
REQUEST FOR PROPOSAL FOR BANKING SERVICES

INTRODUCTION

A. PURPOSE AND SCOPE

The City of South Haven is seeking proposals from qualified banking institutions (the “Bank”) to provide various banking services, as described herein. The objective is to identify the banking institution(s) that can offer the most comprehensive services at the most competitive rates. The priorities of the City are safety, interest, fees and service. We invite your institution to submit a proposal to us for consideration.

The proposal has been divided into the following sections:

1. Financial Services Overview
2. General Banking Information
3. Depository and Collection Services
4. Treasury Management Services
5. Purchasing Card
6. Pricing Proposal

It is the City’s intent to maintain most banking services with one bank.

B. ELIGIBLE BANKS

A proposer must be a federally or State of Michigan chartered banking institution whose deposits are insured by an agency of the United States government acting under the laws of this State and/or that of the United States. The financial institution must maintain a principal office or branch office located within The City of South Haven legal limits, preferably with a location in or near the City’s downtown. The financial institution must have experience in providing banking services for other Michigan Cities, and preferably have a municipal services division. Staff members who are committed, capable and experienced in serving municipal accounts are essential.

C. PROPOSAL FORMAT

A proposer must follow the attached format in submitting a proposal. It is required at a minimum to provide information in the format provided in Section 6 of this request for proposals. Additional or alternative presentation may be submitted for clarity of presentation. The proposal must be completed in its entirety. Any relevant supplemental information should be included as attachments. If a bank cannot meet a service requirement, the bank should enter “No Proposal” for that specific requirement.

D. TIMELINE *(subject to change)*

RFP distributed to banks	July 8, 2016
Proposals due from banks	August 8, 2016
Recommendation to City Council	September 6, 2016

Transition and coordination of the transfer of accounts to awarded financial institution will begin immediately after City Council approval

E. RESPONSE DATE

The bidder shall submit a printed and electronic copy of their proposal, **no later than 2:00 p.m. on August 8, 2016 to the Finance Director's office located at 539 Phoenix Street, South Haven, Michigan 49090.** Proposals will be opened publicly at that time. Bidders are invited, but not required to attend.

All proposals must be sealed, marked "**Banking Services Proposal**", and signed by a corporate official legally authorized to bind the financial institution. **Late proposals will not be accepted.** Amendments to proposals will be considered only if they are received by the above deadline.

F. QUESTIONS

Questions regarding the bid process or specific aspects of the RFP should be mailed or e-mailed to:

Wendy J. Hochstedler, Finance Director
City of South Haven
539 Phoenix Street
South Haven, MI 49090
E-mail: whochstedler@south-haven.com

Questions and answers will be consolidated and provided to all banks that requested and provided an email address. All questions are due at least one week prior to the deadline, August 8, 2016. Questions will be addressed as they come in and distributed to all banks. ***Please do not call with questions.***

G. SELECTION CRITERION

It is the City's desire to select a single bank that will provide the best overall value on a long term relationship rather than simply selecting the "low bidder". Accordingly, the following factors (not in any specific order) will be considered in order to select the most qualified bank to serve our banking needs:

Net overall cost comprised of four components:

1. Treasury Management service fees
2. Earnings Credit Rate
3. Availability schedule applied to deposited items
4. Demonstrated commitment to our community

Ability, attitude and willingness of bank representatives to serve the needs of the City

Quality of written proposal

Quality of references

Quality of oral presentation

Proximity of branch locations

Availability and commitment to implementing new technologies

Financial Strength

H. TERM OF BANKING SERVICES AGREEMENT

The City is proposing a contractual agreement that provides for a long term relationship with a minimum of five years.

I. RIGHT TO REJECT PROPOSALS

The City reserves the right to postpone, accept or reject any and all bids, in whole or in part, on such basis as it deems to be in its best interest to do so. The City also reserves the right to waive any informalities or irregularities in any proposal. It is our intention to maximize interest income, minimize fees while maintain a high level of banking services. We reserve the right to change banks at any time.

