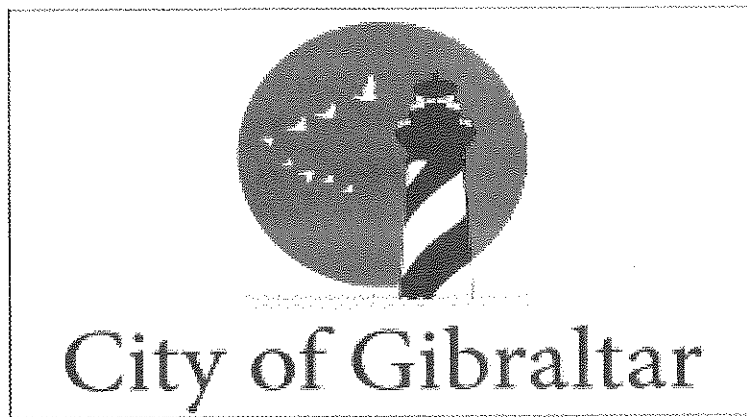


Request for Proposal

Municipal Banking Services



Proposal Due Date: April 9, 2019

**Request for Proposals
MUNICIPAL BANKING SERVICES**

I. INTRODUCTION

A. Objective

The objective of issuing this Request for Proposal (the "RFP") is to select a principal financial institution for the City of Gibraltar. The city will select a full-service bank that will enable the city to use modern banking tools and services to minimize cost and maximize return, especially in the areas of cash management and on-line banking.

B. Instructions

1. Schedule: The following schedule will be utilized in receiving and reviewing proposals to select a financial institution:

- **February 28, 2019**: The RFP will be delivered via email to qualified financial institutions.
- **April 9, 2019 by 3:00 PM EST**: Each responding financial institution shall deliver five (5) copies of their completed proposal. Responses to this Request will be submitted in a sealed envelope and clearly identified as:

**BID REQUEST
MUNICIPAL BANKING SERVICES**

With Delivery to:

**The City of Gibraltar
Attn: Kenneth Laub
City Hall
29450 Munro
Gibraltar, MI 48173**

- **May, 2019**: The Finance Director will recommend that the City Council select a service provider. If a proposal is accepted by the Council, all of the responding financial institutions will be notified by mail.
- **June/July 2019**: Transition and coordination of the transfer of accounts to awarded financial institution.

2. Response: Each bidder shall submit only one bid proposal.

This proposal must:

- a. Address each of the services listed in Section II: Scope of Banking Services;
- b. Describe related services not requested in this bid proposal that the City might find desirable for either initial or future implementation. This description should also contain a listing of any cost associated with these services; and
- c. Deliver proposal in person, by postal service, by commercial, or by private delivery service. Facsimile or telephone proposals will not be accepted. Institutions mailing proposals should allow a sufficient mail delivery period to insure timely receipt of its proposal. Proposals received after the time and date due will be immediately rejected and returned unopened.

The proposal must also include:

- d. Completed Pricing Worksheet (page 11 of this document) listing the services, fees per item (please state clearly if fees will not be charged on a per item basis) and rates;
- e. Completed proposal cover sheet (page 10 of this document);
- f. Institution's financial statements for the previous two (2) years (must include an auditor's unqualified opinion and appropriate notes to financial statements);
- g. Description and samples of the reports, both electronic and paper, that the City would receive for the services provided by your institution;
- h. Reference list of names, telephone numbers and contact persons for at least four (4) deposit customers (two of which must be City/Township) that may be contacted by the City.
- i. Description of the institution's disaster recovery plan that would assure that the City's operations would not be interrupted in the event of a disaster.
- j. Brief description of the banking transition plan for The City of Gibraltar if you were awarded the bid.

3. Questions and Additional Information: Requests for clarification or additional information should be made via email to Kenneth Laub at klaub@cityofgibraltar.net. **All questions must be received by March 25, 2019 at 4:00 P.M.**

C. Selection Criteria: Responses to the bid proposals will be evaluated and the winning proposal selected using (but not limited to) the following criteria:

1. Complete responses to all services and inclusion of all required information and forms;
2. Aggregate banking services cost, per identified activity;
3. Ability to meet service requirements over the term of this banking agreement;
4. Availability schedule for collected funds;
5. Best net interest rate and lowest minimum balances on sweep/money market accounts;
6. Ability to provide electronic banking services;
7. Proposal for Customer Service/problem resolution management; and
8. Benefits to the municipal employees who would be interested in checking, savings or other banking services.

D. Terms and Conditions:

1. Bidder shall thoroughly examine and be familiar with these specifications. The failure or omission of any bidder to receive or examine this document shall in no way relieve any bidder of obligations with respect to this bid proposal or the subsequent contract.
2. The City reserves the right to reject any or all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, to accept or reject any item or combination of items or accept the bid that in the opinion of the City, will serve the best interest of the City.
3. Respondents to this bid proposal may be requested to provide supplemental information or to make a presentation in addition to their proposal. The City reserves the right to request additional information and/or presentations from any financial organization. Additional information may be presented in writing or by oral presentation during a pre-selection interview.
4. The obligation and the performance of the bidder to whom the services are awarded under the resulting contract, shall be subject to compliance with the provisions of Michigan law and all other applicable laws and ordinances.
5. In the event that the bidder to whom the services are awarded does not execute a contract within sixty (60) calendar days after the award, the City may give notice to such bidder of intent to award the contract to the next most qualified bidder or to call for new proposals and may proceed to act accordingly. The City assumes no cost by the bidder in preparation, submission or presentation of their proposal.

