



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of September 22, 2015  
Action Item for the City Council Meeting of September 29, 2015

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**DATE:** September 22, 2015

**TO:** Ronald L. Olson, City Manager

**FROM:** Maria Pedraza, Procurement Manager  
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<b>Merchant Account Services Agreement</b>
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**CAPTION:**

Motion approving a service agreement with Fidelity Information Services, LLC to provide a Merchant Account for Credit/Debit Card payments for an estimated annual expenditure of \$692,948.86, based on lowest responsive proposal in accordance with Request for Proposal No 45. The agreement is established for a three year period with options to extend the agreement for up to two additional twelve month periods, subject to the approval of the City Manager or designee and the service provider. Funding is available in the various using department operational budgets.

**PURPOSE:**

This service allows the City to receive credit and debit card payments for utility bills, municipal court fees and fines, park and recreation fees, building permits and services and other services provided by the City.

**BACKGROUND AND FINDINGS:**

The City receives approximately \$70,000,000 in credit and debit card payments annually. The ability to receive credit card payments is accomplished by establishing a Merchant Account with a service provider that acts as an intermediary in the payment process. This service is a highly technological process that performs many functions of the payment transaction including, but not limited to, authenticity of the credit card utilized, validation of available funds or credit in the customer's account, removal of funds or charges to the customer's account, security oversight of all account information, deposit of funds into the City's account and monthly reporting of all transactions that occur on the Merchant account.

This service provides credit/debit card payments at thirty-one (31) walk-up payment centers located throughout the City. It also is used by our customers for online payments and Interactive Voice Response (IVR) telephone transactions. The highest

volume of transactions and dollars paid through this service is through online and IVR for utility payments.

The City issued a Request for Proposal (RFP) for these services and received three responses from Fidelity Information Services, LLC (FIS), Banc of America Merchant Services LLC and Wells Fargo Merchant Services LLC. Wells Fargo Merchant Services LLC failed to submit pricing as requested by the RFP and therefore was deemed as non-responsive. Of the two remaining proposals, FIS is the lowest cost provider meeting all aspects of the requirements.

**ALTERNATIVES:**

Customer's payment method would have to be cash, money orders or checks.

**OTHER CONSIDERATIONS:**

Consolidating three current merchant providers, who are Wells Fargo Bank, ETS Corporation and Bank of America.

**CONFORMITY TO CITY POLICY:**

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency.

**DEPARTMENTAL CLEARANCES:**

Finance

**FINANCIAL IMPACT:**

☐ Operating      ☐ Revenue      ☐ Capital      X Not applicable

<b>Fiscal Year: 2014-2015</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget			\$692,948.86	
Encumbered / Expended Amount				
This item			\$692,948.86	
BALANCE			\$0.00	

Fund(s): Various

**Comments:**

The service will commence in FY 2015-2016. Funding has been requested for FY 2015-2016 and will be requested for future years.

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Price Sheet

Fidelity Information Services – Agreement attached