

# PHARR HOUSING AUTHORITY OF THE CITY OF PHARR, TEXAS

## REQUEST FOR PROPOSALS RFP No. 2024 -001

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### BANKING SERVICES

**Date Issued: 07/19/2024**

**Due Date: 08/19/2024**

Lazaro J. Guerra  
Interim Executive Director  
Pharr Housing Authority  
104 W Polk Ave  
Pharr, TX 78577

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#### **Attachments**

The following attachments are required and/or included as part of this RFP and shall be incorporated into the Proposer's proposal/contract:

Exhibit A - Bank Service Fees and Interest Schedule

Exhibit B - Non-Collusive Affidavit

Exhibit C - Public Depository Certification

Exhibit D - PIH Notice 96-33

Exhibit E - General Depository Agreement HUD Form 51999

Exhibit F - Form HUD 5369-C, Certifications and Representations of Offerors, Non-Construction Contract

Exhibit G - Form HUD 5369-B, Instructions to Offerors, Non-Construction

Exhibit H - HUD 5370-C, General Conditions for Non-Construction Contracts

Exhibit I - Profile of Firm Form

## **A. Profile**

The HOUSING AUTHORITY OF THE CITY OF PHARR (AUTHORITY), the PHARR HOUSING DEVELOPMENT COPRATION (PHDC) and the PHARR AFFORDABLE HOUSING CORPORATION (PAHC) were established to assist low-income families obtain safe, decent, and affordable housing.

The funding sources for these entities include federal and state grants, and public and private donations. The main specific contributors are the Department of Housing and Urban Development.

The AUTHORITY through the Low Rent Program has an inventory of 247 Public Housing units and receives an annual subsidy and grants of approximately \$1,532,000.00; through the Housing Choice Voucher Program administers rental assistance for 848 privately owned rental units throughout the PHARR jurisdiction and receives annual subsidy of approximately \$5,782,000.00.

The Pharr Housing Authority has 247 public units throughout the city of Pharr.

The Authority has a governing Board made up of seven (7) board members appointed by the City Mayor. The term is usually for two years, the Chairman and Vice Chairman in past years have served for consecutive terms.

## **B. Introduction**

The AUTHORITY and the NON-PROFITS are requesting proposals for the provision of Banking Services. The AUTHORITY and the NON-PROFITS intend to contract in June xxx with the financial institution PHA se proposal is deemed most advantageous and begin receiving services as soon as practical.

The AUTHORITY/NON-PROFITS reserve the right to accept or reject any or all proposals; to accept the proposal it considers most advantageous to the AUTHORITY/NON-PROFITS; and at its discretion to waive any defect or informality in the proposal. Selection of the Bank will be made on the basis of the interest rate paid on the AUTHORITY/NON-PROFITS'S idle monies, the amount of the projected service charges to process accounts activity, capacity of the bank to help AUTHORITY/NON-PROFITS achieve its goal of increasing the supply of affordable housing in PHARR and the ability of the financial institution, in the sole judgment and opinion of the AUTHORITY/NON-PROFITS, to provide the overall level of service and commitment required for the AUTHORITY/NON-PROFITS to carry out its operations.

The contract upon award will be for a period of two (2) years with an option to extend the services for three additional one-year periods by giving the depository ninety (90) days written notice of an applicable extension. Anticipated contract period is August 23, 2024 through July 23, 2026.

The successful respondent will be bound by and must comply with the provisions of the PHARR HOUSING AUTHORITY'S Annual Contribution Contracts and financial management handbooks for housing assistance grant programs as directed by the Department of Housing And

Urban Development; the PHARR HOUSING NON-PROFITS CORPORATION Bylaws on financial transactions; Vernon’s Annotated Texas Statutes, Chapter 105, 2256, and 2257, Local Government Code, and the AUTHORITY’S/NON-PROFITS’S Investment Policy, inclusive, as amended.

Minority Business Enterprises, Woman Business Enterprises, Small Business Enterprises, and Section 3 qualified entities are encouraged to respond to this Request for Proposals.

**C. Procurement Schedule & Proposal Submission Information**

The anticipated schedule for the RFP and contract approval is as follows:

- RFP Issued & Advertisement-----July 19, 2024
- Second Advertisement-----July 26, 2024
- Deadline to submit questions-----August 9, 2024
- Proposal Due Date----- August 17, 2024
- Board of Commissioners approval----- AUGUST TBD Board Meeting
- Contract Start Date----- September 1, 2024

Proposals must include a response to all items outlined in the Proposal Instructions. The AUTHORITY and the NON-PROFITS will call for and receive bank depository proposals no later than 2:00 p.m., Monday, August 17, 2024. No telephone, emailed, or fax Proposals will be accepted. Proposals will only be accepted if delivered in person or by US Postal Service, Federal Express, UPS, etc. The PHARR Housing Authority will not be responsible for missing, lost, or late mailed submissions. An original Proposal with (3) copies must be submitted in a sealed envelope by mail or hand delivered to:

**ADMINISTRATIVE OFFICE  
ATTN: LAZARO J. GUERRA  
INTERIM EXECUTIVE DIRECTOR  
104 W POLK AVE  
PHARR, TX 78577**

Questions regarding this RFP or Proposal Instructions will be outlined in RFP Submission Information page.

