

**CITY COUNCIL
COMMUNICATION:**

03-339

AGENDA:

JULY 14, 2003

SUBJECT:

APPROVAL OF
CONTRACT WITH
BANK OF AMERICA
FOR MERCHANT
CREDIT CARD
SERVICES

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

MERRILL R. STANLEY
FINANCE DIRECTOR

ITEM 45

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

On May 2, 2003, the City of Des Moines issued a Request for Proposals (RFP) to vendors that provide merchant credit card and debit card services. The Evaluation Committee reviewed the seven proposals received, and has recommended that a contract of such services be awarded to Bank of America.

FISCAL IMPACT —

The City of Des Moines should expect annual savings of \$30,000 in fees. Bank of America's schedule of fees is significantly lower than fees paid to our current provider of credit card and debit card services. The Airport will be the largest beneficiary of the lower rates; they should expect annual savings of \$23,700. The General Fund annual savings will be approximately \$6,300.

RECOMMENDATION —

Approval of contract with Bank of America for merchant credit card services.

BACKGROUND —

The City of Des Moines has had a large increase in payments received via credit cards. As such, it is believed we were in a position to pay lower fees to a vendor to process our credit card transactions.

An RFP was issued in May 2003 to 16 potential bidders. Seven proposals were received and evaluated by a four-person committee representing three departments. The proposals were evaluated on price, conformity to City requirements, vendor experience, and vendor reputation. The Evaluation Committee recommends that a contract be awarded to Bank of America based on its evaluation.

Along with expected savings in fees, the City should experience greater customer service from Bank of America.

