Condensed Title:

Request Approval To Reject All Proposals Received, Pursuant To Request For Proposals (RFP) 54-11/12 For The Provision Of Credit Card Merchant Processing Services

Key Intended Outcome Supported:

Improve the City's Overall Financial Health and Maintain Overall Bond Rating

Supporting Data (Surveys, Environmental Scan, etc.): The City's overall bond rating is Aa2 and AA-according to Moody's and Standard and Poor's respectively.

issue:

Shall the City Commission reject all proposals and approve the issuance of the RFP?

Item Summary/Recommendation:

The City requires credit card merchant processing services in order to accept credit card payments from City customers. The City currently has a month-to-month agreement with SunTrust Merchant Services, LLC to provide the required credit card merchant processing services. In order to seek proposals for a subsequent agreement, July 18, 2012, the City Commission approved the issuance of RFP 54-11/12, for these services.

The RFP was issued on September 12, 2012, and proposals were received on October 11, 2012. On October 25, 2012, the Committee convened to review and discuss the proposals. The Committee expressed their concern in regards to the lack of clarity in the cost proposals received and agreed that it was not possible to evaluate cost proposals because of the wide variation in the formats submitted. In addition, around the same time period LTC 270-2012 was issued detailing the arrest of the former Procurement Director and providing an affidavit in support of the arrest warrant (the "Affidavit"). The Affidavit potentially impacted some of the proposals received in response to the RFP. As a result, the City halted the evaluation process until such time as greater clarity on the impact of the Affidavit on proposals received was available. At this time, the City is still attempting to complete its review of the Affidavit's supporting documentation received from the State Attorney's Office to determine a course of action to be undertaken relative the matters outlined in the affidavit.

Proposals were required to be valid for a period of ninety (90) days; therefore, the proposals received in response to the referenced RFP are no longer valid. As a result, the Administration is recommending a rejection of all proposals received. Subsequent to the approved rejection of proposals received, an industry review meeting will be conducted to address the Evaluation Committee's concern regarding the comparability of the cost proposal formats. It is the Administration's intent to submit a revised RFP to the City Commission at its October meeting for approval to issue so that proposals for credit card merchant processing services can be received and evaluated.

Recommendation

After considering the review and recommendation of City staff, the City Manager exercised his due diligence and carefully considered the specifics of this RFP process. As a result, the City Manager recommends to the Mayor and City Commission to reject all proposals received in response to the referenced RFP.

Advisory Board Recommendation:

N/Δ

Financial Information:

| Source of | | Amount | Account |
|---------------|------------|---------|---------|
| Funds: | 1 | N/A | |
| | Total | N/A | |
| Financial Imi | pact Summa | rv: N/A | |

City Clerk's Office Legislative Tracking:

Patricia Walker, ext. 6461

Sign-Offs:

| Digiti Otto. A | | T 1) | <u>^</u> |
|--------------------|---|------------------------|--------------|
| Departm <u>e</u> n | | Assistant City Manager | City Manager |
| AD 🗡 | | PDW Y KGB 197 | JLM/W |
| | 7 | | |

T:\AGENDA\2013\September 11\RFP 54-11/12 Rejection and RFP Issuance for Credit Card Services - Summary.doc



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:

Jimmy L. Morales, City Manager

DATE:

September 11, 2013

SUBJECT: REQUEST APPROVAL TO: 1) REJECT ALL PROPOSALS RECEIVED, PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 54-11/12 FOR THE PROVISION OF CREDIT CARD MERCHANT PROCESSING SERVICES TO THE CITY OF MIAMI BEACH FOR A FIVE-YEAR PERIOD WITH FIVE ONE-YEAR RENEWAL OPTIONS: AND, 2) ISSUE A RFP FOR THE REQUIRED SERVICES.

ADMINISTRATION RECOMMENDATION

Reject all proposals received and authorize the issuance of the RFP.

