



## Request for Proposals Depository Banking Services

April 4, 2018

The City of Palestine is seeking applications from eligible institutions to be the banking services depository. This includes the basic services of receiving deposits, paying items, wiring funds out, receiving funds wired in, stop payments, and other normal business banking activities.

Your proposal shall be governed by the following schedule:

**05/04/2018 5:00 p.m. Central Standard Time ("CST")**  
**Deadline for inquiries, questions, or requests for information.**  
**All questions must be submitted in writing.**

**05/14/2018 3:00 p.m., CST**  
**Written proposals due at Palestine City Hall**  
**Proposals received after this time will not be considered**

**05/14/2018 at 5:30 p.m.**  
**Opening of sealed RFPs**

To be considered for this engagement your firm must meet the qualifications and satisfy the requirements set forth in this RFP.

Mailing Address and Hand Delivery Address: Teresa Herrera, City Secretary  
504 N. Queen St.  
Palestine, TX 75801

All questions and correspondence should be directed to: Tom Frank, Finance Department at [TFrank@Palestine-TX.org](mailto:TFrank@Palestine-TX.org) or to the above address.

Please include proposed fees for all three (3) years in your proposal: a clear price proposal for the first three years and proposed pricing for additional extensions.

One original proposal and two copies should be returned in a sealed envelope clearly bearing the name and address of the respondent and "**RFP: Proposal for City of Palestine Banking Services**".

# Request for Proposals Depository Banking Services

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**REQUEST FOR PROPOSALS  
BANK DEPOSITORY  
RFP-XX**

**I. INTRODUCTION**

City Description. The City of Palestine is a political subdivision of the State of Texas (State), established in 1846. The County Seat and the largest city in Anderson County, Palestine provides a full range of municipal services, including general government, economic development, parks, cemetery, public safety (police and fire), parks and recreation, streets, community development, planning and zoning, code enforcement, public library, and municipal services such as water treatment, wastewater and engineering. The corporate limits of the city encompass approximately 19.5 square miles with a 1-mile extra territorial jurisdiction. The U.S. Census Bureau 2014 estimated population was 18,393. The city operates as a home rule city under a Council-Manager governance structure; city council is comprised of the Mayor and six Council members. The City Manager is the chief executive officer of the City of Palestine.

City Departmental Organization. The City of Palestine provides all municipal services within city limits with the following structure:

- General Fund - City Manager, City Secretary, Legal, Human Resources, Finance, Municipal Court, Information Systems, Police, Fire, Emergency Management, Public Works, Street Maintenance, Fleet Maintenance, Airport, Parks, Cemetery, Library, Development Services
- Enterprise Funds - Water / Wastewater / Utility Billing, Sanitation / Solid Waste, Retail Mall, Special Events
- Palestine Economic Development Corporation - Economic Development / Marketing, Main Street

Finance Operations. Finance is comprised of Accounting, Utility Billing, and Municipal Court.

- Accounts Payable generates approximately 350-400 checks per month. Check registers are posted in the City website's transparency page
- Payroll generates approximately 200 paychecks per bi-weekly pay period, most of which are auto-deposit.
- Utility Billing generates approximately 6,500 residential utility bills each month.

The City's primary banking relationship is currently maintained at Prosperity Bank. Given the ongoing changes occurring within the banking industry and evolving technologies, it is the City's practice to review and evaluate its banking services periodically. The City wishes to create efficiencies, make improvements where possible, and take advantage of new, applicable technologies. It is the City's intent to maintain all commercial banking services with one financial institution to maximize cash flow and minimize administrative costs. Banking services proposals must include services for the entire scope of the relationship outlined.

**A. REQUEST FOR PROPOSAL**

The City of Palestine is seeking applications from eligible institutions to be the banking services depository. This includes the basic services of receiving deposits, paying items, wiring funds out, receiving funds wired in, stop payments, and other normal business banking activities. This agreement will not cover any investment transaction activities other than safekeeping services to include receiving and delivering securities, coupon collections, and maturity collections. The City plans to manage its own investment portfolio.

The City will endeavor to administer the proposal process in accordance with the terms and dates outlined in this RFP, however, the City reserves the right to modify the activities, time line, or any other aspect of the process. By requesting proposals, the City is in no way obligated to award a contract or pay the expenses of proposing banks in connection with the preparation or submission of a proposal.

