



## Legislation Text

**File #:** 18-789, **Version:** 1

Approve a fourth contract amendment with Metavante Corporation for electronic payment processing services for an additional 3 year term of November 1, 2018 to October 31, 2021 and increasing the expenditure authorized under the agreement by \$588,894 from \$411,106 to \$1,000,000; and Authorize the County Administrator to sign any amendments to extend the term as outlined in the agreement

Published Notice Required? Yes ☐ No ☒  
Public Hearing Required? Yes ☐ No ☒

### **DEPARTMENTAL RECOMMENDATION:**

The County Treasurer-Tax Collector-County Clerk recommends that the Board approve a fourth amendment to a contract between the County of Solano and Metavante Corporation for the provision of electronic payment processing services, including credit card, debit card, & electronic checks, for an additional 3 year term of November 1, 2018 to October 31, 2021 and increasing the expenditure authorized under the agreement by \$588,894 from \$411,106 to \$1,000,000; and authorize the County Administrator to execute the contract document and any subsequent amendments to extend the term as outlined in the agreement.

The increase in total authorized expenditures includes the amount already expended under the original contract and all subsequent amendments to it.

### **SUMMARY**

To provide optimal public service in the processing of payments, the County entered into a contract on November 1, 2010 with Metavante Corporation for the countywide processing of credit cards, debit cards, and electronic checks, after their selection as the result of a Request for Proposal (RFP). In accordance with purchasing policy, a second RFP process was conducted in 2015, and Metavante Corporation was again selected for the provision of payment services. To streamline the contracting process, the County elected at that time to extend the existing contract, which had already been extended twice to extend the term of the original contract to its then authorized limit.

The fourth amendment of the contract will extend the term of the contract for an additional three years, while increasing the total authorized under the contract by \$588,894 from \$411,106 to \$1,000,000 to allow for the uninterrupted continuation of payment processing services countywide. (Attachment B) The term of the extension has been extended to three years in anticipation of the impending migration of the property tax administration system. Electronic payment processing is closely integrated into the property tax administration system and flexibility to change processors during the migration period are expected to be extremely limited without causing substantial disruptions to the migration.

In recognition of the material investment in infrastructure and staff training made by the vendor and county, the Purchasing Department has determined this to be a sole source contract. This investment includes the development and use of customized web payment pages, the development and maintenance of secure linkages between various county systems and the vendor, staff training, and specialized equipment located at many County facilities. A significant percentage of the secured linkages are between the vendor and the Property Tax Administration System that is currently in the process of migration to a new system.

### **FINANCIAL IMPACT:**

To accommodate the needs of various departments, the original contract was designed with pricing flexibility that allows departments to structure cost recovery based on the specific type of product or service being provided. This includes the inclusion of processing costs in fee cost recovery and the use of convenience fees where allowable. All costs are incurred on an as utilized basis.

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2018/19 Adopted Budget.

### **DISCUSSION:**

To provide enhanced service options to the public, the Treasurer, working with County departments, implemented standardized tools and procedures for the acceptance of electronic payments.

Rather than trying to impose a "one size fits all" solution, the Treasurer took a lead role in soliciting design criteria for payment processing that will allow departments flexibility in accepting electronic payments. The flexibility is designed to address a number of issues including; cost recovery circumstances unique to each individual department and service depending on applicable statutes, the required submission of supporting documentation, and other factors unique to each service provided.

In developing the ideal solution, it was determined that for security and flexibility reasons, the County would be best served by partnering with a third party provider of online electronic payments. As a result, the County issued RFP R-703-507-10 in 2010. Seventeen firms responded to the RFP with either formal or informal indications of intent to bid, with nine firms completing the process and formally submitting a response. Following a short listing process, the final four firms of Hewlett Packard, JP Morgan Chase, Official Payments, and Metavante were invited to present their proposed solutions with in person demonstrations. The four firms short listed were selected for their expertise, their pricing structure and as a cross section of the different types of firms participating. The objective was to both find the best firm, but to see as wide a spectrum of solutions as possible based on the divergent types of firms responding.

As a result of the interview process and after careful review, Metavante was selected as the optimal partner based on a combination of expertise, flexibility, and cost to both the County and the public.

In accordance with county purchasing policies, the services being provided were placed out to bid utilizing a second RFP in 2015, at which time eight firms responded and were considered. It was determined at that time that there were no cost savings or improvements to service to be realized in changing vendors, and doing so would prove costly in both monetary terms and in anticipated disruptions to county services. To streamline the contracting process at that time, the County elected to amend the terms of the original contract to allow for an additional three years of service provision.

The fourth amendment under consideration will increase the term by an additional three years and increase the total amount authorized under the original contract to \$1,000,000 to cover the anticipated costs for the extended term of service.

There are no material anticipated upfront costs for the implementation of online electronic payments. In accordance with this Board's direction, departments absorb the transaction costs of accepting electronic payments, where said costs are recoverable by law. Where not recoverable, the Board grants the CAO and Department Head discretion in determining if other factors warrant the absorption of the transactional costs.

### **ALTERNATIVES:**

The Board could choose not to approve the contract. This is not recommended as it could disrupt the processing of electronic payments countywide until a new vendor can be selected and implemented. Transitioning vendors would likely incur substantial costs while providing no discernable benefit to the county.

**OTHER AGENCY INVOLVEMENT:**

County Counsel reviewed and approved the contracts and all amendments as to form. The Department of General Services Central Services Division was consulted to ensure conformity with the County Purchasing Policy.

**CAO RECOMMENDATION:**

APPROVE DEPARTMENTAL RECOMMENDATION