

Condensed Title:

Request For Approval To Authorize The Issuance Of A Request For Proposals (RFP) For The Provisions Of Credit Card Merchant Processing Services To The City Of Miami Beach, For A Five-Year Period With Five One-Year Renewal Options.

Key Intended Outcome Supported:

Improve the City's overall financial health and maintain overall bond rating.

Supporting Data (Surveys, Environmental Scan, etc.): N/A

Issue:

Should the City Commission authorize the issuance of an RFP for banking services?

Item Summary/Recommendation:

Every five years the City issues an RFP seeking competitive pricing for various banking services involving the general operating, general depository and payroll accounts among several others. In the past, these banking services included the credit card merchant processing services. The City currently has a contract with SunTrust Bank that will expire on December 31, 2012, and also has a subcontract with SunTrust Merchant Services for credit card processing services which will also expire on the same day.

With the approval of the City Commission, the Administration will issue two separate RFP's: one for banking services and the other for credit card merchant processing services. By issuing two separate RFP's, the City is anticipating that it will receive more replies to the credit card merchant processing service than combining this service with the banking services in just one RFP. The objective the credit card merchant processing service RFP would be to identify the credit card processing company that will provide the City with the highest quality service for the best value.

The original term of the contract will begin on January 1, 2013 for a five year term with five one-year renewal options. Each year of the five year options may be renewed at the sole discretion of the City, through the City Manager.

AUTHORIZE THE ISSUANCE OF THE RFP

Advisory Board Recommendation: N/A

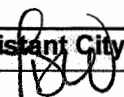

Financial Information:

	Amount	Account	Approved
Source of Funds: OBPI	To Be Determined	GF, Parking, RDA, Parks & Rec & other any other Funds that process Credit Cards	
Total			

City Clerk's Office Legislative Tracking:

Patricia Walker, Chief Financial Officer

Sign-Offs:

Department Director	Assistant City Manager	City Manager
	PDW 	KGB 

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MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Kathie G. Brooks, Interim City Manager

DATE: July 18, 2012

SUBJECT: **REQUEST FOR APPROVAL TO AUTHORIZE THE ISSUANCE OF A REQUEST FOR PROPOSALS (RFP) FOR THE PROVISIONS OF CREDIT CARD MERCHANT PROCESSING SERVICES TO THE CITY OF MIAMI BEACH, FOR A FIVE-YEAR PERIOD WITH FIVE ONE-YEAR RENEWAL OPTIONS.**

ADMINISTRATION RECOMMENDATION

Authorize the issuance of the RFP.

ANALYSIS

Every five years the City issues an RFP seeking competitive pricing for various banking services involving the general operating, general depository and payroll accounts among several others. In the past, these banking services included the credit card merchant processing services. The City currently has a contract with SunTrust Bank that will expire on December 31, 2012, and also has a subcontract with SunTrust Merchant Services for credit card processing services which will also expire on the same day.

With the approval of the City Commission, the Administration will issue two separate RFP's: one for banking services and the other for credit card merchant processing services. By issuing two separate RFP's, the City is anticipating that it will receive more replies to the credit card merchant processing service than combining this service with the banking services in just one RFP. The objective of the credit card merchant processing service RFP would be to identify the credit card processing company that will provide the City with the highest quality service for the best value.

The original term of the contract will begin on January 1, 2013 for a five year term with five one-year renewal options. Each year of the five year options may be renewed at the sole discretion of the City, through the City Manager.

SCOPE OF SERVICES

There are several services which are required as part of this request for proposal. All services must be included in the proposal in order for it to be considered. The credit card merchant processing services detailed in this section are to be performed for the City on a contractual basis. It is the intent of the City to have one single credit card processing

company provide all the service needs of the City. The services and scope of services are as follows:

1. Provide a competitively based discount for the processing of all four major credit cards: Visa, MasterCard, Discover, and American Express.
2. The service shall allow the City to authenticate the cardholders and use the card's magnetic stripe to authenticate the cardholder and to authorize and capture the transaction.
3. Provide payment, settlement and refunding services.
4. Provide a customer receipt that has only the last four (4) digits of the credit card number and does not show the expiration date.
5. Deposit payments into specified City bank accounts by merchant ID.
6. Provide online daily transaction and account reconciliation reports by major credit card and by merchant ID.
7. Application must be compatible with the City's present equipment and software, or provide equipment and software alternative.
8. Provide, at no cost to the City, on-site technical service as may be required in the event of operational difficulties related to transmission of daily transactions or any equipment/software failure or malfunction.

