

# VAN HORN, TEXAS ECONOMIC DEVELOPMENT CORPORATION

## RFP NO: 25-12-001

### PROPOSAL FORM: DEPOSITORY

Deadline: Monday, December 1, 2025 at 4:00 p.m.

#### I. SPECIFICATIONS

##### **A. SCOPE**

The Van Horn, Texas Economic Development Corporation (the "VHEDC") is seeking bids from eligible local financial institutions to serve as the Depository Bank to the VHEDC. This includes the basic services of receiving deposits via ACH, remote online electronic check image deposit, and normal banking deposits, paying items via check or ACH disbursements, wiring activities (incoming or outgoing), and other normal business banking activities. This agreement will not cover any investment transaction activities other than safekeeping services and Certificates of Deposit. The VHEDC plans to manage its own investment portfolio.

The objective of this Request for a Depository Bank is to identify a local financial institution that can offer the highest quality services at the lowest cost to the VHEDC. ***In addition, the VHEDC desires to conduct business with a local financial institution that can provide the services needed while maintaining a "home-town" banking experience.*** Services provided will be in accordance with the Bank Depository contract and agreements executed between the VHEDC and the Bank.

##### **B. TERM OF CONTRACT**

The new depository contract term will be for the period of January 1, 2026, through December 31, 2029, This contract is renewable for an additional two (2) year term under the same terms and conditions of the contract subject to the mutual agreement of both parties for the period beginning January 1, 2030 and ending December 31, 2031.

The depository contract term will also provide for an extension period not to exceed ninety (90) days for the transition to a new Depository Bank at the end of the term(s) if necessary. The Depository contract shall provide that the VHEDC reserves the right to cancel any agreement, at any time, upon sixty (60) days prior written notice of its intent to terminate any agreement.

##### **C. OBJECTIVES OF THE AGREEMENT**

The VHEDC wishes to communicate the primary objectives of the Depository Agreement, an important component of the overall treasury program of the VHEDC. Depository services should support the objectives of the VHEDC's cash management program. Those objectives are to preserve and ensure safety of cash balances and to maximize yield after satisfying the goals of safety and liquidity:

1. To seek a bank that is both capable of providing banking services described within this RFP, *with a primary account representative that offices in Van Horn*, who is willing to be attentive to the VHEDC's money matters;
2. To seek a bank that meets the legal qualifications and the terms and conditions specified in this RFP, the policies and strategies for investment of VHEDC funds pursuant to the VHEDC's Investment and

Collateralization Policy as adopted by VHEDC Board of Directors, and the relevant statutory provisions of the Public Funds Investment Act and Public Funds Collateral Act;

3. To maintain a good working relationship with the Depository Bank, and
4. To adequately compensate the Depository Bank for services provided and to allow a reasonable profit to be earned, subject to competitive forces in the market place.

## **II. CRITERIA FOR EVALUATION**

The VHEDC staff shall carefully review the submitted applications. The staff recommendation to the VHEDC Board shall be based on the application determined to be in the best interest of the VHEDC. The evaluation of the applications will be made based on the following criteria:

- Reputation of bidder and quality of services;
- “Home-town” banking experience with a local account representative that offices in Culberson County;
- Ability to perform and provide the required and requested services;
- Cost of banking services;
- Completeness of bid and agreement to points outlined in the Depository Application;
- Funds availability;
- Interest rates paid on interest bearing accounts, time deposits, and investments;
- Earnings credit on average available account balances;
- Financial strength and stability;
- Online Banking and reporting capability;
- Convenience of location; and
- Previous service/relationship with VHEDC and its related entities.

## **III. ACCOUNT ACTIVITIES**

A. Number of Accounts. The VHEDC currently has two (2) high yield savings demand deposit accounts. ***Potential depository institutions will be required to offer the best rate available for the accounts described as high yield savings demand deposit accounts.*** All moneys deposited with the Bidder, other than as deposited as time deposits, shall be carried by the Bidder for the account of the VHEDC as demand deposits and shall be subject to withdrawal in whole or in part upon demand at any time and from time to time.