SECTION 1 – FINANCIAL SERVICES OVERVIEW

I. CURRENT ACCOUNT STRUCTURES

Accounts	Avg. Balances
City of South Haven – General Fund	\$5,933,910
City of South Haven – Payroll Fund	\$ 83,718
City of South Haven – Insurance Fund	\$ 3,014
SHAES – General Fund	\$ 863,271
SHAES - Medicare Fund	\$ 20,923
SHAES – HSA Fund	\$ 2,496

II. SERVICES REQUESTED

- On-line reporting
- Account reconciliation/Positive Pay/Stop payments
- Lock box services
- Check imaging
- Digital Check Depositing
- On-line wire transfers/ACH

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- Payroll ACH direct deposit-ACH, State Taxes ACH
 - Direct deposit
 - Utility Bill ACH
 - No NSF Fees/no wire fees
 - Credit card acceptance
 - Purchasing card

SECTION 2 – GENERAL BANKING INFORMATION

I. FINANCIAL STRENGTH

A. SAFETY AND SOUNDNESS

Identify key measures of the bank's financial strength, (e.g. capital ratios, market capitalization, total assets).

B. CREDIT RATINGS

Provide ratings for the bank and/or subsidiary bank from the following agencies: Standard & Poor's Moody's, Fitch and Bauer. Specifically include ratings for Bank Financial Strength, Bank Deposits and Issuer Rating.

C. FINANCIAL STATEMENTS

Each proposer must submit with their proposal a copy of their annual financial reports for the past year.

II. ACCOUNT SERVICING

A. BANK CONTACTS

List names, titles, telephone and fax numbers and e-mail addresses for key bank contact personnel who will be working on providing services to the City. Also, provide a brief resume for each contact.

B. REFERENCES

Each proposer shall include five references of customers who have used services similar to those included in this request. Please provide name, address, telephone number, and a contact person for each reference.

C. PROXIMITY

Provide the distance from your nearest bank branch to location:

South Haven City Hall
539 Phoenix Street
South Haven, MI 49090

C. COMPETITIVE POSITION AND FUTURE COMMITMENT

1. What differentiates your products / services from other providers?
2. What new services or features does the bank plan to offer, and within what time frame?
3. Provide any additional information, which you believe to be relevant to this RFP, and your capabilities to provide the services requested, e.g., product brochures, and articles in trade journals.

E. DISASTER RECOVERY

Provide an overview of the bank's disaster recovery plan. Include an overview of how the plan will affect City banking services and operations.

F. IMPLEMENTATION

1. What is the average lead-time required for implementation, including but not limited to the following services?
 - Deposit ticket orders and endorsement stamps
 - Information reporting
 - Other

SECTION 3 – DEPOSITORY AND COLLECTION SERVICES

A. PROCESSING

What is the cut-off time to ensure same day ledger credit? Do you have the option to digitally scan checks and have them deposited into the accounts automatically?

B. BANK COMPENSATION

1. How do you determine and calculate availability of deposited items?
 - a. Do you give immediate availability?
 - b. Do you use a standard schedule? Accelerated schedule? How often is it updated?
 2. Provide your bank's 2016 availability schedule.
 3. Will the City compensate your bank for services by explicit fees, compensating balances, or a combination of the two? Please define the fees and the limits required for compensating balances to offset them.
 - a. How are your bank's monthly earnings credit rates calculated?
 - b. Provide historical rates for the last year.
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C. RETURNED ITEMS

1. Describe your procedure for handling non-sufficient funds checks deposited into a City account.
2. Is the return item automatically re-deposited? If so, how many times?

D. STOP PAYMENTS

1. Can stop payments be placed manually? On-line?
2. Can the period be extended?
3. Can you request stop payments for a range of checks? What is the limit of the range?

E. WIRE TRANSFERS

1. What are the opening hours and the cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution?
2. What is the cut-off time for incoming domestic wire transfers to receive same day credit?

SECTION 4 – TREASURY MANAGEMENT SERVICES

I. ACCOUNT RECONCILIATION SERVICES

1. Provide a brief description of each account reconciliation service that the bank offers. Please provide sample reports.
2. Describe the products features including but not limited to:
 - a) File transmission time windows
 - b) File layout
 - c) Imaging capabilities
 - d) Reporting capabilities – paper vs. electronic vs. internet
 - e) Technical capabilities
 - f) System requirements

Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 6 of the proposal.

