



**BANKING DEPOSITORY
SERVICES
REQUEST FOR PROPOSAL**

September 20, 2024

**TARRANT APPRAISAL DISTRICT
BANKING DEPOSITORY SERVICES
REQUEST FOR PROPOSALS
SEPTEMBER 20, 2024**

I. Introduction

A. General Information

The Tarrant Appraisal District (TAD), along with other appraisal districts throughout the state, was created by the Texas State Legislature in 1979 as a political subdivision of the State of Texas. It is responsible for appraising, and determining fair market values for, all real and business personal property for taxing jurisdictions within Tarrant County, Texas. TAD has no taxing authority of its own.

TAD is governed by a nine-member Board of Directors including the county assessor-collector in the district. The Board of Directors appoints a Chief Appraiser/Executive Director who serves as the district's chief administrator. The district is funded by the 72 taxing jurisdictions it serves, with funding allocations being based on each jurisdiction's proportionate share of the total county-wide tax levy. Taxing jurisdiction payments to TAD are made on a monthly, quarterly or annual basis.

B. Proposal Request

TAD is seeking competitive proposals from statutorily qualified financial institutions to serve as TAD's primary Banking Services Depository (the "Depository") bank for the provision of depository for the public funds of TAD. This includes the basic services of receiving deposits, paying items, receipt and disbursement of wires, stop payments, time deposits, and other normal business banking activities. The agreement will not cover any investment transaction activities other than safe keeping services and possible other items listed in Section III, L. TAD plans to manage its own investment portfolio per its investment policy (see Attachment B).

This Request for Proposals (RFP) and any subsequent contract award, contract and/or purchase order are governed by:

1. Sections 6.09 and 6.11 of the Texas Property Tax Code;
2. Chapter 116 of the Texas Local Government Code;
3. Chapter 2256 of the Texas Government Code (the "Public Funds Investment Act");
4. Chapter 2257 of the Texas Government Code (the "Public Funds Collateral Act");
5. TAD's Investment Policy; and
6. Other applicable state and federal statutes, rules, and regulations.

This RFP is intended to serve as the Banking Depository Services Bid Form (see Attachment A) and subsequently, the Depository Agreement. Any terms in this RFP which are in conflict with the above shall be deemed superseded by such policy, code, or statute.

TAD reserves the right to accept or reject any or all proposals, to waive any irregularities or informalities in any proposals timely received, to negotiate with the financial institution or institutions deemed most susceptible of being awarded the bank depository services contract, and to award the contract to the financial institution determined to provide the best proposal resulting from negotiation, after taking into consideration the relative importance of costs and charges and the other evaluation criteria set forth below.

Bids must be complete, specifically address the requirements described in this document, and include all requested information as detailed in Section VIII Submission Checklist to receive full consideration by TAD in the evaluation/selection process. During the evaluation/selection process, TAD reserves the right to request additional information or clarification from bidders, or to allow corrections of errors or omissions.

C. Term of Contract

The contract period shall be for an initial two-year period (beginning January 1, 2025 and ending December 31, 2026,) or until such time as a successor depository is duly selected and qualified. With the mutual consent of the selected financial institution and TAD, the initial two-year term may be extended for a second two-year period per statute. The Depository contract shall provide that TAD reserves the right to cancel any agreement, at any time, upon sixty (60) days prior written notice of its intent to terminate any agreement. Further, the agreement will have a ninety-day extension period for transition to the new depository bank at the end of the term, if needed.

D. Proposal Objectives

The primary objectives of the Depository RFP are:

1. To seek a bank that is capable of providing banking services and willing to be attentive to TAD's money matters;
2. To maximize the total dollars earned by TAD on account balances in order to be prudent and effective custodians of the financial resources;
3. To maintain a good working relationship with the Depository;
4. To fully comply with the requirements of the codes and policies set above (B. 1-6)

II. BANKING INFORMATION AND DATA

TAD currently has a single Operating Account. Attachment A includes a spreadsheet captioned "Account Analysis and Cost Submission Form." It contains monthly data for the twelve month period beginning August, 2023 through July, 2024. The data presented in this spreadsheet provides a snapshot of TAD's bank account status and the volume and dollar amounts of TAD's various banking transactions.

TAD reserves the right to open or close any number of accounts as it deems necessary through the term of the agreement. All services requested in the RFP may be used in any/all of the accounts. No changes or deletions are anticipated at this time.

III. MINIMUM REQUIRED SERVICES

A proposing financial institution must, as part of its proposal submission, certify that it is either a state or federally-chartered and regulated banking corporation or association, or savings and loan association and its deposits are respectively insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and that it has a branch operating within Tarrant County, Texas.

The following banking services must, at a minimum, be provided. Please attach copies of reports and separate agreements that apply to each service, if applicable.

- A. PC on-line balance reporting system which will provide information reporting services including,

but not limited to:

1. Previous Day Balance Report,
2. Current Day Balance Report,
3. Debit and Credit Detail,
4. ACH Activity Report,
5. Positive Pay Activity Report, and
6. Stop Payment Status Report.

