

Request for Proposal

For

Merchant Services



Organizational Background

The Small Business Association of Michigan (SBAM) is a 501(c) (6) not-for-profit, trade association organized for the exclusive interest and concern of small business in Michigan. SBAM was created to provide leadership in the promotion of free enterprise and other common interests of small businesses in Michigan. SBAM's primary mission is to help Michigan small businesses by advocating for small business, bringing business owners together to share knowledge, creating collaboration and partnerships, and delivering group buying power.

Membership

SBAM membership includes over 28,000 businesses. To be a member of SBAM a company must have fewer than 500 employees and be a registered business in Michigan. The typical member tends – upwards of 90% of members having 25 or fewer employees. Our membership comes from across the state and across the spectrum of SIC codes.

Do Not Confuse SBAM and SBA

The Small Business Association of Michigan (SBAM) is a not-for-profit trade association funded by dues dollars and income from several other sources. The Small Business Administration (SBA) is an agency of the federal government. We are not one in the same.

SBAM Products and Services – partial list

- Advocacy/Government Relations relating to issues that impact small business
- Employee Benefits including group health, life and disability, dental and vision insurance, Section 125, health savings account and health reimbursement arrangement administration, COBRA administration, and accident/critical illness insurance
- Consolidated billing and enrollment services for all sponsored group benefit plans
- HCM/payroll
- IT Management and CyberSecurity
- Workers' compensation
- HR and Legal Hotline

For more information on the Small Business Association of Michigan, as well as our products and services, please visit our website at www.sbam.org.

II. DELIVERABLES

SBAM is requesting proposals from qualified vendors for implementing, managing and marketing a merchant services program for member companies. We are looking for a company that would be a strategic fit and a long-term partner as a vendor who will extend unparalleled

commitment to managing a merchant services program for our members. We are interested in a proposal that will outline the following:

- The application and approval process?
- What services are included in the standard package?
- What services are required in addition to the standard package?
- How often are deposits made?
- Is a cash reserve required? How much?
- What level of coding is necessary to take credit card payments through a website? What needs to be purchased to do that?
- What are the equipment costs to swipe credit cards?
- Processing costs? Card present, website, phone orders

Accordingly, SBAM will select the vendor whose proposal, and oral presentation if requested, demonstrate in SBAM's sole opinion, the capability to best fulfill the purposes of this RFP. SBAM reserves the right to accept or reject proposals, in whole or in part, and to negotiate separately as necessary to serve the best interests of SBAM and our members. This RFP shall not obligate SBAM to award a contract or complete the proposed project and it reserves the right to cancel this RFP if it is considered to be in its best interest.

III. VENDOR PROFILE

- Provide the name of the proposing organization and its address, telephone, fax number and web address.
- Is your company a subsidiary or affiliate of another company? Please provide full disclosure of any direct or indirect ownership or control. Describe any pending agreements to merge or sell your company.
- What percentage of your business is dedicated to providing merchant services for small businesses?
- Provide your current overall company product/service offering, strategy, and positioning in the Michigan marketplace and within your industry as they relate to merchant services.

- Describe how your business has the ability for sales and serving of SBAM members across the entire state?
- Describe your method and timing of order fulfillment.
- Indicate the number of years your organization has been in business and provide a detailed description of your organization.
- Outline the local management team, tenure and experience.

IV. VENDOR REQUIREMENTS

Below is the list of requirements that define the scope of service and expectations for a merchant services program:

- Vendor will be responsible for developing a comprehensive and aggressive marketing plan to members.
- Merchant services program will provide excellent value and benefits (perks) to SBAM members.
- Merchant services program will provide a substantial revenue source to SBAM in the form of royalty payments for all opened accounts, overall program volume and other related benefits.
- Vendor will be responsible for cost associated with all marketing collateral including printing, postage, event sponsorships and other materials.
- Vendor will enter into a Joint Marketing Plan (JMP) Agreement with SBAM to specify the elements of the overall marketing plan for the program. Some of these elements will include sponsorship and advertising at SBAM events. The JMP will be negotiated simultaneously with the overall contract and will be reviewable and renewable each year.
- Vendor will be responsible for some of these costs as spelled out in the final JMP.
- Vendor will provide excellent customer service to SBAM and support its efforts in reaching and retaining members.
- Vendor services offered shall be consistent with all federal and state banking guidelines, practices and procedures.
- Vendor will extend SBAM the right to review and approve all marketing materials related to the merchant services program prior to distribution.

- Vendor marketing materials where appropriate will prominently display and describe the benefit of using the program (i.e. it helps support SBAM and its mission, programs and services).
- Vendor will be required to provide either monthly or quarterly reports regarding the performance of the merchant services program. The frequency of reporting will be specified in the final contract. These reports will include overall financial information as well as individual account performance.
- Vendor will be required to track SBAM member ID numbers for each enrolled member to be used with all monthly or quarterly tracking reports.
- Marketing and promotional materials will use only SBAM-approved logos and must use the logo and colors according to the established SBAM brand guidelines.
- A formal problem resolution process will be established in the contract to address issues raised by either SBAM or the vendor.
- Vendor will NOT sell or otherwise distribute to another party, including related divisions of its parent company, the list of members that SBAM provides to conduct the program.

V. RESPONSE EVALUATION

General criteria upon which proposals will be evaluated include, but are not limited to, the following:

- A service guarantee that demonstrates the vendor's commitment to customer service and supports that commitment financially.
- Exclusive pricing on merchant service equipment and ongoing services for SBAM members.
- Commitment to a robust marketing plan.
- Complete and dedicated account management coverage; including marketing and planning, operations management, reporting and ad hoc accountability.
- Multiple and full options of services for SBAM members.
- Aggressive compensation components for new accounts, renewed accounts, basis points on net volume, account bounties and renewal fees.

