

**Texas Municipal League
Intergovernmental Risk Pool**

Depository Services

Request for Sealed Proposal 24-04

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Section 1: Overview

1.1 Statement of Purpose

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) is requesting proposals from qualified institutions to provide depository services for a three-year period with two one-year extensions as set forth herein. This Request for Proposal must be completed in its entirety.

1.2 TMLIRP Background

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) is a unit of local government offering workers' compensation, liability, and property coverage to Texas political subdivisions (called "Members") including municipalities, water districts, fire districts, councils of government, tax appraisal districts, fire districts, housing authorities, hospital districts and other special districts and authorities.

The mission of the TMLIRP is to offer and provide Texas municipalities and other units of local government with a stable and economic source of risk financing and loss prevention services.

TMLIRP offers four primary lines of business to Members including:

Workers' Compensation

Liability

- General Liability
- Errors & Omissions (Public Officials) Liability
- Law Enforcement Liability
- Auto Liability
- Cyber Security Liability
- Other Liability Coverages

Property

- Real and Personal Property
- Boiler & Machinery
- Auto Physical Damage
- Crime Coverage
- Other Property Coverage

Cyber

There are approximately 2,800 local government entities that participate in the Pool for risk loss coverage. TMLIRP currently has a staff of 250 employees with departments consisting of Executive, Legal, Finance, Human Resources, Information Technology, Loss Prevention, Risk Services, Office of Project Management, Liability/Property Claims and Workers' Compensation Claims.

1.3 Calendar of Events

Listed below are the important dates and times by which the actions are anticipated to be taken or completed:

CALENDAR OF EVENTS		
DATE	TIME	ACTIONS
10/9/2024		Release Request for Proposal.
10/29/2024	3:00 PM CST	Last day for submission of written questions.
11/01/2024		Answers to all questions provided to all interested Proposers.
11/13/2024	Prior to 3:00 PM CST	RFP response proposals due. Sealed proposals will be publicly opened, and respondent names read aloud.

1.4 Contact Information

Questions related to the procurement should be addressed to or emailed to:

Texas Municipal League Intergovernmental Risk Pool
 1821 Rutherford Lane, First Floor
 Austin, TX 78754
 Attn: Jonathan Herrera
 E-mail: purchasing@tmlirp.org

Section 2: Request for Proposal Response Instructions

2.1 Inquiries and Questions

Proposer(s) shall address all questions regarding this Request for Proposal to the individual identified in Section 1.4, Contact Information. Questions shall be received no later than the time

and date reflected in Section 1.3, Calendar of Events. Only e-mails or other written inquiries are permitted. It is the responsibility of the Proposer to confirm receipt of the questions.

Questions and answers will be posted on the Pool's website (www.tmlirp.org) and provided to all prospective proposers that have expressed specific interest in responding to this Request for Proposal by the date set out in Section 1.3, Calendar of Events.

2.2 Submission of Proposal

Proposals and changes thereto shall be submitted electronically and shall be submitted to purchasing@tmlirp.org. The solicitation number, services being proposed, and the date and hour of the proposal closing shall be typed in the subject line of the email.

2.2.1 Electronic submissions shall be any combination of the following formats: Microsoft Word, Microsoft Excel, Microsoft PowerPoint, or Adobe Acrobat.

2.2.2 Electronic submissions shall be in accordance with the deadline set forth in the solicitation document. Any submissions received after the deadline will not be considered. The time of the email will serve as the receipt timestamp.

2.2.3 Facsimile proposals will not be accepted.

2.2.4 Proposals shall be returned in enough time to be received prior to the proposal closing date and time.

2.2.5 Proposals received after the stated proposal closing time and date will not be considered for award.

2.2.6 Receipt of an addendum or amendment must be acknowledged by signing and returning the addendum/amendment with the proposal or under separate cover prior to the time set for the proposal closing.

2.2.7 Any proposed changes or additions to the attached Agreement for Depository Services (Attachment A) must be submitted for consideration as part of the response to this Request for Proposal.

2.2.8 Proposers must submit for consideration with their proposals any additional agreements that will be required to perform the services requested.

2.2.9 All proposals submitted shall be signed by an officer of the Depository Services Company duly authorized to bind the Company to the proposal.

2.3 Required Documents

Proposer should provide the following documents:

2.3.1 Completed Conflict of Interest Questionnaire (Form CIQ). AS REQUIRED UNDER CHAPTER 176, TEXAS LOCAL GOVERNMENT CODE, PROPOSERS SUBMITTING A PROPOSAL SHALL ALSO COMPLETE AND SUBMIT WITH THE PROPOSAL A CONFLICT OF INTEREST QUESTIONNAIRE. (A blank Form CIQ can be found after the last page of this Request for Proposal).

2.3.2 Corporate Change (see section 2.4, Corporate Change, for details).

2.3.3 Assurance. All respondents MUST include the assurance provided on the last page of this Request for Proposal in their proposal and provide an original signature.

2.3.4 Disclose any contractual or business relationships between the Proposer and its officers and any current TMLIRP employee or Board member.

2.4 Misrepresentation

All information provided and representations made by the proposer are material and important and will be relied upon by TMLIRP in awarding the contract. Any misrepresentation will be immediate grounds for termination of any contract related to this Request for Proposal and said proposer may not be able to participate in future Request for Proposals or other business opportunities with TMLIRP for the duration of any contract term related to this Request for Proposal, including any renewal period. TMLIRP reserves the right to carry forward proposer's response to this RFP as part of final contract.