B. Processing of all deposited items - TAD deposits, incoming wire transfers and electronic receivables/payments, and inter-account transfers must be properly, timely, and accurately recorded each business day for each bank account. All of these transactions must be credited to TAD's operating account upon receipt and be reflected on each respective monthly account statement, including, but not limited to, images of and/or accounting for, credit memos for investment (principal and interest) earnings, interest earnings transfers in, etc.

C. Remote check deposit services must be provided, allowing TAD to scan checks for secure electronic transmission to the bank for deposit. *(Proposal submissions must include information regarding the scanning and/or other hardware and software the bank will provide, any scanning, computer or other hardware/software TAD must possess to utilize these services, the procedures associated with using the services, and copies of any associated contracts required by the bank for these purposes.)*

D. General Automatic Clearing House (ACH) services, which may include:

1. Payroll direct deposit services (ACH Credit) for TAD's bi-weekly payroll transmitted to the bank every other Monday for Wednesday paydays (except for payday changes caused by holidays.) Currently, all 201 employees utilize direct deposit. (District staff typically ranges between 195 and 216 employees.)
2. ACH Debits and Credits for payment of retiree healthcare benefits,
3. Various ACH credits and debits from various approved agencies such as TCDRS, Nationwide Retirement, and HSA Bank.
4. Electronic Federal Tax Payment System (EFTPS) payments utilizing the ACH credit remittance method and assume responsibility (except for the untimely or inaccurate provision of withholding tax amounts by TAD or insufficient TAD funds) for late payments and associated penalties should federal tax payments not be received timely by the United States Treasury Department.

E. General Wire Transfer services, which may include:

1. Repetitive and non-repetitive outgoing wire transfers via Internet or facsimile to allow initiation of wire transfers, or
2. Repetitive and non-repetitive incoming wire transfers, with notification to TAD of wiring problems within one (1) hour of the transaction.

F. Positive pay services must be provided, where the bank compares each check presented for payment against the database provided by TAD. Any checks presented for payment but not identified on the list must *not* be paid and must promptly be brought to the attention of TAD's Finance Officer and/or its Director of Administration for further research, approval, or denial. *(Proposals must include the procedures for notification of exceptions.)*

G. Stop Payment Orders shall be properly and timely processed. *(Proposal submissions must provide information as to the manual and/or automated bank procedures for accomplishing stop payment orders.)*

H. Resource Personnel shall be identified and updated by the Depository of who is available to TAD to answer questions and assist with correcting problems or concerns with the account. The Depository shall be responsible for communicating the terms of this contract to their employees.

I. Monthly Bank Statements must be provided within 5 calendar days after the last day of the reporting month for each bank account showing, at a minimum and by transaction date, deposits and credits, withdrawals and debits (with check numbers), transfers, and beginning and ending balances, and return, in numerical check number order, all cancelled checks or scanned images thereof for the month. Monthly statements may, alternatively, be provided on compact disks which must, at a minimum, include all of the aforementioned information and readable and printable (front and back) images of scanned checks, deposit slips, debit and credit memos/tickets, etc.

J. Account Analysis Statements shall be prepared each month by the Depository for *each* bank account. These reports must describe the types and volumes of the services/transactions which occurred during the month and, depending on which payment option TAD selects (direct fee for services or offsetting compensating balances), the appropriate calculations and cost information for that option must also be provided. Fees charged to TAD are not subject to change for the length of this contract.

K. Collateralize, at all times, all TAD time and demand deposits (above the \$250,000 FDIC insurance limit) per the attached TAD Investment Policy. (TAD investment policies *require* that funds be collateralized at 102% or more.) Securities used for these purposes must be held either by TAD or by an independent third party safekeeping institution acceptable to TAD outside the bank's holding company. The safekeeping or custodial institution must provide TAD with a monthly report describing and identifying all pledged securities, their maturity dates, and their par and market values. (*Proposal submissions must identify the safekeeping financial institution for collateral, the type or types of collateral contemplated by the bank [above the FDIC limit], and the bank's procedures for maintaining and reporting compliance with TAD's 102% collateral and substitution approval requirements*).

L. Invest specified amounts, at TAD's discretion and as instructed by TAD's Finance Officer or its Director of Administration, of available or idle funds only in authorized securities as defined and permitted under TAD's Investment Policy (see Attachment B). TAD certificate of deposit purchases are normally in \$248,000 denominations, with six-month to twelve-month maturities. Please provide the current proposed Money Market and Certificate of Deposit Rates on the Bid Submission Form.

(Proposal submissions must indicate the bank's procedures for handling investment transactions, including TAD's delivery-versus-payment and other requirements per the TAD Investment Policy.)

M. Audit of records by TAD's designated independent auditors at least annually and may be audited by TAD at any time during normal business hours.

