



**Request for Proposal
Banking Services
October 1, 2026**

City of Otsego – 2026 Banking Services RFP

I. SUMMARY

Changes in technology, treasury management practices, and innovative products and services provide public funds managers opportunities to achieve their objectives of appropriate and cost-effective banking services while protecting their funds and reducing risk to financial operations. In accordance with the Government Finance Officers Association (GFOA) best practices, local governments should periodically reevaluate their banking services. As it has been many years since the City of Otsego last solicited banking services proposals and management has concluded that it would be prudent to reevaluate these services at this time.

II. PURPOSE OF REQUEST

The City of Otsego is requesting proposals for its primary banking services, including its main depository. It is the City's intent to award all services to the most qualified Financial Institution but may, in the City's best interest, award partial services to two or more qualified Financial Institutions.

III. TIMELINE FOR PROCUREMENT PROCESS

The City of Otsego has developed the following timetable and fully expects to execute a finalized banking services agreement on or before January 1, 2027:

- Issue RFP on October 1, 2026
- Deadline to submit questions - 3:00 p.m., October 15, 2026
- Deadline for Proposals - 10:00 a.m., November 5, 2026
- Opening of Proposals - 10:00 a.m., November 5, 2026
- Interview with Selected Firms – November 10, 2026 (if necessary)
- Recommendation and Approval by City Commission – November 16, 2026
- Finalize and Sign services agreement - week of November 23-25, 2026
- Implementation – Month of December 2026

IV. MINIMUM QUALIFICATIONS

To be considered for this proposal, financial institutions must meet all the following minimum qualifications:

- A. Institution must hold and maintain a charter, license, or other documentation from the United States Government or the State of Michigan the authority to provide banking services to the City of Otsego.

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- B. Institution must be a State of Michigan qualified depository for public funds pursuant to Public Act 20 as amended, and all funds deposited with the institution shall be held only in a manner consistent with Public Act 20 of 1943, Public Act 40 of 1932, and all other applicable State and Federal laws.
- C. Institution must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services including, but not limited to domestic wires and ACH transactions.
- E. Institution must have a straightforward, intuitive, and secure web-based interface to transfer funds within City accounts, initiate wires or ACH transactions (including direct deposit files), and report current day and historical account balances and transactions.

V. INSTRUCTIONS FOR PROPOSALS

- A. Proposals must be in a sealed envelope and clearly marked on the face of the envelope "CITY OF OTSEGO BANKING SERVICES RFP". Proposals must be received by 10:00 a.m., November 5, 2026. Three (3) copies of the proposal must be submitted. Faxes, emails, and telephone proposals will not be accepted. Late proposals will be returned unopened.
- B. Proposals should be prepared in a simple, straight forward manner describing the institution's capabilities of meeting the requirements of this request. All quotes submitted in response to this RFP shall become the property of the City of Otsego and be a matter of public record available for review.

- C. Send all proposals and questions to:

Finance Director
City of Otsego
117 E Orleans Street.
Otsego MI 49078

bkelley@cityofotsego.org

- D. Questions must be in writing. Deadline for submitting questions is 3:00 p.m. on Thursday, October 22, 2026. Answers to questions will be in writing via email to all

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known interested vendors. A copy of bank account statements for the prior year will be made available upon request.

- E. Results: A tabulation sheet will be available for review after proposals are opened and reviewed.
- F. Changes and addenda to Documents:
Information of change or addendum issued in relation to this RFP will be on file and available in the City Clerk's Office, 117 E Orleans St, Otsego, MI.
- G. In addition, to the extent possible, copies will be mailed to each vendor registered as having received a set of quote documents. It shall be the vendor's responsibility to make inquiry as to changes or addenda issued. All such changes or addenda shall become part of the contract and all vendors shall be bound by such addenda.
- H. All proposals must include the following:
 - 1. Complete responses to questions/statement - Appendix A
 - 2. Statement of Qualifications - Appendix B
 - 3. Non-Collusion Affidavit Certificate - Appendix C
 - 4. Signed Certification Regarding Debarment or Suspension - Appendix D
 - 5. A clear and detailed schedule of fees/costs proposed either fixed or itemized. All costs associated with implementing the services agreement should also be listed such as remote capture devices, deposit slips, software, and other onetime setup costs.

VI. BACKGROUND

The City of Otsego, located in Allegan County, was established by charter in 1918 after having been a Village since 1865. Its population was approximately 4,120, as of the 2020 Census. The City is a home-rule city and is administered by a council/manager form of government. The City employs 24 full-time employees, with numerous part-time/temporary positions utilized at various times throughout the year, depending on the season. Direct deposit is utilized by all employees and many vendors. Approximately 1,800 payroll-related ACHs, totalling approximately \$3,300,000, were issued in calendar year 2025. Accounts Payable uses a mix of paper checks (428) and ACH (814) totalling approximately \$8,530,000 in calendar year 2025. The City is currently using the following DDA bank accounts with average collected balances of:

General Checking	\$200,000
Deposit Account	\$100,000
14 savings accounts	\$1,200,000

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VII. SCOPE OF SERVICES

The City of Otsego is soliciting proposals for banking services with a financial institution which operates a branch or office within city limits or within very close proximity. The banking services contract will be for a three-year period beginning the day the contract is executed. The City intends to include a two-year contract extension, at the City's option, with the same terms and conditions as the original agreement.

The following is a list of mandatory services required.