2.5 Corporate Change

If proposer, or any partners identified in the proposal, are involved in or planning a change in control, sale, purchase, merger, bankruptcy, reorganization or similar transaction ("Change") that will in any way alter the proposer's legal entity, structure, financial status or business operations, proposer shall submit with its proposal under Tab 1 : Required Documents (see Section 3.2.2):

- A section disclosing all current entities involved in the Change, when the Change is anticipated to take place, the surviving entity, and any information related to the Change that may affect the proposal;

- Each area in proposer’s proposal (All Tabs) should contain a separate section that discusses whether the Change will alter, modify or otherwise affect the Proposer’s Proposal; and
- If this is not applicable to your Proposal, Proposer should provide a statement that this section is “not applicable” behind Tab 1.

2.6 Evaluation and Negotiation Process

TMLIRP shall conduct a comprehensive and impartial review and evaluation of all proposals submitted in response to the Request for Proposal meeting the requirements of this Request for Proposal. TMLIRP reserves the right to request additional information to clarify a submitted proposal.

Only timely submitted proposals shall be reviewed by staff to determine if they comply with the required forms and documents submission requirements listed in the Request for Proposal. Failure to meet any of the requirements may render a proposal non-responsive and result in rejection of the entire proposal.

Evaluation: An Evaluation Committee has been selected to evaluate the proposals. Using the evaluation criteria specified below, TMLIRP shall evaluate and rank proposals and, at TMLIRP’s sole discretion, proceed with reference checks and contract negotiations with the selected proposer.

For the purpose of reviewing and evaluating the submitted proposal, evaluation criteria have been divided into multiple sections.

The evaluation criteria are shown below:

Table 1

Criteria	Possible Points
Experience with risk pools or municipal governments similar to TMLIRP	20 points
Experience with Texas insurance companies, especially those that provide workers’ compensation, property, and liability coverage.	10 Points
Financial soundness of proposer	10 Points
Reasonableness of cost of services	30 Points
Proposed services to be provided	30 Points
Total	100 Points

Finalist(s) may be selected for interview or other selection process determined by TMLIRP. Interviews are typically conducted in person at TMLIRP's office location, by telephone or via webinar.

Evaluation and Recommendation

Responsive proposals to this RFP will be ranked in each of the criteria above and scored according to the rank. TMLIRP may engage outside individuals to compose an evaluation panel. Furthermore, TMLIRP reserves the right to conduct such investigations as TMLIRP considers appropriate with respect to the qualifications of each proposer or responsive proposer and any information contained in its proposal. All proposals in response to this RFP will be evaluated solely based on the criteria listed above.

TMLIRP reserves the right to seek clarifications and request any information deemed necessary for evaluation of proposals.

Negotiations: Proposer(s) advancing through the Request for Proposal Evaluation phase may enter the Negotiation phase. This phase may include an invitation to a selected proposer or proposers to participate in contract negotiations.

Section 3: Required Banking Services

The attached Depository Agreement (Attachment A) includes the requested services and related provisions for the agreement:

3.1 The attached depository agreement will be the master agreement for the depository services. ***Proposers must submit proposed changes and additions to the Depository Agreement.***

3.2 Additional Agreements: The Proposers must submit any additional agreements that will be required to perform the services requested: Security Agreement, Third Party Custodian Agreement, Funds Transfer Agreement, and any others.

3.3 Additional Optional Services: Although not specified, a proposer may provide information on any other services that might be beneficial and cost-effective to TMLIRP. These services and fees should be listed on the attached fee schedule.

Section 4: Banking Service Questions

The proposer shall provide a description of services proposed, specifically covering the following areas:

- 4.1** General banking: Describe how your institution would accommodate the volume and activity associated with TMLIRP's demand for deposit accounts.
- 4.2** Collateral for Public Funds: If the Proposer intends to use an independent custodian bank for holding collateral, please name the independent custodian bank. Describe the securities Proposer intends to pledge for the Pool's funds as described in Article 4 of the attached Depository Agreement.
- 4.3** Lockbox: Describe the lockbox operations in detail as related to the Pool Cash Management Program. Confirm the capability of electronic communication/data transmission as specified (multiple-check payment). Include sample reports.
- 4.4** Account Reconciliation: Describe the account reconciliation services offered by your institution including check document storage, and positive pay. Include other electronic or web-based options.
- 4.5** Automated Clearing House: Describe your institution's services for electronic file transmission of disbursements.
- 4.6** Remote Deposit Capture and Truncation: Describe your institution's services for remote deposit capture and truncation of original checks.
- 4.7** Balance Reporting: Describe the system(s) available to access account transactions and balances. Include specifications for hardware and software needed for the proposed system(s).
- 4.8** Customer Service: Describe your institution's customer service philosophy. How, specifically, is this integrated into your day-to-day customer service?
- 4.9** Conversion Plan: Describe the conversion plan your institution would use to ensure a seamless and smooth transition from TMLIRP's current provider.
- 4.10** Emergency Preparedness and Disaster Recovery Plan: Describe your institution's disaster recovery procedures. How quickly will your backup facilities be active?
- 4.11** What differentiates your service from another providers' service?
- 4.12** Please provide your most recent Federal Reserve Call Report.

4.13 Please provide a schedule of fees using the form provided with this Request for Proposal. **(SEE ATTACHED PROPOSED FEE SCHEDULE)**. Volumes indicated on this form are estimated annual amounts. For services not specified on the form, the proposer shall provide a description of the service and the proposed fee structure.

4.14 Please provide your bank's official name, street address, including city, state, and zip code, and an appropriate contact person's name and telephone number.

Section 5: Client References

The proposer shall submit three references (preferably from current local government and insurance-related customers) who can attest to the proposer's experience as it relates to providing banking services. The references must include contact name, title, address, and telephone number.