N. Furnish all other standard business customer services to TAD as it normally and customarily provides business customers with similar (by dollar volume and character) accounts including but not limited to furnishing at no charge to TAD:

1. Locking Depository Bags, and
2. Endorsement Stamps and Deposit Slips as needed throughout the duration of the two-year term and any extension of the depository services.

O. Furnish at no cost to TAD two banking credit cards in the name of Tarrant Appraisal District. TAD currently will utilize one bank card for licensing, training, and subscription renewals and one bank card for purchases, primarily on-line.

IV. TERMS AND CONDITIONS

The attached "Banking Depository Services Terms and Conditions" (Attachment C) are, by reference, incorporated into this Request for Proposals and shall automatically become a part of any subsequent contract award.

V. GOVERNMENTAL CUSTOMER REFERENCES

As part of proposal submissions, proposers should furnish at least three governmental customer references, with those governmental entities (city, county, school district, et al.) preferably being located in either the DFW Metroplex or Texas and having depository accounts monetarily comparable to or greater than TAD's. Reference information should include the name and mailing address (street/city/state/zip code) of the governmental entity and the name of the entity's key contact person for depository services and that person's telephone number.

VI. QUESTIONS

Questions pertaining to this Request for Proposals must be directed to Brad Patrick, Director of Administration, at BPatrick@TAD.org by calling 817-595-6002. The deadline to submit questions is 3:00 PM Monday, October 14, 2024.

If any addenda are issued to this RFP, a good faith attempt will be made to email a copy to each of those proposers, who, according to the records of TAD, had requested a copy of this RFP, and will be posted along with any questions received on TAD's website www.tad.org/about/procurement/. It is the responsibility of the proposer to obtain such addenda before submitting a proposal.

Contact with any personnel or board members of Tarrant Appraisal District, other than the designated official regarding this RFP may be grounds for elimination from the selection process. No employee of Tarrant Appraisal District shall have a financial interest, direct or indirect, in any contract with Tarrant Appraisal District.

VII. CRITERIA FOR EVALUATION

A. Required Criteria include:

1. Branch operating with Tarrant County, Texas,
2. Ability to meet the legal qualifications and terms and conditions specified in this RFP,
3. Ability to provide sufficient collateral for deposits, and
4. Strong financial strength and stability of proposing Depository.

B. Critical Criteria include:

1. Ability to perform and provide the requested services in the RFP, and
2. Cost of the proposed Depository services and the cost of conversion and implementation services.

C. Important Criteria include:

1. Effective rates paid on TAD accounts,
2. Availability of TAD funds,
3. Quality of reports requested,
4. Securities clearance and safekeeping procedures,
5. Experience and success in providing banking services to governmental entities in Texas,
6. Ability to provide TAD with effective and innovative cash management services, and

7. Completeness of the bid form and submission of required information.

VIII. ADDITIONAL SERVICES

Provide information, including costs, of any and all additional services such as discounted employee banking services, educational opportunities, customer service support, or any other optional services which could enhance TAD's banking practices.

IX. PROPOSAL SUBMISSION

Complete, sealed proposals for the specified and required depository services must be received by TAD on or before 3:00 PM, Monday, October 21, 2024 and should be addressed as follows:

Tarrant Appraisal District
Attn: Brad Patrick
2500 Handley Ederville Road
Fort Worth, Texas 76118-6909

Please place "*Banking Depository Services Proposal, "DO NOT OPEN"* in the lower left corner of the envelope.

All submissions must include two hard copies and one digital copy, provided on a USB Flash Drive, of the following:

1. Completed Banking Depository Bid Form (Important Criteria #7)
Should the abbreviated descriptions or terminology used on this form not conform with that used by the proposing financial institution, the proposing financial institution should use and explain its substituted terminology for the particular service or transaction. If there are additional services for which no fee category is provided, proposing financial institutions should add and attach them to the Banking Depository Bid Form.
2. Requested "remote deposit" information (Section III, C)
3. Requested "positive pay services" information (Section III, F)
4. Requested "stop payment" information (Section III, G)
5. Requested "investment-related" information (Section III, L)
6. Sample Monthly Account Statement (Important Criteria #3)
7. Sample Account Analysis Statement (Important Criteria #3)
8. Direct Deposit information explaining deadlines and operational aspects (Section III, D1)
9. Information regarding On-Line Access (Section III, A)
10. Copies of any depository, pledge, positive pay, internet/electronic banking, or other agreements the proposing financial institution anticipates being executed by authorized TAD representatives in conjunction with the services and transactions contemplated herewith.
11. Most recent Audited Annual Financial Statement of the Depository along with other information, reports, and/or data which fully and accurately disclose and attest to the current financial stability and condition of the proposing financial institution and, as applicable, its parent holding company *must* be provided.
12. Any other information the proposing financial institution deems appropriate and helpful in TAD's evaluation of its qualifications, capabilities, financial condition, and proposal.

