



CITY of NOVI CITY COUNCIL

Agenda Item G
October 12, 2009

SUBJECT: Approval to award request for proposal for lockbox collection services to Comerica Bank with an estimated annual cost of \$33,500 for a three year period with two one-year renewal options.

SUBMITTING DEPARTMENT: Treasury/Water & Sewer

CITY MANAGER APPROVAL: *PWA for C+P*

EXPENDITURE REQUIRED	\$33,500 (estimated annual cost)
AMOUNT BUDGETED	\$19,755 592-592.00-802.100 \$27,980 101-253.00-802.100
APPROPRIATION REQUIRED	N/A

BACKGROUND INFORMATION:

The City posted a Request for Proposal for lockbox collections services on the MITN website and received eight proposals. Staff evaluated the proposals based on the financial strength and capacity of the banking institution, quality of the proposal, ability of the bank's representatives to service the City, availability and location of the lockbox services, references, and total cost to the City.

The criteria used to evaluate the proposals included the following:

<u>Criteria</u>	<u>Weight</u>
1. Financial strength & capacity of the banking institution	22%
2. Completeness of the proposal/quality of proposal	12%
3. Ability of bank representatives to service the City	25%
4. Availability of services/lockbox location	8%
5. References	18%
6. Total cost to City	15%

The following is a summary of the top five Quality Based Rankings based on the firm's qualifications:

Company	QBS Score	Ranking
Comerica	3607	1
Fifth Third	3280	2
Huntington Bank	2836	3
Charter One	2727	4
Citizen Bank Option 1	2026	5

The agreement includes proper notification of changes (i.e. change in representative, lockbox facility location, account changes, etc.).

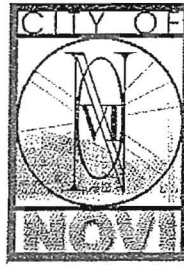
RECOMMENDED ACTION: Approval to award request for proposal for lockbox collection services to Comerica Bank with an estimated annual cost of \$33,500 for a three year period with two one-year renewal options.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Burke				
Council Member Crawford				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

Lockbox Services Request for Proposal

Presented to:



Presented by:



Nancy A. Robinson, CTP, Vice President, Municipalities
Jeff Truant, Vice President, Treasury Management Services

September 28, 2009



Comerica Bank

September 28, 2009

City of Novi
Office of the City Clerk
45175 W. Ten Mile road
Novi, MI 48375-3024

Dear Ms. Cornelius,

We believe we are well positioned as a financial institution to meet the needs of the City of Novi. Comerica Inc.'s capital position remains strong, our credit quality is stable and our prudent and conservative approach has earned us strong bank ratings. In addition to our qualifications as a financial services provider for the City, it is important to note **Comerica's lockbox processing site is located in Livonia, just a few miles from the City of Novi offices.** Our treasury management customer service and transitional team are also located within this facility.

Comerica is a partner you can trust. We are in business to help our customers be successful and we have been a trusted provider of financial services in Michigan for 160 years. We are dedicated to servicing our customers and are recognized specialists in working with public funds. In fact, our full Michigan Municipalities Group now has a combined 222 years of experience working with customers like you, the City of Novi.

Comerica is confident we meet the requirements and terms put forth within your request for proposal. We have the technology, experience and team to provide the City with a swift and well managed transition from your current lockbox provider. In addition to the transition period, our full lockbox, treasury management and municipalities' teams are committed to providing you with ongoing support and valued customer service.

Thank you for this opportunity to provide you with this proposal. On behalf of the entire Comerica team, we look forward to hearing about your next steps. We look forward to working with you and are prepared to host your representatives on a tour of our Lockbox facility later this month.

Sincerely,

Nancy A. Robinson, CTP
Vice President and Relationship Manager
Municipalities Group
313.222.9237
narobinson@comerica.com

Jeffrey M. Truant
Vice President & Sales Consultant
Treasury Management Services
734.632.4584
jmtruant@comerica.com



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Comerica Team	Exhibit 2
Transition Plan	Exhibit 3

Tab 1



Executive Summary

Comerica Bank is pleased to provide the City of Novi ("City") our response to your Request for Proposal (RFP). We believe the information contained herein will meet, if not exceed, your expectations.

We kept in mind the goals and objectives of the City and how we foresee you working with Comerica Bank in the most cost efficient manner. As we created our responses we have kept your selection criteria in mind, and we believe the provision of the following bank services will meet the City's needs:

- Two (2) bank accounts, to facilitate deposits for both Water/Sewer and Property Tax
- Image-based Wholetail Lockbox for both Water/Sewer and Property Tax, located at our lockbox processing site in Livonia, MI, with the option to provide a data transmission for automatic cash application.
- A comprehensive web-based suite of tools to assist you in managing your balances, reconciling exception payments, and reviewing reports.
- The optional addition of either a web-based, or transmission-based ACH service to facilitate transferring of available balances to your concentration bank.

