Code, the Depository Bank will furnish collateral,

securities and/or surety bonds as required by law, and consistent with the Lubbock County Investment Policy, and in the amount equal to the maximum deposit of County funds under this Contract. The Commissioners' Court will accept and the Depository Bank will pledge collateral, the form of securities as described hereinafter and/or surety bond used to secure the funds of County. The security pledged or bonds shall be conditioned on the faithful performance of all the duties and obligations devolving by law upon such Depository Bank, and for the payment upon presentation of all checks drawn upon "demand deposit" accounts in the Depository Bank by the County Treasurer of County, and all checks drawn upon any "time deposit" accounts, upon presentation after the expiration of the period of notice required in the case of "time deposits"; and that said County funds shall be faithfully kept by said Depository Bank and accounted for in accordance with the Law. The amount of the securities so pledged and/or surety bond executed shall be equal to or exceed total collected funds on deposit at any and all times. Whenever there shall accrue to County funds in excess of the amount of securities so pledged and/or surety bond so executed, the Depository Bank agrees to make additional pledges or provide additional surety in amounts sufficient to cover the increased deposits, immediately.

It is understood, that the Lubbock County Commissioners' Court has authorized the County Auditor to transact the substitution, placement and/or the withdrawal of collateral as needed on a daily basis. Accordingly, the County Auditor will notify the Bank of the need, and Bank shall comply with such needs, for additional collateral and/or release of collateral, typically by electronic means.

County is to be placed at no expense in regard to the supervision of excess collateral and/or the pledge, substitution, or withdrawal of securities/surety bonds transacted on behalf of County.

Said securities or surety bonds shall be placed by Bank for safekeeping with a custodian as provided under the law. All securities pledged to County will be held by a County approved independent third party institution outside the bank's holding company or at the Federal Reserve Bank. The bank will be responsible for the pricing of securities and daily monitoring and maintenance of margin levels. (Preferably the custodian would provide market values on the securities.) The custodian or Bank is required to provide a monthly report directly to the County Auditor on the collateral pledged.

The collateral agreement (or depository agreement detailing collateral requirements) shall be executed under the terms of FIRREA and approved by resolution of the Bank's Board. If the Federal Reserve is used as custodian, the Circular 7 Pledge Agreement will be executed and appended to the agreement.

Should the Depository Bank fail at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposit and the interest on such deposits, or in any manner breach its contract with County, County shall give written notice of such failure or breach to the Depository Bank, and the Depository Bank shall have three (3) Banking days to cure such failure or breach. In the event the Depository Bank shall fail to cure such failure or breach within three (3) Banking days or should the Depository Bank be declared insolvent by a Federal bank regulatory agency, it shall be the duty of the third party safekeeping agent, upon demand of County (supported by proper evidence of any of the above-listed circumstances), to surrender the above-described collateral to County. County may sell all or any part of such collateral and out of the proceeds thereof, pay County all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency, or sale, accounting to the Depository Bank for the remainder, if any, of said proceeds or collateral remaining unsold.

Any sale of such collateral, or any part thereof, made by County hereunder may be either at public or private sale; provided, however, it shall give to both the third party safekeeping agent and the Depository Bank two (2) hours' notice of the time and place where such sale shall take place, and

such sale shall be to the highest bidder therefore for cash. County and the Depository Bank shall have the right to bid at such sale.

The Lubbock County Commissioners' Court shall select the form of collateral to secure County funds in accordance with Chapter 2257, LGC.

The following conditions must be met:

- Collateral must be held in an independent third party bank or at the Federal Reserve Bank.
- Initial collateral will be provided for County within fifteen (15) days after a bank is selected as a County Depository.
- All deposits will be collateralized, above FDIC insurance, at 110% of principal plus accrued interest at all times.
- The bank is responsible for the daily monitoring and maintaining of collateral margin requirements.
- Pledged collateral will be evidenced by a monthly report sent directly to County Auditor including description, par, and CUSIP.
- Substitution rights will be granted if the bank/custodian obtains the County Auditor's prior approval and if substituting securities are received before previously pledged securities are removed from safekeeping. Collateral value will be maintained during substitution at 110% or above.
- The bank shall execute a safekeeping agreement with County in full compliance with FIRREA. If the Federal Reserve is used as custodian a Pledgee Agreement will be executed and appended. Approval of the agreement will be made by resolution of the Bank's Board.

REPOSITORY OF COUNTY FUNDS

The Depository Bank shall serve as a Repository of funds for County.

Time deposits and other investment instruments may be withdrawn by County prior to the expiration of the specified time period upon notice in advance of said withdrawals and subject to routine penalties, if any, imposed by Banking Law, which may, at the discretion of County be paid from Earnings Credits consistent with procedures prescribed by the County Auditor and laws of the State of Texas, or in another mutually agreeable manner.

DEPOSIT OF COUNTY FUNDS

The Depository Bank will handle all deposits and fund transfers as directed by the County Auditor of Lubbock County. County funds shall be disbursed by the Depository Bank only in accordance with Sections 113.041-113.043 of the LGC. County may make cash and coin deposits for same day credit until 4:00 p.m. Lubbock time on banking days. County may make encoded or un-encoded check deposits until 4:00 p.m. Lubbock time on banking days and cash image deposits until 4:00 p.m. Lubbock time on banking days for same day ledger credit. Transactions handled on a Bank holiday that is not a County holiday will be processed by the Bank on the next banking day and credited to County on the date of the Bank holiday.

The Depository Bank will provide security pickup service for County. County's cost must be the same as the Bank pays without surcharges or administrative fees. Below is a list of the current eight security pick-up locations in the County:

- CSCD – Every day

- CDA Hot Check Office – Every day
- Tax Office – Main Office – Every day
- County Clerk – Every day
- District Clerk – Every Day
- Sheriff Downtown Office – Twice a week
- Detention Center – Every Day
- Treasurer – Every Day

Additional pickup locations may be added, locations may change or frequency may change throughout the life of the contract.

The Depository Bank will provide County deposit access to meet all Depository Bank deadlines for credit of checks through all Clearinghouse Systems, daily. Depository Bank must be able to accommodate remote deposits, in which electronic images of negotiable instruments are transmitted to the Depository Bank through the County Treasurer, Tax Assessor Collector and County Clerk. Bank will make available such technology, in a manner prescribed by statute. Such deposits will be accepted until 4:00 p.m. Lubbock time and be processed for same day ledger credit.

Depending on the account involved, the Depository Bank shall notify either the County Treasurer or a County Treasurer designee, upon discovery, by telephone, email, and/or fax when a County deposit is out of balance. If this procedure is not followed then the Bank will accept the liability.

The Bank will notify the County Auditor immediately when federal and/or state banking legislation is enacted that may significantly impact industry regulations or responsibilities. The Bank will notify the County Auditor immediately of these proposed changes and the impact that the changes will have on County Treasury functions, daily operations and costs, if any. The Bank will notify the County Auditor of any rate changes, proposed new features or any other operational processes impacting County's banking operations.

ACCOUNT STRUCTURE

The majority of the accounts are interest bearing and traditionally fees have been waived. A listing of current accounts is found in Attachment G. Under this contract, County will require the option to pay for services on a fee or compensating balance basis. County wants to focus more directly so that all its funds are continuously earning at the best, then-current interest rates.

An AAA-rated, SEC registered government, or enhanced government, money market fund rated AAA by at least one nationally recognized rating service should be used for the sweep. The fund must strive to maintain a \$1 NAV. If the bank has a valid alternative to a money market fund which is in compliance with County's Investment Policy (Attachment H), it may be presented. Neither a repurchase agreement nor an off-shore account of any type is acceptable as a sweep investment vehicle.

- If a fee basis with a sweep is utilized for compensation purposes, all or certain accounts will be swept daily by the bank to the master account and swept to the fund daily.
- If a compensating balance with a sweep is utilized for compensation purposes, the accounts will be swept to the fund to the target compensating balance from the master.
- On a compensating balance basis, any excess earnings credit/debit shall be carried over for net settlement on the middle and end of month.

AUTOMATED CASH MANAGEMENT INFORMATION ACCESS

County requires web-based, automated cash management services and daily balance reporting (inter-day and intra-day) for timely access to balance information and transactions. All accounts have online reporting services. County requires a high degree of automation within all service areas such as ACH imaging of all checks and image retention is required. Imaging of deposit slips and deposit items also is required. Preferably statements and account analysis will be available in electronic form along with archiving of information.

At a minimum, County requires on-line services availability by 8:00 a.m. (CST) and should include online balance reporting, stop pays, positive pay, account transfers, and wire transfers. Daily balance reporting should include detail on all transactions with summary reporting on closing ledger and collected balances along with one-day float, at a minimum. A balance summary of all County accounts in total must be available.

STANDARD COLLECTION AND DEPOSIT SERVICES

A security pickup service is currently provided through the bank contract and is used for certain locations including Treasury. Deposits include checks and coin/currency receipts. Other documents and reports may be transported by security pickup services. County has no current lockbox service.

All deposits received by the bank's established deadline must be processed same day. The Bank shall guarantee immediate credit on all incoming wire transfers, on-us items, and securities maturities and coupons. Failure to timely credit the account will require payment reimbursement to County at the then-current Fed Funds rate.

REMOTE CHECK PROCESSING

County currently uses remote deposit and check images in the County Treasurer's Office, Tax Assessor Collector and County Clerk's Office. Deposits will include both consumer and commercial checks. Other departments may utilize remote deposit in the future.

STANDARD DISBURSING SERVICES

Standard disbursing capability for all accounts is required. Checks are currently being written from the majority of the accounts. County requires positive pay services with date, amount and check number verification on three accounts. County may require payee name verification in the future.

County requires that the Bank shall cash free of charge all on-us checks for County employees regardless of the individual's account status with the Bank.

County has a mandatory direct deposit policy. Currently, 99.3% of the average 1,300 County employees use direct deposit. Manual payroll checks are also written for new employees and temporary workers. Currently pay cards are not used, but could be used in the future.

POSITIVE PAY

To safeguard against fraudulent checks, positive pay is required. Currently positive pay is found on three accounts including Pooled Funds, Payroll and Inmate Accounts. County requires positive pay services with complete indemnification for fraudulent checks. The proposal must provide a fully automated and web compatible transmission process. Transmissions will be made as part of each check run. Manual check information is currently not input and transmitted online, but could be in the future.

The Bank will provide a means for County to upload disbursed check information that will be compared to checks that are presented to the bank for clearing. Any discrepancies shall be cleared by the County Auditor or County Auditor designee before checks are paid by the bank. Any applicable cost should be quoted.

WIRES AND INTERNAL TRANSFER SERVICES

Incoming wire transfers must receive same day credit. Wire initiation and release should be available online. County will require compensation for delays caused by bank errors at that day's Fed Funds rate.

Bank must provide the ability to send wire transfers on an automated or manual basis. Bank must provide the ability to restrict outgoing wire transfers (debits) to only those authorized.

OPTICAL IMAGING

In an effort to reduce paper handling and storage, County is focused on imaging of documents as much as possible.

