



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-17

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October 3, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute an amendment to Contract No. 32391 with Fidelity National Information Services, Inc. (formerly known as "FIS"), of Franklin, TN, to continue payment processing for City services, to increase the contract amount by \$163,000, plus a 15 percent contingency of \$24,450, for an annual amount not to exceed \$187,450, and, extend the contract term to October 30, 2019. (Citywide)

DISCUSSION

On November 8, 2011, the City Council awarded a contract to Fidelity National Information Services, Inc. (Fidelity), for a period of three years, with the option to renew for two additional one-year periods, with an original expiration date of April 30, 2016. The contract with Fidelity provides payment processing for City services.

On March 8, 2016, the City Council approved an amendment to the contract with Fidelity to extend its term to October 30, 2017. This amendment allowed time for a formal procurement process to be conducted by the Purchasing Division. The formal procurement process is now complete and KUBRA has been selected as the new vendor. The Fidelity contract needs to be extended to allow for the contract to be negotiated with KUBRA and to allow for the implementation of the system interfaces.

City Council approval is requested to execute an increase to Contract No. 32391 with Fidelity by \$163,000, plus a 15 percent contingency of \$24,450, for an annual amount not to exceed \$187,450, and extend the contract term to October 30, 2019. The previous rates have not changed. The contingency is for potential changes in the volume of credit card transactions.

All payment processing services will be transitioned from Fidelity to the new vendor in a phased approach, with the utility payments being transitioned last. The City will provide Fidelity a 45-day notice prior to any service transitioning to the KUBRA. Utility services will not transition prior to October 2018.

This matter was reviewed by Deputy City Attorney Amy R. Webber on September 13, 2017 and by Assistant Finance Director Lea Eriksen on September 15, 2017.

TIMING CONSIDERATIONS

City Council action is requested on October 3, 2017, to ensure there are no service interruptions prior to commencement of new services.

FISCAL IMPACT

The annual cost of this contract extension will not exceed \$187,450, including the recommended 15 percent contingency of \$24,450. Sufficient funding for the contract cost is budgeted annually in various user departments and funds. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:PH
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APPROVED:



PATRICK H. WEST
CITY MANAGER