



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

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**Request for Information
By The
Michigan Department of Technology, Management and Budget
Pertaining To
Future Provision of Automatic Teller Machine Services in State Office Buildings
of the Greater Lansing, Michigan Area**

**(SR #2012-0266)
April 5, 2013**

The Michigan Department of Technology, Management and Budget (DTMB) Real Estate Division (RED) seeks input from qualified financial institutions serving the Lansing area concerning the future provision of Automatic Teller Machine (ATM) services in selected Lansing-area State of Michigan office buildings. Banks and credit unions responding to this Request for Information (RFI) will have an opportunity to help the State develop and evaluate parameters, qualifications and selection criteria for use in a possible Request for Proposals (RFP) to provide those ATM services. In turn, a winning bidder in that RFP process may be offered an exclusive contract to place and operate its own ATM machines in selected state-owned office buildings

RFI respondents are asked to please complete and submit their Response along with their completed “Respondent’s Acknowledgement” form, by 5:00 P.M. (EST) on Friday, May 3, 2013. Complete response instructions are given on the accompanying response form.

1. ATM Sites Available

The State of Michigan will soon be in a position to offer a new lease (* = sub-lease) for ATM space in the following State Office Buildings:

No.	Building Name	Address	Site
1.	Grand Tower	235 S. Grand Ave., Lansing	1 st floor lobby
2.	Lewis Cass	320 S. Walnut St., Lansing	1 st floor stairwell
3.	George W. Romney	111 S. Capitol Ave., Lansing	ground floor.
4.	Van Wagoner	425 W. Ottawa St., Lansing	1 st floor lobby
5.	Richard Austin	430 W. Allegan St., Lansing	1 st floor. lobby
6.	Stevens T. Mason	530 W. Allegan St., Lansing	basement
7.	Ottawa Bldg.	611 W. Ottawa St. , Lansing	U. L. parking
8.	Operations Center	7285 Parsons Dr., Windsor Twp.	dining room
9.	Constitution Hall	525 W. Allegan St., Lansing	atrium (by east stairs)
10.	Capitol Commons *	400 S. Pine St., Lansing	ground floor
11.	Hall of Justice	925 W. Ottawa St., Lansing	1st floor café area
12.	Michigan Library and Historical Center	702 W. Kalamazoo St., Lansing	TBD

No.	Building Name	Address	Site
13.	General Office Bldg.	7150 Harris Dr., Windsor Twp.	TBD
14.	Michigan State Police Headquarters	333 S. Grand Ave., Lansing	TBD
15.	Other?	TBD	TBD

Most of the above ATM sites are located in secure parts of their respective buildings, which means one must have a State-issued I.D. card that is programed to grant access to that building's internal security gates or be specially admitted under escort by building security or management staff.

It is preferred and expected that the State will enter in an agreement with a single qualified financial institution to exclusively provide ATM services in all the above sites at once with the important caveat that buildings 6, 9 and 10 may be fully or partially vacated by the State in order to accommodate still-developing space consolidation plans or remodeling work. Remodeling would be extensive and, if implemented, could take up to two years to complete. In the event of such building closure, alternative ATM space would be offered to the Lessee. Every reasonable effort would be made to offer alternative ATM site(s) in close proximity to wherever State employees have been temporarily relocated from their original sites. From time to time, the State may also offer the winning bidder the chance to operate additional ATMs in other State-owned or Leased locations subject to applicable State Lease and Sub-Lease approval terms.

2. Minimum ATM Service Parameters and Standards

ATMs allowed under a Lease awarded to a winning bidder must meet the following performance criteria:

- A. Must be able to dispense U.S. currency, accept cash and check deposits, provide a written receipt for each transaction on customer's request and take a security camera photo of each customer. Must track transaction counts and identify each transaction with a unique identifier code.
- B. Must be properly serviced, repaired, operated and stocked with cash and operating supplies in accordance with commonly accepted ATM operator best practices and as needed to routinely accommodate ATM customers.
- C. Must operate continuously 24/7 and in good working order throughout the term of the agreement, except as needed for usual and customary restocking and servicing.
- D. Must comply with all security policies and procedure of the State of Michigan. Similarly all personnel and vehicles servicing ATMs covered by the ATM Agreement must comply with security policies and procedure of the State of Michigan, including submission to background checks as applicable.
- E. Must be compatible with the existing electrical, data transmission and loading capabilities of the actual ATM sites offered, though modifications to any given sites as need to ensure compliance may be possible at the Lessee's sole expense.

3. Accommodations for ATMs

The State will provide the following accommodations for the evaluation of ATM sites and to help facilitate ATM operations:

A. As part of a formal Request for Proposals (RFP) the State would supply, in good faith but without guarantee, the latest occupancy data at its disposal for each of the buildings in which an ATM is to be placed. Prospective bidders could use this information to help evaluate the value of the Lease to their own customer service and customer expansion needs.

B. As part of the RFP process, prospective bidders would be offered a chance to personally inspect all available ATM sites while accompanied by the respective Building Managers or their designees.

C. Standard 110 volt alternating current electric power needed to operate each ATM as that power is furnished to the State by local electric power utility(ies).

D. Space for placement of non-electric signs announcing the location of an ATM in the main foyer, lobby or entrance of each State-owned building containing an ATM covered by the ATM Agreement. Signs shall be limited to one per building and furnished by the Lessee at no expense to the State. They shall be of a size, location and design as the Lessee and the State shall mutually agree is safe and appropriate for the specific foyer/lobby/entry space in question. The ATM unit itself may display the Lessee's logo, name or other information as lighted or unlighted sign panels on the body of the ATM unit as is reasonable and customary for ATMs.

