

**REQUEST FOR PROPOSAL FOR BANKING SERVICES
GARFIELD CHARTER TOWNSHIP
3848 VETERANS DRIVE
TRAVERSE CITY, MI 49684**

INTRODUCTION

A. PURPOSE AND SCOPE

Garfield Charter Township is seeking proposals from qualified banking institutions (the “bank”) to provide various banking services for a period not to exceed **FOUR (4) YEARS** 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 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. Investment Services
6. Financing Services
7. Merchant Services
8. Purchasing Card
9. Pricing Proposal

It is Garfield Charter Township’s intent to maintain most banking services with one bank.

B. ELIGIBLE BANKS

A proposed bank **must** be a federally or State of Michigan chartered banking institution with offices located in Michigan, and ideally in Traverse City.

C. ACCOUNT COMPLIANCE

All accounts proposed by the banking institutions **must** be in compliance with Michigan Act 20 PA 1943, as amended, and Garfield Charter Township’s Cash and Investment Policy, which you have previously received a copy of.

D. PROPOSAL FORMAT

A proposer must follow the attached format in submitting a proposal. 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 the specific requirement.

E. TIMELINE (Subject to Change)	(Specific Dates)
RFP distributed to banks	April 14, 2003
Pre-proposal submission meeting held at <i>Garfield Charter Township</i>	April 28, 2003 @ 10:00am
Proposals due from banks	May 5, 2003
Interviews of top banks	May 13, 2003
Recommendation to Board	May 22, 2003

F. RESPONSE DATE

Four (4) copies of your proposal ***must*** be received by Garfield Charter Township no later than (May 5, 2003). Proposals must be clearly marked “BANKING SERVICES PROPOSAL”. Mail or deliver responses to:

Judy McManus, Treasurer
 Garfield Charter Township
 3848 Veterans Drive
 Traverse City, MI 49684

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.

G. QUESTIONS

Questions regarding the bid process or specific aspects of the RFP should be mailed, e-mailed, or sent by facsimile transmission to:

Judy McManus, Treasurer
 Garfield Charter Township
 3848 Veterans Drive
 Traverse City, MI 49684
 231-941-1588 (Facsimile)
jmcmanus@garfield-twp.com

Questions and answers will be consolidated and provided via (mail, fax, and/or e-mail) to all banks on record as having received the RFP by (Specific Date).

H. SELECTION CRITERION

It is Garfield Charter Township’s desire to select the bank that will provide the best overall value on a long term relationship rather simply selecting the “low Bidder”. Accordingly, the following factors and assigned weights will be considered in order to select the most qualified bank to serve our banking needs:

Weights

- 20% Net overall cost comprised of the four following components:
 - 1. Treasury Management Service Fees
 - 2. Earnings Credit Rate
 - 3. Investment/Sweep Yield
 - 4. Availability Schedule applied to deposit items
- 20% Ability of bank representatives to serve the needs of Garfield Charter Township
- 10% Quality of written proposal
- 10% Quality of references
- 10% Quality of oral presentation
- 10% Proximity of branch locations
- 10% Availability and commitment of implementing new technologies
- 10% Financial Strengths

I. TERM OF BANKING SERVICE AGREEMENT

Garfield Charter Township is proposing a contractual agreement of **FOUR (4)** years.

