



CITY OF LONG BEACH **R-18**

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Blvd • Long Beach, California 90802

February 3, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute any and all documents necessary to extend Contract No. 29490 with LINK2GOV Corporation for a period of one year, with the option to renew for an additional one-year period, for continued credit card processing services. (Citywide)

DISCUSSION

The LINK2GOV Corporation (L2G) has been providing third party credit card processing services to the City for the past three years. Internet and phone based credit card transactions for utility billing, parking citations, business license and ambulance transports are among the bill types for which payments are processed by this firm. The contract with the City will expire on March 1, 2009.

The fee charged by the outside vendor to the City's customers is \$3.99 per transaction for all non-walk-in payments processed by Financial Management over the phone and via the internet, with the exception of \$1.59 per transaction for parking citations. The fee structure is based on volume and the average amount of the various transactions.

City Council approval is requested to extend the contract for one additional year in support of planned and active billing system interface implementations to conclude in the third quarter of FY 09. To ensure the City is receiving the most competitive pricing available, the Department of Financial Management will issue a Request for Proposals (RFP) in FY 09 to evaluate other competitive credit card services. This extension will also ensure that current billing services and related revenue collections are supported while we conduct the RFP process.

L2G has agreed, pending City Council approval, to extend the credit card processing services contract by one year, from March 1, 2009 to March 1, 2010, with the option to renew for an additional one-year period, if necessary. This corporation was acquired by Metavante Corporation, which will be the new contracting entity. All contract personnel, terms and conditions will remain as approved under the original contract.

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This matter was reviewed by Deputy City Attorney Amy Burton on January 7, 2009 and Budget Management Officer Victoria Bell on January 8, 2009.

TIMING CONSIDERATIONS

City Council action on this matter is requested on February 3, 2009 in order to extend the contract prior to the expiration date of March 1, 2009.

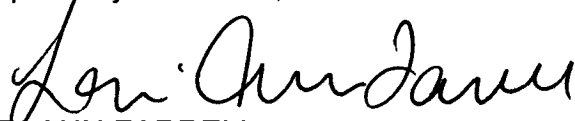
FISCAL IMPACT

There is no cost to the City for the requested contract extension.

SUGGESTED ACTION:

Approve recommendation.

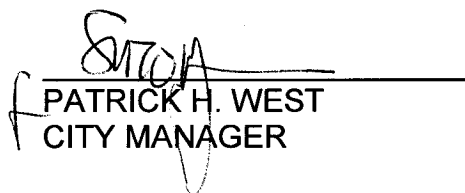
Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

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APPROVED:



PATRICK H. WEST
CITY MANAGER