No oral explanation or interpretation will be provided.

All respondents will be notified of any modifications and amendments made to the RFP and Proposal Instructions as a result of questions submitted. If modifications and/or amendments are issued, it is the responsibility of the responder to obtain these addendums prior to submitting a proposal.

Submitted proposals may be withdrawn at any time up to the proposal closing date and time. To accomplish this, a written request signed by an authorized officer of the Financial Institution must be submitted to Lazaro J. Guerra, Interim Executive Director. The Financial Institution may submit another proposal at any time up to the stipulated closing date and time. Proposals may not be withdrawn or modified after the hour set for the opening thereof.

#### **D. Description of Deposits and Other Incoming Funds**

Rental revenue and other miscellaneous income received on site is in the form of checks or money orders and deposited daily if necessary. All funding from HUD is deposited through ACH into the appropriate low rent or Voucher account. Developers Fees, Proceeds from Insurance Claims, local Grants and any other major funds received are in the form of a check.

#### **E. Description of Accounts and Other Investments Currently Held and Serviced**

The AUTHORITY and the NON-PROFITS include the following:

The AUTHORITY and the NON-PROFITS include the following:

1. Checking accounts for the AUTHORITY are:
  - a. Conventional Low Rent Operating Account (Interest Bearing) receives all major funds related to the Low Rent Program through ACH deposits. The approximate balance in this account is \$85,000 and 70 checks per month for accounts payable.
  - b. Voucher Program Section 8 Account receives all funds for the HCV Program through ACH deposits. Inter-fund transfer is made monthly into the Voucher Program Administration Account from this account. Inter-fund transfer is made monthly into the Voucher Program Admin Account from this account. Disbursements are made from this account to all landlords on a monthly basis. Approximately 85 checks are drawn monthly on this account. The approximate average balance in this account is \$250,000. This is currently an interest-bearing account.
  - c. Section 8 Administration Fee Account is an operating account for Section 8 program. Approximately 25 checks are drawn monthly. The average balance on this account is \$25,000.00.
  - d. Payroll Account receives all funds through transfer deposits from other operating accounts. ACH withdrawals for some insurances, tax payments and retirement. Employee payroll deposits through ACH. Average balance \$12,000 and 1 to none checks per month.

- e. Pharr Affordable Housing Corporation non-profit account. With an average balance of 25,000 and approximately 130 checks are drawn monthly.
- f. FSS Forfeiture account quarterly interest account. No checks are printed only transfer withdrawals and transfer deposits.
- g. FSS Escrow Account interest accumulated monthly. One to none checks printed monthly and average balance is 70,000. Monthly transfer deposits.
- h. Youth Build Go Pharr account major funds through ach deposit for Go Pharr program from U.S department of Labor. 110 checks printed monthly and an average balance of 10,000.
- i. Pharr Housing Development Corporation nonprofit organization. With 80,000 average balance and 140 checks per month.
- j. Capital Fund Grants (Interest Bearing)

## **F. Banking Services Requested**

For the detail on the accounts requested below see section E above.

1. Open and maintain the following Checking Accounts (DDA)-
  - a. For the AUTHORITY:
    - Conventional Operating Account—interest bearing.
    - Low Rent Checking—interest bearing.
    - Capital Fund Program Accounts – interest bearing.
    - Voucher Program Admin Account - interest bearing
    - Any other accounts that may be necessary to activate as growth is experienced including certificates of deposits —interest bearing.
  - b. For the NON-PROFITS:
    - The PHA Corporate Account—interest bearing.
    - Any other accounts that may be necessary to activate as growth is experienced - interest bearing.
2. Certificates of Deposit or Other Investments:
  - a. Open and maintain all Certificates of Deposit for the AUTHORITY/NON-PROFITS allowing for on-line inquiry access.
  - b. Prepare and provide monthly statements either physically or on-line or both for the AUTHORITY/NON-PROFITS.
  - c. Provide investment options and strategies that are HUD approved and detailed in the attached PIH Notice 96-33.
3. Bank notifications:
 

The Bank shall notify the AUTHORITY/NON-PROFITS promptly when; discrepancies are found in deposits, accounts appear insufficient in funds, suspicious incoming and outgoing external fund transfers appear and any other out of the ordinary activity that occurs within the accounts.

