

PORT ST. LUCIE CITY COUNCIL
AGENDA ITEM REQUEST

COUNCIL ITEM 13B
DATE 4/9/12

Meeting Date: April 9, 2012

Public Hearing ___ Ordinance ___ Resolution ___ Motion X

Item: #20110113- Merchant Card Services

Recommended Action:

- 1). Approval to cancel current agreement with Wells Fargo Bank and Velocity Processing for the Merchant Cards Services.
- 2). Approval to re-enter into an agreement with Bank of America to provide the Merchant Card Services under the State contract terms and conditions.

Exhibits: Department memo attached [X] yes [] no

Summary Explanation/Background Information:

Wells Fargo/Velocity Processing have not been able to provide the processing services that conform to the way the City conducts business and the Finance Department would like to transfer back to the State contract with Bank of America. Per the termination clause, the City may be required to pay a maximum amount of \$3,150.00 in fees. Paying this fee is more beneficial than the lost revenues and time and we have incurred to correct errors since partnering with this firm.

Some of the issues include:

- Processor not capable of redacting personal information
- Inconsistent fees for all funds
- Incapable of meeting City's reporting requirements

Purchase is not a replacement

Purchase was budgeted.

Director of OMB concurs with award: 

City Manager concurs with award: 

Department requests ___ minutes to make a presentation.

Submitted by: Marcia Dedert, Finance, Director

Date Submitted: April 3, 2012



"A City for All Ages"

CITY OF PORT ST. LUCIE



FINANCE DEPARTMENT
MARCIA DEDERT, FINANCE DIRECTOR/TREASURER



Memorandum

TO: Cheryl Shanaberger, Deputy OMB Director
From: Marcia Dedert, CPA, CGFO, Finance Director/ Treasurer
Date: April 3, 2012
RE: Velocity Processing Issues

I recommend terminating the credit card processing contract with Velocity Processing based on the following issues:

- The City has not realized the fee savings projected by Velocity Processing; actually fees increased and we are paying more for less service.
- Velocity Processing charges extra fees such as \$25.00 (versus \$7.50 with BofA) for merchant charge-backs, \$14.95 per month for access to their online website and PCI compliance fees of \$60.00 to \$90.00 that we were not charged by our previous vendor Bank of America (BofA).
- Velocity Processing is not able to truncate the customer credit card number on the internal reports generated by the swipe only terminals. This is a big problem because the City has developed a policy to not have access to the credit card numbers because of the legal implication of that information getting into the wrong hands.
- Statements are not received until after the 10th of the month and those statements are not user friendly and we have increased staff time to balance the merchant statements to cash.

Above are just some of the many reasons we feel that the contract should be terminated and that the City return to using our previous vendor BofA. There will be no conversion cost with BofA because our old merchant numbers are still in their system and ready to be reactivated.

I feel that Velocity Processing's end product has not lived up to the City's standards and I do recommend approval.

Lisa Lawrence

From: Marcia Dedert
Sent: Tuesday, April 03, 2012 12:23 PM
To: Lisa Lawrence
Subject: FW: Velocity Contract
Attachments: 20110113-09 - Rejection Agenda Request.doc

Lisa I made a couple changes. 1) Velocity was misspelled (not velocity) and 2) I changed unable to able in your first sentence. It stated have not been unable - changed to (have not been able)

Everything else looks good and I approve.

Marcia Dedert, CPA, CGFO

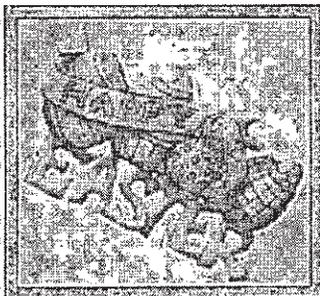
Finance Director/Treasurer
City of Port St Lucie
772-871-5191
marciad@cityofpsl.com

From: Lisa Lawrence
Sent: Tuesday, April 03, 2012 12:10 PM
To: Marcia Dedert
Subject: RE: Velocity Contract

Please review the attached Agenda Request and forward your approval.

Thank you.

*Lisa Marie Lawrence, Contract Specialist
Office of Management & Budget
City of Port St. Lucie
121 S.W. Port St. Lucie Boulevard
Building "A"- Suite #390
Port St. Lucie, FL 34984
(o) 772-871-5222 * (f) 772-871-7337
llawrence@cityofpsl.com*



From: Marcia Dedert
Sent: Tuesday, April 03, 2012 10:40 AM

making certain representations and promises in his or her personal capacity.