Comerica Bank Background

Comerica Incorporated (NYSE: CMA) is a financial services company strategically aligned into 3 primary business units, the Business Bank, the Retail Bank, and Wealth & Institutional Management. Comerica Bank locations can be found in Michigan, California, Texas, Florida and Arizona, with select businesses operating in several other states, as well as in Canada, Mexico and China. Comerica reported total assets of \$64.0 billion as of June 30, 2009. Our annual report can be found at www.comerica.com.

While Comerica has operations in various states, it is important to note the location of one of our primary facilities as being just a few short miles from the City of Novi offices. Our Livonia Operations Center is located at 6 Mile and Haggerty Roads. It is at this facility where we process all of our check and lockbox work for our Michigan Operations and where we perform many critical processing applications for many of our national departments. Additionally, Comerica's National Data Processing Center is located within Oakland County, in Auburn Hills.

Value Added Solutions

The City requires a lockbox processing partner that can implement your automated lockbox services quickly and with minimum disruption to your current collection process. Our lockbox services and treasury management team brings the value of experience with regards to on-boarding new lockbox customers to our platforms. Even when faced with the tightest of schedules, we commit to working with you to ensure we are fully understanding of your needs and the technology you employ. Your people, current operational systems, and needs will continue to be kept top of mind at all times.

Superior Customer Service

Our Municipalities and Treasury Management Groups work together to provide a dedicated customer service team who will assist in your transition to Comerica Bank. Per Exhibit 2, the Municipalities Group will provide a dedicated Relationship Officer to your business. Your organization will be additionally supported by Comerica's Treasury Management Sales, Implementation and Customer Service groups who have the experience and skill set to support the City during and after the implementation phases.





Transition Together

We recognize that the transition of banking services from one Financial Institution to another is certainly no small task. Comerica understands that a successful transition for the banking products and services requested within this proposal require careful planning and attention to detail. Comerica team members will work with you to develop a plan that suits your needs by defining which functions are business critical and then building a timeline that minimizes any business interruption. The Comerica team will be coordinated jointly through your Primary Municipality Relationship Officer – Nancy Robinson, and your Treasury Management Sales Consultant - Jeff Truant. We suggest that the City create a point person for Comerica to work directly with during the implementation phase. We have created a sample implementation plan (Exhibit #3) for your review however, further fine-tuning may be required.

Partner You Can Trust

The City deserves a financial services partner that works hard for you and understands your needs. At Comerica Bank, our relationship team has partnered with many organizations that have similar needs such as your organization. We have proven our effectiveness over that time in assisting others in their financial goals. Our consultative approach includes you, as the core member of the team, surrounded by a host of banking and treasury experts who will be there to meet your needs.

Comerica is committed to making its customer relationships work. We will meet with your key personnel to create a seamless transition to Comerica Bank. Initially we will have several conversations to work with you on the plan to transition to Comerica. After the City is comfortable with the set-up and the accounts are up and going, we will establish meetings on a monthly to quarterly basis to determine specific needs and review any outstanding issues.

The Comerica Municipality Relationship Officer as well as your Treasury Management Sales Consultant will certainly be available on an as needed basis in addition to our formal meetings. We will be only a phone call or e-mail away from you to help out with your business needs.

Pricing

In order for the City to continue to provide value of the highest order to its constituents, vendors, and partners, your organization must manage its costs accordingly. We realize that costs for services are of paramount concern. With that in mind, we would like to offer the City a **25% discount** from our standard price and, a **3 year** commitment, with the option to extend it for 2 additional 1 year terms. Please note that FDIC fees are considered a pass-through fee and are therefore not guaranteed for the contract period.

The pricing is a firm and irrevocable offer for 90 days from September 28, 2009.

Within the pricing section (Exhibit 1) of our proposal, we have created an estimated cost of fees for the products and services we are recommending to the City. This schedule reflects unit prices which are shown *inclusive of* the 25% discount we are offering. As we work through the transition to Comerica Bank and the exact set up of the accounts for your organization, we will review the cost-benefit any incremental services prior to any implementation with you.



Tab 2



II. Recommendations – Narrative

Custom Services and Products

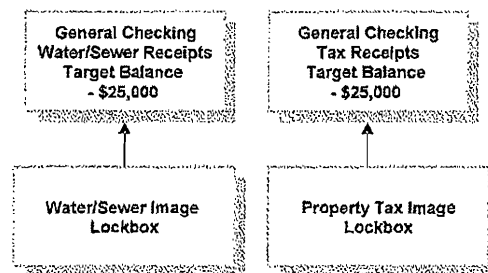
At Comerica Bank, we understand that business processes are unique, and as such, the solutions we provide cannot be standardized or “off-the-shelf” all the time. Solutions must be tailored to meet your requirements and our team will continue to work with you to that end. Specialized processes are not to be avoided if they are in the best interests of our clients. The following sections provide an overview of Comerica’s recommendations.

