



Legislation Text

File #: 11-1114, **Version:** 1

Recommendation to authorize City Manager to execute all necessary documents with Fidelity National Information Services, Inc. (FIS) to provide credit card processing services and fund credit card bank fees for City services for a period of three years, in an annual amount not to exceed \$160,000, plus a 15 percent contingency, for a total amount of \$184,000, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

On May 3, 2011, the City Council approved the City Manager's request to execute a contract with FIS (also known as Metavante Corporation and Link2Gov) to provide credit card processing services for City services. The vendor will charge customers a transaction fee for credit card payments made by phone and the Internet and will pay associated bank fees and other expenses. Additionally, FIS provides credit card processing services for payments made in person at City Hall. In these cases; the City is responsible for the payment of the transaction fees to FIS as Visa rules and regulations prohibit the assessment of any fee to the customer for in person credit card transactions. As a result, all credit card payments completed in the Lobby of City Hall will result in a direct expense to the City. Hence, the associated transaction fees are absorbed into a general expense structure for specific services (e.g., marina slip fees).

The City Council letter action referenced above, emphasized the convenience fees and inadvertently omitted a discussion of the historical transaction fees that are absorbed by the City. This letter corrects that omission and requests authorization to include the funding to pay for these banking costs. Banking costs are primarily the result of in-person credit card and debit card transactions and will fluctuate with the volume of credit card payment activity in a given year. The estimated cost of credit card banking fees is approximately \$160,000 per year and is funded by the appropriate departments.

This matter was reviewed by Deputy City Attorney Amy R. Webber on October 6, 2011 and Budget Management Officer Victoria Bell on October 13, 2011.

City Council action on this item is requested on November 8, 2011 to expedite the implementation of the contract.

The estimated annual contract cost of \$160,000, plus a 15 percent contingency (uncertain credit card transaction value), for a total amount of \$184,000, is included in the FY 12 budget of the using departments. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:

PATRICK H. WEST
CITY MANAGER