Attachment A - Account Analysis and Cost Submission Form
Attachment B - Tarrant Appraisal District Investment Policy
Attachment C - Banking Depository Services Terms and Conditions
Attachment D - Conflict of Interest Questionnaire

Attachment A

TARRANT APPRAISAL DISTRICT
ACCOUNT ANALYSIS and COST SUBMISSION FORM

Proposal submissions are due by or before 3:00 P.M., Monday, October 21, 2024.

In submitting this proposal services submission form, the proposing financial institution is certifying that:

- He/she has read and fully understands the Banking Depository Services Request for Proposals, the associated terms and conditions, this cost submission form, and other related information;
- The proposing financial institution attests to its fully satisfying the requirements of Section III of the RFP and its financial wherewithal, systems, and capabilities to, at a minimum, timely, accurately, and properly provide the services, reports, collateral, and other items identified in the RFP;
- The unit cost dollar amounts and rates presented below constitute the full and complete “not to exceed” unit costs and rates for the identified banking services and transactions and TAD will not be “surprised” with additional or unanticipated costs or charges or different rates in conjunction herewith. Any service that does not have a fee indicated on the form will be considered to be free of charge in the Depository Contract; and
- TAD reserves the right to accept or reject any or all proposals, to waive any irregularities or informalities in any proposals received, to negotiate with those financial institutions whose proposals are deemed to be reasonably susceptible of being selected for contract award, and, subject to such negotiations, to award the purchase contract to the financial institution whose proposal is deemed to be the most advantageous to TAD, after taking into consideration the relative importance of cost and the other evaluation criteria set forth in the RFP.

Tarrant Appraisal District Operating Account		
Date	Avg Ldgr Bal	Avg Coll Bal
08/2023	\$1,401,672	\$1,384,592
09/2023	\$1,287,122	\$1,262,913
10/2023	\$1,572,109	\$1,545,809
11/2023	\$1,381,720	\$1,359,592
12/2023	\$2,237,183	\$2,134,653
01/2024	\$1,393,611	\$1,379,034
02/2024	\$1,742,135	\$1,711,780
03/2024	\$2,261,435	\$2,236,484
04/2024	\$2,201,347	\$2,192,297
05/2024	\$1,774,741	\$1,747,044
06/2024	\$1,362,990	\$1,347,128
07/2024	\$1,742,766	\$1,688,283
Average	\$1,696,569	\$1,665,801

Tarrant Appraisal District
Operating Account Analysis and Cost Submission

Unit of Measurement	2023									2024									Cost Submission	
	Q3			Q4			Q1			Q2			Q3			Annual Cost	Optional Year # 3 and #4			
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Annual	Unit Cost						
AS	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	12				
Account Maintenance per item																				
Regulatory Balance Charge	52	51	55	53	55	52	49	52	50	52	50	52	50	52	623					
Deposits Posted - per item	1	1	1	1	2	2	2	1	1	1	1	1	1	1	5					
Remote Deposits - per item	2	2	1	3	3	2	2	1	1	4	3	3	3	3	27					
Items Deposited - per item	1	1	1	2	1	1	1	1	1	1	1	1	1	2	8					
Items Deposited - per item	142	23	13	25	40	15	23	7	11	45	75	19	438	37						
ACH Credits - Rec per item	10	4	6	9	10	6	12	7	5	7	7	3	86	8						
ACH Debits - Rec per item	29	28	28	40	30	29	28	28	28	40	28	29	365	31						
Checks Paid - per item	175	153	111	118	114	140	126	147	105	116	126	150	1,581	132						
Wire Transfer - Incr per item	1	1	1	1	1	1	1	1	1	1	1	1	4	1						
Business OLB - Tr per account/month	1	1	1	1	1	1	1	1	1	1	1	1	12	1						
EDI Reporting - pe per account/month	1	1	1	1	1	1	1	1	1	1	1	1	12	1						
ACH Origination - per account/month	1	1	1	1	1	1	1	1	1	1	1	1	12	1						
ACH Orig item - Tr per item	615	602	878	596	590	581	581	586	857	603	619	615	7,723	644						
ACH Returned Dct per item													0							
Positive Pay Exce per account/month			3			2				1			6	2						
Remote Deposit - : per account/month	1	1	1	1	1	1	1	1	1	1	1	1	12	1						
Remote Deposit - it per item	20	24	13	11	40	15	15	7	11	45	76	277	26							

In order to best utilize TAD's public funds, an interest bearing on all accounts "no fee" option is preferred. Please list minimum balance requirements for this option.