ACCOUNT STRUCTURE

Comerica Bank can accommodate the City’s banking needs to have separate accounts for the tax and water/sewer collections. Individual checking statements as well as individual and consolidated account analysis reports will be provided monthly. Given the City’s desire to concentrate available funds to your primary bank, we recommend these accounts to be regular business checking accounts which currently have unlimited FDIC coverage available.

CITY OF NOVI ***PROPOSED BANKING*** ACCOUNT STRUCTURE & BANKING SERVICES

General Checking Account:
Used For deposit collections:
Receives Lockbox Deposits, Wire/ACH
Debits/Credits
Electronic Payment Authorization (EPA)



Treasury Management Connect Web:
Lockbox Images
Electronic Statements
ACH
Lockbox Detail Report





COLLECTIONS

Lockbox

We recommend the utilization of Comerica's lockbox collection services. The Lockbox service uses a unique post office address and a dedicated processing facility, right here in Michigan, to expedite the processing of your checks. The Lockbox service provides many benefits, including improved cash flow due to quicker access to funds and reporting capabilities that make deposit reconciliation a less arduous task. Your current reporting structure, in the form of a daily transmission, can be mirrored, or even enhanced with a move to Comerica.

In addition to the transmission reporting method we recommend that the City take advantage of a complementary system that allows images of checks, invoices, and coupons to be accessed through Treasury Management Connect Web. Images are available within a few hours of capture, and up to 90 days thereafter. Images are maintained for archival purposes on CD-ROM and generally provided monthly, although more frequent cycles can be accommodated.

The City can retrieve and print, if necessary, the front and back of single coupon images. This will allow customers to view payor account number, date presented, amount paid, and batch number. Retrieval and printing of single invoice and remittance correspondence images, front and back, is also available. Images start accumulating upon implementation. Further information can be found in the Alternatives section, under Online Image.

Automated Clearing House - ACH

We are offering ACH services via either a direct transmission or through the use of our Treasury Management Connect Web ACH module. The purpose of the ACH services at Comerica would be to provide the City with an automated tool for the concentrating your available cash balances to your primary bank. Alternatively, the City may find it is more economical to originate an ACH debit against the tax and water/sewer accounts by using an existing ACH origination service you may have in place with your primary bank.

FRAUD PROTECTION SERVICES

Electronic Payment Authorization (EPA) – ACH Debit Block

EPA is a tool that allows the City to define eligible ACH transactions presented to the bank for payment or deposit prior to the transaction posting to your Comerica account.

Any ACH transaction that does not match your authorization instructions will be returned to the originator as an unauthorized transaction—never posting to your account. Unlike an ACH stop payment, an unauthorized return through our EPA Service indicates that you have not given the originator permission to post a transaction to your account.





Within the EPA service, the ACH controls designate transaction parameters including transaction type (debit/credit), originator ID, maximum dollar amount, exact dollar amount, effective entry date or a range of dates, or a combination thereof.

Implementation of Comerica Bank's EPA service takes approximately one week. We will assist you in analyzing each account selected for all ACH debit activity, and review the data with you to ensure that every current ACH Debit will continue to remain unblocked.

INFORMATION REPORTING

Comerica Treasury Management Connect Web

In today's business environment, the Internet plays an important. Internet reporting has the capability for the City to share information and interact with other accounting applications in a very flexible manner. Comerica TMC Web is a modular designed system, and is delivered through the Internet. Our system enables Comerica TMC Web to exchange information, and to be closer to you more than ever.

Security is a key component of Comerica's TMC Web as we require The City users to change their passwords every 90 days. There is a common look and feel across all of the screens to help the users quickly adapt and become comfortable with Comerica TMC Web. Security is accomplished by authentication of customer and user logins, employment of 128 bit encryption and user-assigned digital certificates for Money Transfer functions.

Based on the needs of The City, we recommend following Comerica TMC Web modules:

- Prior Day reporting (to determine available balance when sweeping funds to your primary bank)
- Lockbox Image (to view actual images of the lockbox items and corresponding checks)
- ACH Origination (as an alternative to originating your daily sweep transaction via your primary bank's ACH application)
- Wire Transfer (as an alternative to ACH to sweep funds to your primary bank)
- Electronic Statement (to view monthly statements on line and to pull pdf or other formatted statements for retention and / or use in your account reconciliation function.

Tab 3



Q & A Response Section

Our Responses to City of Novi's Questions

In the following pages, we have answered each question and addressed each requirement to demonstrate that we can provide you with the solutions you need, on time and on budget. We have based our responses on an understanding of your needs from both a technical and a business perspective. Whenever possible we have linked our responses back to those needs specifically, showing City of Novi not only what we offer but why it matters to you. We have also provided evidence of our competence to deliver on our recommendations in a professional manner. And we have attempted to indicate wherever possible the value of our recommendations for City of Novi.

GENERAL BANKING SERVICES

A. FINANCIAL STRENGTH

i. SAFETY AND SOUNDNESS

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

There are many criteria to be considered when selecting a bank as a provider of your treasury management services. One of the most important is the bank's financial strength and stability.