## **IV. PLEDGE/REQUIREMENTS**

A. Securities Pledged. As security for the deposits of the VHEDC, the institution shall pledge to the VHEDC Eligible collateral for security, in compliance with the VHEDC’s Investment and Collateralization Policy, which is subject to VHEDC review on an annual basis. As of the date of this document, collateral pledged on the VHEDC’s deposits is limited to:

- United States Treasury Bills, Treasury Bonds, and Treasury Notes which are backed by the full faith and credit of the United States Government;
- United States Government Agency securities which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States Government, *with a maturity not to exceed twenty years*; and
- Direct obligations of the State of Texas.

Collateral is required for the total amount of all bank account balances the VHEDC holds with the Depository, less the amount provided by the Federal Deposit Insurance Corporation (FDIC). The securities comprising the pledge shall be calculated using market value. The securities so pledged, the amounts thereon, and the time for pledging same shall satisfy statutory requirements and the VHEDC's Investment and Collateralization policy, which currently limits pledged collateral to the items listed above.

B. Reporting Requirements. The institution shall provide the VHEDC a report of securities pledged at the end of each month or at any time requested by the VHEDC Treasurer or any other designated official. The report should reflect the total pledged securities itemized by:

Name  
Type/Description  
Par Value  
Market Value  
Maturity Date  
Rating by Moody's or Standard & Poor's (both, if available)

C. Safekeeping. The securities pledged shall be held in safekeeping by the Federal Reserve Bank. The original copy of all security receipts shall be filed with the Treasurer. The VHEDC shall reimburse the Depository Bank for safekeeping charges, if any. Specify the safekeeping charges that shall apply.

Please submit a copy of the Safekeeping Agreement as an **Attachment**. The safekeeping agreement shall clearly state that the Trustee is instructed to release the collateralized securities to the VHEDC if the VHEDC has determined that the Depository Bank has failed to pay on any accounts, or the VHEDC has determined that the VHEDC funds are in jeopardy for any reason including, but not limited to, involuntary closure or change in ownership.

The Safekeeping Agreement shall have signatories and be executed by the Trustee Institution, the Depository Bank, and the VHEDC.

## **V. OTHER STIPULATIONS**

A. Regulation Notices. The successful bidder shall notify the VHEDC in writing within ten (10) days of any changes in Federal or State regulations or laws that would affect the Depository Services Contract.

B. Right to Cancel Contract. In the event it would be ruled illegal under the provisions of any Federal or State laws or regulations for the Depository Bank to comply with the requirements of the Depository Services Contract, then the VHEDC expressly reserves the right and privilege to cancel the Depository Services Contract and to re-bid.

C. Right to Audit Records. The Depository Bank's records relating to the VHEDC's accounts shall be open for review during normal business hours by designated VHEDC staff members or VHEDC appointed independent auditors.

D. Term of the Depository Services Contract. The term of the Depository Services Contract shall be for the period January 1, 2026 through December 31, 2029, with a provision for one two-year extension under the same contract terms and conditions, with the mutual agreement of both parties. Further, the agreement will have a ninety-day extension period for transition to the new depository bank at the end of the term.

E. Online (Web-Based) Banking Services. The Depository Bank must be able to provide a full host of online (web-based) banking services including but not limited to:

- Advanced security of the VHEDC’s accounts and related user access;
- Ability to limit users to specific types of transactions or specific accounts;
- Account inquiry and reporting;
- Intra bank account transfers;
- View, print, and download PDF bank statements for all accounts for at least 24 months;
- View and print PDF copies of cleared checks.

