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:** $152,300.00  
**Available Amount:** $152,300.00  
**Expenditure Amount:** $110,000.00

**Additional Budgetary Information:** Merchant processing fees can vary according to actual charges processed, and any expenditures that are over budget will be covered by existing unencumbered funds.

**Potential Motion/Direction Requested:**

I MOVE TO APPROVE/DISAPPROVE THE 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.

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**Attachments:** None