Comerica Bank is one of the largest and strongest banks in the United States. Key financial data as of June 30, 2009:

- \$64 billion in total assets
- Among the 20 largest banking companies
- Located in seven of the 11 largest cities
- #559 among Fortune's largest companies
- #30 among DiversityInc "Top 50 Companies for Diversity" in 2009
- #3 in the 2007 J.D. Power & Associates retail bank customer satisfaction survey
- #9 among bank holding companies with the most commercial and industrial loans (*American Banker*)
- #9 among top SBA 7(a) lenders (Coleman Report)
- 445 total banking centers in the U.S.
- Common Shareholders Equity of \$5 billion
- ROE -1.25%
- \$18 million in net income (before preferred stock dividends)
- Established in 1849





I have enclosed a copy of our 2008 Annual Report for your reference. You can also review it online through our website at www.comerica.com by clicking on Investor Relations/Financial Reports. I invite you to learn more about our full service capabilities online as well.

ii. CREDIT RATINGS

Provide ratings for the bank from the following agencies: Standard & Poor's/Moody's/Fitch. Include ratings for bank financial strength, bank deposits and issuer rating.

Comerica Incorporated

	Bank Deposits		Long-Term Debt		Bank Notes		Commercial Paper
	Short Term	Long Term	Senior	Sub.	Short Term	Long Term	
Comerica Incorporated							
Moody's	-	-	A2	A3	-	-	P-1
S&P	-	-	A	A-	-	-	A-1
Fitch	-	-	A+	A	-	-	-
Comerica Bank							
Moody's	P-1	A1	A1	A2	P-1	A1	-
S&P	A-1	A+	A+	A	A-1	A+	-
Fitch	F1	AA-	A+	A	F1	A+	-

iii. FINANCIAL STATEMENTS

Each proposer must submit with their proposals copies of their annual financial reports for the past one (1) year.

Our most recent annual report is included in the RFP package for your review. Copies are available online at www.comerica.com.





B. ACCOUNT SERVICING

i. BANK CONTACTS

List names, titles, telephone and fax numbers and email addresses for key Bank contact personnel.

Please see Exhibit #2 for Bank contact information.

ii. 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.

The following municipalities have, at a minimum, chosen Comerica as their lockbox processing bank. In fact, each of the following four customers have all recently transitioned their lockbox services to Comerica. We are pleased to present these new clients as references specifically related to lockbox processing and their experience of transitioning their lockbox to Comerica.

City of Farmington Hills
Larry Williams, Treasurer
248.871.2485

Macomb Intermediate School District
Paul J. Bodiya, CFO
586.228.3350

City of St. Clair Shores
Timothy Haney, Director of Finance/Treasurer
586.447.3325

County of Wayne
James Bickley, Deputy Treasurer
313.224.7339





In addition to the above new lockbox clients, we are pleased to provide you with additional references of a few of our municipal clients who are long-time users of our automated lockbox and image products.

Charter Township of Commerce
Sue Gross, Treasurer
248.960.7040

City of Birmingham
Theresa Klobucar, Deputy Treasurer
248.530.1825

City of Detroit
Timothy Ngare
Deputy Treasurer
313.224.3356

iii. DISASTER RECOVERY

Provide an overview of the Bank's disaster recovery plan.

Our disaster recovery plan was developed and is managed by our Corporate Continuity and Recovery Management Department. Our national distribution of data centers provides disaster recovery protection that many regional banks cannot match.

All banking applications operate on five mainframes located in five different data centers; two in Michigan, two in California, and one in Texas. There is also a disaster recovery "hot site" in Philadelphia, Pennsylvania.

Each system is backed up on a regular schedule. Further, our systems are designed for each data center to back up another. This means that if one data center were ever out of operation, another data center would take its place. If that were not possible, then the hot site would be activated.

ACH production and warehouses are backed up daily as part of an end-of-day processing routine. Files are stored both on-site and at an off-site location. In the event of a system failure, the complete ACH environment would be recreated by restoring the data at a remote disaster recovery site, which could be either at our secondary operations center or at our designated hot-site.

IV. CONVERSION PLAN

Describe the overall plan for ensuring a smooth transition from the City's current provider to your bank. Indicate what direct costs the City would be responsible for and what costs would be absorbed by the bank as start-up costs covering the areas described below. The plan should include a timetable that the bank will be accountable, provided the City meets the proposed dates.





1. Account setup
2. Web-based products
3. IT (Information Technology) dependent services such as file transmissions, City-to-bank connectivity, testing, account reconciliation, ACH, positive pay, etc.

Please see Exhibit #3 for our proposed transition plan. Further consultation would be required before formally proceeding.

C. LOCKBOX SERVICES

The City of Novi uses lockbox services for tax collection billings, with approximately 15,000 non-escrow tax bills sent each July and December, and water and sewer utility payment processing with approximately 4,500 sent monthly. All recipients do not use this service.

The City has a separate lockbox service for tax collection billings and water and sewer utility payment processing. The City wants to transfer the funds collected by the lockbox services on a daily basis to the City's custodial bank through an automatic daily sweep by the custodial bank. The City will process payments made at the City and deposit funds into the City's custodial bank.

Set forth below is a list of lockbox features. Please specify whether these options are available at your bank.

a) **Remittance with Photocopy**

Yes, however it would be more cost advantageous for the City to receive images via either CD ROM or online vs. receiving actual photocopies of the items.

b) **Remittance without Photocopy**

Yes, given the City's preference to use an online image process, no photocopies should be required. Copies of all imaged documents are to be available online for 90 days and will be provided on CD ROM on a monthly basis.

c) **Invoice balances to check**

"Invoice balances to check" in general terms means the work received within the payment envelope is a balanced transaction. All single check/coupon(invoice) balanced transactions would always be processed providing they met all other processing requirements. The City at their option can request Comerica to process balanced payments where there are multiple checks/single coupon and/or multiple coupons/single checks. These specific processing requirements would be included in the City's box processing instructions followed by our operators.





d) Return items included in mailed work

Correspondence is forwarded to you as our customer. Returned items may be handled in one of several different ways: returning to the City, re-depositing, or adding the item to the customer's Lockbox transmission as a returned item, thus updating the customer's Accounts Receivable file.

Our standard returned items process is to charge your originating account for the returned item. We offer the option to charge an alternate account for an additional fee. Additional ancillary services are also available for additional charges (examples include Redeposit option and an RCK option). Standard fees are charged for returned items.

Reporting of items is available through TM Connect Web. Return deposit items can be included within your transmission, viewed via electronic banking, or mailed.

e) Detailed transaction list

A Deposit Summary and Batch Detail Report are automatically generated, providing you with total deposit information and details on each item that was processed.

If you choose to receive Detail Information through our information reporting services, a file is sent to the Electronic Data Management area to load to TM Connect Web or TM Connect Desktop for immediate viewing.

e) Integration with BS&A software via internet desired

All data transmissions are delivered in a file transfer process. Comerica file formats interface easily with many municipal software packages, including BS & A.

f) Data Transmission Options - see attached data layout requested

Our standard data transmission format is Lockbox BAI, with ANSI 823 also available. Yes, we offer format customization.

g) Other recommendations/services

In addition to the items specifically requested above, all services listed below are offered by Comerica Bank to augment your lockbox service. All of these image related services can be discussed in detail either during a walk-through our processing site or during the implementation stage.

- On-line Image Delivery of Checks and/or Invoices
- Image capture and delivery of Remittance Documentation (check stubs, debit memos, etc.)
- Image capture and delivery of Envelopes
- Image capture and delivery of Correspondence
- Images burned to CD ROM
- Bulk file delivery of images





Further to the above, we recommend our CIP service (or Electronic Lockbox) as an enhancement. This service was developed as a response to those consumers who have adopted online bill payment for all types of recurring payments. Financial institutions along with software companies like Quicken and Microsoft Money have provided this service at a nominal fee or even for free. While the service appears to be totally "electronic" to the consumer, this has not been the case for billers. 3rd Party Bill Pay Providers, companies like CheckFree and Online Resources, receive the bill payment instructions and more often than not mail a paper check without the coupon or mail a single check for multiple payees. MasterCard, recognizing this as a growing problem, developed Remote Payment Presentment Service (RPPS). RPPS consolidates bill payments from the bill payment providers and delivers them electronically to the participating financial institutions. Upon implementation, when a bill pay provider checks with RPPS (MC) they will see that the City accepts electronic payments. Once bill payment providers update their systems, this information will be forwarded to Comerica electronically and ultimately to the City. This data will then become a separate batch within your daily transmission. Further discussion relative to this service is likely warranted prior to any conversion.

1. What is your deadline for transmissions?

Most of our customers prefer to receive their transmissions no earlier than 12:00pm (Lockbox location's local time). We will work directly with you to determine the most beneficial transmission time and whenever possible, customize our procedures to meet your needs.

We make early morning transmissions available but do not recommend it, as deposits made after the transmission cutoff would not be reflected in that day's electronic receivable report. As a result, the total deposit would not match the transmitted accounting information.

2. Please disclose the location of your processing center, and if that would also be the mailing address.

The Comerica Lockbox processing site that would be utilized for the City of Novi remittance payments is our Livonia Operations Center located at 39200 6 Mile Road, Livonia, MI 48152.

The lockbox address your residents would use to send in payments would include a PO Box which uses a Detroit, MI address. Comerica has its own zip codes with the USPS and the exact address would be supplied to the City during our implementation process. Two distinct addresses would be used for taxes and water/sewer remittances.

3. Please describe how processing errors are resolved and expected timeframes for resolution.

Comerica Bank maintains an electronic problem resolution system where all customer issues/problems are logged. Your first step, should an issue occur, would be to contact your Relationship Specialist, Denise Glassford (see Exhibit #4), as she would enter the data into our customer service platform and coordinate any research or action that would be required before responding back to you as our client. Different types of problems/issues have different levels of complexity and as such, have different service levels. Your Relationship Specialist will communicate to you what the appropriate expectations are at that time.



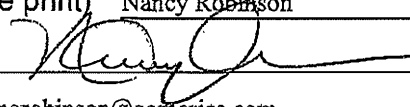
Exhibit 1



cityofnovi.org

CITY OF NOVI
RFP LOCKBOX SERVICES
COST PROPOSAL FORM

We the undersigned as proposer, propose to furnish to the City of Novi, according to the conditions and instructions attached hereto and made a part thereof according to the attached terms and conditions.

Date: 9/28/09
Firm Name: Comerica Bank
Address: 39200 6 Mile Road
City/State/Zip Code: Livonia, MI 48152
Telephone Number: 313-222-9237
Fax Number: 313.222.3900
Agent's name (please print) Nancy Robinson
Agent's signature 
Email Address: narobinson@comerica.com
Lockbox Service Location Livonia, MI

Type of Organization: (Circle One)

- a. Individual
- b. Partnership
- c. Corporation
- d. Joint Venture
- e. Other

Firm Established: 1849 Years in Business: 160

Please provide times for a possible site visit:

Tuesday, September 29, 2009 9am-11am

Wednesday, September 30, 2009 9am-11am

Service Description	Service Definition	Monthly Volume (Estimated)	Does your institution provide this service?	If so, what is your fee to provide this service?
Depository Services				
Account maintenance fee	Per account monthly service charge for maintaining an analyzed account.	2	Y	\$16.50/account
Lockbox deposit	Per deposit fee to post a lockbox deposit to a client's deposit account.	40	Y	\$0.93/deposit
Returns - chargeback	Per item charge for a deposited check which is returned by the payer bank and debited back to the depositor's account.	3	Y	\$7.50/item
Checks deposited	Transactional charge for processing un-encoded checks.	3,780	Y	\$0.10/item
Checks deposited on us	Transactional charge for processing checks drawn on processing bank.	150	Y	\$0.10/item
Checks deposited all other	Transactional charge for processing deposited checks drawn on non-local Federal Reserve District banks. The default tier for any items not assigned to a select price tier.	8	Y	\$0.10/item
Debits posted – electronic	Per item charge associated with posting a miscellaneous electronic debit item against a depositor's account.	2	Y	\$0.195/item
Credits posted – electronic	Per item charge associated with posting a miscellaneous electronic credit item against a depositor's account.	1	Y	\$0.93/item
Lockbox Services				
Access maintenance	The fixed monthly fee for accessing lockbox detail information through processing bank software.	2	Y	\$0

Service Description	Service Definition	Monthly Volume (Estimated)	Does your institution provide this service?	If so, what is your fee to provide this service?
Deposit prep per deposit	Per deposit fee to assemble checks received in a client's lockbox. Number of daily deposits is driven by the lockbox system on which the box is processed.	40	Y	N/A
Special batch size	Per item fee to bundle and process items in a non-standard batch size.	140	Y	N/A
Non deposit correspondence	Per Item fee to handle non-deposit (un-bankable) checks and credit card fees. This also includes a per envelope fee for correspondence.	40	Y	\$0.29/item
Foreign items		1		
Data transmission maintenance	Per month fee to generate a DATA transmission of lockbox deposit information and accompanying remittance detail.	2	Y	\$131.25/mo/LBX
Access per item	Per check fee for lockbox to provide remittance detail via processing bank software.	2,900	Y	N/A
Data transmission per item	Per check fee to transmit captured data from checks, envelopes, and remittance documents.	4,300	Y	N/A
Data capture	Per keystroke fee to capture data from the checks and/or remittance support documents received in the lockbox.	26,900	Y	<i>Corrected</i> \$0.0015 <i>(SM)</i> \$0.075/keystroke
Image process per item	Per item fee to process a check on a box which has an IMAGE lockbox.	1,070	Y	\$0.0375/item
Image check print	Per item fee to print and return a copy of each check processed for a box that also receives IMAGE output. Checks are returned bundled (reassociation is not an option).	930	Y	\$0.075/item
Detail returned	Per check fee to return remittance detail (invoice, envelope or other supporting documents) to a client.	1,070	Y	N/A