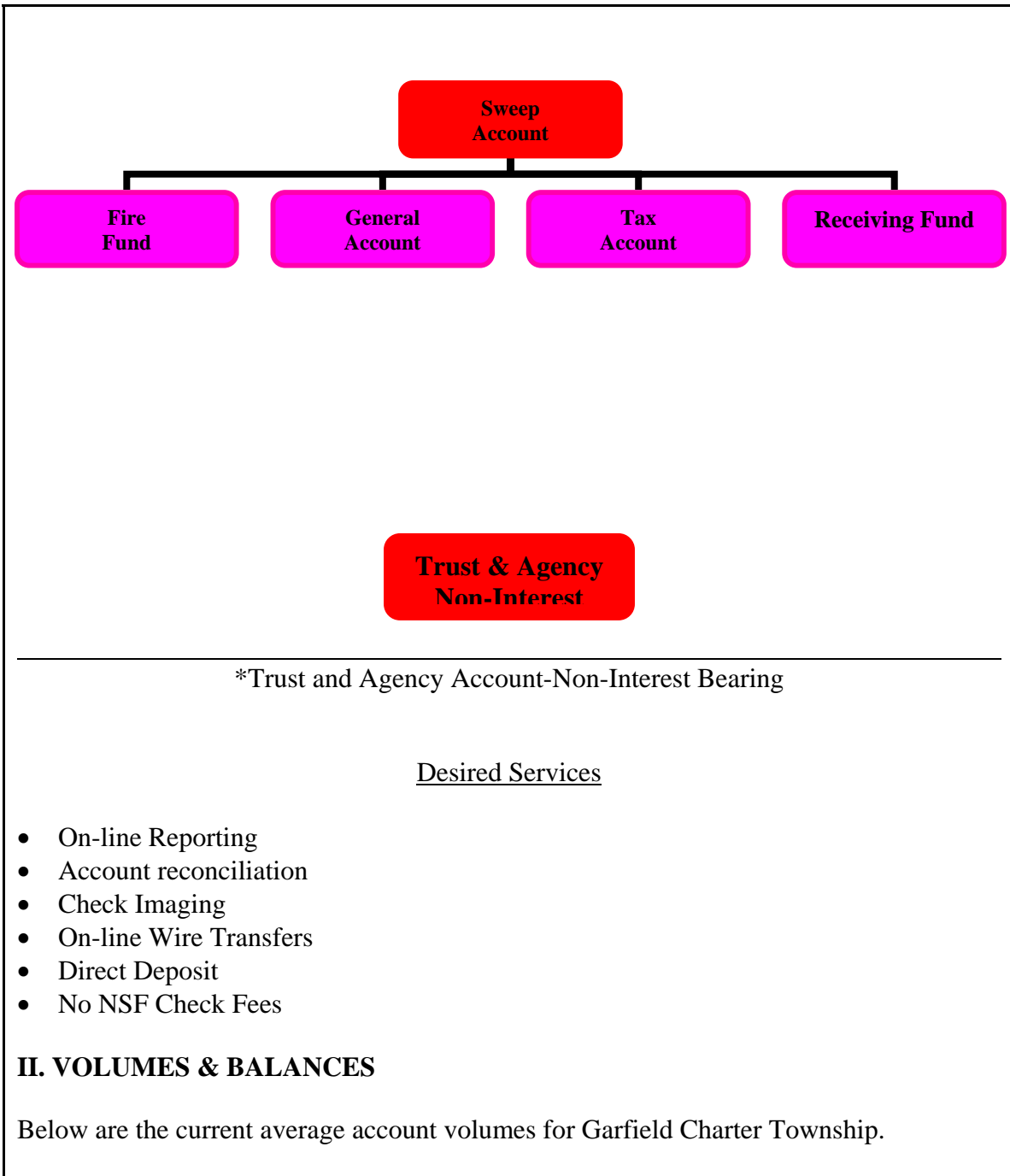
J. RIGHT TO REJECT PROPOSALS

Garfield Charter Township also reserves the right to waive any information or irregularities in any proposal and to reject any or all proposals.