ACH SERVICES

ACH service is currently used for bi-weekly payroll direct deposit (for 99.3 % of an average of 1,300 employees) and 20% of vendor payments totaling approximately 240 transactions per month. County would like to expand ACH use for vendors. The bank must provide a similar or comparable service.

Bank must provide for acceptance of ACH (Automated Clearing House) credits and debits with fraud filters for ACH debits.

INVESTMENT SERVICES

All County investments will be made by Lubbock County Auditor. It is anticipated that County will require only one safekeeping account.

All settlements will be made delivery versus payment (DVP) and require that ownership is clearly and timely documented. All interest payments and maturities shall be given immediate credit. Instructions will be from authorized individuals in writing only. Correspondent arrangements are not acceptable.

County anticipates an average of thirty-five (35) CUSIPS averaging \$70,000,000 PAR at any given time. Ownership of the securities must be perfected and evidenced by an original receipt/report sent directly to County Auditor.

The bank's brokerage services will not be used for investment purchases in order to perfect DVP. Time deposits may be purchased from the bank but these will be on a competitive basis.

ACCOUNT ANALYSIS

A monthly account analysis report shall be provided for each account and on consolidated accounts basis. County requires that the analysis be received no later than the 10th business day.

The account analysis will contain, at a minimum, the following:

- Daily & Monthly Average Ledger Balance
- Daily & Monthly Average Float
- Daily & Monthly Average Collected Balance
- Average Negative Collected Balance
- Average Positive Collected Balance
- Reserve Requirements
- Available Balance for Earnings Credit
- Price Levels for Each Activity
- Monthly Volumes by Type
- Earnings Credit Allowance (*provide explanation how earnings credit rate calculated*)

A sample client account analysis report must be provided as part of the RFP.

MONTHLY STATEMENTS

The Bank will provide monthly account statements on all accounts. All accounts are on a monthly cycle using the calendar month as cut-off. Timeliness of reporting is critical. County requires availability of the statement on the first business day after close of cycle.

Monthly bank statements will include imaged sequential checks, deposit slips, transfer slips and debit and credit memos, processed for ALL accounts. The daily ledger balances, average daily collected balances, number of debits, number of credits, and other items on which charges are based, should also be included in each monthly statement. An electronic copy shall be furnished to County Auditor at each month's end for all County accounts to be distributed by County Auditor.

A sample bank statement must be included as a part of the RFP.

OVERDRAFT

Every effort will be made by County to eliminate net aggregate daylight and overnight overdraft situations. An applicable insufficient funds fee can then be charged. The amount for insufficient fund fees must be included with this RFP. County will not be liable for insufficient fund fees not included as part of this RFP.

INVESTMENTS AND CREDIT CARD SERVICES MADE OUTSIDE DEPOSITORY BANK

Lubbock County reserves the right to make external investments and to obtain credit card / procurement card services in accordance with the laws of the State of Texas and the Investment Policy of Lubbock County as deemed the best value for Lubbock County outside any contract resulting from this RFP.

SECURITY PICKUP SERVICE

County departments collect revenues that generate large depository needs, and therefore County desires the Depository Bank to provide security pickup service for these deposits on a daily basis. Please specify the cost for this service, including any cost variance for same banking day or next banking day deposit service.

Optional Services and Products (when requested)

County continues to investigate and evaluate new services for inclusion under its banking services contract. These services in this section are not currently required but will be evaluated in terms of availability, feasibility, service levels, services provided, and charges for potential current, or future, use under the banking contract. Availability of the service and level and cost of the service will be a secondary consideration in the evaluation of the primary proposal since the services are not required.

County reserves the right to accept optional services offered. If an optional service is initiated later in the contract period, the services and charges stipulated in the Bank's proposal in response to this RFP will be applied.

10. OTHER REQUIREMENTS, TERMS, AND CONDITIONS

INCORPORATION OF PROPOSAL INTO THE CONTRACT

The contents of this RFP, and the selected Proposer's Proposal, cost, exhibits, and negotiated changes and any other attachments will be incorporated, in entirety, into the future formal Contract. This Contract constitutes the entire agreement between the parties hereto and supersedes any other agreement concerning the subject matter of this transaction, whether oral or written.

ENTIRE AGREEMENT

The County Depository and Security Pledge Contract supersedes all prior agreements, written or oral, between Bank and County and will constitute the entire agreement and understanding between the parties with respect to the subject matter of this Contract. This Contract and each of its provisions will be binding upon the parties and may not be waived, modified, amended or altered except by a writing signed by both Bank and County with formal approval by the Lubbock County Commissioners' Court.

BINDING EFFECT

This Contract and the respective rights and obligations of the parties hereto shall inure to the benefit and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

FORMAL REQUIREMENTS CONTRACT NECESSARY

Proposer agrees that any Contract resulting from this RFP and award will be the formal requirements contract between Proposer and County.

This RFP or any resulting award does not guarantee any acceptance of products or services and does not guarantee that any purchases of products or services will be made.

ORDER OF PRECEDENCE

In the event there is a conflict between the documents comprising this RFP and any resulting contracts, the following order of precedence shall govern: (i) the term/conditions in the body of any resulting Master Contract Agreement; (ii) the RFP; and (iii) Bank's Response. In the event that a conflict exists between any state statute or federal law the most restrictive terms shall apply.

FORCE MAJEURE

Neither party hereto shall be held responsible for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, or any other circumstances of like character ("**force majeure occurrence**"). Bank shall make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

ACCEPTANCE - REJECTION

County reserves the right to accept or reject any or all bids/proposals, to waive any technicality in any bid/proposal submitted, and to accept any part of a bid/proposal as deemed to be in the best interests of County.

FISCAL FUNDING

Any agreement resulting from this RFP will be subject to the availability of governmental fiscal funding. If such funds become reduced or unavailable, any contract agreement shall be subject to immediate modifications, reduction or termination on the expiration date or date in which the funds have been reduced or eliminated.

To be considered, the proposal must include a response to each of the questions in this Questionnaire.

QUESTIONNAIRE

- 1. Customer Service - Describe the Bank's philosophy and approach to satisfying this need through the following responses.**
 - a. Describe the Bank's philosophy of customer service. What is distinctive about the Bank's approach to customer service? How does the Bank anticipate satisfying County's need for customer service on both operational and technical issues?
 - b. What plan does the Bank have for providing County with relationship support for its services? What approach will be utilized to provide the optimal service?
 - c. What, if anything, is distinctive about the Bank's approach to customer service? How will this benefit and impact County? How many individuals does the Bank have in the local Bank(s) serving County?
 - d. What is distinctive about the Bank's approach to its service automation? How does the Bank intend to support the new and ongoing automation needs of County? How will this impact County now and throughout the contract period?
 - e. Are there any new services planned which may impact County? When are these planned to be available?
 - f. Is the Bank offering any transition or retention incentives? Describe fully and quantify completely.
 - g. What support will the Bank be able to offer County in a disaster situation to maintain stable banking functions? Focus on systems, telecommunications and power, operational facilities, and transportation.
 - h. County requires the right to use a third party auditor to review the County's accounts, collateral, transactions, and bank records at any reasonable time. Confirm agreement with this condition.
- 2. Account and Sweep Structure**
 - a. Describe the Bank's ability to provide a ZBA-master sweep structure and indicate whether the individual accounts would be swept first to a master account or be swept directly from individual accounts (for interest application). Indicate your most cost beneficial structure especially considering the large number of accounts. Include classifications of accounts (ZBA or other) to be used in the structure.
 - b. Will sweep activity be reported on a daily detail basis (each debit and credit) or summarized on a monthly basis? Are sweep reports available for easier reconciliation?
 - c. Will interest from the sweeps be applied at the master or can it be applied at the account level if the sweep is possible from the individual accounts?
 - d. Is the sweep an end of day transaction? If it is a next day sweep, describe the collateral provisions for funds held overnight.
 - e. In the case of a delay or transfer problem what actions will the Bank take to assure that funds are collateralized?
 - f. Provide the prospectus for the sweep fund. An AAA-rated, SEC registered government fund is preferred for the sweep.

- g. If the Bank cannot provide a sweep mechanism, or if alternative account types are proposed for the accounts (especially while rates are low), describe the account structure proposed including the type of accounts to be used along with the overall account structure. What would the rate index basis be on such accounts?
- h. County may be required or may desire to open additional accounts or close/change accounts during the contract period. Any new accounts shall be charged at the same contracted amount. Confirm agreement to this condition.
- i. Does the Bank have any ideas as to changes in the current account structure to serve County's needs?
- j. Will the Bank assess a direct FDIC charge on the account analysis? At what rate and frequency currently?

3. Automated Cash Management Information Access

- a. Fully describe the Bank's on-line service capabilities and systems, with examples. List system's online capabilities (i.e. balance reporting, wires, positive pay, stop pay, etc.) and describe any differentiation on transaction and summary account types.
- b. Describe fully the ability to search on historical transactions and reports as well as the ability to retrieve and download historical images.
- c. Can customized reports draw across reporting modules and activities? Are reports downloadable to Excel, HTML, pdf, txt, csv?
- d. Can data be downloaded for County use? Give examples and any limits.
- e. Are all reporting processes and services web-based?
- f. Do the Bank's systems include a cash forecasting module or capability?
- g. Detail the availability of prior day and intra-day detail and summary reporting. When is prior day information available? Is intra-day information real-time or delayed? Specify by type.
- h. Define the history retention features available.
- i. What capabilities does the Bank have for search and report customization? Can customized reports draw across reporting modules and activities? Describe and detail cross functionality features.
- j. Describe back-up procedures for use by County with any interruption in the automated system delivery of information or transaction input functions.
- k. Describe provisions for off-site backup and continuation of services in local or regional disaster situations.
- l. Describe the security protocol for online services. How is authentication and authorization provided? How and by whom is the administration of the security module established and maintained?
- m. What are the hours of available technical support? Where is the technical support located? How is support provided normally?
- n. Submit samples of major screens and reports available or provide a website and sign-on information for an on-line review of all the functions, if available. If not available, submit screen prints.

- o. Does the online service require any additional software such as java or any other utility? If so, what utility and what version?

4. Standard Collection and Deposit Services

- a. What is the Bank's daily cut-off time to assure same day ledger and, pending availability, collected credit at (a) banking center and (b) branch?
- b. When are credit/debit advices sent to County from the deposit locations? Are these advices sent electronically? What delivery options are available? Are images of originals provided with each advice?
- c. Does the Bank have any program to actively assist County in promoting ACH with its vendors?
- d. Does the Bank provide any online portal services for payment of County bills which could be added to the County website to facilitate credit card payments for various activities?
- e. Is there any limit to the number of deposits in one bag? Are these handled as separate advices?
- f. How does the Bank handle discrepancies in deposit amounts? What dollar limits are used for handling? What settlement process is followed?
- g. How and when does notification of return items take place? Provide an example and list elements reported.
- h. What type deposit bags are used or required? Are these bags available from the Bank? How many?
- i. What is the cost of deposit slips and plastic tamper proof deposit bags through the Bank?
- j. Are deposits or credits delayed for any reason?
- k. If provisional credit is given on deposit before verification, when does verification occur?
- l. How much advance notice is required on coin and currency orders? Can orders be placed on line? What is the turn-around time on orders? Can juror payments in \$5 and \$1 increments be delivered? Is there an additional service charge?
- m. Include a list of all the Bank's deposit locations within County's limits.
- n. Is deposit reconciliation available? Describe the process and options.