Service Description	Service Definition	Monthly Volume (Estimated)	Does your institution provide this service?	If so, what is your fee to provide this service?
Accept all payees	Per item fee to provide processing of all checks to applicable lockbox, regardless of the payee.	4,300	Y	\$7.50/mo.
Scannable sort per item	Per item fee to sort all scannable and wholesale remittances processed thru a scannable wholesale lockbox. They are sorted into payments with OCR coupon (scannable processing), or without a coupon (wholesale processing.)	4,300	Y	N/A
Scannable sort maintenance	Per month base fee for a scannable lockbox to separate work by with or without coupon.	2	Y	N/A
No deposit notification	Per month fee to notify the client via hardcopy report, FAX, or telephone, when no checks were received for processing.	1	N	N/A
E-mail reporting	Per lockbox charge for multiple lockboxes included in the same e-mail.	2	N	N/A
Additional report copy	Per month fee to receive a duplicate deposit report or any hardcopy report of keyed data or of data transmission details.	1	N	N/A
Scannable process - invoice	Per invoice fee to process each OCR-readable coupon for a scannable lockbox.	3,900	Y	\$0.0375/item
Documents imaged	Per image fee to capture images of remittance documents. This includes the check, invoice, supporting documents, envelope (optional) and correspondence (optional).	6,200	Y	\$0.0375/item
Scannable process - item	Per item fee to process checks with scannable coupons received for a scannable box.	3,200	Y	\$0.24/item
CD Rom - per disk	Per disk fee to prepare a CD ROM with lockbox remittance detail.	2	Y	\$18.75/CD

Service Description	Service Definition	Monthly Volume (Estimated)	Does your institution provide this service?	If so, what is your fee to provide this service?
Scannable lockbox maintenance	Per month fee to maintain a scannable lockbox.	2	Y	\$116.25/lbx
ACH Services				
ACH optional reports - fax	A per report charge to fax optional ACH reports.	1	Y	N/A
ACH monthly maintenance	Monthly fee to maintain a company I D on the ACH system.		Y	\$22.50/mo.
ACH input - transmission	Per file fee to process ACH entries that are delivered to processing bank via a data transmission.	1	Y	\$7.50/txmn
Consumer on us debits	Per item fee to originate an ACH item which is destined for another processing bank account holder.	60	Y	\$0.105/item
Consumer off us debits	Per item fee to originate an ACH item which is destined for an account holder at another financial institution.	370	Y	\$0.105/item
ACH.credit received item	Per item fee, charged by ACH, for an ACH received credit. This fee is in addition to the per item fee the client receives from the posting of an electronic item to their DDA account.	1	Y	\$0.94/item
ACH debit received item	Per item fee to receive an ACH debit item which was originated by another bank or processing bank account holder.	2	Y	\$0.195/item
Information Services				
Web account	The per account charge to maintain and update prior day and same day information	2	Y	\$22.50/acc't
Web subscription	The monthly subscription fee for web subscription.	1	Y	\$131.25/mo.
Web prior day per item	The per item charge for downloading previous day data from web. Examples would include checks paid, ACH debits and credits, and deposits.	600	Y	\$0.045/item

Service Description	Service Definition	Monthly Volume (Estimated)	Does your institution provide this service?	If so, what is your fee to provide this service?
Other fees - please list				

We acknowledge receipt of the following Addendums: #1
 (please indicate numbers)

Comments: _____



Comerica Bank

P.O. Box 75000
Detroit, Michigan 48275

October 1, 2009

City of Novi
Office of the City Clerk
45175 W. Ten Mile road
Novi, MI 48375-3024

RE: Lockbox Services – RFP, clarification of decimal error in Comerica pricing submission

Dear Ms. Cornelius,

Thank you for the opportunity to clarify a typographical error in Comerica Bank's recent pricing submission for the City of Novi Lockbox Services Request for Proposal. Under line item "Data Capture" on the pricing bid form, we listed the fee as \$0.075 per keystroke. In actuality, the fee we intended to include in our bid was \$0.0075 per keystroke. As further support that this was an error, please note Comerica's standard fee for "Data Capture" is \$0.010 per keystroke. As indicated in the Executive Summary of our bid response, Comerica is offering the City of Novi a 25% discount off of our standard fees, which would bring the line item price for "Data Capture" to \$0.0075 per keystroke.

This error caused by a misplaced decimal would have drastically overstated the costs related to "Data Capture" for the City of Novi. We regret any confusion caused by the error on our bid and appreciate this opportunity to clarify this error in writing.

Sincerely,

Nancy A. Robinson, CTP
Vice President and Relationship Manager
Municipalities Group
313.222.9237
narobinson@comerica.com

Exhibit 2

Comerica's Team

The City of Novi will be serviced by a very experienced and highly qualified team of representatives. Each of the financial professionals listed below is focused on making sure that you get the right products backed by outstanding service.

Relationship Manager

Nancy A. Robinson, CTP
Vice President, Municipalities Group
(313) 222-9237
narobinson@comerica.com

The primary Relationship Manager would be Nancy Robinson. Nancy is a Vice President in the Municipalities Group and is responsible for providing bank services and products to existing and prospective municipal customers. Nancy has been with Comerica for 25 years and has over 20 years experience working with local Municipalities and other non-profit groups. She is active in several local municipal organizations, is a past Associate Director for the Oakland County Treasurer's Association and is currently the Associate Liaison Director for the Michigan Municipal Treasurer's Association. Nancy is also active with United Way for Southeastern Michigan having served in leadership and advisory roles associated with UWSEM's Leadership Next, 211 and 211 on-the-go programs.