## **B. MINIMUM QUALIFICATIONS**

To assure a close working relationship, to facilitate available services (i.e. daily deposits, change orders), the city will consider banks with full service capabilities within the City limits. Any required statement regarding equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

## **C. TERM OF CONTRACT**

The contract period will be three (3) years with one three-year extension option, beginning May 21, 2018 and ending May 21, 2021. The depository contract shall provide that the City reserves the right to cancel any agreement, at any time, upon sixty (60) days prior written notice of its intent to terminate any agreement.

## **D. OBJECTIVES OF THE PROPOSAL**

At the outset, the City wishes to communicate the primary objectives of the depository RFP, an important component of the overall treasury program of the City of Palestine:

The objective of the Request for a Depository Bank proposal is to solicit comparable market charges for services to be provided and to pay for all services provided by the bank. The City desires to enter into a contract which will minimize the City's costs, yet mutually-beneficial for the bank.

This Request for Proposal, "RFP", is intended to serve as the bid form for the depository agreement. There are several questions requested to be answered. The resulting depository contract is expected to contain a scope of work agreeing to RFP responses. All points outlined and materials requested should be incorporated into the bidder's reply to be considered for evaluation. Attachments will be appropriate in order to answer some of the questions.

## **II. CALENDAR OF EVENTS**

### Target Date Description of Events

April 6, 2018	City distributes RFP document to local banks.
May 14, 2018	Deadline for questions regarding RFP. Responses to all material questions will be communicated to all known proposers.
May 14, 2018	Bids to be received by 3:00 p.m. at the City Secretary's Office at Palestine City Hall.
May 14, 2018	Bids to be opened at 5:30 p.m. by the City Council.
May 18, 2018	City to award contract for the City Depository.

### **III. CRITERIA FOR EVALUATION**

Award recommendations will be based on the bid determined to be best on behalf of the City and taxpayers using the following general criteria as a basis for evaluation:

1. Cost of the proposed banking services, conversion and implementation net of earnings.
2. Responsiveness, ability to provide requested services, ease of use of services, including electronic access.
3. Municipal references, experience and continuity of local bank management
4. Ability to meet the legal qualifications and the terms and conditions specified.
5. Creditworthiness, ability to provide collateralization.

### **IV. CITY ACCOUNT INFORMATION**

The City uses the following bank accounts. Other accounts may be set up as needed during the term of the contract.

1. OPERATING ACCOUNT (ACCOUNTS PAYABLE ACCOUNT). The Operating Account will constitute almost all of the City's banking business. Intra-bank transfers to reimburse money to other City accounts and most wire transactions will occur in this account. Positive Pay will be required on this account. Target balance \$600,000 - 900,000.
2. PAYROLL ACCOUNT Pass-through account, minimal balance. Positive pay may be considered for this account.
3. HEALTH FUND ACCOUNT - self-funded health insurance clearing account.
4. PROPERTY TAX ACCOUNT. Pass-through account, minimal balance.
5. WORKERS COMPENSATION ACCOUNT. Pass-through account, minimal balance.
6. HOME GRANT - fiduciary fund account.
7. LIBRARY PROJECT FUND - restricted fund account
8. DEBT SERVICE FUND. Pass-through account, minimal balance.
9. ECONOMIC DEVELOPMENT FUND - restricted fund, target balance \$1,500,000
10. STATE OF TEXAS CDBG - non-interest-bearing fiduciary account, currently \$400,000.

## V. CITY'S BANKING SERVICES REQUIREMENTS

### A. GENERAL DESCRIPTION OF SERVICES

Banking services to be provided are listed on the Bid Form, ***see attached estimated monthly volumes***. The following identifies and discusses the services to be provided and the requirements to be met. Please attach copies of reports and separate agreements that apply to each service, if applicable.

1. Controlled disbursement.
2. On-line reporting system which will provide the daily ending ledger, debit and credit detail, and collected balances from the prior day. Ability to customize multiple users' account access, functions and dollar limits by City staff administrator.
3. Processing of all deposited items of checks and cash to include encoding services, credit and debit advices given to the City within three business days of the debit or credit, clearing returned items twice, and return of stamped duplicated deposit slips to the City within one business day of the deposit.
4. General ACH services
5. General wire transfer services including on-line initiation of repetitive wire transfers with two-person initiate/approve controls.
6. Account reconciliation services

City will require calendar-month-end monthly bank statements. Bank statements on all accounts shall be rendered within five (5) working days after the close of the cut-off date. Statements shall include transaction activity made on the last day of the period. The accompanying checks and deposit slips shall be arranged in numerical order for the operating account and payroll account. All other account statements should include debit/credit advices.