5. Remote Check Processing

- a. Describe the Bank's process and capabilities for remote capture. Describe equipment needs, capabilities, and limitations.
- b. Does the Bank accept check image deposit? Give three references for comparable entities including a contact name and number.
- c. Can batches be prepared and forwarded at multiple times during the business day?
- d. What is the final deposit cut-off time with remote?
- e. Are there any limitations on batch size or number of transmissions per day?
- f. Once deposited via remote capture, how long must County hold voided checks?

- g. Once deposited, does the Bank assume full liability for the checks?
- h. If a check is accepted and subsequently returned by the Bank NSF, define the process. What obligations/liabilities does County have? The Bank? How will collection be made?
- i. What options does County have in scanners for use with the process in various volume locations? Is this equipment available through the contract: purchase or lease? List the equipment required along with its approximate cost(s).
- j. Discuss and define any additional virtual collection services offered for the capture of both the check and remittance document. Is automatic presentment offered? At what cost?

6. Standard Disbursing Services

- a. When is daily check clearing information available online through intra-day reporting? How long are transaction details maintained online?
- b. Does the Bank image all checks and deposit items? What options are available?
- c. County requires that the Bank shall cash free of charge all on-us payroll checks for County employees regardless of the individual's account status with the Bank. Confirm agreement with this condition.
- d. Describe any payment consolidation (e-payables) services available. What data transfer options are available for payment consolidation systems?
- e. What is the cost of checks bought through the Bank? Can Bank provide fraud control paper check stock?

7. Stored Value Cards (Pay Cards)

- a. Does the Bank provide pay cards or a comparable service? Describe fully.

8. Positive Pay

- a. Describe data transmission file and timing requirements for check registers. Are transmission charged by file and by detail item?
- b. Is positive pay input for manual checks available on-line? Describe fully.
- c. Is exception reporting and handling managed totally online? Describe.
- d. At what specific time is positive pay exception information reported to County? Is e-mail notification available or must the County check for exceptions?
- e. At what specific time is the response required for County exception?
- f. Does the Bank provide payee positive pay?
- g. Describe your verification process. What check elements are being verified by the process during clearing?
- h. Does the Bank review exceptions errors such as encoding for possible repair before creating a County exception item?
- i. Are all checks, including those received over-the-counter by the tellers, verified against the positive pay file before processing? How often is teller information updated? If not verified, what are the process, liability, and security on OTC transactions?

- j. What are the available default dispositions for payment or return? (pay, hold, do not pay)
- k. Specify data transmission requirements.

9. Wires and Internal Transfer Services

- a. Can all wire transactions be initiated online? Monitored online?
- b. Can repetitive templates be created and stored? Is there a fee for wire and transfer template storage?
- c. What level of authorization/release do repetitive or non-repetitive wires require? Is authorization for repetitive and non-repetitive the same?
- d. Is future dating of wires and transfers available? How far in advance?
- e. State wire access, posting, and cut-off times. Are cut-off times firm?
- f. State the Bank's policy on the use of ledger balances for outgoing wires in anticipation of scheduled activity or incoming wires.
- g. Can internal account transfers be processed totally on-line? Book debits/credits? Is there a fee for County internal transfers?
- h. Can incoming wire addenda notices be provided next day after funds are deposited into County's account?

10. Optical Imaging

- a. Describe the Bank's optical imaging process and what items are captured (checks, statements, deposit slips, deposited items, etc.).
- b. Describe what images are available on-line? When? How long are images retained on line?
- c. Are all images downloadable? Describe.
- d. Are there any other archiving facilities available through the Bank for County documents?

11. ACH Services

- a. Is online ACH service available for individual transactions as well as by transmission for batched files? What are the cut-off times for each?
- b. Describe how individual ACH transactions are input online?
- c. What is the policy and process for handling of ACH returned items?
- d. Can ACH items and files be future dated? How far in advance?
- e. What specific filters and blocks are available on the accounts?
- f. Define and describe all your fraud filter options.
- g. What policy and process is used for file and item reversals and deletions?
- h. Are ACH addenda shown in their entirety on-line and on detail reporting, reports and statements?

- i. Does the Bank routinely pre-note?
- j. Will County incur a transmission and/or file processing fees for on-line individual ACH transactions?

12. Custodial Safekeeping Services

- a. Is online monitoring information available for securities? Describe.
- b. Describe the custodial safekeeping arrangements proposed. Confirm same day credit/debit on all transactions.
- c. Define the structure of fees charged. Are services bundled under safekeeping by CUSIP or Par amount or are charges made for individual clearing, safekeeping and income distribution?
- d. Are custodial fees hard charged or paid through the analysis?
- e. How will County receive call and maturity notification?
- f. How will trade notifications be sent to County? When?
- g. What time are delivery instructions required? Is this a firm cut-off?

13. Collateral Requirements

- a. Describe the monthly reports to be sent.
- b. Does the Custodian have an online system for County inquiry to the holdings? List reports available.
- c. What Bank is anticipated to be the Custodian?
- d. Confirm agreement to the collateral conditions stated above (Section titled Collateral Requirements). Detail any exceptions to the conditions.

14. Account Analysis

- a. Provide a sample account analysis.
- b. State how and when the analysis will be available each month.
- c. Is the analysis provided online? How long is the analysis retained on-line? Downloadable?

15. Monthly Statements

- a. Provide a sample statement.
- b. When and how are statements available? Are statements provided in electronic formats? Downloadable?
- c. When is the statement available online? Will be shown online at the first business day?
- d. How long are statements retained online?

16. Overdrafts

- a. State the Bank's policy regarding aggregate overdraft charges and the fees, if any.

- b. How is the overdraft rate calculated? What is the minimum and maximum?

17. Stop Payments

- a. Describe the stop pay service. Is it all online?
- b. Does your system automatically renew stop pays?
- c. How long do standard stop pays and renewals remain in effect? What time options are available on renewals?
- d. How is a stop pay renewal or cancellation accomplished?
- e. What is the deadline for same day action?
- f. Will the on-line system verify if the check was cleared before accepting the stoppay?

18. Checking Printing

- a. Does the Bank have any program for check printing, i.e. utilizing a file from County for generation and mailing of County checks? Describe fully.
- b. What time frames and turn-around are available? How often are checks processed?

19. DEPOSITORY BANK AND COMMUNITY REINVESTMENT ACT INFORMATION

- a. Amount of Paid-up Capital Stock: \$ _____
- b. Permanent Surplus: \$ _____
- c. Current Bank Credit Rating by:

Moody's (Long Term/Short Term): _____

Standard & Poor's (Long Term/Short Term): _____

Bank hereby certifies that it maintains a "Lubbock County" main operating Headquarters or Branch and capable of providing all services to County. Please confirm.

- d. Is the Bank in compliance with the Community Reinvestment Act (CRA)? () Yes or () No

20. Security Pickup Services

- a. Describe security pickup services available.
- b. Will an armed guard accompany courier?
- c. What fees are associated with security pickup services?
- d. Are security pickup services available for all County locations?

21. Trust Funds and Court Registry Funds

- a. What are the procedures for setup, interest payments, and withdrawals?

- b. Attach a copy of all documents required to create a custodial account.
- c. Will the security pickup and deliver documents and checks?
- d. Do custodial accounts have on-line banking access? Are there different authorization procedures?
- e. Discuss early withdrawal penalties and when the penalty would be applied.
- f. What are the procedures for releasing funds from a certificate of deposit?

22. Bail Bond Security Funds

- a. What are the procedures for setup, interest payments, and withdrawals?
- b. Attach a copy of all documents required to create a custodial account.
- c. Will the security pickup and deliver documents and checks?
- d. Do custodial accounts have on-line banking access? Are there different authorization procedures?
- e. Discuss early withdrawal penalties and when the penalty would be applied.
- f. What are the procedures for releasing funds from a certificate of deposit?

23. If service fees are waived, what interest rate does the Bank propose? What is the index basis? Provide a link to review index.

RATES AND COST/FEE WORKSHEET
Lubbock County Investments
Interest Bearing Checking Accounts

	Variable Interest Margin	Fixed Interest Rate
Interest Bearing Checking Account		

Variable Rate = (91 Day US T-Bill Auction Discount Rate published in the Wall Street Journal on the day following the auction) + Margin (based on basis points). Example: If 91 day US T-Bill Auction Discount Rate is 3.3% and basis points are 1.0, then the variable rate is 4.3%.

Lubbock County Investments
Interest Rates on Bank Certificates of Deposit

	Less than \$100,000	More than \$100,000
Maturity 7-29 Days	+ basis points	+ basis points
Maturity 30-59 Days	+ basis points	+ basis points
Maturity 60-89 Days	+ basis points	+ basis points
Maturity 90-179 Days	+ basis points	+ basis points
Maturity 180 Days - less than 1 Year	+ basis points	+ basis points
Maturity 1 Year or more	+ basis points	+ basis points

91 Day US T-Bill Auction Discount Rate (as determined by latest T-Bill Auction) Quote as "+ ____ basis points

Lubbock County Investments
Certificates of Deposit - Fixed Interest Rate

	Less than \$100,000	More than \$100,000
Maturity 7-29 Days	%	%
Maturity 30-59 Days	%	%
Maturity 60-89 Days	%	%
Maturity 90-179 Days	%	%
Maturity 180 Days - less than 1 Year	%	%
Maturity 1 Year or more	%	%

Use the date of March 31, 2017 for calculation purposes.

