



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** TREASURER

**File #:** 16-781

Board Meeting Date: 11/21/2017

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**Special Notice / Hearing:** None

**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Sandie Arnott, Treasurer-Tax Collector

**Subject:** Master Agreement with Elavon, Inc. to Provide Merchant Card Services

**RECOMMENDATION:**

Adopt a resolution authorizing the Treasurer, or her designee, to execute a master service agreement with Elavon, Inc. to provide merchant card services for County departments for the term December 1, 2017 through November 30, 2020 in an amount not to exceed \$600,000.

**BACKGROUND:**

County departments such as the Assessor-County Clerk-Recorder, Health System, Department of Public Works, Sheriff's Office, Planning and Building Department, and the Parks Department use merchant card services in order to provide their customers with convenient payment options. Additional County departments have expressed an interest in utilizing this payment option in the near future. The Treasurer's Office works closely with each department to ensure their banking needs are met by providing alternative payment options through merchant card service providers.

In the past, merchant card services were included in Banking Services. However, financial institutions are no longer handling merchant card services as it is now a complex service that requires Payment Card Industry (PCI) compliance mandated by law. Since 2011, Elavon, Inc. has been providing merchant card services through Union Bank.

**DISCUSSION:**

In September 2017, the Treasurer's Office issued a Request for Proposal (RFP) for merchant card services for various County departments. The RFP was published on the Public Purchase website, the website that the County uses for the procurement of services.

Proposals were received in October 2017 and were evaluated by an RFP committee consisting of members from the Office of the Treasurer and Planning and Building.

Elavon, Inc. met all required specifications and was selected as the most qualified bidder.

This resolution authorizes a master service agreement with Elavon Inc., which establishes the price and terms for all County departments and will be used in creating sub-agreements to the Master Service Agreement. The sub-agreement will be signed by an authorized individual from each participating department, and will include services to be provided in accordance with the terms of this master agreement.

The resolution has been reviewed and approved by County Counsel as to form.

The resolution contains the County's standard provisions allowing amendment of the County fiscal obligation by a maximum of \$25,000 (in aggregate).

Authorizing this agreement will contribute the Shared Vision 2025 outcome of a Collaborative Community by supporting fiscal accountability.

**PERFORMANCE MEASURES:**

<b>Measure</b>	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Projected</b>
Transaction Speed	10 milliseconds	10 milliseconds
Transactions Per Second	1200	1200
Elavon's Network Regularity	99.99%	99.99%

**FISCAL IMPACT:**

The cost of merchant card services varies depending on department usage. Due to the recent RFP process, however, the Treasurer's Office was able to reduce the overall monthly cost per department by approximately 20 percent lower than the current fee schedule. Service fees will be absorbed by each participating department's budget. In FY 2016-17 countywide merchant card fees totaled \$167,000. It is anticipated that annual fees for FY 2017-18 will total \$185,000 since more departments have signed on to utilize merchant card services.