



Request for Proposal(RFP) for Banking Services

Issued March 2, 2018

Population (2010 census)	2,454
Area	.55 square miles
No. of Households	731

Introduction

SUMMARY

The Charter Township of Royal Oak is seeking qualified banking institutions (the “bank”) to provide various banking services. 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 Township are safety, interest, fees and service. We invite your institution to submit a proposal for consideration.

Notwithstanding any other provisions of the RFP, the Charter Township reserves the right to reject any or all proposals, to waive any irregularity in a proposal, and to accept or reject any item or a combination of items, when to do so would be to the advantage of the Charter Township or its taxpayers. It is further within the right of the Charter Township to reject proposals that do not contain all elements and information requested in this document. The Charter Township shall not be liable for any losses incurred by any responders throughout this process.

Township Description

DEMOGRAPHICS

The Charter Township of Royal Oak, MI is located in Oakland County, Michigan, north of Eight Mile Road, between the communities of Ferndale and Oak Park. The Charter Township is comprised of approximately .55 square miles, with a 2010 census population of 2,454. The landscape of this community consists of mostly residential lots development dating from the 1950s to current times. The Township’s children attend schools of the Ferndale and Oak Park School Districts. There is some commercial/industrial development, with potential for future in-fill development of vacant or Township-owned property.

TAX INFORMATION

Taxable Value w/adjustments	\$31,026,720
Total Millage Rates:	32.9202
Township Operating:	8.7102

Taxes are collected twice a year, due on August 15 and February 15 of each year.

BUDGET

You will find the Adopted FY 2018 budget at:

<http://www.royaloaktwp.com/index.php/government/administrative-offices/approved-budget>

Proposal Information

The Proposal has been divided into the following Sections:

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

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 near the Township’s legal limits. The financial institution must have experience in providing banking services for other Michigan municipalities, and preferably have a municipal services division. Staff members who are committed, capable and experienced in serving municipal accounts are essential.

PROPOSAL SUBMISSION

Proposals should be formatted to follow the same order of Section information contained in the RFP.

Please submit five (5) single-sided original, complete and sealed proposals to:

Charter Township of Royal Oak

21131 Garden Lane, 2nd Floor

Ferndale, MI, 48220

Attn: Jessica Thomas, Township Superintendent

You may also submit an electronic version to JThomas@royaloaktwp.com.

Proposals must be clearly marked “BANKING SERVICES PROPOSAL”. Late proposals will not be considered. Amendments to proposals will be considered only if they are received by the above deadline. A corporate official, legally authorized to bind the bank, must sign the proposal.

PROPOSAL CONTENT & FORMAT

Proposals shall contain the following information:

1. Cover letter and introduction including the name of the firm or individual and the name and telephone numbers of the person(s) authorized to represent the company regarding all matters related to the proposal.
2. Using the same section numbers provided in this RFP, prospective providers should indicate how they envision being able to provide services to the Charter Township of Royal Oak, and how those services will fit within the goals and policies of the Charter Township.
3. Experience working with other communities with similar geographic profiles and demographics.
4. Representative list of current clients with references and contacts for at least three clients.
5. Resumes of key personnel/contacts to be performing or overseeing the banking functions for the Charter Township, including education and professional certifications.
6. A fee schedule identifying specific rates for services and meeting attendance including sample invoice detail, billing schedule and mileage charges.
7. Provide any additional information that you feel is pertinent in the Charter Township's decision on selecting a bank.
8. A signature of a bank official authorized to act on behalf of their financial institution.

CRITICAL DATES

Identified below are the critical dates associated with this Request for Proposals. Further details and requirements are contained in the specific sections or attachments included in this package.

Request for Proposals Issued: Friday, March 2, 2018

Proposal Due Date: Friday, March 23, 2018, by 3:00 PM.

Questions Due: Monday, March 12, 2018

Interested parties are encouraged to submit any questions regarding this Request for Proposal via email to Jessica Thomas at JThomas@royaloaktwp.com. Responses to questions will be provided to all banks who have provided an email address.

Interviews: Interviews of final candidates will take place the week of April 2, 2018.

Transition and coordination of the transfer of accounts to awarded financial institution will begin after Board of Trustees approval.

SELECTION CRITERIA

It is the Township'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 Township:

- Quality of written proposal
- Quality of references

- Quality of oral presentation
- Proximity of branch locations
- Availability and commitment to implementing new technologies
- Financial Strength

TERM OF BANKING SERVICES AGREEMENT

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

SECTION 1 – FINANCIAL SERVICES OVERVIEW

Please include any costs or fees associated with the services described in this Section in your Pricing Proposal.