Proposer Bank Name: _____

BANK DEPOSITORY COST / FEE WORKSHEET				
SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE / COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
Account Services				
Average Collected Balance				
FDIC Assessment		Per account		
Account Maintenance Fee		Per account		
TFR Master Account Maintenance		Per account		
TFR Subsidiary Account Maintenance		Per account		
Deposit Plus Master Maintenance		Per account		
Deposit Plus Subsidiary Maintenance		Per account		
Investment Sweep Maintenance		Per account/Per mo		
Dr/Cr Sweep Transaction Fee		Per item		
ZBA Account - Subsidiary		Per item		
ZBA Monthly Maintenance		Per account		
DR Posted Electronic		Per item		
CR Posted Electronic		Per item		
Debits Posted - Other		Per item		
General Checks Paid - Truncated		Per item		
Check Deposit ICL or RDSO		Per item		
IRD Deposited Items ICL		Per item		
Image Deposited Items ICL		Per item		
Paper Deposit Statement Mailed		Per item		
Deposit account statements		Per month		
Negative Collected Balance Fee		Per item		
Overdraft Item Returned		Per item		
Overdraft NSF Item Paid		Per item		
DDA Statement - Paper		Per item		
Non-Account Holder Checks Cashed		Per item		
Ledger Overdraft per Day		Per item		
Automated Services - Balance & Detail				
Basic Banking Transfer Online		Per item		
Online Basic Banking - Monthly		Per account		
Online Basic Banking Add'l Acct Maint		Per account		
Online Reporting Client Maintenance Fee		Per relationship		
Online Maintenance Fee		Per account/overall		
Online Subscription Fee		Per month		
Prior Day Account Maintenance		Per account		
Prior Day Items Stored		Per item		
Intraday Reporting Mo Maintenance		Per account		
Current Day Account		Per item		
Current Day Item		Per item		
Intraday Online Maintenance		Per item		
Online Image Access		Per item		
Research Item		Per item		
Search Online		Per item		

BANK DEPOSITORY COST / FEE WORKSHEET				
SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE / COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
Stop Pay Inquiry		Per item		
Paid Item Inquiry		Per item		
Transaction History		Per item		
Mainframe Maintenance CDR Item		Per item		
Mainframe Maintenance CDR Account		Per account		
Mainframe Maintenance PDR Acct		Per account		
Mainframe Maintenance PDR Items		Per item		
Solution Center Phone Inquiry		Per item		
Online Messaging Service - Email		Per item		
Electronic Window Extended Storage		Per item		
EDI				
EDI Monthly Maintenance Online		Per account		
Receivables Manager Outgoing Trans.		Per item		
Receivables Manager Mo Maintenance		Per account		
EDI Treasury Info Online Mo Maintenance		Per account		
E-Box Payment		Per item		
e Box Payment Return		Per item		
IFI Paid Checks Image		Per item		
IFI Maintenance Per Product		Per item		
Branch Deposits				
Bank Contracted Transport - Vault		Per account		
Banking Center Deposit		Per account		
Night Deposit QBD		Per event		
Vault Deposit		Per item		
Envelop Deposit Detail		Per item		
Branch Deposit - Currency		Per item		
Cash Deposit per \$1 - at Teller Window		Per item		
Deposit Location Reporting		Per item		
Item Processing Deposit		Per deposit		
Checks Deposited Pre-encoded		Per item		
Checks Deposited un-encoded		Per item		
On-us Items		Per item		
Transit		Per item		
Checks Deposited Foreign Item		Per item		
Transit Items > \$10m		Per item		
Check Deposit Rejects		Per item		
Return Item Online Maintenance (Subscription)		Per account		
Coin/Currency \$100 QBD Night		Per item		
Armored Car Services (pick-up and delivery from each location)		month		
Coin/Currency Dep \$100 vault		Per item		
Currency supplied \$100 non-stand vault		Per item		
Dep correction cash		Per item		
Non-standard bag surcharge		Per item		
Coin supplied roll Ban ctr		Per item		

BANK DEPOSITORY COST / FEE WORKSHEET

SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE / COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
Coin supplied roll vlt		Per item		
Change order bank ctr		Per item		
Curr supplied \$100 std vault		Per item		
Curr supplied \$100 bk ctr		Per item		
Deposit Conditioning surcharge		Per item		
Fax Notification Receipt - Vault		Per item		
Change Order Standing Vault		Per item		
Change Order Auto Vault		Per item		
Mail Notification DCN Vault		Per item		
Change Order Refusal		Per item		
Branch Deposit Adjustment		Per item		
Branch Deposit Correction		Per item		
Branch Order Currency Strap		Per item		
Branch Order Processed		Per item		
Branch Coin Roll Furnished		Per item		
Deposit Location Reporting		Per item		
Branch Change Order		Per item		
Rolled Coin Ordered - Branch		Per item		
Currency Order per \$1 at Branch		Per dollar		
Return Item Service Monthly Maint ERIN		Per account		
Return item Chargeback		Per item		
Returns Reclear		Per item		
Returns Reclear Services		Per item		
Returns Alternate Account Per Month		Per item		
Returns Alternate Account		Per item		
Payment Authorization Max Check Mo Maintenance		Per account		
Check Exception Return		Per item		
Check Photocopy Retrieval		Per item		
Paper Check Return		Per item		
Deposited Check Canadian		Per item		
Controlled Disbursement				
Controlled Disbursement Maintenance		per month		
Controlled Disbursement Checks Paid Trunc.		per item		
Controlled Disbursement ACH Funding		per account		
Remote Deposit Services				
Remote Deposit Maintenance		Per account/mo.		
On-us Item Capture		Per item		
Off-Us Item Capture		Per item		
Item capture transit		Per item		
Item capture Canadian		Per item		
Image Retrieval Service		Per item		
Remote Capture Items Deposited		Per item		
Transmission		Per transmission		

BANK DEPOSITORY COST / FEE WORKSHEET

SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE / COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
Transmission Detail		Per item		
Vault Services				
Vault Deposit - Base Fee Processing		Per item		
Vault Deposit - Standard		Per item		
Vault Deposit - Fed Ready (Full Order Strapped)		Per item		
Vault Deposit Partial or Mixed Bag		Per item		
Vault Deposit - Change Order		Per item		
Vault Deposit Non-standard Strap Notes		Per item		
Vault Deposit Non-standard Bag		Per item		
Cash Deposit per \$1 Vault verified - T1		Per \$1		
Cash Deposit per \$1 Vault verified - T2		Per \$1		
Cash Deposit per \$1 Vault verified - T3		Per \$1		
Cash Deposit per \$1 Vault verified - T4		Per item		
Cash Vault Deposit Adjustment		Per item		
Cash Vault Deposit Adjustment - US Mail		Per item		
Disbursement Services				
Controlled Disbursement Maintenance		Per item		
Controlled Disbursem Relationship Acct Maint		Per month		
Controlled Disbursem Funding Transfer		Per item		
Controlled Disbursem Checks Paid		Per item		
Controlled Disbursem Dr/Cr Posted		Per item		
Controlled Disbursem Perfect Presentment		Per item		
Controlled Disbursem Online Subscription Mo		Per account		
Controlled Disbursem Report		Per item		
Controlled Disbursem Check Float Fee		Per item		
Controlled Disbursem Online Maint		Per account		
Controlled Disbursem Perf Presentmt Return		Per item		
MICR Reject > 2%		Per item		
DDA Checks Paid		Per item		
Commercial Check Cashing		Per item		
Paymode license		Per year		
Paymode transaction return		Per item		
Paymode transaction		Per account		
Paymode transaction		Per item		
EDI Report per account		Per account		
EDI Invoice rec'd		Per item		
WEB EDI Maint receiving		Per month		
ACH Processing				
ACH Maintenance		Per month		
ACH Input E-Channel		Per month		
ACH Online Subscription		Per account		
ACH Online Maintenance		Per item		

BANK DEPOSITORY COST / FEE WORKSHEET

SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE / COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
ACH Input File		Per month		
ACH LV On US Items		Per month		
ACH LV Monthly Maintenance		Per month		
ACH Consumer On Us CR		Per item		
ACH Consumer Off Us CR		Per item		
ACH Consumer On Us DR		Per item		
ACH Corporate On Us CR		Per item		
ACH Corporate Off Us CR		Per item		
ACH Corporate On Us DR		Per item		
ACH One Day Item		Per item		
ACH Two Day Item		Per item		
ACH Debits Originated		Per item		
ACH Credits Originated		Per item		
ACH Items Received CR		Per item		
ACH Items Received DR		Per item		
ACH Credits Posted (Electronic CR)		Per item		
ACH Addenda Records (originated/received)		Per item		
ACH Notification of Change		Per item		
ACH Fax NOC		Per item		
ACH E-mail Notification		Per item		
ACH File Processing		Per Item		
ACH File Transmission		Per file		
ACH CR Originated Night Cycle		Per item		
ACH File Delete/Reversals		Per item		
ACH Standard Reports - Fax		Per account		
ACH Optional Reports		Per item		
ACH Return Fax Notification		Per item		
ACH Return - Advice		Per item		
ACH Return Item Redeposited		Per item		
ACH Return Items DR/CR		Per item		
ACH Return Items Faxed		Per item		
ACH Blocks Authorization Instructions		Per account		
ACH Blocks Authorization Maintenance		Per account		
ACH Blocks Authorization Add-Change		Per account		
Filter/Block Maintenance		Per month		
Filter/Block Review Monthly Maintenance		Per item		
Filter/Block Authorized ID (filter on DR block)		Per item		
Fraud Filter Online Review		Per item		
Filter/Block Report		Per month		
Positive Pay with Reconciliation Services				
Pos Pay Mo. Maintenance with Partial Recon		Per account/month		
Pos Pay Mo Maintenance with Full Recon		Per account/month		
Pos Pay Mo Maintenance without		Per account/month		

BANK DEPOSITORY COST / FEE WORKSHEET

SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE / COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
Recon		account/month		
Positive Pay Exceptions Online		Per item		
Positive Pay Exception online		Per item		
Positive Pay Verification - Telephone Call		Per item		
Issue Match (Payee)		Per item		
Payee Validation Standard Item		Per item		
Payee Name Image Reviewed Item		Per item		
Payee Wire Advising - Online		Per item		
Issue Input with Reconciliation		Per item		
ARP Monthly Maintenance - Full		Per account		
ARP Recon Full Item		Per item		
ARP Monthly Maintenance - Partial		Per account		
ARP Registration Input Online		Per item		
ARP Online Statement		Per item		
ARP Statements Reports Maint		Per account		
ARP Online Reports		Per item		
Excessive Arp rejects		Per item		
ARP Statement - Detail		Per item		
ARP Register Input online		Per item		
ARP Aged Issue Records On File		Per item		
ARP Online Exceptions		Per item		
CPO ARP Issue Not received notification		Per item		
CPO ARP Issue posted notification		Per item		
CPO ARP issue posted notification		Per item		
CPA ARP Issue rec'd notification		Per item		
APO ARP O-S issues notification		Per item		
CPO Incoming wire notification - email		Per item		
ARP Manual Key Entry		Per item		
ARP Outgoing File		Per item		
ARP Outgoing Transmission per item		Per item		
Recon Output File Transmission		Per item		
Recon Output Detail Transmission		Per item		
ARP Fax Fees		Per item		
ARP Checks Paid - Full Recon		Per item		
ARP Optional Reports		Per item		
ARP Full recon maint PPR Supp		Per item		
ARP full PP maint per supp		Per item		
ARP Full PP Input per item		Per item		
ARP Partial Maint Paper Supp		Per item		
ARP Partial PP Maint PPR Report		Per item		
ARP Partial PP Maint Supp		Per item		
ARP Partial PP Item		Per item		
ARP Recon Trans daily		Per item		
ARP Void cancel item		Per item		
ARP Void cancel items		Per item		
ARP stale date Maint		Per item		
ARP Ancillary online reports		Per item		
PP Exceptions		Per item		