SECTION 1- FINANCIAL SERVICES OVERVIEW

I. CURRENT & PROPOSED ACCOUNT STRUCTURES/DIAGRAMS

Below is the current account structure for Garfield Charter Township:



Item	General Fund	Fire Fund	Tax Account	Receiving Fund	Trust & Agency
Deposit Tickets					
Deposited Items	10-15	5-10	200-225	1-5	4-10
Checks	1500	200-300	400-500	150	150
ACH Debits	\$47,000.00	0	0	0	0
ACH Credits	0	0	0	0	0

Currency					
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The following are ten (10) month averages available/collected balances for all accounts:

General Fund	\$ 3,000,000.00
Fire Fund	\$ 950,000.00
Tax Account	\$ 275,000.00+
Receiving Fund	\$ 3,500,000.00
Trust & Agency	\$ 40,000.00

III. DEMOGRAPHICS

Located in Northwest Lower Michigan, approximately 145 miles north of Grand Rapids, Garfield Charter Township is a growing township that somewhat surrounds Traverse City.

According to the latest census figures recently released by the federal government, our population nearly exceeds that of Traverse City. The Township departments include the Township Supervisor, Treasurer, Clerk, and Assessor's office, Building Inspections, Zoning Department and Planning Department. Additionally we contract with the Grand Traverse County Sheriff's Department for the service of twelve (12) law enforcement officers. The Township also provides fire protection and emergency services to its residents.

Garfield Charter Township relevant statistics:

Area: Approximately 30 square miles

Population: 13,840 people

Property Valuations

Year	Homestead	Non-Homestead	IFT'S	Totals
2002	213,630,039.00	382,768,291.00	21,186,060.00	617,584,390.00
2001	194,426,342.00	358,358,452.00	22,454,200.00	575,238,994.00
2000	176,170,048.00	328,110,642.00	22,961,970.00	527,242,660.00

Per Capita Valuation

2002 Per Capita State Equalized Valuation	52,056.00
Tax Rates (Per \$1,000.00 of Valuation)	4.8416 mills-Township Only

Taxes are collected twice a year, due on September 14 and February 14 of each year. The majority of taxes (100 %) are collected on February 14th payment. (Township Only)

IV. SERVICES REQUESTED

In addition to the standard bank services, Garfield Charter Township is interested in the following services:

- No NSF Check Fees
- Internet Banking-Including balance reporting, wires, ACH transmissions, stop payment
- Account Reconciliation/Positive Pay
- Check Imaging
- Direct Deposit
- Company Credit Cards

V. BUDGET

Attached is a budget for the upcoming year relating to our projected fund balances.

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. 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.

II. 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 five (5) 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 of your nearest bank branch to each of the following locations:

**Garfield Charter Township Office
3848 Veterans Drive
Traverse City, MI 49684**

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.

F. IMPLEMENTATION

1. What is the average lead-time required for implementation, including but not limited to the following services?
 - Account Opening
 - Deposit Ticket Orders and Endorsement Stamps
 - Information Reporting
 - Other

SECTION 3- DEPOSITORY AND COLLECTION SERVICES

BASIC INFORMATION

Garfield Charter Township currently has four (4) depository accounts and one (1) minimum balance disbursement account. The average daily balances are approximately \$1,000,000.00. Deposits are delivered to various branches for processing. Duplicate deposit tickets are returned by the bank to Garfield Charter Township.

A. PROCESSING

What is the cut-off time to ensure same day ledger credit?

B. BANK COMPENSATION

1. How do you determine and calculate availability of deposited items?
 - Do you give immediate availability for on-us items?
 - Do you use a standard schedule?
 - Do you use an accelerated schedule?
 - How often are they updated?
2. Provide your bank's availability schedule.
3. Can we compensate your bank for services by explicit fees, compensating balances, or a combination of the two?
4. How are your bank's monthly earnings credit rates calculated?
5. Provide historical rates for the last year.

C. RETURNED ITEMS

1. Describe your procedure for handling non-sufficient fund checks deposited into a Garfield Charter Township account.
2. Can return items be automatically redeposited? 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. WIRES

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

4. Does the bank's wire transfer system have the capability of warehousing instructions for future dated wire transactions?

F. VAULT SERVICES

1. What is the cut-off time to ensure same-day ledger credit?
2. What types of bags do you allow/require?
 - Do you provide these bags?
 - Do you charge for these bags?