CURRENT ACCOUNT STRUCTURES

<u>Account</u>	<u>Average Bank Balance</u>
General Fund Checking	142,663
General Fund Account	281,440
Property Taxes from Oak Park	112,773
MERS Refund Account	621,899
Fannie Adams Tran/Pearl Wright	22,168
Cable Commission	65,104
Fire Account	115,914
Police Account	957,091
Public Safety Litigation	376
Parks and Recreation Account	26,295
Major Street/Local Street	18,675
Disposal Account	18,506
CDBG	9,946
Library Fund	32,621
Capital Improvement	74,522
Trust and Agency	16,903
Current Tax Collections Checking	739,688
Payroll Account	2,388
OPEB	17,212
Total	3,276,184

SERVICES REQUESTED

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

- Payroll ACH direct deposit-ACH, State Taxes ACH
- Direct deposit
- Utility Bill ACH
- Property tax payments at local branch(es)
- No NSF Fees/no wire fees
- Credit card acceptance
- Purchasing card
- Investment services

SECTION 2 - GENERAL BANKING INFORMATION

Please include any costs or fees associated with the services described in this Section in your Pricing Proposal.

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. Include ratings for Bank Financial Strength, Bank Deposits and Issuer rating.

C. FINANCIAL STATEMENTS

Each proposer must submit with their proposals copies of their annual financial reports for the past two (2) years.

ACCOUNT SERVICING

A. BANK CONTACTS

List names, titles, telephone and fax numbers and e-mail addresses for key bank contact personnel. Also provide a brief resume for each contact.

B. REFERENCES

Each proposer should include four (4) references of customers who have used services similar to those included in this request. Please provide name, address, telephone number, and email address for each reference.

C. PROXIMITY

Provide the distance of your nearest bank branch to the Township location.

D. 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 the Township banking services and operation.

F. IMPLEMENTATION

What is the average lead-time required for implementation, including but not limited to the following services?

- Account Opening
- Information Reporting
- Deposit Ticket orders and endorsement stamps
- Other

SECTION 3 – DEPOSITORY & OTHER AVAILABLE SERVICES

Please include any costs or fees associated with the services described in this Section in your Pricing Proposal.

BASIC INFORMATION

The Township currently has 19 bank accounts. The Treasurer's Department staff takes daily deposits (cash only) to a local bank branch for processing, normally using drive-up windows and walk-in branch offices. Checks are deposited using a remote check deposit machine. Nightly drop box deposits are made on occasion. Currently, approximately 800 accounts payable checks are issued yearly with positive pay, and the frequency is bi-weekly. ACH payments are also used with approximately 100 payments made yearly. Payroll is issued bi-weekly through ADP.

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?

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 2017 availability schedule.
3. Will the Township 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.

RETURNED ITEMS

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

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?

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?

PROPERTY TAX PAYMENTS AT LOCAL BRANCHES

The Township desires to establish an arrangement with financial institutions to allow our taxpayers to go into the local bank branch and pay their current property taxes. The payment is deposited into the Township account and a deposit ticket with the payment coupon is provided to the Township for proper payment application. Can you provide this option to us?

SECTION 4 – TREASURY MANAGEMENT SERVICES

Please include any costs or fees associated with the services described in this Section in your Pricing Proposal.

ACCOUNT RECONCILIATION SERVICES

1. Provide a brief description of each account reconciliation service that the bank offers. Please provide sample reports.
2. Describe the product features including but not limited to:
 - File Transmission Time Windows
 - File Layout
 - Imaging Capabilities for checks
 - Reporting Capabilities- Paper vs. Electronic vs. Internet
 - Technical Capabilities
 - System Requirements

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:
 - Data Transmission Methods
 - File Transmission Time Windows
 - Notification Report Delivery Methods
 - Notification Transmission Time Windows/Response Deadlines
 - Control Options-Default, Dollar Threshold, etc.
 - Imaging Capabilities
 - Technical Capabilities-Internet
 - System Requirements

INFORMATION REPORTING SERVICES

Provide a brief description of the information reporting services that the bank offers. Please provide

sample reports.