II. POSITIVE PAY

1. Provide a brief description of each positive pay service that the bank offers. Please provide sample reports.
2. Describe the products features including but not limited to:
 - a) Data transmission methods
 - b) File transmission time windows
 - c) Notification report delivery methods

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- d) Notification transmission time windows/response deadlines
 - e) Control options – default, dollar threshold, etc.
 - f) Imaging capabilities
 - g) Technical capabilities – Internet
 - h) System requirements

Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 6 of the proposal.

III. INFORMATION REPORTING SERVICES

1. Provide a brief description of the information reporting services that the bank offers. Please provide sample reports.
2. Describe the products features including but not limited to:
 - a. Applications/modules available within the service
 - b. Hours of access/Time windows
 - c. Level of detail provided for prior day and for intra-day information
 - d. History retention
 - e. Export capabilities
 - f. Internal control options/security features
 - g. Imaging capabilities
 - h. Technical capabilities
 - i. Reporting – paper vs. electronic vs. internet
 - j. System requirements

Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 6 of the proposal.

IV. ACH PROCESSING

The City currently uses ACH processing for Payroll, Federal Taxes, Utility Bills, etc.

1. Describe the service delivery method (direct transmission, PC-based system, web-based) that you recommend based upon the information outlined for our organization.
 - a) Is this the same system used for Account Reconciliation Services?
 - b) Is this the same system used for Information Reporting?
2. Describe the products features including but not limited to:
 - a) Transmission procedures
 - b) Transmission time windows/ACH hours of operation
 - c) Process for reversing/deleting files
 - d) Electronic reporting capabilities
 - e) Security features
 - f) System requirements

Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 6 of the proposal.

V. DISBURSEMENT SERVICES

1. Describe the bank's disbursement services (controlled disbursement, PC-based system, web-based) that you recommend based upon the information outlined for our organization.
 - a. Is this the same system used for Account Reconciliation Services?
 - b. Is this the same system used for Information Reporting?
 - c. Is this the same system used for ACH Processing?
2. Describe the products features including but not limited to:
 - a. Endpoint locations
 - b. Notification methods
 - c. Notification time windows
 - d. Electronic reporting capabilities
 - e. Funding options
 - f. Security features
 - g. System requirements

VI. LOCKBOX SERVICES

The City does not use this service at this time. Please provide details of how this would benefit the City and our customers. Also provide cost information.

SECTION 5-PURCHASING CARD

BASIC INFORMATION

1. Please provide a general overview of various card programs available
2. Describe the products features including but not limited to:
 - a. Card management process: new card issuance, deletion, replacing, modifying etc.
 - b. Settlement terms/billing cycle options
 - c. Payment options
 - d. Card control and usage restrictions
 - e. Technical capabilities-internet
 - f. Security features
 - g. System requirements
 - h. Interface options with internal financial systems

For this section please describe any products or services not specifically mentioned here, which your bank offers which may benefit the City. Please include all cost and fees associated with the service.

SECTION 6 – PRICING PROPOSAL

See attached "Interest and Fee Analysis" Excel Spreadsheet. Please complete utilizing your financial institution's standard pricing and include totals in the format provided. If there is a tiered scale for earnings credit or interest payments, please provide details.

[Section 6 - Interest and Fee Analysis](#)

This is a firm and irrevocable offer for ninety days.

Non-Discrimination

Upon submission of this proposal, the Financial Institution agrees that he/she will comply with the Federal Civil Rights Act of 1964 as amended; the Federal Civil Rights Act of 1991 as amended; the Americans With Disabilities Act of 1990 as amended; the Elliott-Larsen Civil Rights Act, Article 2, Act No. 453, Public Act of 1976 as amended; the Michigan Handicapper's Civil Rights Act, Article 2, Act No. 220; Public Act of 1976 as amended, and all other applicable Federal, State, and Local laws and regulations. Specifically, providers are required not to discriminate against any employee or applicant for employment with respect to such person's hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of such person's race, color, religion, national origin, ancestry, age, sex, or disability, as defined by law. Breach of this covenant may be regarded as a material breach of the contract or purchase agreement and may be processed as provided under the State of Michigan laws.

Official Submitting Proposal

Name:

Title:

Date: August 8, 2016

Signature: _____