Unit of Measurement	Cost Submission	
	Years # 1 and # 2	Optional Year # 3 and #4
Minimum average daily balance (to offset all fees and charges and earn interest)		
Minimum average daily balance (to offset all fees and charges)		
Offsetting Compensating Balance Option:		
Earnings credit rate (if fixed)		
Earnings credit rate (basis points if indexed with 3-month Treasury Bill rate)		
Current Annual Percentage Rate		

Please provide the current proposed Money Market and Certificate of Deposit Rates:

- Operating Account
- Money Market Account
- Six Month Certificate of Deposit
- One Year Certificate of Deposit
- Interest Checking Account

1. Funds Schedule and Deadlines – Please list your Depository's various activity deadlines (Section VI, C. Important Criteria #2):

Description of Activity	Deadline
<i>Example: ACH Initiation</i>	<i>2:00 p.m. Business Day Prior to Transaction</i>
Credit Posting	
Debit Posting	
Wire Transfer Acceptance	
Wire Transfer Initiation	
ACH Acceptance	
ACH Initiation	
Direct Deposit Payroll Transfer	
Other:	

2. Please explain your depository's policy and methodology used in setting the earnings credit rate (Section VI. C. Important Criteria #1):

3. Does your depository offer a fixed or higher rate of interest if TAD agrees to maintain a specified balance? Please explain:

4. Does your depository offer a no-fee credit card option for district purchases and professional license renewals? _____

5. Provide the name, hours of operation, and location of the depository where drive-thru and walk-in services can be performed.

6. Please list three (3) other Texas governmental entities, preferably in the DFW metroplex, who TAD can call for recommendations. Please give name, title, and contact number (Section VI. Important Criteria #5):

7. Is your depository able to meet the legal qualifications and terms and conditions specified in this RFP (Section VI. Required Criteria #2)? _____

8. Is your depository able to provide sufficient collateral for deposits as described within the RFP and list type you propose (Section VI. Required Criteria #3):

9. State whether the bank would offer any type of special checking, money market, loan account, or any other incentive for TAD employees:

10. Does the Depository have any significant problems noted by regulatory agencies in the past 24 months? If "yes", please explain:

11. Please list any additional important information regarding your institution's strength which may include debt ratings, loan loss reserves, etc.:

12. Describe any other cash management or banking services that could be offered to TAD and the related charges that would apply:

13. Is your depository able to meet the safekeeping procedures described in this RFP (Section VI. Important Criteria #4)? _____

14. Describe the implementation plan / process you would recommend TAD follow if your depository is chosen by the Board of Directors:

This proposal submission form, the accompanying proposal, and any related information are submitted by:

AUTHORIZED OFFICIAL SIGNATURE: _____

PRINTED/TYPED AUTHORIZED OFFICIAL NAME: _____

FINANCIAL INSTITUTION NAME: _____

DATE: _____

CONTACT PHONE #: _____

FAX #: _____

CONTACT E-EMAIL: _____

STREET ADDRESS: _____

CITY/STATE/ZIP: _____

2024

Tarrant Appraisal District Investment Policy



Tarrant
Appraisal District

Adopted by the
Board of Directors
December 14, 2023

Tarrant Appraisal District Investment Policy

Policy Statement

It is the policy of the Tarrant Appraisal District (the "District") to invest funds in a manner which, first and foremost, ensures the absolute safety of principal and interest earnings, which satisfies the District's liquidity or daily cash flow needs, and which provides the optimal yield or return on investment, and conforming to all state laws and statutes which govern the investment of public funds, including but not by way of limitation, the Public Funds Investment Act, Chapters 2256 and 2257, Government Code. This policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy. The Policy and investment strategies shall be reviewed annually by the Board of Directors who will formally approve any modifications.

Scope

This Investment Policy applies to the investment of all District General Fund funds, including Committed Funds and Contingency Reserve funds. Should the District create any new funds (in addition to the District's General Fund) and unless exempted by action of the District's Board of Directors, investment of those funds shall also be governed by these policies. All funds are pooled for investment purposes.

Investment Objectives and Strategies

In accordance with the Public Funds Investment Act, the following prioritized objectives (in order of importance) in accordance with the Texas Government Code, Sec. 2256.005(d) apply for each of the District's investment strategies.

- A. Suitability – Understanding the suitability of the investment to the financial requirements of the District is important. Any investment eligible in the Investment Policy is suitable for all District funds.
- B. Safety - Preservation and safety of principal is the foremost objective, including the mitigation of both credit risk (i.e., the risk of loss due to the failure of either the issuing and/or the collateralizing financial institution) and interest rate risk (i.e., the risk that the market value of the investment will fall due to changes in market interest rates);
- C. Liquidity – The District's investment portfolio will remain sufficiently liquid to meet reasonably anticipated operating requirements. [PFIA 2256.005 (b)(2)]. Investments will be of relatively short duration, with individual maturities typically twelve months or less. For pooled investments, the dollar-weighted average maturity of the portfolio must comport to the same terms as other investments with exceptions requiring Board of Director approval. (See E.)
- D. Diversity - Investment maturities shall be staggered to provide cash flow based on the District's anticipated needs;
- E. Yield – Attaining a competitive market yield, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio, is the desired objective. [PFIA 2256.005(b)(3)] To leverage opportunities to maximize interest income for the District's investments, terms longer than 12 months may be considered by the District. These funds are typically held in committed, technology and capital funds or reserve

balances. Any funds invested for longer than 18 months must have approval from the Board of Directors.

