



City of San Antonio

Agenda Memorandum

File Number:19-4434

Agenda Item Number: 37.

Agenda Date: 6/13/2019

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Merchant Banking Services Contract Amendment

SUMMARY:

This Ordinance approves a contract amendment with JP Morgan Chase Bank, N.A. and Paymentech, LLC to extend the term of the contract for an additional year, commencing on July 1, 2019, and ending on June 30, 2020 with the option to renew and extend for one (1) additional one (1) year term under the same terms and conditions.

BACKGROUND INFORMATION:

On June 21, 2012, Ordinance No. 2012-06-12-0520, approved 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 three (3) years, commencing on July 1, 2012 through June 30, 2015, with an option to renew for one (1) additional two (2) year period.

On June 4, 2015, Ordinance No. 2015-06-04-0492, approved the renewal and extension of the contract between the City, and Chase Paymentech for merchant banking (credit card) services for a renewal period of two (2) years, commencing on July 1, 2015 through June 30, 2017.

On June 15, 2017, Ordinance No. 2017-06-15-0452, approved the renewal and extension of the contract between the City, Chase Paymentech for merchant banking (credit card) services for a renewal period of two (2) years, commencing on July 1, 2017 through June 30, 2019.

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, debit cards, smart and/or stored value cards; and if necessary, subcontracting with firm(s) to provide additional services. Chase Paymentech has provided exceptional customer service for all operational aspects of merchant banking services. Chase Paymentech has committed to meet quarterly over the course of the contract term for the purpose of delivering updates related to procedures and services provided by the merchant bank. As a result, the City has added various locations that accept credit cards and has streamlined processes.

The purpose of the contract amendment is to extend the term of the contract for an additional year, commencing on July 1, 2019, and ending on June 30, 2020 with the option to renew and extend for one (1) additional one (1) year term under the same terms and conditions. The contract amendment will ensure continuity with the continued implementation of the Customer First San Antonio (C1SA) project which includes a point-of-sale system and a reservation-registration system implementation. C1SA will allow customers more options in paying for City services both in person and online. Phase 1 of the project was completed and utilizing the same merchant bank will allow for efficiencies in other phases of the implementation.

ISSUE:

The proposed selections are consistent with State law; the City's banking policies and previous actions to contract such services.

ALTERNATIVES:

If the renewals are not approved, the City would be required to initiate a Request for Proposal process which could impact the City's processing of credit card transactions.

FISCAL IMPACT:

Annual interchange and other fees/costs for the merchant banking contract are included in the FY 2019 Adopted Budget for each City department utilizing credit card services.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the execution of a Merchant Payment Instrument Processing Contract Amendment with JP Morgan Chase Bank, N.A. and Paymentech, LLC.