By signing below, the undersigned Merchant warrants and certifies that all information submitted under the Agreement (including the Application) is true, correct, and complete and understands that Bank and iPayment will be relying on such information during the approval process, including in setting the applicable fees, rates, limits and all other terms and conditions. Merchant (and each individual) hereby authorizes Bank and/or iPayment to obtain from third parties financial and credit information relating to Merchant (and each individual) in connection with their determination of whether to accept this Agreement and hereby grants Bank and/or iPayment continuing authority to conduct credit checks and background investigations and inquiries concerning each of the undersigned including, but not limited to, financial, character and business references and Merchant's owner(s) (if Merchant is an entity). Each of the undersigned expressly authorizes Bank and/or iPayment to request and obtain from Consumer Reporting Agencies (Bureaus) consumer and business reports. Each of the undersigned furthermore agrees that all references, including banks and Consumer Reporting Agencies, may release any and all personal and business credit and financial information to Bank and/or iPayment. You further acknowledge and agree that you will not use your merchant account and/or the Services for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq, as may be amended from time to time.

To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify, and record certain identifying information from any business or individual seeking to open a new account. We are required to obtain this information, no matter how the account is opened (e.g., by mail, phone, in-person, or online). We may ask to see your driver's license or other identifying documents. The information requested or obtained by us may include your: name; address (residence for individuals and place of business for non-individuals); date of birth (for individuals); US taxpayer identification number for US citizens or companies (for individuals this is usually a Social Security number); or other forms of government issued identification (for example, a passport or alien identification card) for non-US citizens.

By signing below, you agree, understand and acknowledge that: a.) The Agreement will not take effect unless and until Merchant has been approved by Bank and iPayment and Merchant is assigned and issued a Merchant Account Number; b.) Any alteration, strikeover, or modification to the preprinted text of this Application or any part of the Agreement shall be of no effect whatsoever and at Bank's and iPayment's discretion may render the Agreement invalid; c.) You must select and indicate the category of "Cards" you will accept on the Application and will collectively be referred to as "Cards". You acknowledge and agree that Merchant will be furnished with the services and products described and selected by Merchant in the Application (collectively and individually, as applicable, the "Services") and that Servicers will be the sole and exclusive provider of the Services to Merchant during the term of this Agreement; d.) If Merchant is approved, any cancellation by You of this Agreement within three (3) years from the date of approval or is terminated by Servicers due to an Event of Default by Merchant, will be subject to the applicable early termination fees and Merchant will be charged a fee for such early termination equal to (i) \$350.00 if terminated before completion of the first year of the Term or (ii) \$250.00 if terminated after completion of the first year of the Term but prior to the end of the third year of the Term (See Section 22.1 of the Agreement - Program Guide). A PCI compliance and data security fee will be assessed to each Merchant annually, which amount will be determined by compliance and security requirements at the time of the fee assessment.

If information is provided in the "American Express® Card Acceptance" section of the Application, then the following shall apply: By signing below, Merchant represents that Merchant has read and is authorized to sign and submit this Application for the above entity which agrees to be bound by the American Express® Card Acceptance Agreement ("AXP Agreement"), and that all information provided herein is true, complete, and accurate. Merchant authorizes iPayment and American Express Travel Related Services Company, Inc. ("AXP") and AXP's agents and Affiliates to verify the information in this Application and receive and exchange information about Merchant personally, including by requesting reports from consumer reporting agencies, and disclose such information to their agent, subcontractors, Affiliates and other parties for any purpose permitted by law. Merchant authorizes and directs iPayment and AXP and AXP agents and Affiliates to inform Merchant directly, or through the entity above, of reports about Merchant that they have requested from consumer reporting agencies. Such information will include the name and address of the agency furnishing the report. Merchant also authorizes AXP to use the reports from consumer reporting agencies for marketing and administrative purposes. Merchant understands that upon AXP's approval of the Application, the entity will be sent the AXP Agreement and materials welcoming it, either to AXP's program for iPayment to perform services for AXP or in AXP's standard Card acceptance program which has different servicing terms (e.g. different speeds of pay). Merchant understands that if the entity does not qualify for the iPayment servicing program, then the entity may be enrolled in AXP's standard Card acceptance program, and the entity may terminate the AXP Agreement. By accepting the American Express Card for the purchase of goods and/or services, or otherwise indicating its intention to be bound, the entity agrees to be bound by the AXP Agreement.

If Merchant has selected (by checking the appropriate box on the Application) to receive products and/or services offered under one or more of the Third Party Agreements referenced in the Program Guide, they hereby acknowledge and agree that the executed Signature page of the Application shall also serve as a signature page for each of the respective Third Party Agreement(s) and further acknowledge that the Third Parties are relying upon the information contained on the Application all of which are incorporated by reference into the Third Party Agreements. Merchant authorizes iPayment and Bank to share and exchange the information on the Application with the Third Parties and to provide a copy of the executed signature page to the respective Third Party, if requested.

IN WITNESS WHEREOF, the undersigned Merchant has duly executed this Agreement (including the Application) as of the date(s) indicated below, and hereby confirms that Merchant has received a complete copy of the Agreement, including a completed copy of this Application, consisting of pages one (1) through four (4), together with a copy of the Program Guide (the "Agreement").