Positive pay services for the primary operating account.

7. Account analysis each month with all accounts grouped to obtain maximum credit for balances which shall clearly show volume counts, fees charged, and total prices for servicing the accounts. The account analysis shall also show average ledger balances, average collected balances, interest rates, and earnings credit calculations. Fees charged to the City directly by the bank are not subject to change for the length of this contract. If the City renews the contract under the two year renewal option, prices may be negotiated at that time.
8. Local physical branch with merchant services, coin and currency change fund.

### B. COLLATERAL REQUIREMENTS

1. Securities Pledged

As security for the deposits of the City, the bank shall pledge to the City securities in compliance with City of Palestine's Investment Policy and State of Texas' Government Code Title 10.F Chapter 2257 "Collateral for Public Funds. The securities comprising the pledge shall be valued at market.

## 2. Reporting Requirements

The bank shall provide the City a report of securities pledged at the end of each month or at any time requested. This report should reflect the following information at the end of each month:

Total pledged securities itemized by:

- a. Issuer
- b. Type/description CUSIP number
- c. Par value
- d. Market value at month end
- e. Maturity date
- f. Moody's or Standard and Poor's rating

## 3. Safekeeping of Collateral

The securities pledged shall be held in safekeeping under the name of the depository bank and pledged to the City of Palestine.

A copy of all security receipts shall be filed with the Finance Director of the City of Palestine on a monthly basis.

Please submit a copy of the safekeeping agreement with the Federal Reserve Bank to be used in the event you are awarded the depository bank contract.

The safekeeping agreement shall have signatories from the Federal Reserve Bank as trustee, the depository bank, and the City of Palestine.

## 4. Substitutions

Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization approved by the Finance Director or a designated representative. All securities to be pledged are subject to approval by the City.

## C. DEMAND DEPOSIT ACCOUNTS

Please provide responses regarding demand deposit services:

1. Does the bank offer immediate (same day) credit for deposit items received during the regular scheduled banking hours? Are same day credit deposit items "available" for same day use by the City?

2. Does the bank offer Electronic Bank Statements, whereby the City can receive its bank statement electronically?

3. How many days after month-end will the City receive its bank account and analysis statements?

## D. DIRECT FEES FOR SERVICES PROVIDED

The City desires an equitable reimbursement arrangement for the banking services provided. A direct fee basis for services provided by the bank with an offsetting earning credit for available balances is the method preferred by the City. This process requires the monthly calculation of a net banking service cost. The bank will calculate the total monthly service costs for all accounts and the total monthly earnings credit for all accounts on the account analysis statement. The net

of total service costs and total earnings credits equals net banking service costs for the month. Credit should be given the City for all account balances grouped together and not just single account balances. The City requires the ability to change from compensating balances to fees or reverse on thirty (30) days written notice (corresponding to a reporting period) throughout the contract period.

#### **E. FUNDS TRANSFER REQUIREMENTS**

Repetitive and non-repetitive wire transfers occur on a regular basis. The depository shall give both ledger and collected credit the day of the wire receipt. Credit to City accounts for incoming wire transfers should be immediate.

The City may actively invest in marketable securities. An outgoing wire transfer will be made in the morning for the reinvestment of funds expected by an incoming wire transfer. The depository shall allow the City to reinvest and to wire funds out in anticipation of an incoming wire transfer later in the day.

Notification to the City of incoming wire transfer or problems with outgoing wire transfers shall be made within one hour of the transaction. The City requires a wire process such that two authorized employees to initiate repetitive and non-repetitive wire transfers. All authorized employees shall be issued a personal identification number in order to initiate wire transactions. (Please attach a sample funds transfer agreement.)

#### **F. OVERDRAFTS**

In the event a check or checks presented for payment on any City account where there exists insufficient funds available for payment, the City will require the depository bank to outline a process to pay said checks and promptly notify the Finance Director or said designated representative of the existence of the overdraft situation. With notification, the City can wire same-day prior to 4:00 pm from one of two Government Pools: TexStar or TexPool.

Define in the bid form whether the bank would consider an overdraft to be a negative balance in any individual City account or a negative balance in all the City's accounts collectively. The City would expect the depository to view all City accounts together for purposes of any charges on overdrawn collected balances.

#### **G. DIRECT DEPOSIT OF PAYROLL:**

Direct Deposit of Payroll is currently utilized, with the majority of the City's employees participating. The biweekly payroll files are transmitted via the Internet for paydays that occur every other week, currently uploading Wednesday, paid Thursday.

1. Please describe the bank's ACH and Direct Deposit service in detail.
2. What are the different ACH file transmission options available to the City?
3. What are the transmission deadlines for Direct Deposit ACH files? When (day and time) does the bank need the file from the City, and when specifically are funds debited from the City's account?
4. Please detail the bank's back-up plans for data transmissions. The City requires immediate notification of any changes or problems and the ability to re-send a file or to delete a file.
5. What screening measures does the bank use to minimize errors on files sent to you i.e., pre-



notes, ABA screening, etc.?

#### **H. MERCHANT BANK CARD**

The City currently contracts with ETS to accept Visa, MasterCard, and Discover payments or debit transactions primarily at one location for on-line utility bill payments.

1. Are settlement amounts listed separately on the bank statement?
2. Are settlement amounts listed separately by merchant location?

#### **I. ELECTRONIC DIRECT PAYMENT SERVICES**

The City currently offers utility billing customers (approximately 6,500, split into four weekly zones, for water, wastewater and sanitation) automatic bill payment and transmits billing files four times a month (plus occasional supplemental) requesting a debit of the customer's checking account. The City utilizes automatic draft but could consider offering an ACH Direct Debit option.

1. Please describe the bank's electronic bill payment, EFT and ACH services. Does the bank offer both ACH debit and credit programs as part of this service?
2. What hardware, software, and special programming are required for the implementation of an ACH credit program for payments to City vendors?
3. Please detail all costs associated with ACH for a vendor payment program.
4. Please detail all costs associated with your automatic bill payment program.

#### **J. IMPLEMENTATION PLAN AND COSTS**

The City requires a smooth and low-cost transition to a new bank or to enhanced services with its existing bank.

1. Please describe in detail, the bank's plan to implement the proposed services and to ensure a smooth, error-free conversion.
2. Please detail all costs and the responsible party (bank or City) associated with the conversion of all new services.
3. What conversion allowance will the bank provide to the City? Please state a specific dollar amount or identify those supplies, products or services included.
4. Will the bank provide on-site training for City personnel for all of the services selected? How is this typically structured?
5. Describe in detail how the bank handles problem resolution, customer service, day-to-day contact, and ongoing maintenance for governmental clients. Please be specific about exactly whom the City will be calling and working with for the above described situations and for implementation of new services. Also describe the bank's organizational structure as it relates to governmental clients and any other information that will be helpful in understanding the bank's internal relationships.

#### **K. OTHER STIPULATIONS**

1. The successful bidder shall notify the City in writing within ten (10) days of any changes in federal or state regulations or laws that would thereafter affect the depository agreement. The bank shall also notify the City of any services which become available to the City throughout the contract period.
2. The City expressly reserves the right and privilege to cancel the RFP and rebid the depository services.
3. All checks deposited by the City which do not clear the first time, should be submitted a second time before returning them to the City.
4. The bank's records relating to the City of Palestine accounts shall be open to review by either City council, staff or City-appointed independent auditors during normal business hours.
5. The proposing bank shall submit a copy of the last financial statements along with the last two quarterly FDIC CALL reports. The successful bidder shall provide to the City each quarterly CALL report as well as any public information concerning changes in the ownership, management or financial position of the bank or its parent.
6. The beginning date of the bank depository contract will be after City Council approves the awarding of the contract to be effective for a period of two years. If mutually agreed upon by the City and the bank, the contract may be extended two additional years. The contract should have provision to be automatically extended absent termination.
7. The resulting contract is governed by the laws of the State of Texas. Venue shall be in Anderson County coinciding with the location of both the city and the depository bank.
8. The City shall require a review meeting process at least once every six months to evaluate processes between the City and the depository bank and to identify, address and resolve issues.