E. The State will, within reason, accommodate the need for Lessee's personnel to access and service ATMs both on a scheduled and non-scheduled basis provided the State's own security policies and procedures are maintained. Lessee's personnel and contractors servicing ATM's may need to pass State background checks to routinely access State office buildings.

F. Janitorial services and waste removal services for the entire building in which ATM are located including the immediate vicinity around each ATM in accordance with the State own high standards and best practices for facility management.

4. Likely Proposal Evaluation Criteria

It is expected that the State will use the following evaluation criteria to select a winning proposal in a subsequent Request for Proposals:

A. The Overall quality and clarity of information provided in response to the RFP.

B. Overall value to the State of Michigan, including but not limited to, rent revenue earned by the State from issuing a Lease for ATM space to a winning bidder.

C. Confirmed status of a bidder as a “Qualified Financial Institution” which is defined for present purposes as a bank that has its deposits insured via the Federal Deposit Insurance Corporation (FDIC) or a credit union that has its shares insured via the National Credit Union Share Insurance Fund (NCUSIF). Further, qualified banks and credit unions must also conduct lending practices that comply with all applicable Federal and State equal opportunity lending laws.

D. References from other building owners in which the Lessee’s ATMs have been sited.

E. Any demonstrably discounted or otherwise special banking services of value that the Lessee wishes to offer to State of Michigan Employees as a group (and only as a group) for the duration of a lease for ATM space.

F. Actual space needs, weight and average monthly electric power draw of ATMs proposed for use in State buildings.

G. Ability to accept a lease with the following parameters:

- (1) A five year initial term with two five year renewal options.
- (2) An either-party ninety day advance cancellation notice requirement (thirty days by Lessor for cause such as violating the terms of the Lease or failure to maintain status as a qualified financial institution)
- (3) Monthly rent payments with scheduled rent increases at renewals.
- (4) Exclusive rights to provide ATM services in specified buildings for the lease term.
- (5) Requirements that Lessee indemnify the State against Lessee liability and carry a modest third party liability insurance policy just as in any other State Lease.
- (6) A requirement that ATM service must be provided continuously for the term of the Lease at all locations specified in the Lease. No individual ATM sites may be cancelled during the Lease term except as may be needed to accommodate the State’s space consolidation or remodeling needs as discussed in Section 1 above. Without State approval, all of Lessee’s ATMs allowed in the Lease must operate for the duration of the Lease. Lessee’s failure to comply may be considered a breach of the Lease.
- (7) A requirement that ATMs covered by the Lease not charge any ATM access or service fee that is greater than the lowest fees charged for the same access or service among the Lessee’s other ATM locations which are not covered by the ATM Agreement. In other words, it must not cost anyone more to use an ATM in a State office building than it would cost to use Lessee’s lowest fee ATM machine located anywhere for the same transaction.

H. The degree to which a prospective Lessee’s routine ATM fees are demonstrably competitive or waived altogether for ATM customers in State office buildings.

5. Information/feedback requested from eligible respondents

Below is a list of specific information and data the State seeks from Qualified Financial Institutions in response to the Request for Information. Please structure and present your responses using the accompanying response form.

- A. What data transmission capabilities do your ATMs require of their host buildings?
- B. What are the outside dimensions and weight of your ATMs? (if multiple models are likely for use in State office buildings, please give specs for each model.)
- C. Do you have interest in placing ATMs in other State of Michigan facilities? If so, please list them by building name and or address.
- D. When is the soonest date that your bank or credit union would be prepared to enter into a lease with the State for ATM space and what special conditions (if any) would need to be met in order for that to happen?
- E. Please advise if there are additional evaluation criteria that your bank or credit Union would like the State to consider (or not consider) in awarding a Lease to a winning bidder and why.
- F. What average daily, weekly or monthly number of ATM transactions represents the “break-even” point for your Lansing area ATMs? In other words, how many ATM transactions in a given time frame are needed (on average) to make that site a viable ATM site for your bank or credit union?
- G. What physical characteristics make for an ideal ATM site?
- H. Which of the following rent formulas would be preferred by your bank or credit union:
 - (1) A flat rent rate per ATM site per month.
 - (2) A rent rate based on the number of ATM transactions completed each month at all ATM sited covered by the Lease. (This method would require transaction count data sharing with the State as the Lessor.)
 - (3) Other?
- I. Please elaborate on what makes Lansing-area State of Michigan employees and their workplace guests attractive (or challenging) as a potential client group to your bank or credit union?
- J. Please provide any constructive feedback you may have on any part of this Request For Information or on the State’s general approach to securing the most optimal ATM services for its personnel and guests in State office buildings.

Again, please use the accompanying form to structure and present your feedback to the above inquiries and to identify your bank or credit union by Friday, May 3, 2013 at 5:00 p.m. EST. Complete response instructions are given on the form. Your input will help the State prepare an effective and easy to use Request For Proposals (RFP) and your

input to that end is genuinely very much appreciated. Respondents will be automatically registered to receive direct notice of the formal RFP when it is issued. Thank you very much for your response to this RFI and for your interest in doing business with the State of Michigan.

Sincerely,

Robert M. Burns, Director
Real Estate Division