6. All quotations shall be guaranteed for the entire duration of the contract.
7. The City reserves the right to eliminate any individual service contained in the proposal, if based on analysis, the fees for providing the service are excessive, or if the service proposed can be administratively performed in an alternative manner.
8. The City reserves the right to terminate with 90-days' written notice any contract arising from this bid proposal. Furthermore, the City may terminate the contract without prior written notice upon the failure of the selected bank to comply with the terms and conditions of the proposal. Under no circumstances will any damages be paid as a result of the termination of this contract.
9. Qualified bidding bank must be a qualified depository per applicable Michigan law for the period of the contract.
10. The selected provider agrees that it will charge only for services contained in this bid proposal. Services not contained in this bid proposal will not be rendered or charged without the prior written consent of the City.
11. Subcontracting by the contractor without written consent of the City is prohibited under the terms of this agreement.
12. Provider will give the City, or its authorized representative, the privilege of inspecting, examining, and auditing, with or without notice, during normal business hours, such business records which are directly relevant to any financial arrangement arising from this bid proposal.
13. The selected bank shall agree to hold the City harmless from any claims and related expenses arising from the financial institution's employees or agents providing the services agreed upon and arising from this process. This includes but is not limited to property damage, bodily injury, personal injury to third parties, and damage to premises of the City. Resolution of any disputes arising from this process will be subject to, and conducted in accordance with, the laws of the State of Michigan.
14. All investments must be in conformance with the regulations prescribed by law for investments by municipalities. The Bank assures the City that the Bank is knowledgeable of these conditions and restrictions and will invest the funds of the City only to the extent permitted by the provisions.
15. This Bid Proposal and the winning proposal shall become a part of the resulting contract.

II. Scope of Banking Services:

A. General

The banking services detailed in this section will be performed for the City on a contractual basis for a term not to exceed three (3) years with the possibility of two annual extensions.

It is the City's intent that the selected bank provides all the banking services. The proposal shall respond to each of the services described and include complete pricing information (if applicable).

The City's objective is to minimize account maintenance fees and maximize the investment earning potential of idle funds while retaining the ability to distinguish among deposits to and disbursements from each of these entities.

Your bank may propose an account structure to meet these objectives as allowed by the laws of the State of Michigan.

B. Additional Accounts

The City reserves the right to open additional accounts with the selected Bank during the contract period at the price proposed in this proposal provided the selected Bank is furnished notification at least thirty (30) calendar days before implementation date.

C. Transfers Between Accounts (or Sub-Accounts)

The City requires the capability of transferring funds between accounts or sub-accounts via the Internet or by telephone.

Please describe your services in this area.

Please indicate the business hours that this can be accomplished during which transfers will result in same day credit.

D. Deposit Items

Deposit items will not be encoded or sorted by the City. Bank encoding errors are to be corrected within 72 hours after notification by the City at no cost to the City.

All returned items will be automatically presented a second time. Please provide the bank's standard return policy for items returned a second time. Describe any non-standard options that are available. For example, do you offer the utilization of the Federal Automated Recovery Systems (FARS) for collection of returned checks?

What is the latest time that a deposit can be made to still receive same-day credit?

What are your required specifications for deposits?

E. Wire Transfers

1. Incoming: The City may receive wire transfers throughout the year from state, federal and private sources.

All incoming wire transfers will receive same day credit regardless of time of receipt. When a wire transfer arrives, in what manner and timeframe will the City be notified?

Should an anticipated wire transfer not arrive, what is your bank's procedure and policy regarding tracing responsibility for the delay and making adjustments for any lost interest?

2. Outgoing: The City may order wire transfers on occasion.

The Bank agrees to provide a copy of each wire transfer confirmation evidencing the amount, date and time, as well as the wire transfer number for all out-going wires on a daily basis to the City via email, courier, mail or facsimile.

What is the procedure for the City to contact the Bank to order an outgoing wire transfer?

How soon after ordering will outgoing wire transfers be executed?

Should the destination party not receive an ordered transfer by 5:00 PM local time, what is your policy regarding tracing responsibility for the delay and making adjustments for any lost interest?

3. Other

The selected bank will have on-line capabilities with "Fed Wire," "ACH" and other electronic transfer services. Please describe your bank's capabilities in this area.

F. Availability of Funds

The selected bank agrees to credit the City's accounts for selected items according to the following schedule:

The City requests same day credit for U.S. Treasury checks, State of Michigan checks, and checks from all other public fund entities.

All other checks will be based on the selected bank's availability schedule. Selected bank agrees to notify the City, in writing, of any changes to the schedule. The city reserves the right to periodically audit the selected bank's compliance with the existing availability schedule.

Please state your collected funds availability policy.

G. Earnings Credit and Short-Term Investment of Excess Funds

Please describe how the earnings credit and sweep investment rates are calculated. Include in the description any readily identifiable index that rates are published regularly in a publication of general circulation, for example, the 90-day Treasury Bill or Federal Funds rate. If your bank offers a short-term investment that pays a bank managed rate, please provide 24 months of rate history. Please also provide 24 months of Earnings Credit rate history.

Clearly state the formula for compensating balances (provide this if your proposal has compensating balances as part of your bid) and provide an example of the calculation.

Please state whether or not you will charge a reserve requirement for the accounts.

State rates and charges associated with sweeping into an investment, such as a money market.

On a separate spreadsheet please provide an example of an account analysis statement that illustrates how investable balances are calculated using the proposed earnings credit rate (if applicable) and investment sweep rate. Assume a monthly average balance of \$1 million and include, if applicable, reductions for service charges, reserve requirements and target balances.

H. Direct Deposit

Automated Clearing House (ACH) Services will be required to perform payroll direct deposits for the City. The City currently creates the payroll transactions on its own software. The capability to receive and process payroll transmissions is required.

Please describe your services in this area including timetable from the time the City notifies the awarded bank until the ACH payments are originated.

I. Account Reconciliation

The selected bank will provide reconciliation service for all accounts resulting from this Bid Proposal. Reconciliation services include at least the following requirements:

Online access to view check images (front and reverse) indexed by, at minimum, check number, amount and date paid of each check paid by the bank each month. The City must be able to download this information.

All debit and credit memos required to adjust errors caused by the bank will not be charged to the City.

What other services do you provide in this area?

J. Account Information and Statement Frequency

The City desires the ability to access account information electronically via the Internet. Does your bank provide this service? (If not, what are your plans to offer this service?) Is this information accessible by multiple users in multiple locations? Can this be restricted? What security features do you offer?

A daily report summarizing the previous day's debit and credit transactions within any account resulting from this bid proposal will be provided and will either be available on the Internet or be transmitted to the Finance Office via facsimile or courier in a sealed envelope.

Monthly bank statements will be for the full calendar month and will be delivered to the Finance Office within (10) days after the end of each month. The City also requires the ability to access and print monthly statements via online access. Please describe your capabilities in this area.

The Monthly Service Charge Report for a particular month (if applicable) will be completed and delivered to the Finance Office within (10) days after the end of each month.

K. Monthly Service Charge Calculations

The selected bank will prepare a billing for services rendered on a monthly basis.

Total service charges will be calculated based on the actual number of transactions for a month multiplied by the fixed charge per item. Please describe the method of charging for services. Will the bank charge monthly services against compensating balances (calculated in accordance with item H, or through direct account billing?)

It is the intention of the City that all per item charges remain fixed over the life of the contract.

L. Customer Service/Problem Resolution

The City requests that the proposing banks provide the names of a designated account executive, as well as an alternate, both to be located in Wayne County, Michigan. Please describe the types and frequency of services these individuals provide.

At minimum, these services will include telephone consultation when questions/concerns arise, an annual assessment of services provided highlighting areas for potential cost efficiencies as well as describing any corrective action plan to improve customer service.

The designated account executive and alternate must have the authority to make timely decisions to resolve customer problems in the normal course of business on their own without having to refer to other people within the bank. Please describe your problem resolution process; including specific time frames for resolving identified problems.

M. Check Specifications

The bank agrees to provide MICR check specifications to the Finance Directors Office to ensure accurately manufactured checks.

N. Positive Pay

The City is very interested in using Positive Pay. Please describe your services in this area including procedures, rates and charges.

O. Courier Services

Provide information on your ability to provide or secure courier services.

P. Remote Capture

Please describe your electronic scanning capabilities (Remote Capture) including equipment requirements, check retention requirements and timing for same-day credit. Please state your fees for this service.

III. Proposals: Explanation of Required Forms

A. Proposal Cover Sheet

All banks are to complete the Proposal Cover Sheet (page 10), attach the requested forms, reports and materials and return the package to the City of Gibraltar in accordance with the instructions in Section I B.

B. Pricing Worksheet

Please attach a Pricing Worksheet to outline variable costs and rates.

MUNICIPAL BANKING SERVICES
BID REQUEST COVER SHEET

PROPOSAL SUBMITTED BY:

BANK _____

ADDRESS _____

TELEPHONE _____ FACSIMILE _____

This proposal contains all the information requested in the Bid Request, including the following:

- Completed Pricing Worksheet listing the services, costs per item and rates
- Bank's Availability Schedule(s)
- Bank's Audited Financial Statements for the previous two years
- Response to services required in section II
- Description and samples of the reports, both electronic and paper, that the City would receive for the services provided by your institution
- Reference list of names, phone numbers and contact persons for at least four (4) deposit customers that may be contacted by the City
- Description of the institution's disaster recovery plan that would assure the City that operations would not be interrupted in the event of a disaster.

PROPOSAL PREPARED BY:

NAME: _____

TITLE: _____

PLEASE PROVIDE FIVE (5) COPIES OF YOUR PROPOSAL