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:
 - File Transmission Time Windows
 - File Layout
 - Imaging Capabilities
 - Reporting Capabilities- Paper vs. Electronic vs. Internet
 - Technical Capabilities
 - 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 8 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:
 - 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

Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 8 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:

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

IV. ACH PROCESSING (DIRECT DEPOSIT OF PAYROLL)

Garfield Charter Township currently uses ACH processing for *PAYROLL, FEDERAL TAXES, 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.

2. Describe the products 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

Please indicate any costs or fees associated with the services described in this section. Please provide this information in the format provided in Section 8 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.

- Is the same system used for Account Reconciliation Services?
- Is the same system used for Information Reporting?
- Is the same system used for ACH Processing?

2. Describe the products features including but not limited to:

- Endpoint locations
- Notification Methods
- Notification Time windows
- Electronic Reporting Capabilities
- Funding Options
- Security Features
- System Requirements

VI. LOCKBOX SERVICES

Garfield Charter Township does not use this service at this time, but would like to review information for potential future use.

Please specify whether these options are available at your bank:

- Remittance with Photocopy
- Remittance without Photocopy
- Attach photocopy to documents or
- Attach photocopy to documents and envelopes
- Return envelopes
- Invoice balances to check
- Return Items included in mail work
- Weekend Processing and Deposit
- Remittance Document includes change of address

Reporting/Communications

- Data Keying
- Full check MICR capture
- Data Transmission Formats (___BAI ___823 ___820 ___Other)

If Other, Please explain

- CD-Rom
- E-mail/Fax
- Internet
- Imaging of Checks
- Third Party Reporting

1. What is your deadline for data transmission?
2. Please disclose the location of your processing center.
3. Please describe how processing errors are resolved and expected timeframes for resolution.

SECTION 5- INVESTMENT SERVICES

BASIC INFORMATION

Garfield Charter Township is permitted by law and Board policy to invest surplus funds in accordance with Public Act 20 of 1943, as amended. Garfield Charter Township's Investment Policy is attached as Exhibit A. The Garfield Charter Township investment portfolio currently averages approximately \$9,200,000.00. The bulk of our investments, other than certificates of deposit and money market fund investments, are held in safekeeping through a custodial agreement with our bank. Our average sweep-balances for the last twelve months were approximately \$6,000,000.00.

- Which of the above investments can your bank offer to Garfield Charter Township?
- What safekeeping or custodial arrangements are available for investments purchased by Garfield Charter Township, either from the bank or from another provider?
- What reports will you provide indicating holdings in safekeeping or custodial accounts? Please provide samples.
- How many customers are currently using your safekeeping or custodial services?
- What methods are available for settlement of investment transactions?
- What methods (telephone, computer, other) are available for Garfield Charter Township to communicate information regarding investment transactions to your bank?
- Does your bank offer automatic sweep of available balances into money market or other investments? Please describe. Please provide monthly average yields for the last twelve (12) months on the sweep vehicle recommended in this proposal.

- How soon after a deposit is made to a checking account are funds swept to the investment vehicle? Describe this process in detail.
- For this section, please describe any products or services not specifically mentioned here, which your bank offers, and which you believe would be beneficial to Garfield Charter Township.
- Please indicate any costs or fees associated with the services described in this section.

SECTION 6-FINANCING SERVICES

NOT UNDER CONSIDERATION AT THIS TIME

SECTION 7- MERCHANT CARD SERVICES

NOT UNDER CONSIDERATION AT THIS TIME

SECTION 8- PURCHASING CARDS

NOT UNDER CONSIDERATION AT THIS TIME

SECTION 9- PRICING PROPOSAL

This is a firm and irrevocable offer for ninety (90) 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 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.

Length of Contract

The proposed length of this contract is **FOUR (4) YEARS.**

Official Submitting Proposal

Organization:

Name:

Title:

Phone:

Date:

Signature: _____