Section 6: Disclosure

All information developed by the Contractor and all information made available to the Contractor by TMLIRP, and all analyses or opinions reached by the Contractor shall be confidential and shall not be disclosed by the Contractor without the written consent of TMLIRP.

Contractor acknowledges that any and all information provided to TMLIRP may be subject to disclosure under the Texas Public Information Act, Chapter 552, Texas Government Code. If TMLIRP receives a request for information for materials provided by the Contractor which the Contractor deems to be proprietary, TMLIRP will request a decision from the Texas Attorney General on whether such information should be released. TMLIRP will also notify Contractor of the request for an Attorney General decision. Contractor may submit, in writing, to the Texas Attorney General its reasons why the information should be withheld. TMLIRP may, but is not required to, submit its reasons why the information should be withheld or released. Details of this procedure are set forth in Section 552.305, Texas Government Code.

Section 7: Assurance

Respondents must include this document in proposal with an original signature for: TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL - RFP No. 24-04 – DEPOSITORY SERVICES.

The proposal shall contain the following assurance: "The information in this Proposal is true and correct, and the officer signing below is duly authorized to bind this company to such Proposal."

Signed this _____ day of _____, 2024. By:

COMPANY INFORMATION

Company Name: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____

Name of Officer Authorized

To Sign Proposal: _____

Signature: _____

Title: _____

Date: _____

ATTACHMENT A

Depository Services Agreement

This Bank Depository Agreement for a public funds entity, together with the terms of the **Bank's** (defined below) **Response** (defined below) to serve as depository, a copy of which is attached hereto along with any other Exhibits (collectively, the "**Agreement**"), is made and entered into between the Texas Municipal League Intergovernmental Risk Pool, with offices at 1821 Rutherford Lane, First Floor, Austin, Texas 78754, hereinafter referred to as "**Pool**" or "**Depositor**", and _____, a Texas state bank, duly organized and authorized by law to do banking business in the State of Texas and now carrying on such business in said State, hereinafter referred to as "**Bank**".

1. APPOINTMENT OF DEPOSITORY

Depositor designates **Bank** as a depository until this **Agreement** has been terminated in accordance with the provisions hereof, for certain accounts in the name of **Depositor**. Such accounts shall be opened by the **Depositor** for making deposits, and **Bank** shall accept such deposits.

During the **Term** (defined below) of this **Agreement**, **Depositor** will, through appropriate action of its governing body including the attached Resolution ("**Exhibit A**"), designate the officer or officers who, individually or jointly, will be authorized to represent and act on behalf of **Depositor** in any and all matters of every kind arising under this **Agreement**, including, but not limited to, taking such actions as: (a) executing and delivering to **Bank** an electronic funds or funds transfer agreement (and any addenda thereto); (b) appointing and designating, from time to time, a person or persons authorized to request withdrawals, orders for payment, or transfers on behalf of **Depositor** in accordance with the electronic funds or funds transfer agreement and addenda; (c) making withdrawals or transfers by written instrument; and (d) delivering to **Bank** the **Depositor's** collateral policy and evidence of approval by the **Depositor's** governing body of (1) the collateral policy, (2) the **Custodian** (defined below), (3) this **Agreement**, and (4) the attached **Security Agreement** (defined below).

2. TERM AND TERMINATION

The term of this **Agreement** shall be three years, beginning June 1, 2025 and ending on May 31, 2028 ("**Term**"), with an option for **Depositor** to extend the **Agreement** by two additional one-year periods. If an optional period is exercised, it shall also be referred to as the **Term**.

Both **Depositor** and **Bank** shall have the right to terminate this **Agreement** prior to the expiration date of the **Term** by providing the other party with 90 days' prior written notice. The **Agreement** shall terminate 90 days after the delivery of such written notice, provided all provisions of this **Agreement** have been fulfilled.

In addition to any other remedy **Depositor** may have at law or in equity, if **Bank** breaches this **Agreement** in any manner or defaults on its obligations hereunder and does not cure such breach or default within 30 days of **Bank** receiving notice of such breach or default from **Depositor**, then after the expiration of such 30-day cure period, **Depositor** may immediately terminate this **Agreement** and withdraw its funds by giving **Bank** written notice of termination. Both **Bank** and **Depositor** agree, among other items constituting default under this **Agreement**, failure to maintain adequate collateral and/or adequate capital ratios (if applicable) are defaults of the **Agreement**.

In the event **Depositor** fails to comply with any of its promises in the **Agreement**, or if any of its representations are untrue or any of its warranties are breached, and **Depositor** does not cure such breach or default within 30 days of **Depositor** receiving notice of such breach of default from **Bank**, then after the expiration of such 30-day cure period, **Bank** may immediately terminate this **Agreement** by giving **Bank** written notice of termination. Upon receipt of such notice, **Depositor** shall make provisions for the immediate withdrawal of **Depositor's** funds from **Bank**.

3. ESTABLISHMENT OF ACCOUNTS

Depositor shall deposit such of its funds as it may choose, and **Bank** shall receive such deposits as **Demand Deposits** into Checking Accounts, Savings Accounts, Money Management Accounts, and/or Certificates of Deposit, as designated by **Depositor**, and **Bank** shall hold said **Demand Deposits** subject to payment in accordance with the terms and conditions of the particular deposit. **Bank** will allow, credit, and pay interest on such deposits at a rate set by the **Bank**, with: (1) interest on Checking Accounts and Money Management Accounts to be paid monthly as it accrues through the last day of each month; (2) interest on Savings Accounts to be paid quarterly as it accrues through the last day of each quarter; and (3) interest on Certificates of Deposit to be paid at maturity. Interest on Certificates of Deposit shall be calculated for the exact number of days on the basis of a 365-day year. All **Bank** accounts or products listed above shall be in the name of **Depositor** with the designation of the fund or amount in accordance with instructions of **Depositor**.