## **VI. SUBMISSION CHECKLIST**

- A. Description of controls and safeguards including built-in or required customer-side controls.
- B. Sample statements
- C. Sample partial account reconciliation statement
- D. Availability of funds schedule with a clear explanation of deadlines
- E. Sample monthly pledged collateral report
- F. Sample safekeeping agreement for collateral
- G. Sample controlled disbursement agreement
- H. Sample funds transfer and ACH transaction agreements
- I. Sample stop payment agreement
- J. Annual financial statement of bank along with the last two quarterly FDIC CALL reports

- K. Proposed depository contract
- L. Proposed pricing schedules
- M. Cover letter signed by representative authorized to execute contract

### **Required Supplemental Information**

*Bank Profile:* Please include the following information in proposal response:

*Bank Overview* - General overview of bank, customer service philosophy, and identification of any staff other than the primary office or branch that the City is located in and where the City will conduct its in-person banking business.

*Municipal Experience* – Describe the bank’s direct experience in servicing **public sector clients**. Please include: the number of public agency clients, the dollar amount of public funds on deposit, and bank’s knowledge of and adherence to the Texas Government Code including the Texas Public Funds Investment Act §2256 et al, Texas Public Funds Collateral Act §2287 et al, and other applicable laws.

*Relationship Management* – Identify the size and scope of your local banking unit, bank officers and staff responsible for the City’s accounts, what each person’s role and responsibilities will be, and the relevant credentials and experience of each person on the relationship management team.

*Technical Support* – Identify the bank's technical support capabilities, hours of availability, methods of contact, contact phone numbers and email addresses, and guidelines for use.

*References:* Please provide three (3) references that are of similar size and scope of service utilization as the City, preferably cities or public agencies. Include the following information for each reference:

- Contact Name & Title
- Name of Customer
- Address
- Telephone Number
- Number of Years as Customer
- Services Utilized

**STANDARD TERMS AND CONDITIONS**  
CITY OF PALESTINE

**Bidders are expected to examine the terms and conditions, specifications, drawings, instructions, and other relevant documents. Failure to do so will be at the bidder's risk.**

Any request for explanations regarding this bid request for proposal or any request to modify specifications must be received by the City Secretary by stated deadline. Verbal explanations or instructions will not be binding. Any modification or explanation given to a prospective bidder will be furnished to all prospective bidders as an *"addendum"*, if such information is necessary to bidders in submitting bids or if the lack of such information would be prejudicial to uninformed bidders.

***Specifications***

Any reference to specific brand name or manufacture is intended to indicate the type and grade required. Bid on items if *"equal quality or better"* will be considered.

When possible, bids must be accompanied by samples, brochures, drawings, or printed specifications. There shall be no charge for samples. Final determination that items meet specifications rest with the City of Palestine.

The City of Palestine may inspect and/or test all material received. In the event the material fails to meet specifications as bid, the City reserves the right to void any contract or agreement in reference to this bid and reject all material. Awardee may be required to pick up all material at no cost to the City of Palestine. The awardee may also be liable for related laboratory and testing fees incurred by the City of Palestine.

***Bids***

Bid prices must be clearly printed or typed.

City of Palestine reserves the right to award each item separately, being independent of other items, unless otherwise stated by either party.

Quantities are estimated, base on projected use. It is specifically understood and agreed that these quantities are approximate and any additional quantities will be paid for at the quoted price. It is further understood that the supplier shall not have a claim against the City of Palestine for quantities less than the estimated amount.

***Submitting a Bid***

Bids must be submitted in a sealed envelope at or before closing date and time. Facsimile bids will not be accepted. Bids received after the closing date and time will not be considered.

Modification: Bids may be modified by submitting a new bid. Envelopes should be marked clearly as a replacement bid with the date of the modification. Previous bids are considered void. Withdrawn bids must give written notice of withdrawal by the bid closing date and time, signed by an authorized representative.

## **Evaluation**

The City may consider a bid non-responsive for the following reasons: poor service and/or product performance history regarding similar items; lack of financial stability, experience, resources, ability, capacity, skill, or organization to perform as bid, as defined by the City of Palestine; the City has a substantial reason to believe that bidder may not perform as bid; bidder does not have the ability to perform continued service and/or warranty work as required; other similar factors of concern.

The City will award the bid to the *lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality* and may consider the following factors: Bid or proposal prices, storage and/or transportation requirements; life expectancy; maintenance and operation cost; operating efficiency; training requirements; disposal value; product or service warranty; proposed delivery schedules; any factors that may cause the City to incur additional direct or indirect expenses for any reason; plus any other factors deemed relevant by the City of Palestine.