Investment Strategy

In pursuit of the aforementioned objectives, the following strategy and standards shall be utilized:

- A. District investments shall be limited to the types of securities enumerated below.
- B. The market prices of District investments shall be monitored utilizing available United States Treasury Department, Wall Street Journal, and other reputable independent sources of pertinent market prices, data, and information.
- C. Banks, along with the District's primary depository bank, wishing to be designated as secondary depositories and compete for District certificate of deposit investments must be pre-qualified to do so according to criteria established by the District's Investment Officers.
- D. Except for authorized investment pool and mutual fund investments and the District's demand deposit arrangements with its primary depository bank, District investments shall be entered into on a delivery-versus-payment (DVP) basis to insure that purchased securities are deposited in an eligible financial institution prior to the release of District funds in payment for the securities.
[PFIA 2256.005 (b)(4)(E)]
- E. All investments and accrued interest shall be fully secured or collateralized, up to the currently established Federal Deposit Insurance Corporation (FDIC) insurance limits and, when individually or cumulatively in excess of the currently established FDIC insurance limits, by pledge (exclusively to the District and no other party) of eligible collateral securities pursuant to the Texas Public Funds Collateral Act. Substitutions of collateral securities with other eligible collateral securities are permitted with prior written approval of a District Investment Officer.
- F. In anticipation of market changes and as an added measure of security, the market value of pledged or collateral securities shall be at least 102% of the value of investment principal, time and demand deposits, and accrued interest.
- G. All purchased securities shall be held in safekeeping either by the District, the District's primary depository bank, or by an independent third party custodial financial institution lawfully authorized to provide such services in Texas and approved by the District's Board of Directors. A third party custodial financial institution shall not and cannot be a branch of, or within the same holding company as, either the District's depository bank or the financial institution from which the collateral securities are pledged.

Responsibility and Standard of Care

- A. Prudence - Per the "prudent person" standard applied to such activities, investments shall be made with the same judgment and care, under prevailing circumstances, which persons of prudence, discretion, and intelligence would 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 expected income to be derived. [PFIA 2256.006 (a-b)]
- B. Delegation and Training – The District's Chief Appraiser and/or the District's Director of Administration and the Director of Administration's designee shall, on behalf of the District, serve as the District's Investment Officers. The Chief Appraiser, Director of Administration, and department designees will use this Policy as the primary guideline for the District's investment program. [PFIA 2256.005(f)]
- a. Accordingly, the Investment Officers and persons authorized to execute investment transactions shall attend at least one training session relating to their responsibilities under the Public Funds Investment Act within 12 months after assuming duties and receive no less than 10 hours of instruction relating to investment functions every two year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolios, and compliance with the Public Funds Investment Act. The investment training session shall be provided by an independent source sponsored, accredited or endorsed by the Government Treasurers Organization of Texas (GFOT), Center For Public Management at the University of North Texas (UNT), Government Finance Officers Association of Texas (GFOAT), Texas Municipal League (TML), North Central Texas Council of Governments (NCTCOG), Government Finance Officers' Association (GFOA), or other sources approved by the Board of Directors. [PFIA 2256.008]
- C. Conflicts of Interest – All participants in the investment process shall seek to act responsibly as custodians of public assets. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.
- D. Disclosure –In an effort to maintain the highest level of trust and transparency, anyone involved in investing District funds **or member of the District's Board of Directors** shall file a statement disclosing any personal business relationship with a business organization offering to engage in investment transactions with the District or is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing the relationship. A disclosure statement must be filed with the District's Board of Directors as well as the Texas Ethics Commission. A personal business relationship exists with a business organization if:

- a. The investment officer or Board member owns 10 percent or more of the voting stock or share of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
 - c. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer. [PFIA 2256.005(i)]
- E. Compliance Review - No person may engage in investment transactions except as provided under the terms of this Policy. An annual compliance review will be performed by an external auditor consisting of an audit of management controls on investments, adherence to the District's Investment Policy and a review of the quarterly investment reports. The District's employees shall be personally indemnified in the event of investment loss provided the Investment Policy has been followed.

Authorized Investments

As permitted under the Texas Public Funds Investment Act, District funds may only be invested in the following:

1. Direct Obligations of the United States of America, its agencies and instrumentalities;
2. Direct Obligations of this state or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United State or their respective agencies and instrumentalities;
5. Certificates of deposit if issued by a depository institution having its main or branch office in Tarrant County, Texas:
 - (1) and such Certificates of Deposit are:
 - a. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. Secured by obligations that are authorized under the Public Funds Investment Act, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates;
 - c. Secured in any other manner and amount provided by law for deposits of the investing entity.
 - (2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

6. Not less than AA-rated Securities and Exchange Commission-registered money market mutual funds; and
7. Not less than AA-rated, constant dollar Texas local government investment pools as defined by the Public Funds Investment Act and approved by the District's Board of Directors.

