

AGENDA ITEM 5.A.

RE: Approval of Bank Depository Services and Authorization for the President or Designee to Negotiate and Execute All Necessary Agreements and Related Documents on behalf of Laredo College

STAFF RECOMMENDATION: Administration recommends approval of the award of Bank Depository Services to Falcon International Bank and authorization for the President or designee to negotiate and execute all necessary agreements and related documents on behalf of Laredo College.

BACKGROUND: In accordance with the Texas Education Code and applicable state requirements governing public funds depositories, Laredo College issued a Request for Proposals (RFP) for Bank Depository Services to secure comprehensive banking, treasury management, and depository services for the institution. The College engaged Valley View Consulting, LLC, an independent financial advisory firm specializing in public sector banking and treasury services, to assist in the evaluation and analysis of the proposals received.

Valley View Consulting conducted a detailed review of the proposals submitted by Falcon International Bank, Bank of America, JPMorgan Chase Bank, PNC Bank, and Vantage Bank. The evaluation included an analysis of banking services, treasury management capabilities, fraud protection services, collateralization requirements, earnings credit rates, interest-bearing account options, fee structures, operational efficiencies, contractual terms, and overall financial benefit to the College.

The analysis determined that Falcon International Bank provides the most advantageous overall proposal for Laredo College. As the incumbent depository institution, Falcon International Bank demonstrated the ability to meet all essential banking service requirements while offering a fee-waived banking relationship, competitive interest-bearing deposit options, strong collateralization provisions, local banking support, and favorable contract terms. Valley View Consulting's financial analysis further concluded that Falcon International Bank offers the highest projected long-term net financial benefit to the College when compared to the competing proposals. The analysis estimates an eight-year net income benefit of approximately \$7.56 million, exceeding the projected returns of the other respondents.

Based on the comprehensive evaluation and recommendation provided by Valley View Consulting, administration recommends awarding the Bank Depository Services contract to Falcon International Bank.

BUDGETARY CONSIDERATIONS: Banking service fees will be waived under the proposed agreement. The College is expected to realize favorable investment earnings and treasury management benefits through the relationship. Any earnings generated will accrue to the benefit of the College.

CONTACT PERSONS:

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Mr. Cesar Vela, CPA, Vice President of Finance and Administration

Ms. Lynda Gomez, Director of Accounting

Mr. Tim Pinon, Valley View Consulting LLC.