The City of Palestine reserves the right to: Waive as an informality, minor deviations from specifications at a lower price that the low bid meeting all aspects of the specifications and consider it, if it is determined that the total cost is lower than the overall function is improved or not impaired, waive any defect, irregularity or informality in any bid, or bidding procedure; reject or cancel any and all bids, reissue a bid invitation; extend the bid opening time and date; procure any item by other means; and consider and accept an alternate bid as provided herein when most advantageous to the City.

## **Contract**

The anticipated contract is effective for a period of three years from the day the City Council votes to accept the bid, unless a different time period is identified in the bid sheet or specifications. All pricing will be held firm during the three-year contract period.

At the end of the three year contract period, the City desires to offer an option to renew the contract for an additional three year period with the same terms, conditions, and prices as the original contract. The city anticipates contract language to terminate the contract with no less than 60 days' written notice.

### Dispute Resolution

Pursuant to the provisions of Section 271.154 of the Local Government Code, the following procedures must be followed to present a claim under the contract:

- Notice of the grounds for a claim shall be provided in writing to the City Manager. Notice shall be given no less than 30 days prior to a Request for Mediation.
- If the bidder is dissatisfied with the response of the City to its notice, the bidder may submit a Request for Mediation to the City Manager. The bidder and the City shall, within 15 days of the submission of the request, agree on a mediator or request that a mediator be designated by the American Arbitration Association.
- No suit may be brought by a bidder to enforce its rights under the contract unless notice has been given, and unless the dispute has been mediated by both parties. The City may, however, waive the requirement that the dispute be mediated before suit may be filed.

By these provisions, the City does not waive immunity from suit or liability that has not been waived by the Texas Legislature.

### ***Conflicts of Interest***

It shall be a conflict of interest for any employee of the City of Palestine to initiate directly or indirectly procurement when the employee or any member of the employee's immediate family has a financial interest pertaining to the procurement.

### Insurance Requirements

Except as otherwise specified in the contract, the contractor and his subcontractors of any tier will be required at their own expense, to maintain in effect at all times during the performance of the work, insurance coverage with limits not less than those set forth below, with insurers and under forms of policies satisfactory to the City of Palestine. It shall be the responsibility of the contractor and subcontractors to maintain adequate insurance coverage and to assure that all subcontractors are adequately insured at all times. Failure of the contractor and his subcontractors to maintain adequate coverage shall not relieve him of any contractual responsibility or obligation. Deductibles, of any type, are the responsibility of the vendor/contractor.

### Certificates of Insurance

At the time of the execution of the contract and each subcontract, but in any event prior to commencing work at the job site, the contractor and his subcontractors shall furnish the City with certificates of insurance as evidence that the policies providing the required coverage and limits of insurance are in full force and effect. The certificates of insurance shall state the City of Palestine as Additional Insured where applicable. The certificates of insurance provide that have company issuing an insurance policy for the work under the contract shall provide not less than 30 days advance notice in writing of cancellation, non-renewable, or material change in the policy of insurance. In addition, the contractor shall provide written notice to the City of Palestine upon receipt of notice of cancellation of any insurance policy. All certificates of insurance shall clearly state that all applicable requirements have been satisfied including certification that the policies are the "occurrence" type. Certificates of insurance for contractor and subcontractor, terminations, or alteration of such policies shall be mailed to City of Palestine, Attn: Tom Frank, Administrative Assistant Finance, 504 North Queen Street, Palestine, Texas 75801.

### Comprehensive General Liability

This insurance shall be an occurrence type policy written comprehensive form and shall protect the contractor and his subcontractors and the Additional Insured against all claims arising from bodily injury, sickness, disease, or death of any person other than the contractor's employees or damage to property of the City of Palestine or others arising out of the act or omission of the contractor or his subcontractors or their agents, employees, or subcontractors. This policy shall also include protection against claims insured by usual personal injury liability coverage, a (protective liability) endorsed to insure the contractual liability assumed by the contractor or his subcontractors under the article entitle indemnification and completed operation, products liability, contractual liability, broad form property coverage, premises/operations, and independent contractors.

Bodily injury and Property Damage - \$500,000 per person  
\$1,000,000 per occurrence

### Workers' Compensation and Employers' Liability

The contractor shall protect himself and his subcontractors by carrying statutory worker's compensation insurance.

