



# City of San Antonio

## Agenda Memorandum

**File Number:** 16-5150

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**Agenda Item Number:** 20.

**Agenda Date:** 10/13/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### **SUBJECT:**

Merchant Banking Services Contract Amendment

### **SUMMARY:**

This Ordinance approves an amendment to the merchant banking services contract with JP Morgan Chase Bank, N.A. and Paymentech, LLC.

### **BACKGROUND INFORMATION:**

On June 4, 2015, Ordinance No. 2015-06-04-0492, passed and approved an extension to the contract between the City, and JPMorgan Chase Bank, N.A., a national banking association, and Paymentech, LLC, a Delaware limited liability company ("Chase Paymentech") for merchant banking (credit card) services for a period of two (2) years, commencing on July 1, 2015 through June 30, 2017.

Chase Paymentech assumed the responsibility of end-to-end merchant banking services customarily provided in processing credit card transactions, to include but not be limited to: provision of equipment/software; credit and charge transaction authorization; routing, clearing and settlement services for all major credit card brands, smart and/or stored value cards.

This amendment will allow for the City to implement Safetech Page Encryption and Safetech Tokenization which are enhanced security measures for the transmission of card holder data. These enhancements encrypt customer credit card data sent to the bank, making the credit card data secure and reducing the chance of fraud. These enhancements are required as part of the Customer First San Antonio project which includes a point-of-

sale system and a reservation-registration system implementation.

The contract amendment, attached as Exhibit I, lists the additional cost per item that will be incurred for these new features.

**ISSUE:**

The proposed new security features are consistent with the City's policy of securing customer data.

**ALTERNATIVES:**

The City could choose not to implement these new security features; however, the City would have a higher risk of having credit card data compromised.

**FISCAL IMPACT:**

Fees for the merchant banking contract are included in the FY 2017 Adopted Budget for each City department utilizing credit card services. The additional fees for FY 2017 as a result of this amendment are estimated at \$2,250.00. This estimate is based on preliminary information and is subject to change.

**RECOMMENDATION:**

Staff recommends approval of this ordinance approving an amendment to the merchant banking services contract with JP Morgan Chase Bank, N.A. and Paymentech, LLC.