4. Borrowing:  
The AUTHORITY/NON-PROFITS may request the Bank to finance a development of affordable housing in the PHARR area in the form of construction loan and/or long-term financing. Such loans may be within the range of \$500,000 to \$25,000,000. The AUTHORITY/NON-PROFITS reserve the right to borrow from any source that, in the AUTHORITY/NON-PROFITS's sole opinion, provides a lower cost of borrowed funds.
  
5. Other required services:
  - a. On-line access for all accounts.
  - b. Check endorsement stamps.
  - c. View and print paid checks and deposits.
  - d. On-line (same day) requests and confirmation of stop payments.
  - e. On-line inter-fund transfer capability.
  - f. ACH deposit of payroll to employees.
  - g. ACH deposit to vendors.
  - h. Other various payments or receipts through ACH such as tax payments, Federal funding received.
  - i. On-site RDC system for bank deposits.
  - j. Agreement to honor AUTHORITY/NON-PROFITS checks when the accounts reflect an insufficient balance provided that the aggregate balance in the accounts exceed the amount of the check and that a deposit or inter-fund transfer of sufficient funds will be made upon notification (up to two business days).
  - k. Furnish requested research items within a reasonable time.
  - l. Designate a Bank Officer for PHA that will be a single source of contact for all questions, problems, etc.

## **G. Pledged Securities**

1. All deposits made by the AUTHORITY and the NON-PROFITS, except to the extent said deposit is guaranteed by the Federal Deposit Insurance Corporation, shall be collateralized as described in the Public Funds Investment Act and the Public Funds Collateral Act, shall be secured and guaranteed by a pledge to the AUTHORITY and the NON-PROFITS. Securities shall be deposited in joint safe keeping at a Federal Reserve Bank. If a proposal specifies safekeeping at other than a Federal Reserve, it shall be considered as an alternate. The AUTHORITY and the NON-PROFITS will allow substitutions of securities upon written request and written approval, upon verification of equal market value and credit rating. Collateralization of one hundred percent (100%) is always required. Such collateral shall always, have a market value at least equal to the amount of the deposits so secured. All pledged collateral shall conform to those identifiable U. S. Government securities as prescribed by HUD. The authorized types of collateral investments are outlined in the attached Notice PIH 96-33. Such investments should not have a maturity date that extends past ten (10) years but should include diverse maturities within this specified time frame. Monthly reports

must be furnished on all securities pledged as collateral providing at least the following information: CUSIP number, par value, cost, market price, issue date and maturity date. There shall be a distinction between the pledges made towards the AUTHORITY deposits and the NON-PROFITS deposits.

## **H. Format for Proposal**

The proposal shall be divided into two sections.

1. The first section shall be in the following format:
  - a. Profile of the respondent – A general description of the respondent including its principal local business address and addresses of all locations to service the accounts, authorized representative to act on behalf of the bank, contact person and its parent or holding company, if any;
  - b. The respondent shall state if it is currently under or anticipates any indictment or court order or investigation by any government regulatory agency which would affect, in any way, the respondent's ability to provide the requested banking services to the AUTHORITY and NON-PROFITS, or if it is "subject to regulatory oversight";
  - c. Organization and Resources – A description of the respondent's management organization, especially the organizational relationship of the offices, which will be providing the banking services to the AUTHORITY/NON-PROFITS.
  - d. Include a brief description of the experience and professional background of the respondent's officers in these offices.
  - e. Loan Practices – Provide the most recent Community Reinvestment Act Report.
  - f. Provide a statement describing any steps taken by the bank to foster economic development or ensure equitable lending throughout the City of PHARR.
  - g. Description of Services to be provided – Describe the way banking services requested in this RFP will be provided to the Authority.
  - h. Financial Data – Attach the respondent's most recent annual report and the last four quarterly call reports submitted to the Federal Financial Institutions Examination Council.
  - i. Non-Collusive Affidavit; and



j. Public Depository Certification.

2. The second section shall contain the cost information set forth in Exhibit A.

- a. Complete the form titled Exhibit A. Give detail on all bank fees, interest calculations, and minimum balance requirements. If the form does not allow enough room for detail, respondent may include additional sheets.
- b. Exhibit A “Borrowing”; provide a fixed rate expressed as a percentage of the Prime Rate as published in the Wall Street Journal or other reputable source. Also, provide a detailed procedure that the AUTHORITY/NON-PROFITS will have to follow to accomplish such borrowing. Respondent may include additional sheets if necessary.