In addition to the above scope of services, the companies that would be replying to this RFP shall:

1. Be a company with at least five (5) years experience processing credit card payment records transmitted for processing and settlement from major credit/debit card processing networks.
2. Be a company with at least five (5) public sector customers.
3. Be compliant with all Payment Card Industry (PCI) security standards as established by the Payment Card Industry Standards Council.
4. Provide seven (7) days per week technical support utilizing a customer service phone number.
5. Provide daily settlement of merchant accounts.
6. Make next day deposits after settlement into the City's specified bank accounts.
7. Be able to handle approximately 255,000 monthly transactions which represents approximately \$3 million and expected growth over the next five years.
8. Provide on-line resource for retrieving, reviewing, printing and/or downloading transactions and settlement data.
9. Have the ability to provide multiple user access to on-line reporting.

10. Notify the City in writing within ten (10) business days of any changes in Federal or State regulations that would thereafter affect the credit card merchant service contract.
11. Notify the City of any new services that become available to the City throughout the contract period.
12. Have the records relating to the City accounts open to review by either City staff or independent auditors during normal business hours.

EVALUATION/SELECTION PROCESS; CRITERIA FOR EVALUATION

The procedure for proposal evaluation and selection is as follows:

1. Request for Proposals issued.
2. Receipt of proposals.
3. Opening and listing of all proposals received.
4. An Evaluation Committee, appointed by the City Manager, shall meet to evaluate each proposal in accordance with the requirements of this RFP. If further information is desired, proposers may be requested to make additional written submissions or oral presentations to the Evaluation Committee.
5. The Evaluation Committee shall recommend to the City Manager the proposal or proposals acceptance of which the Evaluation Committee deems to be in the best interest of the City. The Evaluation Committee shall base its recommendation on the following criteria:
 - State of the Art Technology – On-line Services – 25 points
 - Charges for Services including hardware & software costs – 45 points
 - Personal Contact Points – Customer Services – 15 points
 - Experience, Qualifications and References – 15 points

LOCAL PREFERENCE: The Evaluation Committee will assign an additional five (5) points to Proposers, which are, or include as part of their proposal team, a Miami Beach-based vendor as defined in the City's Local Preference Ordinance.

VETERANS PREFERENCE: The Evaluation Committee will assign an additional five (5) points to Proposers, which are, or include as part of their proposal team, a small business concern owned and controlled by a veteran(s) or a service-disabled veteran business enterprise, as defined in the City's Veterans Preference Ordinance.

6. After considering the recommendation(s) of the Evaluation Committee, the City Manager shall recommend to the City Commission the proposal or proposals acceptance of which the City Manager deems to be in the best interest of the City.
7. The City Commission shall consider the City Manager's recommendation(s) in light of the recommendation(s) and evaluation of the Evaluation Committee and, if appropriate, approve the City Manager's recommendation(s). The City Commission may reject City Manager's recommendation(s) and select another proposal or proposals. In any case, City Commission shall select the proposal or proposals acceptance of which the City Commission deems to be in the best interest of the City. The City Commission may also reject all proposals.
8. Negotiations between the selected proposer and the City Manager or designee take place to arrive at a contract. If the City Commission has so directed, the City Manager may proceed to negotiate a contract with a proposer other than the top-ranked proposer if the negotiations with the top-ranked proposer fail to produce a mutually acceptable contract within a reasonable period of time.
9. If the City Commission has so approved, the City Manager or designee after successful negotiations, will present a contract acceptable to the respective parties to the City Attorney's office for approval as to form and language, and then to the Mayor and City Clerk for signature after the selected proposer has done so.

CONCLUSION

The Administration recommends that the Mayor and Commission authorize the issuance of the RFP for credit card merchant processing services.

JMG/PW/jr

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