The Investment Officers may at times restrict or prohibit the purchase of specific types of investments or issuers due to current market conditions. The District shall take all prudent measures consistent with the Investment Policy to liquidate an investment that no longer meets the required minimum rating standards. [PFIA 2256.021] However, if it is determined by the Investment Officers the District would benefit from holding the securities to maturity to recapture its initial investment, then the Investment Officers may act accordingly. The District is not required to liquidate investments that were authorized investments at the time of purchase. [PFIA 2256.017]

Investments shall only be made with those business organizations (including money market mutual funds and local government investment pools) that have provided the District with a written instrument, executed by a qualified representative of the firm, acknowledging that the business organization has:

- a. Received and reviewed the District's Investment Policy; and
- b. Implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards. [PFIA 2256.005 (k-l)]

Depositories

Based on a competitive process, which shall include a formal request for proposal (RFP), as required by Section 6.09 of the Texas Property Tax Code, the District shall designate a primary depository for its central banking services. The selection of a depository will be determined by a competitive process and evaluated on the following criteria:

1. Qualified as a depository for public funds in accordance with state and local laws.
2. Provided requested information or financial statements for the periods specified.
3. Complied with all requirements in the banking RFP.
4. Completed responses to all required items on the proposal form.
5. Offered lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
6. Met credit worthiness and financial standards.

Delegation of Investment Authority

The District's Chief Appraiser and/or the District's Director of Administration and the Director of Administration's designee shall, on behalf of the District, serve as the District's Investment Officers. These Investment Officers are responsible for the investment of District funds in accord with this

Investment Policy, the Texas Public Funds Investment Act, the Texas Public Funds Collateral Act, and other applicable state and federal statutes, rules, and regulations.

As an authorized Investment Officer, the District's Director of Administration, with the Chief Appraiser's approval, shall establish and maintain written internal administrative policies, procedures, and controls in conformance with this Investment Policy, all of which shall be designed to protect District funds from loss arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the District. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1. Control of collusion
2. Separation of transaction authority from accounting and recordkeeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Development of a wire transfer agreement with the lead bank and third-party custodian.

Reports and Reviews

Quarterly - Not less than once each quarter, the Investment Officers shall jointly prepare and submit a written report to the District's Board of Directors. Such quarterly reports shall, among other information, (a) state book and market values and maturity dates for each investment; (b) state fully accrued interest for the reporting period, and (c) be signed by each investment officer of the District. [PFIA 2256.023 (b)]

Annually – Quarterly reports will be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board of Directors. [PFIA 2256.023 (d)] In conjunction with its annual financial audit, a compliance audit of management controls on investments and adherence to the District's established investment policies shall be performed. [PFIA 2256.005 (m)]

Policy Considerations

- A. Exemption – Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
- B. Amendments – This policy shall be reviewed on an annual basis. Any changes must be approved by the Investment Officer and the Board of Directors. Any changes in either the policy or strategy will be recorded in the meeting minutes. [PFIA 2256.005(e)]

**TARRANT APPRAISAL DISTRICT
BANKING DEPOSITORY SERVICES
TERMS AND CONDITIONS**

These terms and conditions are, by reference, incorporated into and made a part of the Tarrant Appraisal District (TAD) September 20, 2024 "Banking Depository Services Request for Proposals" and any and all subsequent purchase orders/contract awards.

Late Proposals

Proposals received by TAD after the submission deadline will be considered void and unacceptable. TAD is not responsible for lateness or non-delivery of mail, carrier, etc.

Altering Proposals

Proposals cannot be altered or amended after the submission deadline. Any interlineations, alterations, or erasures made before opening must be initialed by the signer of the proposal, guaranteeing authenticity.

Withdrawal of Proposal

A proposal may not be withdrawn or cancelled by the proposing financial institution without TAD's permission for a period of ninety (90) days following the date designated for the receipt of proposals, and the proposing financial institution so agrees upon submittal of its proposal.

Funding

Funds for payment of any agreed upon fees and charges have been provided through the TAD budget approved by its Board of Directors for this fiscal year only. Texas state statutes prohibit the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. Therefore, anticipated orders or other obligations that may arise after the end of the current fiscal year shall be subject to budget approval.

Sales Tax

TAD is exempt from payment of Texas sales tax and federal excise tax.

Contract

This proposal, when properly accepted or approved by TAD, will constitute a contract equally binding between the selected financial institution and TAD. No different or additional terms will become a part of this contract except upon written changes agreed upon by the parties.

Changes

No oral statement of any person shall modify or otherwise change or affect the terms, conditions, or specifications stated in this contract. All changes to this contract shall be made in writing as agreed upon by the parties.

Certificate of Interested Parties (Form 1295)

The following information regarding Form 1295 Information applies ONLY to an awarded vendor.