**I. CONTRACTUAL DEVELOPMENT**

If a proposal is accepted, the PHA intends to enter into a contractual agreement with the selected respondent. Respondents must be amenable to inclusion, in a contract, of any information provided whether herein or in response to this RFP or developed subsequently during the selection process. The Contract shall not be considered executed unless signed by the authorizing representative of the PHA.

**J. TERM**

The term of the contract entered into by the AUTHORITY/NON-PROFITS and the Respondent will be negotiated based on the AUTHORITY/NON-PROFITS’ service needs.

**K. Equal Employment Opportunity**

The respondent shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or disability. The respondent will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, national origin, age or disability. Such action shall include but not be limited to, the following: employment, up-grading, demotion, or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship.

**L. Conflict of Interest**

The selected bank is expected to disclose to the AUTHORITY/NON-PROFITS any significant interest or other relationship with the AUTHORITY/NON-PROFITS by virtue of elected official, staff member and/or as a current service provider. This disclosure should cover the relationships that are in place at the time of and/or twelve (12) months preceding the activity. The intent of this disclosure is to provide the AUTHORITY/NON-PROFITS with

information on which they can make their own judgments to determine whether the respondents' interests or relationships may influence the selection process.

Further no officer or employee of the AUTHORITY/NON-PROFITS, no member of the governing body of the locality in which the AUTHORITY/NON-PROFITS is situated, no member for the governing body of the locality in which the AUTHORITY/NON-PROFITS was activated, and no other public official of such locality or localities may exercise any functions or responsibilities with respect to the AUTHORITY/NON-PROFITS on behalf of selected bank, during his/her tenure or for one year thereafter nor shall have any interest, direct or indirect, with selected bank.

#### **M. COMPLIANCE WITH LAWS**

The selected firm agrees to be bound by all applicable Federal, State and Local laws, regulations and directives as they pertain to the performance of the contract.

#### **N. Termination**

Either party to the Agreement shall be entitled to terminate the Agreement at anytime, with or without cause, upon thirty days written notice to the other party. Upon termination respondent shall be entitled to receive monies due for actual work performed and billed to the AUTHORITY/NON-PROFITS, less the amount of damages, if any, suffered by the AUTHORITY/NON-PROFITS because of the party's breach of Agreement.

#### **O. Hold Harmless**

The respondent must agree to hold the AUTHORITY/NON-PROFITS harmless for any acts of negligence or any other obligations.

#### **P. EVALUATION OF SUBMISSIONS**

Submissions will be evaluated on the basis of:

1. Banking Fees and Interest Rates, as applicable (30%)
2. The Bank's qualifications, and availability of digital/remote services (30%)
3. Availability of senior bank staff and proximity of banking centers and staff to the location of AUTHORITY/NON-PROFITS (25%)
4. The firm's experience with HUD projects and its ability to work and comply with federal, state, and local government agencies, and experience relative to public housing authorities and non-profits (10%)
5. The OVERALL QUALITY AND PROFESSIONAL APPEARANCE OF THE PROPOSAL SUBMITTED, based upon the opinion of the evaluators (5%).

#### **Q. AWARD OF CONTRACTS/REJECTION OF PROPOSALS**

At the option of the AUTHORITY/NON-PROFITS, finalists may be selected for a final round of negotiations; however, vendors are encouraged to present their best offers with their initial submission.

It is anticipated that the contract will be awarded to the selected qualified Respondent in August 2024 but is subject to change at the AUTHORITY/NON-PROFITS's discretion.

The AUTHORITY/NON-PROFITS reserves the right to accept or reject any and all proposals, to waive any irregularities in any proposal process, and to make an award of contract in any manner in which the AUTHORITY/NON-PROFITS, acting in the sole and exclusive exercise of its discretion, deems to be in the AUTHORITY/NON-PROFITS's best interest. The award of the contract will not necessarily be made to the bank offering the lowest fees or highest interest rate.

If a contract is issued, it will be awarded to the Respondent deemed the most qualified and responsive as determined at the sole discretion of the AUTHORITY/NON-PROFITS, based on its review of the Respondent's ability to provide the required services. The AUTHORITY/NON-PROFITS reserves the right to reject any and/or all proposals and waive any irregularity in proposals received, whenever such rejection or waiver is in the best interest of the AUTHORITY/NON-PROFITS. The Respondent to whom the award is made will be notified at the earliest possible date.

## **R. INTERPRETATIONS / CORRECTIONS**

All questions about the meaning or intent of the request for proposal (RFP) shall be submitted to the Point of Contact in writing. Replies shall be issued by addenda mailed or delivered to all parties recorded by the Point of Contact as having received the RFP documents. Questions received less than 3-days prior to the date for returning of the RFP will not be answered. Only questions answered by formal written addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.