F. Indicate below the following services and items which will be provided free of charge. Circle "yes" if the service or item is furnished free of charge or indicate amount of charge applicable.

a.	Service Charge	Yes	_____
b.	Insufficient Check Charge	Yes	_____
c.	Overdraft Check Charge	Yes	_____
d.	Interest on Overdraft	Yes	_____
e.	Stop Payment Charge	Yes	_____
f.	Renewal of Stop Payment	Yes	_____
g.	Wire Transfers	Yes	_____
h.	Incoming Wires	Yes	_____
i.	Bank Cashiers Check	Yes	_____
j.	Vinyl Zippered Bags	Yes	_____
k.	Locking Night Deposit Bag	Yes	_____
l.	In-house Research	Yes	_____
m.	Non-specialty Checks	Yes	_____
n.	Safety Deposit Box	Yes	_____
o.	Additional Services (List)	Yes	_____

G. The Bank will cycle statements to meet the needs of the VHEDC.

H. Additional Services the Bidder will provide or comments on any of the above provisions: Please provide as an attachment to the RFP response.

**VI. BIDDING REQUIREMENTS**

A. Date, Time, Location. Sealed applications containing one original and one copy and clearly marked "Banking Depository Services Bid" shall be delivered to the following person by **4:00 P.M., December 1, 2025:**

Van Horn, Texas Economic Development Corporation  
PO Box 698  
Van Horn, TX 79855-698

B. Responding to this Application. The proposing institution shall use this Depository Application as the Official Bid Form to submit prices, rates, and to answer questions.

C. Additional Information. The VHEDC reserves the right to request additional information or to meet with representatives from proposing organizations to discuss points in the application before and after submission, any and all of which may be used in forming a recommendation.

D. Right to Reject Applications. The VHEDC reserves the right to reject any and all applications, and to accept the application it considers to be in its best interest based upon the ability to perform the requested services, agreement to points outlined in the Depository Application, interest rates paid on deposits, cost of banking services, and financial stability.

E. Certification. Bidder must be an institution qualified under current state law to serve as the VHEDC's Depository Bank.

F. Insurance Certificate. Each proposal must include a certificate of insurance showing:

1. The insurance carrier and its A.M. Best rating.
2. Scope of coverage and limits.
3. Deductibles and self-insured retention.

## **VII. FORM OF AGREEMENT**

**This Bank Depository Agreement (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2025 by and between the VAN HORN, TEXAS ECONOMIC DEVELOPMENT CORPORATION (the "VHEDC") and \_\_\_\_\_ (the "Bank") a bank chartered by the State of Texas.**

### **Section I Designation as Depository**

The VHEDC, through action of VHEDC Board of Directors, hereby designates the Bank as its depository for banking services for a period of two years with a provision for one two-year continuation under the same terms and conditions of the contract, subject to the mutual agreement of both parties commencing January 1, 2026 through December 31, 2029. Further, the agreement will have a ninety-day extension period for transition to the new depository bank at the end of the term, if necessary.

### **Section II Designation of Custodian**

The VHEDC and Bank hereby designate the Federal Reserve Bank (the "Custodian") to hold in trust, according to the terms and conditions of the VHEDC Request for Proposal No. 2025-11-001, (the "RFP") and pursuant to a separate Safekeeping Agreement, attached as Exhibit A, all securities pledged as depository collateral in accordance with the VHEDC's Investment Policy.

Any and all fees from the Custodian associated with the safekeeping of securities pledged to the benefit of the VHEDC shall be borne by the Bank.

### **Section III Collateral**

VHEDC time and demand deposits, inclusive of interest, in excess of the Federal Deposit Insurance Corporation insurance shall be secured at all times by collateral, acceptable to the VHEDC and in accordance with the Public Funds Collateral Act (Texas Government Code Ch. 2257) and the VHEDC's Investment policy. Custodian will provide a monthly report of the collateral directly to the VHEDC.

