



County of San Mateo

Inter-Departmental Correspondence

Department: TREASURER

File #: 19-531

Board Meeting Date: 6/4/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector

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

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Elavon, Inc. to provide Merchant Card services for San Mateo County, with the initial term December 1, 2017 through November 30, 2020, increasing the agreement's not to exceed amount by \$300,000 to an amount not to exceed \$900,000.

BACKGROUND:

On December 1, 2017, the San Mateo County Treasurer's Office entered into an agreement with Elavon Inc. to provide merchant card services.

A master service agreement with Elavon Inc. was established with the price and terms for all County departments and was used to create sub-agreements under the Master Service Agreement. As of April 2019, a total of ten County departments have utilized the merchant card services and the volume of usage is higher than anticipated. Additionally, County departments are anticipating expanded use of Elavon's services for online payments.

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 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.

The Treasurer's Office manages the Master Service Agreement and monitors the blanket purchase order for County departments. After reviewing the sub-purchase orders under the master agreement, several departments identified the need for additional allocations of the contract amount due to higher than anticipated use of Elavon's services.

In 2018, the County processed approximately 396,923 merchant card transactions with a total volume of over \$9 million. In light of the higher than expected need for Elavon's services by County departments, the Treasurer's Office wishes to add an additional \$300,000 to the current master agreement with Elavon Inc. through the duration of the current term of the contract.

The agreement and Resolution have been reviewed and approved by County Counsel as to form.

The amendment contributes to the Shared Vision 2025 outcome of a Collaborative Community by allowing the Treasurer's Office to manage the financial assets of the County and maintain the services we provide as the banker for County departments, special districts, schools, and voluntary participants through professional and efficient administration.

This Board is being asked to authorize the Treasurer-Tax Collector to execute subsequent amendments which do not exceed an aggregate amount of \$25,000.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Estimates
Transactions processed with Elavon Inc.	400,869	412,850	428,906
Average Transaction Amount	\$37.57	\$28.80	\$24.66

FISCAL IMPACT:

The cost of merchant card services varies depending on department usage. Service fees will be covered by each participating department's budget, which are included in their respective FY 2017-18 Adopted and FY 2019-21 Recommended Budgets. In FY 2017-18, countywide merchant card fees totaled \$208,084.10. It is anticipated that annual fees for FY 2018-19 will reach \$260,000 since more departments have signed on to utilize merchant card services.