### Indemnification

For consideration included in the BID price, contractor and his subcontractors shall pay, indemnify, and hold harmless, the City of Palestine, its agents, guests, consultants, invites, and employees, from all suits, actions, claims, demands, losses, expenses, including attorney's fees, costs and judgments of every kind and description to which the City of Palestine, its agents, guest, consultants, invites, or employees may be subjected to by reason of injury to persons or death or property damage, resulting from or growing out of any act of commission, omission, negligence, or fault of the contractor and his subcontractors, their agents or employees, committed in connection with the contract, contractor's performance hereof, or of any work performed hereunder.

The Contractor agrees to and shall indemnify and hold harmless the City of Palestine against any and all liens and encumbrances for all labor, goods and services which may be provided under the City's request, by seller or seller's vendor (s), and if the City requests, a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.

Contractor and his subcontractors shall indemnify and hold harmless the City of Palestine, its agents, or employees and consultants from and against all claims, demands, actions, suits, damages, losses. Expenses, costs including attorney's fees, and judgments of every kind and description arising from, based upon, or growing out of the violation of any Federal, state, county, or city law, bylaw, ordinance, or regulation by the contractor, its agents, trainees, invites, servants, and employees.

Waiver of Subrogation

The contractor and his subcontractors shall require their insurance carrier, with respect to all insurance policies, to waive all rights of subrogation against the City of Palestine, its commissioners, partners, officials, agents, and employees and against all other contractors and subcontractors.

The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firms, partnership or individual has not prepared this bid in collusion with any other Bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employer or agent to any other person engaged in this type of business prior to the official opening of this bid.

Vendor:

\_\_\_\_\_

Address:

\_\_\_\_\_

City, State, Zip:

\_\_\_\_\_

Signature of company official  
authorizing this bid:

\_\_\_\_\_

Printed Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

## Request for Taxpayer Identification Number and Certification

Give form to the  
requester. Do not  
send to the IRS.

Print or type  
See Specific Instructions on page 2.

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ .....	
<input type="checkbox"/> Exempt from backup withholding	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number								
OR								
Employer identification number								

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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### Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or

- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.**

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.



# STATE OF TEXAS – FORM CIQ CONFLICT OF INTEREST QUESTIONNAIRE

## For A Vendor or Other Person Doing Business with the City of Palestine

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose on this form the vendor name, person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, the questionnaire must be filed with the Purchasing Agent of the City of Palestine not later than the 7<sup>th</sup> business day after the date the person becomes aware of the facts that require the statement to be filed.

Please return the completed form to City of Palestine, Attn: Purchasing, 504 N. Queen St., Palestine, TX 75801.

See Section 176.006 of the Local Government Code for further details. Note: A person commits an offense (Class C misdemeanor) if the person violates Section 176.006.

A City of Palestine employee or officer is defined as a member of the Palestine City Council, Palestine Economic Development Corporation Board of Directors, and any employee of the City that makes purchasing decisions or recommendations regarding the use of funds of the City or said corporations.

1. Please provide the following information:

Company Name:	
Representative Name:	
Address / Phone:	

2. Check this box if you are filing an update to a previously filed questionnaire.
3. Name of each employee, official, or contractor of the City of Palestine who makes purchasing decisions or recommendations regarding the use of funds of the City or corporations listed above and describe the affiliation or business relationship with your firm.

Name	Affiliation or Business Relationship

**State of Texas-Conflict of Interest Form (CIQ)**  
**Continued**  
**Page 2**

**Complete item 4 below only if you have listed someone in item 3 on the previous page. This section must be completed for each officer with whom the vendor/business (filer) has an affiliation or other relationship. Attach additional pages, if necessary.**

4. Name of City of Palestine officer with whom the vendor/business has affiliation or business relationship.

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A	Is the City of Palestine employee or officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?	YES	NO
B	Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the City of Palestine officer named in this section and the taxable income is not from the City of Palestine?	YES	NO
C	Is the filer of this questionnaire affiliated with a corporation or other business entity that the City of Palestine employee or officer serves as an officer or director, or hold an ownership of 10 percent or more?	YES	NO
D	Describe each affiliation or business relationship.		

5. Signature

\_\_\_\_\_  
Signature of person doing business with the City of Palestine (filer)

\_\_\_\_\_  
Date