



City of Largo Agenda Item 18

Meeting Date
06/05/18

Presenter:

Department:

TITLE:

APPROVAL OF EXTENSION OF AN AGREEMENT FOR MERCHANT CARD PROCESSING SERVICES TO BANK OF AMERICA, NA, BASED ON STATE OF FLORIDA CONTRACT NO. D0751, FOR THE PERIOD JUNE 12, 2018 THROUGH JUNE 11, 2021 IN THE ESTIMATED TOTAL AMOUNT FOR THE THREE YEAR PERIOD OF \$450,000.

The City has participated in the Florida State contract for Merchant Card (credit card) Processing Services with Bank of America, NA (BOA) since 2013. The current agreement between the City and BOA expires June 11, 2018.

BOA has provided good service at highly competitive prices. The new State Contract's terms, conditions and processing fees are identical to the existing contract, which remain highly competitive; therefore, an RFP was not conducted. The participation agreement will be linked to the same Master Contract as the expiring agreement.

The City's participation would remain in effect for the remaining term of the Master Contract with the State of Florida unless terminated earlier by either party. The City can terminate the agreement at any time without penalty.

Total merchant card processing charges for the twelve months ending September 30, 2017 were approximately \$104,000, including BOA's fees of \$13,000, interchange fees of \$73,000 (pass-through costs from the credit card companies) and other processing fees of \$18,000. These amounts can change based on card usage, including the size of individual transactions (amounts being charged) and the number of charge transactions.

Each City department that accepts credit cards has budgeted for merchant card processing fees and fees are charged to each department according to actual usage.

Departments are anticipating collecting additional fees on-line over the next three years and additional on-line payment opportunities are currently being explored in conjunction with the launch of the City's new website; therefore, authority is requested for anticipated growth in merchant card purchases over the next three years of \$150,000 a year for the next three years (\$450,000 total over three years).

A copy of the agreement has been sent to the City Commission electronically and posted on the website.

Budgeted Amount:	<input type="text" value="\$152,300.00"/>	Budget Page No(s):	<input type="text"/>	Individual Dept. Budgets	Available Amount:	<input type="text" value="\$152,300.00"/>	Expenditure Amount:	<input type="text" value="\$110,000.00"/>
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Additional Budgetary Information:

Funding Source(s):	<input type="text" value="NA"/>	Sufficient Funds Available:	<input checked="" type="radio"/> Yes <input type="radio"/> No	Budget Amendment Required:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Source:	<input type="text" value="N/A"/>
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City Attorney Reviewed:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	Advisory Board Recommendation:	<input type="radio"/> For <input type="radio"/> Against <input checked="" type="radio"/> N/A	Consistent With:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A	<input type="text" value="Not Applicable"/>
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Potential Motion/ Direction Requested:

Staff Contact:	<input type="text" value="Kim Adams, Finance Director"/>	<input type="text" value="727-587-6747"/>	<input type="text" value="kadams@largo.com"/>
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Attachments: