SELECTION

The depository selected under the terms of this policy shall be a bank located in the state of Texas. The depository may be a state bank authorized and regulated under Texas law; a national bank, savings and loan association, or savings bank authorized and regulated by federal law; or a savings and loan association or savings bank organized under Texas law; but shall not be any bank the deposits of which are not insured by the Federal Deposit Insurance Corporation (FDIC). *Education Code 45.201(2), 45.203*

METHOD

Not later than the 60th day before the date the District's current depository contract expires, the District shall choose whether to select a depository through competitive bidding or through requests for proposals. *Education Code 45.206(a)*

COMPETITIVE BIDDING

NOTICE

If the District chooses to use competitive bidding, the District shall, not later than the 30th day before the date the current depository contract expires, mail to each bank in the District and, if desired, to other banks, a notice stating the time and place in which bid applications will be received for selecting a depository or depositories. The notice must include a uniform bid blank in the form prescribed by State Board rule. *Education Code 45.206(a-1); 19 TAC 109.51*

REQUESTS FOR PROPOSALS

NOTICE

If the District chooses to use requests for proposals, the District shall, not later than the 30th day before the date the current depository contract expires, mail to each bank located in the District and, if desired, to other banks, a notice stating the time and place in which proposals will be received for selecting a depository or depositories. The notice must include a uniform proposal blank in the form prescribed by State Board rule. The District shall state the selection criteria, including the factors specified under Education Code 45.207(c) [see FACTORS TO CONSIDER below], in the request for proposals.

BEST VALUE

The District shall select the proposal that offers the best value to the District based on the evaluation and ranking of each submitted proposal in relation to the stated selection criteria. The District may negotiate with the bank that submits the highest-ranked proposal to determine any terms of the proposed depository contract other than the interest rates proposed.

Education Code 45.206(a-2), (d)

FACTORS TO CONSIDER

Each bid or proposal received in accordance with these provisions shall be considered by the Board at a regular or special meeting. In determining the highest and best bid or the highest-ranked proposal, or in case of tying bids or proposals the highest and best tying bids or proposals, the Board shall consider the interest rate bid or proposed on-time deposits; the charge for keeping District accounts, records, and reports and furnishing checks; the ability of

the bank submitting the bid or proposal to provide the necessary services and perform the duties as school district depository, and any other matters the Board considers to be in the best interests of the District. *Education Code 45.207(c)*

AWARD OF CONTRACT

The District shall award the depository contract to the bank that submits the highest bid or the highest-ranked proposal, except that the District may award the contract as provided by Education Code 45.207(a-1) [see TIE BIDS AND PROPOSALS below] if:

1. The District:
   a. Receives tying bids for the contract; or
   b. After evaluating the proposals for the contract, ranks two or more proposals equally;
2. Each bank submitting a tying bid or proposal has bid or proposed to pay the District the maximum interest rates allowed by the Federal Reserve System and the FDIC; and
3. In the Board's judgment, the tying bids or proposals are otherwise equal.

Education Code 45.207(a)

TIE BIDS AND PROPOSALS

In the case of tying bids or proposals, the Board may:

1. Award the contract to each of the banks submitting the tying bids or proposals; or
2. Determine by lot which of the banks submitting the tying bids or proposals will receive the contract.

Education Code 45.207(a-1)

REJECTION OF BIDS OR PROPOSALS

The Board has the right to reject any and all bids or proposals. *Education Code 45.207(d)*

COLLATERAL

In accordance with written Board policy, the District shall determine if an investment security is eligible to secure deposits of public funds covered by the Public Funds Collateral Act.

The policy may include the security of the institution that obtains or holds an investment security, the substitution or release of an investment, and the method by which an investment security used to secure a deposit of public funds is valued.

Gov't Code 2257.023

DUTIES

The depository shall:

TERM OF OFFICE

1. Serve for a term of two years and until its successor is duly selected and qualified, except that the District and its depository bank may agree to extend the contract for two additional two-year terms. The initial contract term and any extension must coincide with the District's fiscal year. An extension is not subject to the bid notice requirements of Education Code 45.206 [see METHOD above]. *Education Code 45.205*

CONTRACT

2. Make and enter into a depository contract(s), bond(s), or other necessary instruments setting forth the duties and agreements pertaining to the depository. The form and content of the documents shall be as prescribed by the State Board. The bid or proposal of the depository shall be attached to the contract and incorporated by reference in the contract. *Education Code 45.208(a); 19 TAC 109.52*

AUTHORIZED COLLATERAL

3. Secure public funds by eligible securities to the extent and in the manner required by the Public Funds Collateral Act. *Gov't Code, Ch. 2257*

OTHER DUTIES

4. Faithfully perform all legal duties and obligations and make payments from District funds upon order, duly entered, of the Board. *Education Code 45.208(c)(1)–(4)*

5. Faithfully keep and account for, according to law, all District funds and pay over to the successor depository all balances remaining in District accounts. *Education Code 45.208(c)(5), (6)*