- Checking and Savings deposit accounts
- Payroll direct deposit
- ACH debit and credit services
- Positive Pay
- Remote capture deposit (city owns Epson scanners)
- eLockbox capture of customer bill pay payments
- On-line banking-reporting
- On-line stop payments
- Overdraft protection
- Safety Deposit Box
- On-line wires and account transfers
- ACH Debit Block
- Excellent customer service

The following is a list of optional services:

- Nightly account sweep – fully insured
- Post No Checks
- Credit Card processing
- Credit / Procurement Cards
- Safekeeping
- Other beneficial financial services not specifically addressed above.

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The City of Otsego expects that the chosen financial institution has the capability to provide all the services within the scope of this proposal. A financial institution will submit as part of its proposal any partners or other providers that will provide any service(s) that are part of the agreement.

VIII. TERMS AND CONDITIONS

- A. Applicable Laws: the Ordinances and Charter for the City of Otsego and the laws of the State of Michigan concerning competitive quotes, contracts, proposals, and purchases will be employed.
- B. The City of Otsego is generally exempt from Federal Excise and Michigan Sales Tax. Prices shall not include taxes. The City of Otsego is a governmental entity and qualifies for any governmental discounts.
- C. If the vendor elects to deviate from this RFP, all exceptions or other changes shall be clearly noted and submitted in advance so that all known vendors can be made aware and can elect to react to any changes.
- D. The City of Otsego does not discriminate based on race, color, national origin, sex, religion, age, or disability in employment or the procurement of services.
- E. Responses to this RFP may not be withdrawn or changed for a period of one hundred twenty (120) days after the official date of opening. This time may be extended by mutual agreement of the City and any vendors.
- F. The City of Otsego reserves the right to reject all quotes, waive informalities or defects in quotes, and accept such quotes, as it shall deem to be in the best interest of the City of Otsego.
- G. All legal matters regarding the resulting contractual agreement will be handled within the jurisdiction of Otsego County, Michigan.

IX. EVALUATION OF PROPOSALS

Proposals will be evaluated by the Finance Director, City Manager, and any other City staff deemed necessary. Evaluations will be based on the below criteria and may be weighed in any manner it deems appropriate.

- A. The City will consider whether the submitted proposal meets the minimum RFP requirements.
- B. The City will review all submitted material and any other relevant material it may obtain to determine whether the financial institution can provide the services outlined in this RFP.

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- C. The City will review the Fees associated with the RFP submission.
- D. The City will contact and evaluate the References provided with the RFP submission.
- E. The City will evaluate presence and investment in the community.

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APPENDIX A

QUESTIONS/STATEMENTS

- A. Provide the names and titles of individuals who will be working on the proposed services and conversion, including their areas of expertise.
- B. Submit five (5) references from current local government customers. References must include contact name, title, address, email address, and phone number.
- C. Describe the institution's community participation or reinvestment program.
- D. Describe your institution's governmental service philosophy.
- E. Provide information about your institution including two years of your most recent financial statements, credit rating, and other information you want to share about your institution.
- F. Provide your funds availability schedule.
- G. Describe your on-line interface in detail including security features and system requirements.
- H. Can your institution automatically redeposit returned items?
- I. How does your institution handle positive pay exceptions?
- J. Explain your institution's disaster recovery plan and cybercrime prevention plan.
- K. Describe the conversion plan you would coordinate to ensure a smooth transition from our current provider, including a timeline.
- L. Discuss any special conditions, fees, services, or deviations from the services requested within this RFP.

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APPENDIX B**STATEMENT OF QUALIFICATIONS**

Each financial institution submitting a proposal shall include this page completed, signed, and notarized.

Name of Financial Institution _____

Business Address _____

Business Phone _____ Fax No _____

E-mail address of Authorized Signer _____

Services provided by your institution _____

Please attach to this statement a copy of your charter, license, or documentation showing your ability to provide banking services in the State of Michigan for the City of Otsego.

I certify that _____ is capable of providing the services requested in this proposal and will comply with the rules, laws, and regulations of the State of Michigan, the United States Government, and any other laws and regulations governing municipal deposits and banking.

Title _____ Name _____

Authorized Signature _____

Sworn before me _____ day of, _____ 2026

Notary Signature _____

Notary Stamp

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APPENDIX C**NON-COLLUSION AFFIDAVIT**

The undersigned, being duly sworn, states that the person nor financial institution herein named has not either directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action to impair the free competitive bidding process of this banking services RFP.

Institution Name: _____

Title _____ Name _____

Authorized Signature _____

Sworn before me _____ day of, _____ 2026

Notary Signature _____

Notary Stamp

APPENDIX D

CERTIFICATION REGARDING DEBARMENT OR

SUSPENSION

To: Otsego City Clerk:

The undersigned vendor declares that they have carefully read, have become familiar with and understands the quote/contract documents and specifications and hereby proposes to fulfill the attached quote.

In submitting this quote, it is understood and agreed by the undersigned that the right is reserved by the City of Otsego to reject any or all quotes. It is further understood and agreed by the undersigned that any qualifying statements, or conditions made to the above quote, as originally published, as well as any erasures, omissions, or entered wording obscure as to its meaning, may cause the quote to be declared irregular and may be cause for rejection of the quote.

Certification Regarding Debarment, Suspension and Other Responsibility Matters-Primary
Covered Transaction

- I. The prospective primary participant certifies to the best of its knowledge and belief, that it and all its principals: (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or committee; (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, State or local) with commission of any of the offenses enumerated in paragraph (I)(b) of this certification and (d) Have not within a three-year period preceding this application/ proposal had one or more public transaction (Federal, State or local) terminated for cause or default.

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- II. Where the prospective primary participant is unable to certify to any the statements in this certification, such prospective participant shall attach an explanation to this proposal.

SIGNATURE OF VENDOR _____

BY _____

TITLE _____