BANK DEPOSITORY COST / FEE WORKSHEET

SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE / COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
ARP PP maint no recon		Per item		
ARP PP return other		Per item		
ARP PP no recon input item		Per item		
Teller PP Issue Not Found >1%		Per item		
CashPay Services				
CashPay Web User Services		Per month		
CashPay Electronic Enrollment		Per month		
Stop Pays				
Stop Pays - Automated		Per item		
Stop Pay - Automatic Renewal		Per item		
Stop Pay electronic		Per item		
Stop Pay < 12 Months		Per item		
Stop Pay > 12 months		Per item		
Wires and Transfers				
Online GPS Confirms		Per month		
Online SPS Monthly Maintenance Basic		Per month		
Incoming - domestic Straight - Fed Credit		Per item		
Incoming/Outgoing Repair		Per item		
Outgoing - repetitive - automated, domestic		Per item		
Outgoing - non-repetitive - auto, domestic		Per item		
CHIP Debit - Electronic		Per item		
Wire Out Book DR		Per item		
Book Credit		Per item		
Book Transfer		Per item		
Direct Account Transfer		Per item		
Template Storage		Per item		
Wire Advice - Mail		Per account		
Wire Advice - Fax		Per item		
Securities Custody Services				
Service Monthly Maintenance Custody		Per month		
Clearing Fees		Per item		
Clearing Fees-Fed reserve banks		Per item		
Clearing Fees-Depository trust Company		Per item		
FRB		Per item		
DTC		Per item		
Safekeeping Fees		Per month		
FRB		Per item		
DTC		Per item		
Custody per Cusip/Holding		Per item		
Income Collection to DDA		Per item		
Income Collection - Coupons		Per item		
Income Collection - Maturities		Per item		
Income Collection - Calls		Per item		

BANK DEPOSITORY COST / FEE WORKSHEET

SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE / COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
Imaging				
CD ROM Media (Disk)		Per item		
CD ROM Additional Media		Per item		
CD ROM Maintenance		Per item		
Transmission Maintenance		Per item		
Facsimile Transmission		Per item		
CDROM Items per Image		Per item		
Image Retrieval per Retrieve <90 days		Per item		
Image Retrieval Lt per Retrieve > 90 days		Per item		
Image Archive - 90 Days		Per item		
Image maint CPO		Per item		
ARP Report on CDROM		Per item		
DDA Statement on CDROM		Per item		
Image retrieval CPO		Per item		
Pay Cards				
Monthly Maintenance		Per card		
Enrollment Fee		Per card		
Inactivity Fee		Per card/Month		
Service to User				
ATM Cash Withdrawal		Per item		
Cash advance OTC		Per item		
ATM Balance inquiry		Per item		
PIN purchase		Per item		
Non-PIN purchase		Per item		
Image Lockbox				
Retail Lockbox Maintenance		Per month		
Retail Lockbox Items		Per item		
Data Transmission Maintenance		Per item		
Retail Lockbox - Encoding		Per item		
Retail Lockbox Data Capture		Per item		
Check Only		Per item		
No Check Mail		Per item		
Deposits - Cash		Per item		
Correspondence Handling		Per item		
Exception Items		Per item		
MICR Capture		Per item		
Special Handling		Per item		
Special Reassociation		Per item		
Unprocessable - Returns		Per item		
Web Delivery Monthly Maintenance		Per month		
Data Transmission		Per item		
Detail Report - Fax/email		Per item		
Programming Fee		Per month		

BANK DEPOSITORY COST / FEE WORKSHEET

SERVICE DESCRIPTION TYPE "N/C" FOR FREE SERVICES IN THE 'COST OR ITEM FEE'	ESTIMATED MONTHLY VOLUME	UNIT BASIS	PROPOSED SERVICE ITEM FEE/COST	INFORMATION/NOTES AND OTHER COMMENTS (AS APPLICABLE)
Lockbox Image CD Maintenance		Per month		
Lockbox CD ROM		Per item		
Lockbox Image CD Detail		Per item		
Image Data Transmission		Per transmission		
Image Data Transmission - detail		Per item		
Image/Document Storage B&W		Per item		
Conversion/Transition and Training				
Conversion/Transition Fees (Itemized fees when, applicable)		Lump Sum		
Bank will specify any other fees and/or charges required for services. Banking services not detailed on worksheet will be provided at no cost to County				
Additional Services: Not listed above (add in as many lines as needed)				

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

OFFICE USE ONLY

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

 Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20 _____, to certify which, witness my hand and seal of office.

 Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

ADD ADDITIONAL PAGES AS NECESSARY

Lubbock County CERTIFICATE OF INTERESTED PARTIES – FORM 1295

Definitions and Instructions for Completing Form 1295

Lubbock County is required to comply with House Bill 1295, which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits Lubbock, from entering into a contract resulting from this RFP with a business entity unless the business entity submits a Disclosure of Interested Parties – Form 1295 to Lubbock County at the time the business entity submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Texas Ethics Commission.

As a “business entity,” all vendors must electronically complete, print, sign, notarize and submit Form 1295 with their contracts even if no interested parties exist.

Proposers must file Certificate of Interested Parties – Form 1295 with the Texas Ethics Commission using the following online application:

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

- Proposers must use the filing application on the Texas Ethics Commission’s website (see link above) to enter the required information on Form 1295.
- Proposers must print a copy of the completed form, which will include a certification of filing containing a unique certification number.
- The Form 1295 must be printed and then signed by an authorized agent of the business entity, and the form must be notarized.
- The completed Form 1295 with the certification of filing must be filed with Lubbock County by including a copy of the completed/notarized form with the contract.
- Lubbock County must acknowledge the receipt of the filed Form 1295 by notifying the Texas Ethics Commission of the receipt of the filed Form 1295 no later than the 30th day after the date the contract binds all parties to the contract.
- After Lubbock County acknowledges the Form 1295, the Texas Ethics Commission will post the completed Form 1295 to its website within seven (7) business days after receiving notice from Lubbock County.

Instructions to Vendors:

1. **Read these instructions,**
2. **Go to the Ethics Commission Website https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm,**
3. **Register and complete Form 1295 online - include the contract number and the contract name,**
4. **Print a copy of the submitted Form 1295 and have it notarized - it will have a certification # in the top right corner,**
5. **Include a copy of the completed, signed and notarized Form 1295 with the contract response.**

Definitions:

- **Interested Party:** a person who:
 - 1) has controlling interest in a business entity with whom Lubbock County contracts; or
 - 2) actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity.
- **Controlling Interest** means:
 - 1) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent;
 - 2) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or
 - 3) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers.
- **Intermediary:** a person who actively participates in the facilitation of the contract or negotiation the contract, including a broker, advisor, attorney, or representative of or agent for the business entity who:
 - 1) receives compensation from the business entity for the person’s participation;
 - 2) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
 - 3) is not an employee of the business entity.
- **Business Entity:** includes an entity through which business is conducted with a governmental entity or state agency, regardless of whether the entity is a for-profit or nonprofit entity.

Resources:

Form 1295 Frequently Asked Questions:

- https://www.ethics.state.tx.us/whatsnew/FAQ_Form1295.html

Instructional Video – First Time Business User:

- <https://www.ethics.state.tx.us/filinginfo/videos/Form1295/FirstLogin-Business/Form1295Login-Business.html>

Instructional Video – How to Create a Certificate:

- <https://www.ethics.state.tx.us/filinginfo/videos/Form1295/CreateCertificate/CreateCertificate.html>



VOLUNTARY SUSPENSION ON CAMPAIGN CONTRIBUTIONS

For transparency purposes voluntary statement indicating your willingness to temporarily refrain from making any donation to any Lubbock County elected official or candidate for office whose office (or potential office) has any involvement in the selection process for the associated contract during the evaluation of the RFP through five (5) days after the contract is awarded.

We hereby agree as stated;

Firm Name: _____

Signature and Title of Individual Authorized to Bind Company:

_____ Title _____

Print Name: _____

Date: _____

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

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

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship 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 the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

- 1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
- 2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
- 3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
- 4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
- 5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

LUBBOCK COUNTY, TEXAS
Request for Proposal Depository and Banking Services

Lubbock County Accounts as of 03/31/17

Account Name	Account Balance
Lubbock County Insurance Clearing Added 092513	\$ 7,409.41
Lubbock County Jury Fund	\$ 15,024.00
Lubbock County Flexible Spending Account	\$ 20,071.46
Lubbock County Payroll	\$ 1,419.04
Lubbock County Pooled Funds	\$ 9,321,543.37
Lubbock County Treasurer Federal Tax	\$ 5,000.00
Lubbock County Workers Comp Fund	\$ 15,190.56
Lubbock County Bail Bond Securities	\$ 227,687.10
Lubbock County Bail Bond Special Account	\$ 28,650.00
Lubbock County Cash Bond Account	\$ 120,655.43
Lubbock County Clerk Credit Card Account	\$ 1,879.00
Lubbock County Clerk E File Account	\$ 2,294.00
Lubbock County Clerk Kelly Pinion	\$ 121,222.44
Lubbock County Clerk Kelly Pinion - Registry Fund Acct	\$ 300,681.22
Lubbock CO CDA's Office Business Crimes	\$ 37,397.31
Lubbock County CDA's Office Comptroller	\$ 7,160.12
Lubbock County CDA/DPS Forfeited Assets Acct	\$ 8,211.26
Lubbock County CDA's Office Forfeited Assets	\$ 48,740.39
Lubbock County JAG12 CDA	\$ -
Lubbock County JAG13 CDA	\$ 5,467.26
Lubbock County JAG14 CDA	\$ 23,306.25
Lubbock County JAG15 CDA	\$ 54,610.53
Lubbock CO CDA's Office Restitution Trust	\$ 62,140.45
Lubbock County CDA Seizure	\$ 209,943.07
Lubbock County CDA Seminar	\$ 1,901.24
Lubbock County CDA's Office Trust Fund	\$ 172,081.67
Lubbock County Community Corrections Commissary Fund	\$ 2,148.51
Lubbock County Community Corrections Revune Fund	\$ 7,587.25
Lubbock County Community Corrections Trust	\$ 60,225.31
Lubbock County CSCD Credit Card Account	\$ 59,153.83
Lubbock County CSCD Health	\$ 10.00
Lubbock CS & CD Operating Fund	\$ 150,334.83
Lubbock CO Child Support Acct Barbara Sucsy	\$ 5,713.28
Lubbock County District Clerk Credit Card Acc	\$ 1,054.00
Lubbock County District Clerk Custodial - Barbara Sucsy	\$ 138,131.25
Lubbock County District Clerk E File Account	\$ 3,154.00
Lubbock County District Clerk Barbara Sucsy	\$ 1,548,179.34
Lubbock County On-Line Access	\$ 640.00
Lubbock County DRC Revenue Account	\$ 6,473.73
Host Court	\$ 16,779.13