4. DEPOSITORY SERVICES, RECORDS, AND FEES

Subject to the provisions stated above and to the particular terms of Money Management Accounts, Savings Accounts, or Checking Accounts, **Bank** shall pay on demand to the order of **Depositor** upon presentation of checks, drafts, or vouchers properly issued, all or any portion of said deposits now on deposit or to be deposited with said **Bank**, as long as collected funds are on deposit.

Bank statements, check images, check registers, deposit slips, debit and credit notices, reconciliations, notices of interest earned, and any other related documentation, or images thereof, shall be retained by **Bank** for a period of seven years after the date of receipt of the item. To the extent permitted by law, **Bank** shall make all records, books, and supporting documentation, or images thereof, pertaining to services applicable to **Depositor's** accounts and transactions under this **Agreement** available at any reasonable time during the **Term**, to **Depositor** and its designated representatives. To the extent permitted by law, **Depositor** shall have the right to examine, audit, inspect, or make copies of any such documents.

To determine charges for services rendered, **Bank** uses <DESCRIPTION HERE>. Estimated Cost of Services and Schedule of Standard Commercial Banking and Treasury Management Services Fees are attached to this **Agreement** as **Exhibit B**.

5. SECURITY OF FUNDS, ACCEPTABLE SECURITY, APPOINTMENT OF CUSTODIAN, AND INCREASES IN COLLATERAL AMOUNTS

All funds on deposit with **Bank** to the credit of **Depositor** (including **Demand Deposits**, Checking Accounts, Savings Accounts, Money Management Accounts, and Certificates of Deposit) shall be secured pursuant to **Bank's Security Agreement** or similar agreement ("**Security Agreement**") and any agreement required by the **Custodian** (defined below), all of which are attached hereto.

Depositor and **Bank**, by execution of this **Agreement**, designate _____ as the **Custodian** to hold collateral in an account maintained by **Custodian** in the name of the **Bank** and subject to the control of **Depositor**, according to the terms and conditions of this **Agreement**, the **Security Agreement**, and any agreement required by the **Custodian** to document such relationship.

Depositor recognizes the Federal Deposit Insurance Corporation (or its successor) ("**FDIC**") provides insurance for **Depositor's** funds deposited at any one Texas financial institution, including accrued interest on such funds, only up to the maximum regulatory limits as set by the **FDIC**. All uninsured funds on deposit with **Bank** to the credit of **Depositor** shall be secured by collateral as provided for

in the Texas Public Funds Collateral Act and in any other applicable law (collectively “**Acts**”), and **Depositor** agrees and certifies the collateral listed in Exhibit A to the **Security Agreement** shall be used as collateral to secure **Depositor’s** funds on deposit with the **Bank**. The market value of the collateral securing **Depositor’s** funds must at all times equal or exceed 102% (110% when mortgage-backed securities are used for collateral) of the daily ledger balance (amount of funds plus the amount of any accrued interest on the funds) of all **Depositor’s** Demand Deposits, Checking Accounts, Savings Accounts, Money Management Accounts, and Certificates of Deposits, less the **FDIC** standard maximum deposit insurance amount (“**Collateral Requirement**”). The market value with respect to any collateral as of any date and priced on such date will be obtained by the **Bank** from a generally recognized pricing source.

When the need for collateral with the **Bank** is expected to increase on any given day or over a series of days, **Depositor** agrees to notify the **Bank** of such expected increase at least one business day prior to the expected date the additional deposits are expected to be received.

6. DELIVERY OF COLLATERAL TO CUSTODIAN

Bank will immediately, after the effective date of this **Agreement**, deliver to **Custodian** collateral of the kind and character above-mentioned of sufficient amount and market value to provide adequate collateral for the uninsured funds (as described in Section 5 above) of **Depositor** deposited with **Bank**. Such collateral or substitute collateral (as discussed below), shall be kept and retained by **Custodian** in an account maintained in the name of **Bank** and subject to the control of **Depositor** according to the terms of this **Agreement** and of the **Security Agreement**, so long as the depository relationship between **Depositor** and **Bank** shall exist, and after the termination or expiration of this **Agreement**, so long as any portion of the deposits made by **Depositor** with **Bank** shall have not been properly paid out by **Bank** to **Depositor** or on its order. **Bank** grants a security interest in such collateral to **Depositor**. The joint custody account at _____ will be held in the **Bank’s** and **Depositor’s** name.

7. CUSTODIAN SAFEKEEPING ACCOUNT

Bank shall cause **Custodian** to accept said collateral and hold the same in trust for the purposes stated in this **Agreement**, in a separate joint safekeeping account with the **Custodian**, **Depositor**, and **Bank**, to be managed according to the **Security Agreement**, and the operating agreements, guidelines, and procedures as stated in this **Agreement** and according to the terms of any separate agreement with **Custodian**.

8. DUTIES AND LIABILITIES OF CUSTODIAN

It is distinctly understood by all the parties that **Custodian** shall not be required to ascertain the amount of funds on deposit by **Depositor** with the **Bank**, nor the validity, authenticity, genuineness, or negotiability of the securities deposited with the **Custodian** by the **Bank** according to this **Agreement**, and the **Custodian** is not liable to anyone for performing in accordance with this **Agreement**, except for the safekeeping of the securities delivered to **Custodian**, and for any negligence, gross negligence, or willful misconduct of **Custodian's** own officers, agents, and employees.

