



Paladin Quote Check

Acme State Bank

April 25, 2017

Supplier Proposal Evaluation

Supplier A amendment for the addition of Business Online Banking with Commercial Mobile Banking and Deposit Capture. The quote includes an Initial investment of \$111,087 for setup and configuration in addition to monthly charges estimated at \$3,360.

Current Client Situation:

Currently 24 months into a 60-month (5 year) processing agreement for AP, IP, IB, BP and ATM/EFT card services all scheduled to mature in September 2018.

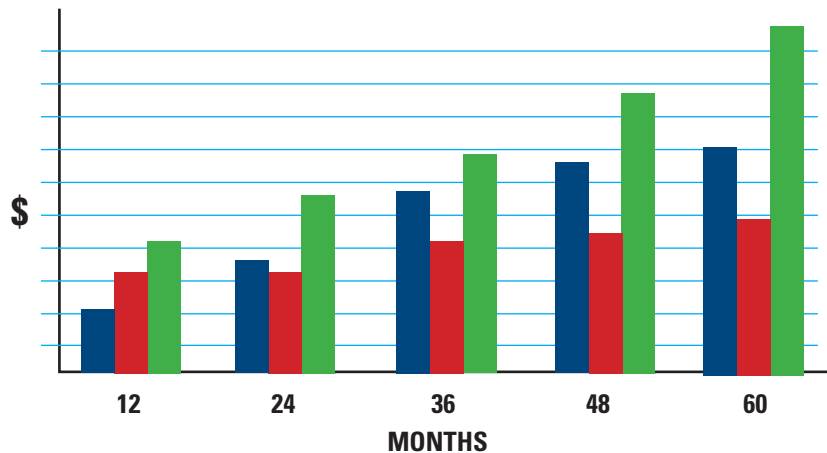
Estimated Total Quote Value (TQV):

5-Year Term \$312,687
7-Year Term \$393,327

Supplier Proposal Stipulations:

1. CPI annual change increased from a maximum of CPI or 3% to a minimum of CPI or 3%.
2. Supplier A master agreement term extended by 2 years to extend termination date to September 30, 2020.
3. Effective term of mobile banking + other services will be 60 months in total upon signature.

Cummulative Total Contract Value (TCV)

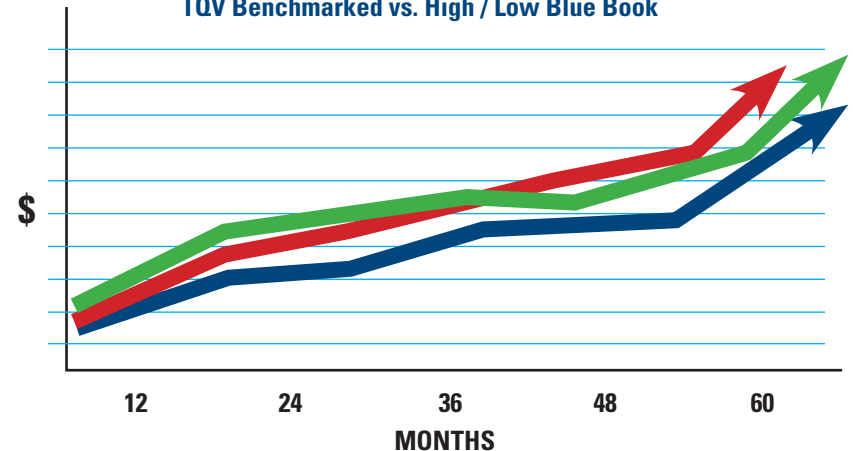


Paladin Quote Check Recommendations

Based on the Paladin Blue Book for same or similar services with this vendor and their competitors find the range of pricing that should be expected over a 5-year term based on all factors taken into consideration. The institution should negotiate the current proposal further in order to move the pricing as close to low market as possible.

	Low Market	Mid-Market	High Market
Setup Fees	\$10,000	\$48,000	\$103,445
Monthly Processing	\$2,750	\$3,250	\$4,100

TQV Benchmarked vs. High / Low Blue Book



1. Demand that the term be no longer than 36 months so that it is coterminous with master agreement. Avoid extending master agreement unless they will allow you to renegotiate the entire contract.
2. Attempt to cut the setup fee by 50%.
3. Do not agree to increase in CPI.

Conclusion

Financially, the proposal received from Supplier A for Business Online Banking with Mobile and Deposit Capture is at fair market value. However, the additional terms placed within the amendment will negatively affect the bank's current contractual agreement with Supplier A and should be considered carefully and possible negotiated prior to executing this amendment.