LUBBOCK COUNTY, TEXAS
Request for Proposal Depository and Banking Services

Lubbock County Accounts as of 03/31/17

Account Name	Account Balance
Lubbock CO Justice of Peace Precinct 1	\$ 7,767.50
Lubbock County JP1 Credit Card	\$ 16,130.13
JP1 E File Account	\$ -
Lubbock CO Justice of Peace Precinct 2	\$ 20,775.82
Lubbock County JP2 Credit Card	\$ 16,908.45
JP2 E File Account	\$ -
Lubbock CO Justice of Peace Precinct 3	\$ 13,892.80
Lubbock County JP3 Credit Card	\$ 9,568.20
JP3 E File Account	\$ -
Lubbock CO Justice of Peace Precinct 4	\$ 9,586.90
Lubbock County JP4 Credit Card	\$ 30,414.38
JP4 E File Account	\$ -
Lubbock County Juvenile Probation Office	\$ 1,066.00
Lubbock County LEPC/HMEP Grant	\$ 1,541.64
Lubbock County Medical Examiner	\$ 9,175.00
Tax Assessor Collector - Ronnie Keister	\$ 623.00
Tax Assessor Collector - Ronnie Keister Beer and Liquor	\$ 3,232.50
Tax Assessor Collector - Ronnie Keister Certificate of Title	\$ 98,386.50
Tax Assessor Collector - Ronnie Keister Charge Card	\$ 77,187.50
Tax Assessor Collector - Ronnie Keister Check Clearing	\$ 251,538.62
Tax Assessor Collector - Ronnie Keister EFT Account	\$ 31,571.50
Tax Assessor Collector - Ronnie Keister Motor Vehicle	\$ 2,462,797.85
Tax Assessor Collector - Ronnie Keister Omnibus	\$ 426,586.83
Lubbock County Sheriffs Forfeited Contraband	\$ 272,522.88
Lubbock County Inmate Program Donations	\$ 5,992.62
Lubbock County Inmate Account	\$ 160,881.20
Lubbock County Sheriff Seized Funds	\$ 108,416.49
Lubbock County Sheriff	\$ 23,273.74
Lubbock CO Sheriffs Jail Work Release	\$ -
SPAT Federal Income	\$ 15,949.15
SPAT Program Income	\$ 45,606.72
	\$ 16,940,664.96

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

I. POLICY

It is the policy of Lubbock County that after allowing for the anticipated cash flow requirements of Lubbock County and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to Lubbock County. Lubbock County's investment portfolio shall be designed and managed in such a manner as to maximize this revenue source, to be responsive to public trust, and to be in compliance with all legal requirements and limitations.

Investments shall be made with the primary objectives of:

- * **Safety** and preservation of principal
- * Maintenance of sufficient **liquidity** to meet operating needs
- * **Public trust** from prudent investment activities
- * Optimization of **interest earnings** on the portfolio

II. PURPOSE

The purpose of this investment policy is to comply with Chapter 2256 of the Government Code ("Public Funds Investment Act"), which requires Lubbock County to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of Lubbock County's funds.

III. SCOPE

This Investment Policy shall govern the investment of all financial assets of Lubbock County. These funds are accounted for in Lubbock County's Comprehensive Annual Financial Report (CAFR) and include:

- General Fund - used to account for resources traditionally associated with government, which are not required to be accounted for in another fund.
- Special Revenue Funds - used to account for the proceeds from specific revenue sources.
- Capital Projects Funds – used to account for resources to be used for the acquisition or construction of major capital facilities.

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

- Trust and Agency Funds - used to account for the proceeds from specific revenue sources and to the extent not required by law or existing contract to be kept segregated and managed separately.
- Debt Service Funds – used to account for resources to be used for the payment of principal, interest and related costs on general obligation debt, to the extent not required by law or existing contract to be kept segregated and managed separately.
- Any new fund created by Lubbock County, unless specifically exempted from this Policy by Commissioners’ Court or by law.

Lubbock County will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. The strategy developed for the pooled fund group will address the varying needs, goals and objectives of each fund.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this policy does not apply to the assets administered for the benefit of Lubbock County by outside agencies under deferred compensation programs.

IV. INVESTMENT OBJECTIVES

Lubbock County shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

Lubbock County shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum earnings on short-term investment of idle cash.

Safety [GOVT. CODE 2256.005(b)(2)]

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- ❑ Credit Risk and Concentration of Credit Risk – Lubbock County will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

investment, and concentration of credit risk, the risk of loss attributed to the magnitude of investment in a single issuer, by:

- * Limiting investments to the safest types of investments.
 - * Pre-qualifying the financial institutions and broker/dealers with which Lubbock County will do business.
 - * Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.
- Interest Rate Risk – Lubbock County will manage the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:
- * Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity.
 - * Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
 - * Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity [GOVT. CODE 2256.005(b)(2)]

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in shares of money market mutual funds or local government investment pools that offer same-day liquidity. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

Public Trust

All participants in Lubbock County's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in Lubbock County's ability to govern effectively.

Yield (Optimization of Interest Earnings) [GOVT. CODE 2256.005(b)(3)]

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

to the safety and liquidity objectives described above. Securities shall generally be held until maturity with the following exceptions:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- A security swap that would improve the quality, yield, or target duration in the portfolio.
- Cash flow needs of Lubbock County require that the investment be liquidated.

V. INVESTMENT STRATEGIES

The investment portfolio of Lubbock County includes funds pooled together of all the fund groups. Each major fund type has varying cash flow requirements and liquidity needs. Therefore strategies shall be implemented considering each fund's unique requirements.

Investment Pool Strategy

The County's Investment Pool is an aggregation of the majority of County Funds which includes tax receipts, fine and fee revenues, as well as some, but not all, bond proceeds, grants, special revenue fund revenue, debt service revenues and reserve balances. This portfolio is maintained to meet anticipated daily cash needs for Lubbock County operations, capital projects and debt service. The objectives of this portfolio are to:

- ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists;
- ensure that anticipated cash flows are matched with adequate investment liquidity;
- manage market and credit risk through diversification; and
- attain the best feasible yield commensurate with the objectives and restrictions set forth in this Policy by actively managing the portfolio.

Bond Funds Strategy

Occasionally, separate non-pooled portfolios are established with the proceeds from bond sales. The objectives of these portfolios are to:

- ensure safety of principal by investing only in high-quality securities for which a strong secondary market exists;
- ensure that anticipated cash flows are matched with adequate investment liquidity;
- manage market and credit risk through diversification; and

LUBBOCK COUNTY, TEXAS

INVESTMENT POLICY

- attain the best feasible yield commensurate with the objectives and restrictions set forth in this Policy and the bond ordinance by actively managing the portfolio.

VI. RESPONSIBILITY AND CONTROL

Delegation of Authority [GOVT. CODE 2256.005(f)]

In accordance with the Public Funds Investment Act, the Commissioners' Court designates the County Auditor as Lubbock County's Investment Officer. An Investment Officer is authorized to execute investment transactions on behalf of Lubbock County. No person may engage in an investment transaction or the management of Lubbock County funds except as provided under the terms of this Investment Policy as approved by the Commissioners' Court. The investment authority granted to the investing officer is effective until rescinded by the Commissioners' Court.

Quality and Capability of Investment Management [GOVT. CODE 2256.005(b)(3)]

Lubbock County shall provide periodic training in investments for the designated Investment Officer and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to insure the quality and capability of investment management in compliance with the Public Funds Investment Act.

Training Requirement (GOVT. CODE 2256.008)

In accordance with the Public Funds Investment Act, the designated Investment Officer shall attend an investment training session no less often than once every two years commencing September 1, 1997 and shall receive not less than 10 hours of instruction relating to investment responsibilities. A newly appointed Investment Officer must attend a training session of at least 10 hours of instruction within twelve months of the date the officer took office or assumed the officer's duties. The investment training session shall be provided by an independent source approved by the Commissioners' Court. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education or any other sponsor other than a business organization with whom Lubbock County may engage in an investment transaction.

Internal Controls (Best Practice)

The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of Lubbock County are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable

LUBBOCK COUNTY, TEXAS

INVESTMENT POLICY

assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived and (2) the valuation of cost and benefits requires estimates and judgments by management.

Controls deemed most important that shall be employed include the following:

Imperative Controls

- Custodian safekeeping receipts records management.
- Avoidance of bearer-form securities.
- Documentation of investment events.
- Written confirmation of telephone transactions.
- Reconcilements and comparisons of security receipts with the investment subsidiary records.
- Compliance with investment policies.
- Verification of all interest income and security purchase and sell computations.

Controls Where Practical

- Control of collusion.
- Separation of duties.
- Separation of transaction authority from accounting and record-keeping.
- Clear delegation of authority.
- Accurate and timely reports.
- Validation of investment maturity decisions with supporting cash flow data.
- Adequate training and development of Investment Officials.
- Review of financial conditions of all brokers, dealers, and depository institutions.
- Staying informed about market conditions, changes and trends that require adjustments in investment strategies.

Accordingly, the Investment Officer shall establish a process to assure compliance with policies and procedures through Lubbock County's annual independent audit.

Prudence (GOVT. CODE 2256.006)

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

context of the overall portfolio's investment return, provided that adequate diversification has been implemented. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under Lubbock County's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written approved investment policy of Lubbock County.

Indemnification (*Best Practice*)

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest [GOVT. CODE 2256.005(i)]

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer of Lubbock County who has a personal business relationship with an organization seeking to sell an investment to Lubbock County shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to Lubbock County shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Commissioners' Court.

VII. SUITABLE AND AUTHORIZED INVESTMENTS

Investments [GOVT. CODE 2256.005(b)(4)(A)]

Lubbock County funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of Lubbock County funds in any instrument or

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

security not authorized for investment under the Act is prohibited. Lubbock County will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

I. Authorized

- Direct obligations of the United States of America.
- 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, the underlying security of which is guaranteed by an agency or instrumentality of the United States.
- Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States of America.
- Direct obligations of the following United States agencies and instrumentalities:
 - a) Federal Farm Credit System
 - b) Federal Home Loan Bank System
 - c) Federal Home Loan Mortgage Corp.
 - d) Federal National Mortgage Association
- Certificates of Deposit issued by a Commissioners' Court authorized depository institution that has its main office or a branch office in Texas. The certificate of deposit must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and secured by obligations in a manner and amount as provided by law.

A Commissioners' Court approved depository is a state or national bank, savings bank, or state or federal credit union domiciled in this state provided:

- a) the County has on file a signed Depository Agreement which complies with the Local Government Code and details eligible collateral, collateralization ratios, standards for collateral custody and control, collateral valuation, and conditions for agreement termination.
- Money Market Mutual funds that:
 - a) are registered and regulated by the Securities and Exchange Commission

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

- b) have a dollar weighted average stated maturity of 90 days or less
 - c) seek to maintain a net asset value of \$1.00 per share
 - d) are rated AAA by at least one nationally recognized rating service
- Local government investment pools, which:
 - a) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act
 - b) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service
 - c) are authorized by resolution or ordinance by the Commissioners' Court

In addition, a local government investment pool created to function as a money market mutual fund must mark its portfolio to the market daily and, to the extent reasonably possible, stabilize at \$1.00 net asset value.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. (*GOVT. CODE 2256.021*)

Security swaps may be considered as an investment option for the County. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on Lubbock County's approved list. A horizon analysis is required for each swap proving benefit to Lubbock County before the trade decision is made, which will accompany the investment file for record keeping.

II. Not Authorized [GOVT. CODE 2256.009(b)(1-4)]

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, collateralized mortgage obligations with an inverse floating interest rate or collateralized mortgage obligations with a maturity date of over 10 years are strictly prohibited.

VIII. INVESTMENT PARAMETERS

Maximum Maturities [GOVT. CODE 2256.005(b)(4)(B)]

The longer the maturity of investments, the greater their price volatility. Therefore, it is Lubbock County's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

Lubbock County attempts to match its investments with anticipated cash flow requirements. The maximum allowable stated maturity of any individual investment will not exceed more than fifteen years from the date of purchase.