Describe the products features including but not limited to:

- Applications/Modules available within the service
- Hours of Access/Time Windows
- Level of detail provided for prior day and for intraday information
- History Retention
- Export Capabilities
- Internal Control Options/Security Features
- Imaging Capabilities
- Technical Capabilities
- Reporting-Paper vs. Electronic vs. Internet
- System Requirements

ACH PROCESSING

The Township 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

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

RETURNED ITEMS

- a. Describe your procedure for handling non-sufficient fund checks deposited into a Township account.
- b. Can return items be automatically re-deposited? If so, how many times?

STOP PAYMENTS

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

WIRE TRANSFERS

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

CHECK IMAGING WITH 2 YEAR HISTORY CAPABILITY

The Township needs the ability to access paid checks for a minimum of 2 years. Please provide a detailed explanation of how your financial institution could accommodate these requirements.

ACH PROCESSING DEBIT AND CREDIT

The Township uses ACH processing for paying many of its vendors and has 700 payments yearly. Currently, the Township uploads a file bi-weekly to submit these payments via a web-based product with dual control. Additionally, Payroll is issued bi-weekly through ADP and Employees Flexible Spending account receives a deposit transfer for every payroll and approximately 3 or more payments to employees each month. The Township receives numerous payments from the State of Michigan and the Federal Government via ACH Deposit.

Describe the service delivery method (direct transmission, PC-based system, web based) that you recommend based upon the information outlined for our organization.

Describe the product's features, including but not limited to:

- Transmission procedures
- Transmission time windows/ACH hours of operation
- Process for reversing/deleting files
- Electronic reporting capabilities
- Security features
- System requirements

SECTION 5 - PURCHASING CARD

Please include any costs or fees associated with the services described in this Section in your Pricing Proposal.

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 Township. Please include all cost and fees associated with the service.

SECTION 6 – PRICING PROPOSAL

Please attach a thorough Pricing Proposal to cover all items discussed in your proposal. Also attach a current Fee Schedule.

SUBMISSION

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 Elliot-Larson 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 other 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

Include the following signature information in your proposal:

Name:

Title:

Date:

Signature:

OFFER EXPIRATION DATE

Proposals in response to this RFP will be valid for 180 days from the proposal due date. The Charter Township reserves the right to ask for an extension of time if needed.

OWNERSHIP OF MATERIALS

All materials submitted in response to the RFP become the property of the Charter Township of Royal Oak and supporting materials will not be returned. The Charter Township of Royal Oak is not responsible for any costs incurred by the company in the preparation of the proposal or for presentation or related meeting time.

SERVICE AGREEMENT AND INSURANCE

The successful service provider will be asked to enter into a service agreement and to provide a certificate of insurance showing coverage for liability, workers compensation, and automobile. The service agreement will contain a provision specifying a deadline for submitting invoices. Any invoices submitted for services not billed in accordance with the deadline may, at the sole discretion of the Charter Township, be considered invalid and payment may be refused. Any future relationship between the Contractor and the Charter Township will be an "at will" relationship and may be terminated by either party, for any reason, following a 30 day notice.

CONFLICT OF INTEREST

The Charter Township of Royal Oak requires that service providers disclose conflicts of interest when they may occur. The Charter Township, at its discretion, may arrange for alternative third party support in such cases. In general, the Charter Township will not allow a service provider to review applications from a client of the service provider. Past or pending client relationships may or may not be determined to be conflicts, but should always be disclosed and discussed with the Charter Township.

MISCELLANEOUS

1. This RFP does not, under any circumstances, commit and/or bind the Charter Township of Royal Oak to any cost incurred by any Provider prior to the execution of a final agreement with the Township.
2. The Township reserves the right to reject any and all proposals received as a result of this request and to negotiate separately with competing Providers.
3. Provider may submit questions prior to submitting a proposal. Questions must be submitted by email to jthomas@royaloaktwp.com. Responses to questions received may go to all bidders.
4. Proposals must arrive by mail or email at the Charter Township of Royal Oak Municipal Building at 21131 Garden Lane Road, Ferndale, MI 48220. Electronic proposals can be sent to jthomas@royaloaktwp.com.
5. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Bank's ability to meet the requirements of this RFP. However, if the Bank can provide the Township with a mutually agreeable, cost-effective approach not presented in this RFP, please note the Township is willing to consider ALL economical options.
6. Bank may be asked to make an oral presentation to the Charter Township of Royal Oak.
7. Bank shall provide the number of years the Bank has been in existence and operating.
8. Bank shall identify the point person for the Township to contact in relation to this request.

Thank you for your attention to the foregoing and for your anticipated response.

Submitted by:



Jessica M. Thomas
Township Superintendent
March 2, 2018