



## Legislation Text

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File #: 17-706, Version: 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Waive the applicable provisions of the Naperville Procurement Code and Award Procurement 17-204, Credit Card Gateway, to Automated Merchant Systems for an amount not to exceed \$50,000 and for a one-year term. (Requires six positive votes)

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Rachel Mayer, Finance Director

#### **BOARD/COMMISSION REVIEW:**

N/A

#### **BACKGROUND:**

The Financial module of the new ERP is scheduled to go live January 1, 2018. As part of the migration to Tyler Munis, a credit card payment gateway is required to process credit card transactions seamlessly through the ERP System. The payment gateway is integrated with the Munis software to send credit card transactions to merchant service providers in a safe and secure manner with no dual entry required.

The payment gateway will be used to process credit card payments related to general billing invoices for items including, but not limited to, retiree health insurance, fire alarm monitoring, parking permits, police service and semi-annual elevator billings. It should be noted that utility billing is not included in general billing and will continue to be billed via the current ERP until it is migrated to Munis in 2019.

The fees paid to the credit card gateway provider are not additional fees, they are in lieu of the City's current credit card processor's transaction fees. Currently, the city has three merchant credit card processors, Moneris, Chase and Paymentus; each provides services for a different module within the SunGard system. The average credit card transaction fee is approximately 1.5%-2.0%.

#### **DISCUSSION:**

Although there are a number of vendors able to provide this service in the market, Tyler Technologies limited the competition by identifying only two vendors with preferred status to integrate into their Munis software. Neither of the Tyler preferred vendors is one of the City's current credit card processors. Finance staff contacted other municipalities that implemented Munis to ask about their experience in order to see if it would be possible to use one of our current processors. There was general agreement non-preferred vendors were unable to properly integrate and the City should use one of two preferred vendors.

Finance staff requested quotes from the two preferred vendors:

Vendor	Per Transaction Cost
Automated Merchant Systems	1.95%
Open Edge Pay	2.02%

Automated Merchant Systems, the vendor with the lowest per transaction cost, is being recommended for award. This transaction cost is comparable to the City's current credit card processing fees.

Waiver of Section 1-9B-4 (Methods of Source Selection) of the Naperville Code is required because the recommended process is not one of the enumerated methods under the Code.

**FISCAL IMPACT:**

CIP #: N/A

The credit card gateway transaction fees will be expensed to the banking services account listed below. The agreement with Automated Merchant Systems begins January 1, 2018. The requested amount will be appropriately budgeted in CY2018.

Account Number	Fund Description	Total Budget Amount
010-1510-415.35-11	General Fund	72,000