The composite portfolio will have a weighted average maturity of 7 ½ years or less. This dollar-weighted average maturity will be calculated using the stated final maturity dates of each security. [GOVT. CODE 2256.005(b)(4)(C)]

Diversification [GOVT. CODE 2256.005(b)(3)]

Lubbock County recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is managed through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid overconcentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposit that are fully insured and collateralized in accordance with state and federal law),
- Limiting investment in investments that have higher credit risks (example: commercial paper),
- Investing in investments with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for Lubbock County's total portfolio:

1.	U.S. Treasury Securities.....	100%
2.	Agencies and Instrumentalities	85%
3.	Certificates of Deposit	50%
4.	Authorized Pools.....	50%

IX. SELECTION OF BANKS AND DEALERS

Depository (Chapter 116, Local Government Code)

At least every four (4) years a Depository shall be selected through Lubbock County's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid and evaluation of bids will be based on the following selection criteria:

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

- The ability to qualify as a depository for public funds in accordance with state law.
- The ability to provide requested information or financial statements for the periods specified.
- The ability to meet all requirements in the banking RFP.
- Complete response to all required items on the bid form.
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
- The credit worthiness and financial stability of the bank.

Authorized Brokers/Dealers (GOVT. CODE 2256.025)

Lubbock County shall, at least annually, review, revise, and adopt a list of qualified broker/dealers and financial institutions authorized to engage in securities transactions with Lubbock County. Those firms that request to become qualified broker/dealers for securities transactions will be required to provide:

- Information regarding creditworthiness, experience and reputation.
- A certification stating the firm has received read and understood Lubbock County's investment policy and agree to comply with the policy.

Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All investment providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed Lubbock County's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by Lubbock County's policy. [GOVT. CODE 2256.005(k-l)]

Delivery vs. Payment [GOVT. CODE 2256.005(b)(4)(E)]

Securities shall be purchased using the **delivery vs. payment** method with the exception of investment pools and mutual funds. Funds will be released after notification that the purchased security has been received.

X. CUSTODIAL CREDIT RISK MANAGEMENT

Safekeeping and Custodial Agreements

Securities either owned by Lubbock County as part of its investment portfolio or held as collateral to secure demand or time deposits will be held by a third party custodian.

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Securities owned by Lubbock County shall be held in Lubbock County's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third party custodian designated by Lubbock County and pledged to Lubbock County as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by Lubbock County.

Collateral Policy (PFCA 2257.023)

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of Lubbock County to require full collateralization of all Lubbock County funds on deposit with a depository bank. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, Lubbock County may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom Lubbock County has a current custodial agreement. The Investment Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to Lubbock County and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

Collateral Defined

Lubbock County shall accept only the following types of collateral:

- Personal bond; surety bond; bonds; notes; and other securities; first mortgages on real property; real property; certificate of deposit; or a combination of these methods, as provided by Chapter 116, Subchapter C, Local Government or
- Investment securities or interests in them as provided by Chapter 726, Acts of the 67th Legislature, Regular Session, 1981 (Article 2529b-1, Vernon's Texas Civil Statutes).

Subject to Audit

All collateral shall be subject to inspection and audit by the Investment Officer or Lubbock County's independent auditors.

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

XI. PERFORMANCE

Performance Standards

Lubbock County's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of Lubbock County.

Performance Benchmark

It is the policy of Lubbock County to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, Lubbock County shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. Lubbock County's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to Lubbock County's weighted average maturity in days.

XII. REPORTING (GOVT. CODE 2256.023)

Methods

Quarterly - The Investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principals. This summary will be prepared in a manner that will allow Lubbock County to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the Commissioners' Court. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Average weighted yield to maturity of portfolio as compared to applicable benchmark.
- Listing of investments by maturity date.
- Fully accrued interest for the reporting period.
- The percentage of the total portfolio that each type of investment represents.

LUBBOCK COUNTY, TEXAS INVESTMENT POLICY

- Statement of compliance of Lubbock County's investment portfolio with state law and the investment strategy and policy approved by Commissioners' Court.

An independent auditor will perform a formal annual review of the quarterly reports with the results reported to the governing body [*GOVT. CODE 2256.023(d)*].

Monitoring Market Value [*GOVT. CODE 2256.005(b)(4)(D)*]

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable source and disclosed to the governing body quarterly in a written report.

XIII. INVESTMENT POLICY ADOPTION [*GOVT. CODE 2256.005(e)*]

Lubbock County's investment policy shall be adopted by the Commissioners' Court. It is Lubbock County's intent to comply with state laws and regulations. Lubbock County's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of Lubbock County. The Commissioners' Court shall review the policy and investment strategies annually, approving any changes or modifications.

**LUBBOCK COUNTY, TEXAS
INVESTMENT POLICY**

**ORDER OF THE
LUBBOCK COUNTY COMMISSIONERS' COURT**

This Lubbock County, Texas Investment Policy is adopted during the regular session of the Lubbock County Commissioners' Court on this the 13th day of March, 2017 and becomes a part of the official minutes of the County Commissioners' Court.

MOTION BY: Bill McCay

SECONDED BY: Patti Jones

Entered in the official minutes of the Lubbock County Commissioners Court.

Bill McCay
Bill McCay, Precinct 1

Absent from this meeting
Mark Heinrich, Precinct 2

Absent from this meeting
Gilbert Flores, Precinct 3

Patti Jones
Patti Jones, Precinct 4

Thomas V. Head
Tom Head, County Judge

ATTEST:

Kelly Pinion
Kelly Pinion
COUNTY CLERK

COUNTY DEPOSITORY AND SECURITY PLEDGE CONTRACT

STATE OF TEXAS §
COUNTY OF LUBBOCK §

CONTRACT NUMBER: ___-___-___-___-___

WHEREAS, LUBBOCK COUNTY has determined there is a need to provide for Bank Depository Services;

WHEREAS, LUBBOCK COUNTY has requested and reviewed proposals for Bank Depository Services and depository for certain trust funds and court registry funds in pursuant to Chapters 116 and 117 of the Texas Local Government Code; and

WHEREAS, LUBBOCK COUNTY has determined that [redacted] Bank, a Texas State Bank organized under the laws of the State of Texas, authorized to conduct banking business at its office in Lubbock County, Texas; and

WHEREAS, this agreement is made between [redacted] Bank (hereinafter referred to as "BANK") and the COUNTY OF LUBBOCK, TEXAS a body corporate and politic under the laws of the State of Texas, (hereinafter referred to as "COUNTY") acting by and through its duly authorized representative Lubbock County Judge Tom Head.

NOW THEREFORE, the parties agree as follows:

ARTICLE I
RETENTION OF BANK

COUNTY hereby retains BANK as an independent contractor and not an employee for services more particularly described in the Agreement.

ARTICLE II
TERM OF AGREEMENT

BANK for said COUNTY, its agents and agencies, and for the Trust Funds in possession of the County and District Clerks, was legally chosen as COUNTY's Depository Bank for a period of FOUR (4) years, becoming operative within SIXTY (60) days from [redacted], 2017, or such other

dates as is mutually agreed upon. The contract shall allow COUNTY to establish, on the basis of negotiations with the BANK, new interest rates and financial terms for the final two (2) years of the four (4) year contract as established in §116.021(b) and §117.021(a)-(b) of the LGC. On expiration of the contract, the contract may be renewed for two (2) years under terms negotiated by COUNTY. On the renewal of a contract, COUNTY may re-negotiate new interest rates and terms with BANK for the next two years in the same way and subject to the same conditions as provided by §116.021(b) and §117.021(a)-(b) of the LGC.

ARTICLE III **CREDENTIALING**

BANK shall identify a local senior level management person responsible for overseeing the entire relationship with the COUNTY. The senior level management person will serve as the primary contact and be able to make decisions regarding operational aspects of this contract. A list of contact personnel within the bank qualified to provide information and assistance will be provided.

BANK must demonstrate that they are legally organized as a federal or state chartered bank, a member of the Federal Deposit Insurance Corporation (FDIC), and compliant with FDIC's regulations governing insurance coverage of public accounts.

BANK must demonstrate that it is a qualified depository for public funds in accordance with Texas Statutes.

BANK must have sufficient equity capital to hold the compensating balances required by the proposer's proposal.

BANK must state the amount of the bank's paid-up capital stock and permanent surplus, and a statement showing the financial condition of the bank on the date of the application.

BANK shall execute an agreement with COUNTY and the custodian for custody of pledged securities in full compliance with FIRREA. If the Federal Reserve is used as custodian a Pledge Agreement will be executed and appended. Approval of the agreement will be made by resolution of the Bank's Board.

BANK, shall faithfully do and perform all duties and obligations devolving on it by law as the Depository Bank of COUNTY, including but not limited to such ties and obligations placed on it by Chapters 116 and 117 of the LGC.

Pursuant to Chapter 116 of the LGC, BANK agrees to pledge security in amounts adequate to fully collateralize all COUNTY funds held by the BANK. All funds above FDIC insurance coverage must be collateralized to 110% with securities authorized by COUNTY.

Pledged securities shall be the kind prescribed by law under LGC 116 and must be acceptable to the COUNTY. The following securities are acceptable to the COUNTY:

U.S. Treasury Notes

U.S. Treasury Bills

Government National Mortgage Association Certificates

Federal Farm Credit Bank Notes and Bonds

Federal Home Loan Bank Notes and Bonds

Federal National Mortgage Association Notes and Bonds

Federal Home Loan Mortgage Corporation Notes and Bonds

State of Texas Bonds

Bonds of City, County and Independent School Districts located in Texas with a Moody's rating of AA or better or a Standard and Poor's rating of AA or better

An Irrevocable Standby Letter of Credit issued by the Federal Home Loan Bank of Dallas

ARTICLE IV
TERMINATION

At the expiration of its term, BANK, shall turn over to its successors all the funds, property, and other things of value, coming into its hands as a depository, then and in that event this contract is to be and shall become null and void and pledged securities shall be returned to the BANK. If maturity of a Time Deposit extends beyond the expiration date of the contract, BANK will pledge sufficient securities as required for public funds to COUNTY until the maturity of the Time Deposit.

Should the BANK fail at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposit and the interest on such deposits or in any manner breach its contract with COUNTY, the Commissioners' Court of Lubbock County shall give written notice of such failure or breach, and the BANK shall have FIVE (5) days to cure such failure or breach. In the event that the BANK fails to cure such breach within FIVE (5) days, or is declared insolvent by a Federal Regulatory Agency, The Lubbock County Commissioners' Court may demand that the trustee surrender collateral to the COUNTY. The Commissioners' Court of Lubbock County, Texas, is authorized to sell at public or private sale, to the highest bidder therefore for cash, with TWO (2) hour notice to the pledger, the securities, or any part thereof, and apply the proceeds of sale to the satisfaction of any indebtedness arising by virtue of the violation of any or all of the conditions of this contract. Both COUNTY and BANK shall have the right to bid at such sale. Alternatively, COUNTY may pursue any remedy it may have in any suit brought on this contract in any court in this state. Any suit arising on a personal bond or a contract for securities provided or pledged must be tried in Lubbock County.

