



**Council  
Communication**  
Office of the City Manager

<b>Date</b>	January 22, 2007
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<b>Agenda Item No.</b>	<b>28</b>
<b>Roll Call No.</b>	<b><u>07-</u></b>
<b>Communication No.</b>	<b><u>07-029</u></b>
<b>Submitted by:</b>	<b>Allen Mc Kinley, Finance Director/Treasurer</b>

**AGENDA HEADING:**

Approval of the merchant services proposal from US Bank/NOVA for merchant credit card services, and authorization to execute the contract and documents necessary to process credit card payments to the City under such contract.

**SYNOPSIS:**

The City of Des Moines continues to experience an increase in the use of credit cards as a method of payment for various city services. The City's previous contract for merchant services with Bank of America expired on July 31, 2006; the contract has continued on a month-to-month basis since that time. In April 2006, a RFP was issued to 18 potential bidders for merchant services. Eight proposals were received and evaluated on price, conformity to City requirements, vendor experience, and vendor reputation. A committee of City staff, which reviewed the proposals, recommends that a contract be awarded to US Bank/NOVA. Staff has negotiated a contract with US Bank/NOVA, and approval of the contract is recommended.

**FISCAL IMPACT:**

Amount:

The estimated cost of the services is approximately \$140,000 per year.  
The new fees will generate an annual savings of \$21,000.

Funding Source:

Airport Enterprise - expected savings of \$17,000 per year.  
General Fund - expected savings of \$4,000 per year.

**ADDITIONAL INFORMATION:**

Staff had anticipated the award and negotiation of this contract by July 31, 2006. The evaluation and notification of intent to award were completed before this date and the City immediately began contract negotiations with US Bank/NOVA. The negotiation of the contract, however, took several months in order to ensure that all of the necessary legal and financial protections that the City desired under the contract were included in the document.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 14, 2003

Roll Call Number: 03-1606

03-1606 45. Acceptance of proposal for three year contract with Bank of America, N.A. and authorizing Finance Department to negotiate a contract. ([Council Communication No. 03-339](#)). Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Conversion from processing with Bank of America to processing with US Bank/NOVA.