Nancy has maintained her Certified Treasury Professional designation through the Association for Financial Professionals since first earning their predecessor designation of Certified Cash Manager in 1991.

Treasury Management Sales Officer

Jeffrey Truant
Vice President, Treasury Management Sales
(734) 632-4584
jmtruant@comerica.com

The Treasury Management Sales Officer (TMO), Jeff Truant, will work closely with you to continue to develop the optimal mix of treasury management services to meet your financial objectives for cash receipt, disbursement and information reporting. Your TMO recommends enhancement to your treasury system based on changes within your organization as well as new product initiatives. The TMO remains abreast of marketplace technology, changes in regulations and other factors which may impact treasury planning and operations. Further, your TMO solicits new treasury management business, responds to proposals and bids, and will consult with your treasury staff to aid in designing an effective cash flow system. Finally, your TMO prepares documentation for new service implementation and arranges to meet with you on a periodic basis for ongoing treasury services relationship management.

Jeff recently joined Comerica Bank after spending 13 years with the BMO Financial Group (Bank of Montreal / Harris Bank) and has extensive cash management experience.

Education: University of Windsor (1995) - Bachelor of Arts (Economics)
University of Detroit Mercy (2003) – Masters of Business Administration

Relationship Specialist (Customer Service)

Denise Glassford, CTP
Assistant Vice President
Treasury Management Customer Service
(734) 632-5579
dcglassford@comerica.com

Your assigned Relationship Specialist (RS) works with the Treasury Management Sales Officer (TMO) and Relationship Manager in the development, training and implementation of new services. They are your first point of contact for your operating relationship, ensuring that we are providing optimum processing to assist you in meeting your treasury objectives. Your RS is available by telephone or can arrange to come to your office for technical assistance, implementation, training, and to provide you with ongoing support for your Comerica treasury services. In addition, your RS acts as the liaison for complex service issues between your company and the various operating areas of the Bank. Finally, your RS keeps the TMO and Relationship Manager informed of changes that affect your operating relationship so that appropriate recommendations can be made to enhance your systems and the treasury management services we provide to you.

Denise Glassford has had twenty five years in the banking industry consisting of sixteen years in retail banking and the remaining years in Treasury Management Customer Service with Comerica Bank. Denise has been Comerica's primary RS for Southeastern Michigan municipal customers for over ten years.

Education: Madonna University (2001) – Bachelor of Science

Exhibit 3

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names	'08	Sep 27 '09	Oct 4 '09	Oct 11 '09	Oct 18 '09	Oct 25 '09	Nov 1 '09	Nov 8 '09	Nov 15 '09	Nov 22 '09	Nov 29 '09	Dec	
33	2.15 Move Programs into Production	0 days	Sat 11/21/09	Sat 11/21/09		CMA - Ops, CMA-IS													
34	2.16 Create new bills	19 days	Mon 11/2/09	Wed 11/18/09		Novi-TBD													
35	2.17 Mail new bills and notify Bank of mailing	2 days	Thu 11/19/09	Fri 11/20/09		Novi													
36	2.18 Process payments in Production	1 day	Tue 12/1/09	Tue 12/1/09		CMA - Ops													

The logo for Comerica Bank, featuring the name in a serif font inside a rounded rectangular border.

Comerica Bank

Electronic Lockbox / Customer Initiated Payments

September 2009

Electronic Lockbox (CIP) - Background

- Since the mid 1990s, consumers have been adopting online bill payment for all types of recurring payments
- Financial Institution along with software companies like Quicken and Microsoft Money have provided this service at a nominal fee or even free
- While the service appears to be totally “electronic” to the consumer, that has not been the case for billers

Electronic Lockbox - Background

- 3rd Party Bill Pay Providers, companies like CheckFree and Online Resources, receive the bill payment instructions and more often than not mail a paper check without the coupon or mail a single check for multiple payees
- MasterCard, recognizing this as a growing problem, developed Remote Payment Presentment Service (RPPS). RPPS consolidates bill payments from the bill payment providers and delivers them electronically to the participating financial institutions

Electronic Lockbox - Implementation

- Upon implementation, when a bill pay provider checks with RPPS (MC) they will see that the City of Novi accepts electronic payments
- Once bill payment providers update their systems, this information will be forwarded to Comerica electronically and ultimately to the City
- This data will then become a separate batch within your daily transmission

Perfect Post – Description & Benefit

- Perfect Post compares payer data to a copy of your Accounts Receivables data to identify account numbers for payments without coupons, which includes independent check and list payments
- While Electronic Lockbox will greatly reduce your unprocessable items, Perfect Post will further improve your acceptable payments
- The same Perfect Post file can be used with Electronic Lockbox to ensure that valid account numbers appear on your daily transmission

Electronic Lockbox – Standard Fees

Monthly Maintenance Fee	\$55.00 per month
CIP Transactions	\$0.14 per item
Perfect Post Match	\$0.02 per item
A/R File Update	\$50.00 per update

**City of Novi relationship discount (25%) applies*

Go

Thank You!

Comerica Bank