ARTICLE V
DUTIES OF BANK

BANK, will faithfully perform all duties and obligations devolving on it by law as the Depository Bank of COUNTY, including but not limited to such ties and obligations placed on it by Chapters 116 and 117 of the LGC; all services outlined within this contract; and all services described and acknowledged in RFP 170501 (Exhibit "B") and the Response to RFP 170501 (Exhibit "A") opened [REDACTED], 2017 both of which by this reference is incorporated in full into this agreement, and include but are not limited to the following:

COUNTY will establish accounts for handling deposits, funds transfers and disbursing checks written on COUNTY funds. Checks, wire transfers, ACH transfers, internal bank transfers, deposits and remote deposits will be made from/to these accounts. The BANK agrees to make payment on such checks, upon presentation of checks drawn on such accounts by County Auditor and County Treasurer of Lubbock County, or any other duly authorized signatory, and shall faithfully keep and account for all

said funds belonging to the COUNTY, its agents or agencies, which are deposited with it including but not limited to, Trust Funds deposited by the County and District Clerks, and shall pay the interest at the time and at the rate guaranteed in the Response to RFP 170501 (Exhibit "A"). The BANK is only obligated to pay those checks, drafts or other withdrawal requests upon which the signature of a duly authorized COUNTY official appears.

BANK does hereby agree to provide a detailed monthly collateral-to-deposit report containing security descriptions, par value/current face and current market value. A monthly account analysis report must also be provided for each account and on a total account basis. The account analysis must contain at a minimum, the daily average ledger balance, the daily average float, the average collected balance, reserve requirements, the price level for each activity, monthly volumes by type, and earnings allowances. The BANK must also maintain a minimum of FIVE Percent (5.00%) primary capital to assets ratio. Should the primary capital ratio fall below FIVE Percent (5.00%), the Commissioners' Court will review the BANK's plans for future earnings and capital increases before a determination is made to close accounts.

BANK must also provide monthly account statements including all corresponding checks, along with all debit and credit memos or optical images of the front and back of checks, debit and credit memos, deposited items, etc. The statement must show the number of checks, deposit and deposit items posted, daily ledger balances, average daily ledger balance for the month and average daily collected balance for the month. Such statements must be provided within five working days after the end of each calendar month.

BANK will be required to process stop payments on verbal instructions from the County Auditor or her assignee with follow-up written confirmation. It is agreed that BANK will not honor stale dated checks on COUNTY accounts after COUNTY has delivered to BANK an approved canceled list from the records of Commissioners' Court unless they are endorsed by the COUNTY as acceptable.

BANK will provide daily secure transport service for COUNTY deposits. Pickup locations are throughout the County as listed in RFP 170501 attached hereto as "Exhibit A."

BANK is required to make payment of all COUNTY checks upon presentation. Immediate credit on all wire transfers, ACH transactions and Governmental checks upon receipt is guaranteed by BANK. All other checks will be credited based on the bank's availability schedule. All deposits received before the BANK's established deadline will be credited daily. It is agreed for the purposes of determining cash overdrafts, the daily cash balance in all COUNTY accounts will be added together and if a negative balance occurs, COUNTY's account is considered to be over-drafted.

Positive pay services with complete indemnification for fraudulent checks is required for Pooled Funds Account, Payroll Account and Inmate Trust Fund Account. BANK must provide a fully automated and web compatible transmission process.

BANK is required to offer web-based, automated cash management services and daily balance reporting on fund balances, detailed debits and credits, viewable checks and deposits, printable monthly account statements and the ability to download transactions in a spreadsheet format (.CSV). On-line processing of Automated Clearing House (ACH) transfers for direct deposit of vendor payments and COUNTY's employees' payroll to other domestically located banks is required.

BANK's brokerage services will not be used for investment purchases in order to perfect delivery versus payment (DVP). The Execution of this contract shall in no way restrict the Lubbock County Commissioners' Court, the District or County Clerk, or their duly authorized representatives, from investing COUNTY's idle funds, or Trust Funds created by Judicial order for the benefit of others, solely in instruments or accounts of BANK.

Banking services not detailed in RFP 170501 (Exhibit "A") will be provided at no cost. BANK agrees to waive all fees and service charges including, but not limited to, wire transfers, account maintenance, stop payments, returned items, duplicate statements, semi-annual interest payments, outside trades and Fed calls.

ARTICLE VI
DUTIES OF COUNTY

COUNTY will establish accounts for handling all deposits, funds transfers and disbursing checks written on COUNTY funds.

Primary responsibility for administration of the banking services agreement resides with the Lubbock County Auditor who will monitor the BANK's performance against provisions of the agreement, including BANK's proposal submitted in the response to RFP 170501 (Exhibit "A"). The Lubbock County Auditor will be responsible for administering the agreement with respect to day-to-day activities.

ARTICLE VII
RATES

BANK, through the RFP 170501 opened [REDACTED], 2017, does hereby agree to pay COUNTY, its agents or agencies, and the Trust Funds of the County and District Clerks for all designated demand deposits, time deposits, and certificates of deposit deposited in said BANK, that amount of interest set forth in the Response to RFP 170501 opened [REDACTED], 2017, attached hereto as "Exhibit A" and made a part hereof for all purposes. In determining the interest rate for certificates of deposit, Lubbock County reserves the right to select, subject to LGC §116.021, the most favorable rate as between the variable and fixed interest rates quoted within the Response to RFP 170501 (Exhibit "A") anytime during the term of the contract. Interest on time deposits greater than ONE HUNDRED THOUSAND DOLLARS (\$100,000.) will be tendered at different rates from time deposits equaling less than ONE HUNDRED THOUSAND DOLLARS (\$100,000.), as illustrated in the Response to RFP 170501 (Exhibit "A").

ARTICLE VIII
COLLATERAL

Pursuant to Chapter 116 of the LGC, BANK agrees to pledge security in amounts adequate to fully collateralize all COUNTY funds held by BANK. Funds shall include but are not limited to the interest accrued or earned on finances deposited with BANK by COUNTY, its agents or agencies, as well as the Trust Funds of the County and District Clerks. BANK must keep the security at such levels throughout the duration of the contract; however, the amount of security is subject to change, with the approval of the Lubbock County Auditor, as deposits fluctuate. To compensate for increases or decreases in COUNTY deposits and fluctuation of market value of pledged collateral, the minimum market values of collateral will be ONE HUNDRED AND TEN PERCENT (110%) of COUNTY deposits. All securities pledged must be held at the Federal Reserve Bank, Dallas in COUNTY's Public Funds Collateral Account or held by an independent Third Party Institution outside the bank's holding company approved by the Commissioners' Court. The Lubbock County Commissioners' Court authorizes the County Auditor to transact the substitution, placement and/or withdrawal of collateral as needed on a daily basis subject to future approval by said Court.

ARTICLE IX
FUNDING

Any agreement resulting from this RFP will be subject to the availability of governmental fiscal funding. If such funds become reduced or unavailable, any contract agreement shall be subject to

immediate modifications, reduction or termination on the expiration date or date in which the funds have been reduced or eliminated.

ARTICLE X
RELATIONSHIP OF PARTIES

None of the provisions of this Agreement are intended to create nor shall be deemed or construed to create any relationship between the parties other than that of independent entities contracting with each other solely for the purpose of affecting the provisions of this Agreement.

BANK understands and agrees that COUNTY shall not withhold from compensation payable to BANK any sums for income tax, unemployment insurance, social security or other withholding pursuant to any law or required by any governmental authority and that payments of such amounts as may be required by law are and shall be the sole responsibility for BANK which does hereby indemnify and hold COUNTY harmless from any and all costs or damages arising out of or in any way connected with the payment or nonpayment of such amounts.

It is expressly acknowledged and agreed that neither of the parties, nor any of their employees shall be construed to be agent, employer or representative of the other nor shall any provision of this Agreement create any right in COUNTY to exercise control or direction over the business of BANK provided, however, that all services provided to COUNTY hereunder shall be provided and delivered at all times in a manner consistent with the standards of BANK's profession, the terms of this Agreement and all applicable laws, rules and regulations of authorities having jurisdiction over COUNTY.

Personnel provided by BANK are not employees of COUNTY nor are they entitled to any direct compensation nor any benefits or rights of COUNTY employees as from time to time may be established, and shall provide services for the benefit of COUNTY through BANK and only pursuant to this Agreement.

COUNTY has hired BANK to provide Bank Depository Services. As such, BANK has the duty and obligation to perform all obligations to COUNTY under this Agreement in a manner consistent with the level of care and skill ordinarily exercised by members of BANK's profession currently practicing in similar conditions. No property owned by or referencing COUNTY or one of its subdivisions shall be used by any employee, staff member or representative of BANK without express approval by the authorized COUNTY representative and then shall be used only for professional purposes within the parameters of this Agreement.

ARTICLE XI
INDEMNIFICATION

Neither party hereto shall be held responsible for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, or any other circumstances of like character (“**force majeure occurrence**”). BANK shall make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

BANK shall indemnify and hold COUNTY harmless from and against any and all claims, demands, costs, expenses, liabilities and losses (including reasonable attorney’s fees) which may arise out of any acts or failure to act of BANK, its employees, agents or contractors in connection with the performance of services pursuant to this Agreement.

ARTICLE XII
MISCELLANEOUS

This agreement, Request for Proposal Number 170501 and BANK’ response Request for Proposal Number 170501 constitute the entire understanding between the parties, and no other agreements, representations or contract shall be binding on any of the parties unless set forth in writing and signed by all parties. Should the documents comprising this understanding contain conflicting provisions, provisions of the Bid Specifications shall have priority.

This Agreement supersedes all other prior agreements, either oral or written between the parties with respect to the Depository Bank Services to be provided by BANK to COUNTY and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner.

Each party to this Agreement acknowledges that no inducements or promises, oral or otherwise, have been made by any party or anyone acting on behalf of any party that is not embodied in this Agreement.

The invalidity or unenforceability of any term or provision of this Agreement shall in no way affect the validity or enforceability of any other term or provision.

Neither party under this Agreement shall have the right to assign or transfer its rights to any third party without prior written consent of the other party.

The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the law of the State of Texas and all venue shall be in Lubbock County, Texas.

COUNTY will not be liable to BANK for loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; or for any special, consequential, direct, punitive, or exemplary damages.

ARTICLE XIII
NOTICES

All notice required under this Agreement shall be sent postage prepaid U.S. Mail or hand delivered to the parties at the following addresses:

BANK:

COUNTY:

County Judge
Lubbock County Courthouse
904 Broadway, Suite 101
Lubbock, Texas 79401

and

Jackie Latham
County Auditor
916 Main, Suite 700
Lubbock, Texas 79401

Signed on this the _____ day of _____, 2017.

LUBBOCK COUNTY, TEXAS:

BANK:

Tom Head
County Judge

ATTEST:

Kelly Pinion
Lubbock County Clerk

REVIEWED FOR FORM ONLY:

REVIEWED FOR CONTENT ONLY:


Civil Division
Lubbock County District Attorney Office

Jackie Latham
Lubbock County Auditor