



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#16-0184

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: March 15, 2016

TITLE: Motion to Approve a Six Month Contract Extension for Credit Card
Processing Services – Elavon, Inc. - \$983,620

Recommendation

It is recommended that the City Commission approve a contract extension, not to exceed six months, with Elavon, Inc. (Elavon) for credit card processing services in the estimated amount of \$983,620 until a successor agreement for credit card processing services is effective; and authorize the City Manager to execute all necessary documents.

Background

On August 21, 2012, the City Commission approved a three-year contract with JPMorgan Chase Bank, N.A. d/b/a Paymentech, LLC (JPMorgan) for credit card merchant services based upon Request For Proposals (RFP) 725-10974 and Commission Agenda Memorandum (CAM) 12-1193. Negotiations were stalled because the City had not yet achieved Payment Card Industry (PCI) compliance. The City has since received its PCI compliance which allows the transition to a modern point of sale (POS) system.

On September 16, 2015, the City Commission withdrew the contract award to JPMorgan (CAM 15-1162) in that RFP 725-10974 did not anticipate the upcoming changes to the credit card industry. Those changes affect the equipment that will be purchased for a POS system to be implemented.

The Finance Department is building a fraud-proof infrastructure that will support emerging payment innovations, such as ApplePay, and reduce risk. Due to changes in credit card industry standards, Finance Department staff believes it is prudent to pursue the contract that will best ensure the next generation of electronic payment processing for the City.

The Finance Director recommends that the City exercise the credit card merchant services option in the Wells Fargo Bank, N.A. banking services contract. The City

entered into this contract on September 1, 2015 (CAM 15-0659), which included the option for credit card services. By adding this service to the current banking services agreement, the City will be reducing the per-item transaction fee from \$0.10 to \$0.04 and the credit card processing fees from 0.22% to 0.08% (not including interchange fees, which are billed as a pass-through cost). The City will also be able to use earnings credit (40 basis points) from balances in the bank account to offset the processing fees.

The continuation of the Elavon contract for the specified period of April 2016 to September 2016 is necessary to ensure continuity of City operations; afford the time to complete the negotiations with Wells Fargo; and implement the new credit card merchant services city-wide.

Staff recommends an extension of the contract for credit card processing services with Elavon pursuant to Section 2-189(a) Code of Ordinances of the City of Fort Lauderdale, as the services are not readily subject to competition for this transition period and time is of the essence.

Resource Impact

There will be a fiscal impact to the City in the estimated amount of \$983,620 as identified below.

FUNDS AVAILABLE AS OF March 2, 2016					
ACCOUNT NUMBER	INDEX NAME (PROGRAM)	OBJECT CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Object Code)	AVAILABLE BALANCE (Object Code)	PURCHASE AMOUNT
001-DSD034002-3113	Building Permits	Services & Materials/ Finance & Bank Services	\$2,958,192	\$2,393,000	\$72,470
001-FIN090909-3113	Business Tax	Services & Materials/ Finance & Bank Services	\$84,618	\$61,730	\$5,221
001-FIR010401-3113	Fire Prevention	Services & Materials/ Finance & Bank Services	\$51,740	\$46,745	\$1,112
001-FIR030101-3113	Fire-Rescue Support	Services & Materials/ Finance & Bank Services	\$3,045,890	\$885,987	\$2,014
450-PBS060101-3113	Utilities Engineering Operations	Services & Materials/ Finance & Bank Services	\$2,444,924	\$1,342,782	\$488,262
001-PKR010101-3113	Parks and Recreation Administrative Support	Services & Materials/ Finance & Bank Services	\$96,607	\$62,465	\$17,894

001-PKR030501-3113	Snyder Park	Services & Materials/ Finance & Bank Services	\$22,120	\$15,081	\$6,340
001-PKR033601-3113	Programming	Services & Materials/ Finance & Bank Services	\$531,009	\$359,193	\$2,882
001-PKR090101-3113	Marine Facilities Administration	Services & Materials/ Finance & Bank Services	\$134,446	\$75,342	\$42,899
001-POL020210-3113	Background Investigations	Services & Materials/ Finance & Bank Services	\$43,500	\$32,608	\$1,519
461-TAM020101-3113	Parking Customer Services	Services & Materials/ Finance & Bank Services	\$320,157	\$212,197	\$30,965
461-TAM020107-3113	Parking Enforcement	Services & Materials/ Finance & Bank Services	\$429,544	\$294,983	\$32,529
461-TAM020201-3113	Parking On Street Meters	Services & Materials/ Finance & Bank Services	\$605,997	\$375,115	\$92,889
461-TAM020301-3113	Parking Lots	Services & Materials/ Finance & Bank Services	\$553,593	\$406,969	\$72,550
461-TAM020302-3113	Parking - Oceanside Lot	Services & Materials/ Finance & Bank Services	\$181,302	\$161,473	\$3,262
461-TAM020303-3113	Parking-Intracoastal Lot	Services & Materials/ Finance & Bank Services	\$131,112	\$88,406	\$36,253
461-TAM020304-3113	Parking-Sebastian Lot	Services & Materials/ Finance & Bank Services	\$32,991	\$22,731	\$5,295
461-TAM020401-3113	Parking City Park Garage	Services & Materials/ Finance & Bank Services	\$556,521	\$411,610	\$37,115
461-TAM020402-3113	Parking-Bridge Side Square	Services & Materials/ Finance & Bank Services	\$225,597	\$85,692	\$23,225
461-TAM020403-3113	Parking City Hall Garage	Services & Materials/ Finance & Bank Services	\$173,195	\$113,856	\$8,924
PURCHASE TOTAL					\$983,620

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably.
- Objective 2: Routinely examine and improve procurement and payment processes.

This item also furthers the *Fast Forward Fort Lauderdale 2035 Vision Plan: We are United*.

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