The law states that a governmental entity may not enter into certain contracts with a non-exempt business entity unless the business entity submits a disclosure of interested parties to the governmental entity. By submitting a Proposal in response to this solicitation, the Vendor agrees to comply with HB 1295, Government Code 2252.908. Vendor agrees to provide TAD Purchasing Agent, and/or requesting department, the "Certificate of Interested Parties," Form 1295 as required, within ten (10) business days from notification of pending award, renewal, amended or extended contract.

The Filing Process:

1. Prior to award by TAD, Vendor will be required to log in to the Texas Ethics Commission, https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm and fill out the Electronic Filing Application.
2. Once submitted, the system will generate an electronic Form 1295 displaying a "Certificate Number." Vendor must print and complete Form 1295.
3. Within ten (10) business days from notification of pending award by the TAD Purchasing Agent, the completed Form 1295 must be submitted to TAD.
4. Vendor will need to repeat the process and obtain a separate Form 1295 each time they enter into a new contract, renew a contract or make modification, and/or amendments to a TAD contract.

Instruction and information are available at <https://www.ethics.state.tx.us/filinginfo/1295/> or you may call the Texas Ethics Commission at (512) 463-5800.

PROHIBITION ON CONTRACTING WITH COMPANIES THAT BOYCOTT ISRAEL

Vendor acknowledges that in accordance with Chapter 2270 of the Texas Government Code, TAD is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. By signing this contract, Vendor certifies that Vendor's signature provides written verification to TAD that Vendor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

Revised August 31, 2017.

**ATTACHMENT – CONFLICT OF INTEREST QUESTIONNAIRE
CONFLICT OF INTEREST DISCLOSURE REQUIREMENT**

Pursuant to Chapter 176 of the Local Government Code, any person or agent of a person who contracts or seeks to contract for the sale or purchase of property, goods, or services with a local governmental entity (i.e. TAD) must disclose in the Questionnaire Form CIQ ("Questionnaire") the person's affiliation or business relationship that might cause a conflict of interest with the local governmental entity. By law, the Questionnaire must be filed with TAD no later than seven days after the date the person begins contract discussions or negotiations with TAD, or submits an application or response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with TAD. Updated Questionnaires must be filed in conformance with Chapter 176.

A copy of the Questionnaire Form CIQ is available at <https://www.ethics.state.tx.us/data/forms/conflict/CIQ.pdf>

If you have any questions about compliance, please consult your own legal counsel. Compliance is the individual responsibility of each person or agent of a person who is subject to the filing requirement. An offense under Chapter 176 is a Class C misdemeanor.

NOTE: If you are not aware of a Conflict of Interest in any business relationship that you might have with TAD, state Vendor name in the # 1, use N/A in each of the areas on the form. However, a signature is required in the #7 box in all cases.

Tarrant Appraisal District is governed by a nine-member Board of Directors. Current TAD Board members are Vince Puente, Gloria Pena, Alan Blaylock, Rich DeOtte, Gary Losada, Matt Bryant, Callie Rigney, Eric Morris and Tax Assessor-Collector, Wendy Burgess. TAD's Chief Appraiser is Joe Don Bobbitt.

Ethics

The financial institution shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, official, or agent of TAD.

Lawful Compliance

The selected financial institution must comply with all relevant federal, state, county and local laws, rules, and/or regulations in the provision of the services and products provided or to be provided herewith.

TAD Indemnification

The selected financial institution shall defend, indemnify, and hold harmless TAD and all its officers, agents, and employees from all suits, actions, or other claims of any character, name, or description brought for or on account of any injuries or damages received or sustained by any person, persons, or property due to any negligent act or fault of the selected financial institution, or any affiliate, holding company, agent, customer, employee, subcontractor, or supplier of the selected financial institution in the execution of, or performance under, this contract. The selected financial institution indemnifies and will indemnify and save harmless TAD from liability, claim, or demand on its part, and/or the part of its affiliates, holding company, agents, servants, customers, and/or employees whether such liability, claim, or demand arise from event or casualty happening on or within TAD facilities, premises, parking areas, and site or any entrances or approaches to them. The selected financial institution shall pay any judgment costs (including reasonable attorney fees) growing out of any such injury or damages.

Wages

The selected financial institution shall pay or cause to be paid, without cost or expense to TAD, all such wages and benefits to its employees as required by state and federal law.

Termination of Contract

TAD reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of TAD in the event of breach or default of this contract. In the event the selected financial institution shall fail to perform, keep, or observe any of the requirements, terms, and/or conditions of this contract, TAD may give the selected financial institution written notice of such default and, if same is not remedied to the satisfaction and approval of TAD within five (5) working days of receipt of such notice, default may be declared and all the selected financial institution's rights shall terminate.

Assignment

The selected vendor shall not assign, transfer, sell, or convey this contract, in whole or in part, without the prior written consent of TAD.

Venue

This contract will be governed and construed according to the laws of the State of Texas. This agreement is performable in Tarrant County, Texas.

Silence of Specifications

The apparent silence of this Request for Proposals as to any detail or to the apparent omission from it of a detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

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.

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

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