9. RIGHT OF DEPOSITOR UPON BANK'S BREACH OR BANK'S INSOLVENCY

Should **Bank** fail at any time to pay immediately and satisfy upon proper presentation any check, draft, or voucher lawfully drawn upon any **Demand Deposit**, or fail at any time upon proper presentation or authorization to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any Checking Account, Money Management Account, or Savings Account and the interest on such Checking Account, Money Management Account, or Savings Account, or in case **Bank** becomes insolvent or in any manner breaches this **Agreement** with **Depositor**, it shall be the duty of the **Custodian**, upon the demand of **Depositor** (in **Depositor's** sole discretion, and supported by proper evidence of any of the above-listed circumstances), to surrender the above-described collateral to **Depositor**. **Depositor** may, in accordance with the terms of this **Agreement** and any applicable provisions of a **Security Agreement**, sell all or any part of such collateral, and out of the proceeds of such sale deduct for itself payment of all damages and losses sustained by it, together with all expenses of any and every kind incurred by **Depositor** on account of such breach, failure, or insolvency, accounting to **Bank** for the remainder, if any, of such proceeds or collateral remaining unsold.

10. COLLATERAL SUBSTITUTIONS BY BANK

If **Bank** shall desire to sell or otherwise dispose of any one or more of such collateral so deposited with the **Custodian**, it may, with prior written approval of **Depositor**, substitute for any one or more of such collateral of the same market value and of the character authorized in this **Agreement**, and such right of substitution shall remain in full force and be exercised by **Bank** as often as it may desire to sell or otherwise dispose of any such collateral; provided, however, that at all times, the aggregate amount of such collateral or substituted collateral deposited with the **Custodian** shall always be such that it meets the **Collateral Requirement**. If at any time the aggregate amount of such collateral so deposited with the **Custodian** is less than the **Collateral Requirement**, then **Bank** shall immediately

deposit with the **Custodian** additional collateral as may be necessary to meet the **Collateral Requirement**.

Bank shall be entitled to income on collateral held by the **Custodian**, and the **Custodian** may dispose of such income as directed by **Bank** without approval of **Depositor**, to the extent such income is not needed to secure **Depositor's** deposits, and provided that retention of such income does not otherwise violate this **Agreement**.

11. TRUST RECEIPTS FOR COLLATERAL; DEPOSITOR'S RIGHT TO ITEMIZED LIST OF COLLATERAL

Bank shall cause **Custodian** to forward promptly to **Depositor** trust receipts via regular mail, or will provide such trust receipts and reporting on the _____ internet service made available to **Depositor**, covering all such collateral held for **Depositor** by **Custodian**, including substitute collateral substituted in accordance with this **Agreement**. **Bank** shall also maintain records relating to all such collateral held for the benefit of **Depositor**. Upon written request of **Depositor**, and if in accordance with the **Custodian's** agreement, **Bank** shall request that **Custodian** furnish as of any date requested a completely itemized list of collateral held as security for **Depositor**.

12. COLLATERAL VALUE IN EXCESS OF COLLATERAL REQUIREMENT

If at any the collateral held by the **Custodian** for the benefit of the **Depositor** has a market value in excess of the **Collateral Requirement**, then upon the written authorization of an authorized representative of the **Bank**, confirmed by an authorized representative of the **Depositor**, the **Bank** may request withdrawal of a specified amount of collateral, the **Custodian** shall deliver this amount of collateral (and no more) to the **Bank**, and the **Custodian** shall have no further liability for collateral so redelivered to the **Bank**. All substitutions, releases, and additional pledges of collateral pursuant to the terms hereof and of the **Security Agreement** shall be completed at the earliest time as is commercially reasonable.

13. TERMINATION/EXPIRATION OBLIGATIONS

When the relationship between **Depositor** and **Bank** ceases, and when **Bank** has properly paid out all deposits of **Depositor**, it shall be the duty of **Depositor** to give the **Custodian** a certificate to that effect. Upon **Custodian's** receipt of such certificate, **Custodian** shall redeliver to **Bank** all collateral then in its possession belonging to **Bank** for the benefit of **Depositor**, and taking its receipt for such delivery. An order in writing presented to the **Custodian** by **Depositor**, and a receipt for such collateral by **Bank** shall constitute a full and final release of **Custodian** of all its duties and obligations

under this **Agreement**, and **Custodian** shall not have any liability of any kind whatsoever to either **Depositor** or **Bank**, except for any liability as set forth in Section 8 above where such liability arose while the collateral was in **Custodian's** control.

14. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Bank represents and warrants:

- (a) it is the sole legal and actual owner of the securities or of a beneficial interest in the securities used to collateralize deposits;
- (b) other than the security interest granted to **Depositor** herein, no other security interest has been, nor will be, granted in the securities used to collateralize deposits;
- (c) **Bank** accounts are insured to the regulatory limits of the FDIC; and
- (d) this **Agreement** is an official record of the **Bank**, and has been and will continue to be, an official record of the **Bank** from the date of its approval by the **Bank**.

Depositor represents and warrants:

- (a) it has complied with all applicable law governing the selection of a depository bank, it has full power and authority to enter into this **Agreement**, the **Agreement** is a valid and binding agreement enforceable against **Depositor**, and it does not and will not violate any statute or regulation applicable to **Depositor**;
- (b) all acts, conditions, and things required to exist, occur, or be performed on **Depositor's** part precedent to and in the execution and deliver of this **Agreement** exist or have occurred or have been performed;
- (c) **Depositor** will comply with the terms of any other agreements it may have with **Bank** in connection with this **Agreement**; and
- (d) this **Agreement** has been approved by the **Depositor's** Board of Trustees, and such approval is evidenced by a true and correct copy of the resolution **Depositor's** Board of Trustees adopted at the meeting at which this **Agreement** was approved (**Exhibit A**), and further, such approval is reflected in the minutes of such meeting of the Board of Trustees.