BACKGROUND

The City issued Request for Proposals (RFP) 37-06/07 seeking competitive pricing for various banking services involving the general operating, general depository, and payroll accounts (among several others). These banking services have normally included credit card merchant processing services as part of the scope of work. At the end of the first five-year term of the SunTrust Agreement the credit card merchant services function was removed from the banking agreement and established as a separate agreement on a month-to-month basis until such time as a solicitation for the services could be completed and awarded.

RFP PROCESS

On July 18, 2012, the City Commission approved the issuance of RFP 54-11/12. The RFP was issued on September 12, 2012, with an opening date of October 11, 2012. The pre-bid conference was held on September 24, 2012. During the pre-bid conference, prospective bidders were instructed on the procurement process and the information their respective proposals should contain.

Bidnet issued bid notices to 22 prospective proposers of which 4 accessed the advertised solicitation. In addition, 58 vendors were notified via email, which resulted in the receipt of the following ten (10) proposals:

- All County ATM, Inc.
- Bank of America Merchant Services, LLC
- Elavon, Inc. Next Wave
- Elavon, Inc. Regions Bank
- Elavon, Inc. US Bank
- Merchant Data Systems
- Payment Service Network, Inc.
- SunTrust Merchant Services

City Commission Memorandum – Credit Card Merchant Processing Services September 11, 2013 Page 2 of 3

- TransFirst Corporate Sales, LLC
- Value Payment Systems, LLC

On October 1, 2012, the Interim City Manager via Letter to Commission (LTC) No. 249-2012, appointed an Evaluation Committee (the "Committee") consisting of the following individuals:

- Mario Coryell, Resident and Loan Review Committee Member
- Jacqueline Lalonde, Resident and Budget Advisory Committee Member
- Joe Londono, Resident and Leadership Academy Graduate
- Juan Rodriguez, Treasury Manager, Finance Department
- Allison Williams, Chief Accountant, Finance Department

In addition to those noted, the following individuals were proposed as alternates:

- Georgette Daniels, Senior Management and Budget Analyst, OBPI
- Mayra Diaz-Buttacavoli, Resident and Loan Review Committee Member
- John Gardiner, Resident and Budget Advisory Committee Member
- David Lancz, Resident and Budget Advisory Committee Member
- James Sutter, Internal Auditor, OBPI
- Juan Torres, Resident and Loan Review Committee Member

On October 25, 2012, the Committee convened to review and discuss the proposals. The Committee expressed their concern in regards to the lack of clarity in the price proposals received and agreed that it was not possible to evaluate them fairly.

In addition, around the same time period LTC 270-2012 was issued detailing the arrest of the former Procurement Director and providing an affidavit in support of the arrest warrant (the "Affidavit"). The Affidavit potentially impacted some of the proposals received in response to the RFP. As a result, the City halted the evaluation process until such time as greater clarity on the impact of the Affidavit on proposals received was available. At this time, the City is still attempting to complete its review of the Affidavit's supporting documentation received from the State Attorney's Office to determine a course of action to be undertaken relative the matters outlined in the affidavit.

Proposals were required to be valid for a period of ninety (90) days; therefore, the proposals received in response to the referenced RFP are no longer valid. As a result, the Administration is recommending a rejection of all proposals received. Subsequent to the approved rejection of proposals received, an industry review meeting will be conducted to address the Evaluation Committee's concern regarding the comparability of the cost proposal formats. It is the Administration's intent to submit a revised RFP to the City Commission at its October meeting for approval to issue so that proposals for credit card merchant processing services can be received and evaluated.

CITY MANAGER'S DUE DILIGENCE

After considering the review and recommendation of City staff, the City Manager exercised his due diligence and carefully considered the specifics of this RFP process. As a result, the City Manager recommends to the Mayor and City Commission to reject all proposals received in response to the referenced RFP.

City Commission Memorandum - Credit Card Merchant Processing Services September 11, 2013 Page 3 of 3

CONCLUSION
The Administration recommends that the Mayor and Commission reject all proposals received pursuant to RFP 54-11/12, for the provision of credit card merchant processing services.

JLM/KGB/PDW/AD

T:\AGENDA\2013\September 11\RFP 54-11/12 Rejection and RFP Issuance for Credit Card Services - MEMO.doc