_____ Applicant/Merchant Legal Name		_____ Applicant/Merchant DBA Name	
_____ Authorized Signature	_____ Date	_____ Print Name	_____ Title
APPROVED/ACCEPTED: By: _____ Date: _____		APPROVED/ACCEPTED: By: _____ Date: _____	
Wells Fargo Bank, N.A. 1200 Montego Way, Walnut Creek, CA 94598		iPayment, Inc. P.O. Box 3429, Thousand Oaks, CA 91359	

CONTINUING PERSONAL GUARANTY PROVISION - PERSONAL GUARANTOR(S):

Each signer below ("You" or "Your") agrees as follows. You, in Your individual capacity (even though You use a title or other designation with Your signature) unconditionally guarantee and promise to pay to Wells Fargo and iPayment all indebtedness of the Applicant at any time arising under or relating to the Agreement, including the related application and any related agreements or instruments, and any First Data Lease if applicable as well as any extensions, modifications, or renewals thereof. You authorize the Applicant and its agent(s) and iPayment to investigate the individual business history of Applicant and each representative signing the Agreement, including Yourself, including investigative credit reports, in order to evaluate acceptability into the Wells Fargo Merchant Services Merchant Program and if accepted, to conduct further investigations from time to time thereafter and to report credit information to others. The obligations hereunder are joint and several and independent of the obligations of the Applicant, and a separate action or actions may be brought and prosecuted against You whether action is brought against Applicant or any other person, or whether the Applicant or any other person is joined in any such action or actions. You acknowledge that this guaranty is absolute and unconditional, there are no conditions precedent to the effectiveness of this guaranty, and this guaranty is in full force and effect and is binding on You in Your individual capacity as of the date you sign this Application, regardless of whether Wells Fargo and iPayment obtains collateral or any guaranties from others or takes any other action contemplated by You. As guarantor, You waive (i) presentment, demand, protest, notice of protest, and notice of nonpayment, (ii) any defense arising by reason of any defense of the Applicant or other guarantor; and (iii) the right to require Wells Fargo to proceed against Applicant or any other guarantor, to pursue any remedy in connection with the guaranteed indebtedness, or to notify You as guarantor of any additional indebtedness incurred by the Applicant, or of any changes in the Applicant's financial condition. You also authorize Wells Fargo and iPayment, without notice or consent, to (a) extend, modify, compromise, accelerate, renew, or otherwise change the terms of the guaranteed indebtedness; (b) proceed against one or more guarantors without proceeding against the Applicant or another guarantor; and (c) release or substitute any part to the indebtedness of this guaranty.

You represent and warrant to Wells Fargo and iPayment that: (a) Wells Fargo and iPayment has made no representation to You as to the creditworthiness of the Applicant, and (b) You have established adequate means of obtaining from the Applicant on a continuing basis financial and other information pertaining to Applicant's financial condition. You agree to keep adequately informed from such means of any facts, events or circumstances which might in any way affect Your risks hereunder, and You further agree that Wells Fargo and iPayment shall have no obligation to disclose to You any information or material about the Applicant which is acquired by Wells Fargo and iPayment in any manner.

You acknowledge and agree that until all obligations subject to this guaranty shall have been paid in full, You shall have no right of subrogation, and You waive any right to enforce any remedy which Wells Fargo and iPayment now has or may hereafter have against the Applicant or any other person, and waives any benefit of, or any right to participate in, any security now or hereafter held by Wells Fargo and iPayment. You agree that this guaranty will be governed by California law, and shall benefit Wells Fargo, iPayment and its successors and assigns.

You understand that this is a Guaranty of payment and not of collection and that Wells Fargo Bank, N.A., Wells Fargo Merchant Services, L.L.C., and iPayment are relying on this Guaranty in entering into the Agreement.

_____ Signature	An Individual	_____ Print Name	_____ Date
_____ Signature	An Individual	_____ Print Name	_____ Date

PORT ST. LUCIE CITY COUNCIL
AGENDA ITEM REQUEST

BACKGROUN
INFO

Meeting Date: August 22, 2011

Public Hearing _____ Ordinance _____ Resolution _____ Motion X

Item: #20110113 - Merchant Card Services

Recommended Action:

Waive bidding equal to or lower than existing contract, Chapter 35.06 and terminate our existing Agreement with Bank of America and enter into an agreement with Velocity Processing to provide Merchant Card Services thru Wells Fargo Bank for the City.

Exhibits: Department memo attached:
Copy of Wells Fargo Application.
Velocity Letter of Intent

Summary Explanation/Background Information:

In changing our current Agreement from Bank of America to Wells Fargo Bank for the Merchant Card Services the City will save approximately \$15,000 annually, \$47,000.00 over the next 3 years and \$81,000.00 over the next 5 years. This is a significant savings to the City, and is necessary for the continued use of the City's Merchant Card Program. This is the program where the citizens pay their utility bills, permits and misc. to City programs. There is no cost associated with this agreement.

Expenditure: N/A

Director of OMB concurs with award. AKP

City Manager concurs with award. _____

Submitted by: Cheryl Shanaberger CS

Title: Deputy Director of OMB

Date Submitted: August 11, 2007