15. INCORPORATION OF REQUEST FOR PROPOSAL AND RESPONSE; CONFLICTING PROVISIONS

Depositor's Request for Proposal dated _____, 2024 ("**RFP**") and **Bank's** Response to **Depositor's RFP** dated _____, 2024 ("**Response**"), are incorporated into this **Agreement** by reference and as attached exhibits. In the event of any conflicts between the **RFP** and the

Response, the terms and provisions of the **RFP** control. In the event of any conflicts between the **Response** and this **Agreement** regarding provisions and terms addressed in both documents, the provisions and terms of this **Agreement** control. In the event of any conflicts between the provisions and terms of the **RFP** and this **Agreement**, this **Agreement** controls.

16. INDEMNIFICATION

Bank shall fully indemnify, defend, save, and hold harmless **Depositor**, its officers, employees, and agents against any and all liability, damage, loss, claims, demands, and causes of action (collectively, "**Claims**") which arise out of **Bank's** failure to fulfill any of the terms and conditions of this **Agreement** or any violation by **Bank** of any applicable federal or state laws, rules, or regulations resulting from any act or omission of the **Bank** or its agents and employees; provided, however, **Bank** shall only be liable for **Claims** to the extent of damages actually incurred and shall have no liability for special, consequential, incidental, indirect, special, or punitive damages.

Bank shall, at its own expense, investigate all such **Claims**, attend to their settlement or other disposition, defend all actions based thereon, and pay all charges of attorneys and all other costs and expenses of any kind arising from any such **Claims**. Notwithstanding anything to the contrary contained herein, this Section 16 shall not be construed to require indemnification against **Claims** to the extent caused by the negligence or willful misconduct of the **Depositor**, its officers, or employees.

17. LIABILITY OF THE PARTIES

Notwithstanding Section 16 above, the **Bank's** and **Depositor's** duties and responsibilities to each other are limited as set forth in this **Agreement**, except with respect to any provisions of the law which cannot be varied or waived by agreement. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER BANK NOR DEPOSITOR WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS), OR FOR ANY INDIRECT LOSS THAT THE OTHER PARTY MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF SUCH PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES).**

18. INVALIDITY AND SEVERABILITY

If any clause or provision of this **Agreement** is for any reason held to be invalid, illegal, or unenforceable, such holding shall not affect the validity, legality, or enforceability of the remaining clauses or provisions of this **Agreement**.

19. GOVERNING LAW AND VENUE

This **Agreement** shall be construed in accordance with the substantive laws of the State of Texas, without regard to conflicts of law principles thereof. **Bank** and **Depositor** consent to the jurisdiction of the state and federal courts situated in Travis County, Texas, in connection with any dispute arising from or relating to this **Agreement**. **Bank** and **Depositor** irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum.

20. NOTICES

Any communication, notice, or demand to be given hereunder shall be duly given when delivered in writing by mail, electronic mail, or facsimile transmission to a party at its address indicated below:

If to **Depositor**: Chief Financial Officer
Texas Municipal League Intergovernmental Risk Pool
1821 Rutherford Lane, First Floor
Austin, TX 78754
<EMAIL ADDRESS>
<FAX NUMBER>

If to **Bank**: <TITLE>
<BANK NAME>
<STREET ADDRESS>
<CITY/STATE/ZIP CODE>
<EMAIL ADDRESS>
<FAX NUMBER>

21. SECURITY MEASURES

Bank and **Depositor** agree to implement and follow mutually agreeable and adequate measures to protect the privacy and security of **Depositor's** transactions and information, including communications and information held by **Depositor** or **Bank**, or transmitted between **Depositor** and **Bank**. These measures may set forth in various **Bank** service-specific agreements or documentation, and shall address such issues as: (1) signature and identity verification; (2) fraud detection, prevention, and reporting; (3) security codes and similar controls; (4) transmittal procedures and prior and proper authorization of telecopy, telephone, electronic, and other transactions; (5) e-commerce issues such as encryption, electronic mail security, and website security; and (6) computer and other access controls. **Bank** shall provide **Depositor** with at least 30 days' prior written notice of any changes or amendments to **Bank's** security procedures, as described in this Section 21 and elsewhere in this **Agreement** or other **Bank** service-specific agreements or documents, unless such changes or amendments must, in **Bank's** sole opinion and discretion, be made: (i) immediately in order to guard against or mitigate a risk of fraud or criminal activity; or (ii) immediately to comply with an order or directive from law enforcement, court of law, or any other regulatory agency with authority over the **Bank's** activities and operations.

22. ASSIGNMENT

Neither **Depositor** nor **Bank** may assign all or any part of their rights and obligations under the **Agreement** with the other's prior express written content. If there is an assignment under the terms of this Section 22, the **Agreement** will be binding upon and inure to the benefit of the successors and permitted assigns of either party.

23. RECORDS, REPORTS, AND AUDITS

Bank shall maintain separate, accurate, and complete records relating to **Depositor's** funds, the pledged securities, and all transactions relating to the pledged securities. **Bank** will also take reasonable steps to ensure the **Custodian** shall maintain separate, accurate, and complete records relating to the pledged securities and all transactions relating to the pledged securities. **Depositor** and its representatives or agents shall have the right to examine and audit at any reasonable time, upon five days' prior written notice, all records maintained pursuant to this Section 23.