Requests for substitution or reduction of pledged collateral must be made by contacting the VHEDC's Investment Officer(s) for approval and settlement. The substituted security's value will be calculated and substitution approved if its value is equal to or greater than the required security level. The Investment Officer(s), or a designee, must provide written notification of the decision to the bank or the safekeeping agent

holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense.

Should the collateral's market value exceed the required amount, any broker or financial institution may request approval from the Investment Officer(s) to reduce collateral. Collateral reductions may be permitted only if the VHEDC's records indicate that the collateral's market value exceeds the required amount.

#### **Section IV Financial Position**

The Bank will provide an annual statement audited by its independent auditors including a letter as to its "fair representation".

#### **Section V Authorized VHEDC Representative**

For the term of this contract, the President and/or the Treasurer is authorized to represent and act for the VHEDC in any and all matters including collateral assignment and substitution and execution of agreements. Any change in these representatives will be made in writing.

#### **Section VI Scope of Services**

The Bank's response to the VHEDC's RFP No. 2025-12-001, (the "Response") is incorporated into this Agreement for all purposes, including service charges, time deposit, demand deposit and loan rates. If any provisions of the Response and this Agreement are in conflict, this Agreement will control.

The Bank shall faithfully perform all of its duties and obligations required by the laws of the State of Texas for public funds depositories and shall upon presentation pay all checks drawn on it against collected funds on demand deposits, and shall, at the expiration of the Agreement, turn over to its successor all funds. VHEDC-owned securities, property and things of value held as depository.

The VHEDC shall have the power to determine and designate the character and amount of the funds to be deposited in the Bank. The VHEDC may arrange for time deposits and Bank may accept such deposits subject to the terms of the Bank's Response.

This Agreement, along with all Exhibits and other incorporated documents shall constitute the entire Agreement between the parties.

#### **Section VII Bank Compensation**

Bank will be compensated for any and all services rendered to VHEDC under this Agreement as outlined in the response to the RFP.

#### **Section VIII Default**

The Bank shall be in default if it fails to pay all or part of a demand deposit, a matured time deposit, or a matured certificate of deposit, including accrued but unpaid interest, at a specified maturity date. The Bank shall also be in default if ruled "bankrupt", "insolvent" or "failed" by a federal or state banking regulator, or if a receiver is appointed for the Bank.

In the event of a default, failure or insolvency of the Bank, the VHEDC shall be deemed to have vested full title to all securities pledged under this Agreement. The VHEDC is empowered to take possession of and transfer and or sell any and all securities. If the security is liquidated, any proceeds over the defaulted amount, plus

expenses related to liquidation, shall be returned to the Bank. This power is in addition to other remedies, which the VHEDC may have under this Agreement and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by the VHEDC under this Agreement.

**Section IX Non-Assignability**

This Agreement is not assignable in whole or in part but is binding on the parties, their successors and assigns.

**Section X Termination**

This Agreement may be terminated by either the VHEDC or the Bank by giving sixty (60) days prior written notice to the parties.

**Section XI Law Governing**

All applicable provisions and requirements of the laws of the State of Texas governing depositories for the VHEDC shall be a part of this Agreement.

**Section XII Bank Authorization**

The Bank represents and warrants that this Agreement is made pursuant to and is duly authorized by the Board of Directors of the Bank and is recorded in the minutes of the Board of Directors of the Bank.

VHEDC

BANK

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Name and Title

ATTEST:

ATTEST:

\_\_\_\_\_

\_\_\_\_\_

**XI. DEPOSITORY PROPOSAL SUBMITTED BY**

This Depository Proposal is being submitted to the Van Horn, Texas Economic Development Corporation, by the following person duly authorized to act on behalf of this financial institution. All terms contained herein, including the accompanying schedules, attachments, and materials, are agreed to by said financial institution and will become a part of the depository agreement.

\_\_\_\_\_  
Name of Financial Institution

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Address of Financial Institution

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Officer Name & Title (Printed)

\_\_\_\_\_  
Officer Signature

\_\_\_\_\_  
Date