Specific evaluation criteria upon which proposals will be evaluated include, but are not limited to, the following:

- Exclusivity of the program and pricing for SBAM and its members within Michigan
- Explanation of proposed comprehensive and aggressive marketing plan and budget for the merchant services program.
- Specified form of revenue payment to SBAM for all opened accounts, total volume and other related benefits.
- Explanation of the program's value, exclusive benefits and pricing to SBAM members, line of products and services offered and benefits of each.
- Explanation of customer service to SBAM and how they will support efforts in reaching and retaining account holders.
- Affirmation that their banking services comply with federal and state banking guidelines, practices and procedures.
- Acknowledgement that vendor will be responsible for costs associated with marketing materials.
- Inclusion of preferred initial agreement terms and renewal terms and the reason why they believe the terms are in the best interest of SBAM and its members.
- Inclusion of a sample contract with their proposal.
- Inclusion of examples of either monthly or quarterly reports regarding the performance of the merchant services program, including financial information as well as overall account performance.
- Description of how the vendor would prohibit SBAM members from receiving other unrelated solicitations of services they may provide that is not outlined in the contract.
- Inclusion of any additional information or data not requested as part of this RFP, which the vendor believes should be considered in the evaluation of a response. This section may include sample marketing, guarantees, and where the vendor ranks in the industry.
- Statement of any exceptions (if any) taken to the terms and conditions of this RFP. Provide a detailed explanation of the exception.

- Identification of the period for which your pricing structure (proceeds of new accounts and account traffic to SBAM) are in effect.

VI. PLEASE REPLY TO THE FOLOWING QUESTIONS IF NOT ANSWERED PREVIOUSLY:

- Please describe the merchant processing software platform that your service relies upon.
- What is your corporate philosophy toward group purchasing programs?
- Are you currently administering any similar group purchasing programs? What contractual relationships with other associations does your company maintain? Could any be considered as a conflict with SBAM? What solution would you propose to any conflict?
- What is the length of time those programs have been in effect?
- How many employers participate in the programs and the processing volume. Please break this down by:
 - Details by Size
 - \$1.00 - \$49,999
 - \$50,00 – \$99,000
 - \$100,000 – \$199,999
 - \$200,000 - \$299,999
 - \$300,000 +
- What would you describe as your core competency (ies)?
- What sets your company apart from your competition?
- Please describe the implementation and account management teams (including the detail of each of their roles) who will be assigned to SBAM. Who will be the point-of-contact for SBAM and what is his/her experience in this role?
- Where is the plan’s primary client contact located? How many client accounts does he/she maintain?
- Do you have local staff available in Michigan? How often can you make a representative available at SBAM’s location for planning and review sessions?
- Provide three references for any association with a similar offering. Please also include two references for any association that has discontinued your services within the past two years.

- Please provide the results of any customer service surveying that you have done within the past 2 – 3 years.
- Are there any current or pending litigation or administrative actions against your firm? If yes, please describe them.
- Please provide copies of financial statements for the last three fiscal years (audited statements preferred).

VII. MEMEBERSHIP STATUS

As a membership organization, we will only contract with companies who are members of SBAM at our VIP level or above. The selected vendor will be expected to maintain a membership at this level throughout the duration of the relationship.

VIII. QUESTIONS, DEADLINES, ADDITIONAL INFORMATION

We have in place a task force of volunteers and staff who will guide the selection process through the coming months. Our desire is to have selected a vendor and outlined the scope of work involved in the summer of 2021 and a plan ready soon thereafter. So that all proposals may be thoroughly analyzed and selected vendors interviewed, proposals must be received no later than 5:00 p.m. on August 13th. Based upon the information provided, SBAM will conduct interviews of selected companies and we reserve the right to reject any proposals that in SBAM's sole discretion do not meet our requirements.

If a potential vendor requests additional information, the information will be provided to all possible vendors. Selection of the finalists and ultimate vendor will be made based on the organization that can significantly serve our member business with a best value program. The selection will not be based solely on financial considerations.

Proposals received after this date and time will not be accepted. Proposals must be submitted via email. SBAM will bear none of the costs incurred by any proposer or potential proposer in their preparation and delivery of the proposal or any future visits to the SBAM offices, if in-person presentations are required.

If you wish to participate in this process, please submit your proposal electronically to:

Scott Lyon, Senior Vice President
Small Business Association of Michigan
120 North Washington Square, Suite 1000, Lansing, Michigan 48901
(517) 492-1232 (office direct)
(517) 242-1307 (mobile)
scott.lyon@SBAM.org

Questions regarding the RFI should be directed to Scott at the above address.

IX. CONCLUSION AND TIMELINE

The selection process we have outlined is as follows:

- Step 1:** Issue RFP
- Step 2:** Identify potential vendors
- Step 3:** Narrow potential vendor list
- Step 4:** Select vendor team
- Step 6:** Negotiate terms, design plans, marketing and distribution
- Step 7:** Launch Plan

We recognize the extended effort and time required in responding effectively to our request for information. With a potential customer pool of over 28,000 members, and over 100,000 prospects, we trust the time and energy your organization commits will prove beneficial. We appreciate your participation. Providing the best value for our membership is our primary concern and what makes the official RFI process important.

In order to obtain the most comprehensive proposal, SBAM staff and members of the SBAM Member Services Committee are able, if required, to sign non-disclosure agreements to protect the confidentiality of your offering.