24. THIRD PARTY SERVICE PROVIDERS

In the normal course of its business, **Bank** may engage third party vendors or subcontractors to provide or assist in providing all or part of certain services. In the event **Bank** engages such third party vendors or subcontractors, any contracts **Bank** enters into with such third party vendors or subcontractors for the assistance in providing services under this **Agreement** shall contain necessary clauses requiring such third party vendors or subcontractors to comply with the provisions of this **Agreement**, including, but not limited to, levels of performance, service, and data security. Any third party vendor or subcontractor used by **Bank** is an independent contractor and not the **Bank's** agent. This **Agreement** may not be amended or modified in any manner except by written agreement executed by all of the parties.

25. CONFLICTS OF INTEREST

Bank acknowledges during the term of this **Agreement** that no officer, director, or stockholder of the **Bank** is or shall be an employee or officer of **Depositor**. **Bank** agrees to maintain a current, updated list of all officers, directors, and shareholders and upon request disclose such information on file to **Depositor** throughout the **Term** of this **Agreement**.

26. NO ENDORSEMENT

Bank shall not advertise or publish the fact that **Depositor** has entered into this **Agreement**, except as may be necessary to comply with proper requests for information from or filing of reports with federal, state, or local government agencies.

27. AMENDMENT OF AGREEMENT

This **Agreement** may be amended only in a writing executed by both **Depositor** and **Bank**.

28. ENTIRE AGREEMENT

This **Agreement** shall constitute the entire agreement between the parties and shall supersede all previous negotiations, commitments, and agreements between the parties.

IN WITNESS HEREOF, the **Bank** and **Depositor** have executed this **Agreement** in duplicate originals, on the _____ day of _____, 2024.

Texas Municipal League Intergovernmental Risk Pool

BY: _____

NAME:

TITLE: Executive Director

APPROVED:

BY: _____

NAME:

TITLE: Chief Financial Officer & Chief Investment Officer

BY: _____

NAME:

TITLE: Chief Legal Officer

<BANK NAME>

BY: _____

NAME: _____

TITLE: _____

EXHIBIT A:	Pool's Board Resolution
EXHIBIT B:	Bank Services and Fees Schedule
EXHIBIT C:	Pool's RFP
EXHIBIT D:	Bank's Response

ATTACHMENT B

RFP No. 24-04 - DEPOSITORY SERVICES PROPOSED FEE SCHEDULE

	UNIT	Average Annual	Annual
SERVICE DESCRIPTION	PRICE\$	Activities	Charge
<u>CHECKING SERVICES (GENERAL ACCOUNT SERVICES)</u>			
ACCOUNT MAINTENANCE (4)	_____	48	_____
CREDITS POSTED	_____	600	_____
ACH INCOMING CREDITS	_____	1,000	_____
DEBITS POSTED	_____	150,000	_____
ACH INCOMING DEBITS	_____	1,200	_____
DEPOSIT ITEMS	_____	3,600	_____
POSITIVE ITEMS	_____	2,200	_____
REMOTE CAPTURE MONTHLY	_____	12	_____
RETURN ITEMS	_____	20	_____
SUB-TOTAL:	_____		_____
<u>REMOTE DEPOSIT SERVICES (DEPOSITORY SERVICES)</u>			
MONTHLY MAINTENANCE	_____	12	_____
REMOTE DEPOSIT CAPTURE - CREDIT POSTED	_____	200	_____
REMOTE DEPOSIT - INFORMATION REPORTING ITEMS	_____	3,000	_____
REMOTE DEPOSIT - ITEMS CAPTURED	_____	3,600	_____
SUB-TOTAL:	_____		_____
<u>WHOLESALE LOCKBOX SERVICES</u>			
WHOLESALE ITEM	_____	2,000	_____
WHOLESALE UNPROCESSABLE	_____	100	_____
WHOLESALE IMAGE CAPTURE - CHECK	_____	2,000	_____
WHOLESALE IMAGE CAPTURE - INVOICE	_____	2,500	_____
SUB-TOTAL:	_____		_____

RETAIL LOCKBOX SERVICES

RETAIL MONTHLY MAINTENANCE	_____	12	_____
RETAIL ITEM	_____	2,400	_____
RETAIL IMAGE DELIVERY-INTERNET	_____	12	_____
RETAIL CD IMAGE-COUPON	_____	2,500	_____
LOCKBOX CREDITS	_____	400	_____
SUB-TOTAL:	_____		_____
<u>ACCOUNT RECONCILIATIONS SERVICES</u>			
PAID ITEM ACCOUNT RECON	_____	130,000	_____
SUB-TOTAL:	_____		_____
<u>POSITIVE PAY SERVICES</u>			
POSITIVE PAY PAID REJECT ITEMS	_____	300	_____
SUB-TOTAL:	_____		_____
<u>ACH FRAUD SERVICES</u>			
ACH BLOCKING PAID REJECT ITEMS	_____	10	_____
SUB-TOTAL:	_____		_____
<u>ACH ORIGATION SERVICES (GENERAL ACH SERVICES)</u>			
ACH MONTHLY FEE	_____	12	_____
ACH ORIGATION TRANSMISSIONS	_____	20,000	_____
ACH NOTIFICATION OF CHANGE CORRECTION	_____	50	_____
ACH REVERSAL/REJECTS	_____	100	_____
SUB-TOTAL:	_____		_____
<u>FROST TAX PAYMENT SERVICES</u>			
AUTOMATED TAX PAYMENT	_____	50	_____
SUB-TOTAL:	_____		_____
<u>WIRE SERVICES</u>			
INCOMING FED WIRES	_____	100	_____
ONLINE BANKING INTRBANK TRANSFER	_____	30	_____
SUB-TOTAL:	_____		_____
<u>ONLINE BANKING SERVICES</u>			

PREVIOUS DAY REPORTING	_____	12	_____
PREVIOUS DAY REPORTING ACCOUNTS	_____	12	_____
PREVIOUS DAY REPORTING DETAIL ITEMS	_____	3,000	_____
CURRENT DAY REPORTING	_____	12	_____
FINANCIAL EDI ITEMS	_____	100	_____
SUB-TOTAL:	_____		_____

IMAGE ARCHIVE SERVICES

IMAGE ARCHIVE FILE	_____	12	_____
IMAGE ARCHIVE ITEMS	_____	130,000	_____
SUB-TOTAL:	_____		_____

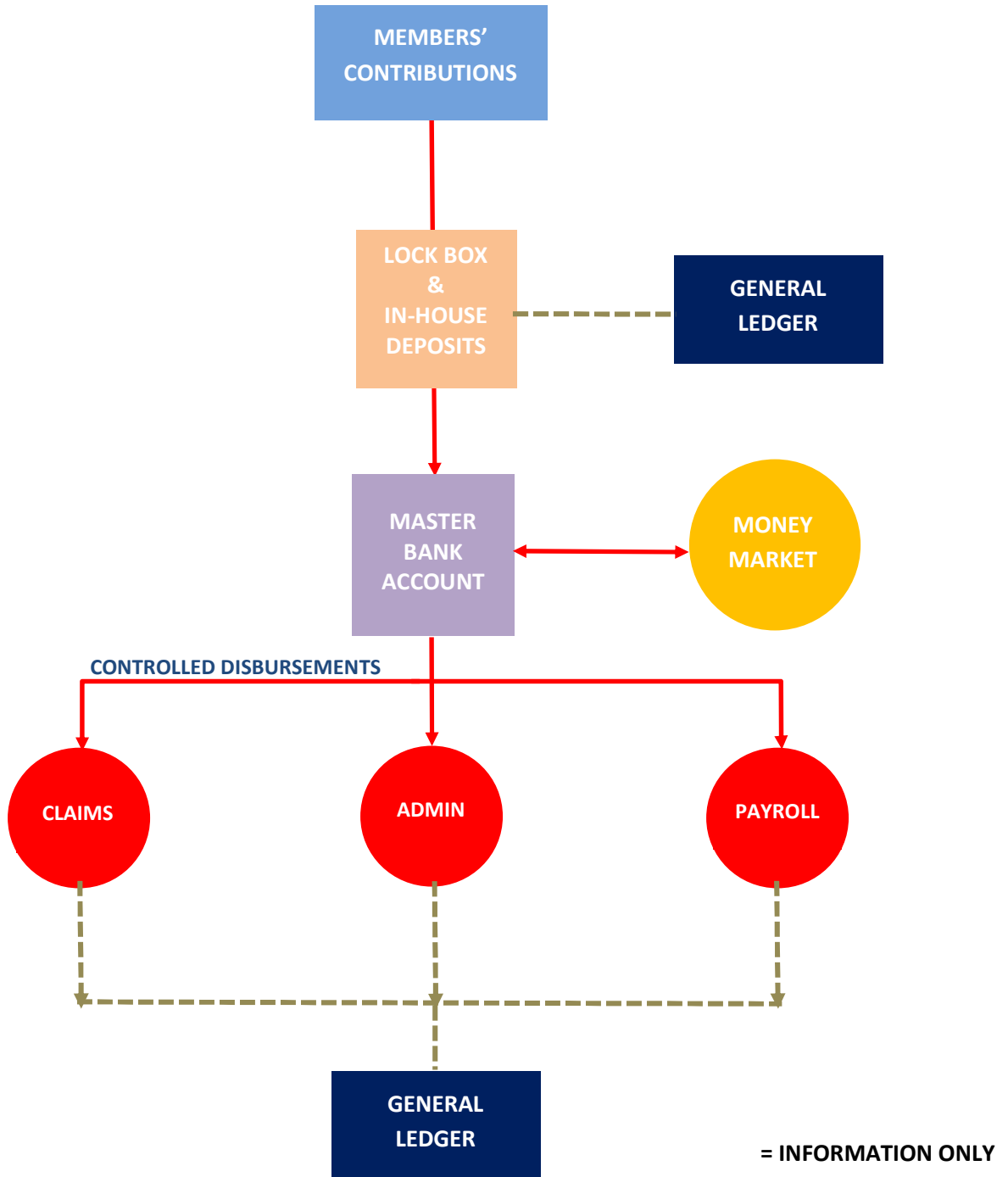
ZBA SERVICES

ZERO BALANCE ACCOUNTS	_____	24	_____
ZERO BALANCE ACCOUNT TRANSFERS	_____	600	_____
SUB-TOTAL:	_____		_____

TOTAL ACTIVITY CHARGES:	_____		=====
LESS: EARNINGS ALLOWANCE ON POSITIVE BALANCE	_____		=====

ATTACHMENT C

CASH MANAGEMENT PROGRAM



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 in this section is being disclosed.

Name of Officer

This section (item 3 including subparts A, B, C, & D) must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, 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 named in this section AND the taxable income is not received from the local governmental entity?

Yes No

C. Is the filer of this questionnaire employed by 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?

Yes No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4

Signature of vendor doing business with the governmental entity

Date