



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 7/15/2021

C73154.A8 - Pay Connexion - Payment Processing Services - ORDINANCE (JPMorgan Chase Bank, N.A.)

Agenda Item#:

### **Background:**

**S36-C73154.A8 - Approve an ordinance authorizing an eighth amendment to Contract No. 4600007232 between the City of Houston and JPMorgan Chase Bank, N.A. (approved by Ord. No. 2009-0010 on January 7, 2009) to extend the contract term from October 3, 2021 to October 3, 2022 for pay connexion - payment processing services for various departments.**

### **Specific Explanation:**

The Chief Business Officer/ Director of the Finance Department and the Chief Procurement Officer recommend that City Council approve an amending ordinance authorizing an Eighth Amendment to the contract between the City of Houston and JPMorgan Chase Bank, N.A. to extend the agreement for twelve (12) months (October 3, 2021 to October 3, 2022) for pay connexion - payment processing services for various departments.

The contract was originally awarded by City Council on January 7, 2009, per Ordinance No. 2009-0010 with a three-year term with five one-year options. On May 27, 2009, per Ordinance No. 2009-0433, City Council approved a first amendment to allow citywide participation on the contract, and to provide for flexibility in the convenience fee schedule to accommodate the range in transaction amounts for other City departments. On September 1, 2010, per Ordinance No. 2010-0690, City Council approved a second amendment to provide point-of-sale payment processing services for all City departments. On January 25, 2012, per Ordinance No. 2012-0067, City Council approved a third amendment to add web-based processing services specific to the Municipal Courts Department. On November 9, 2016, per Ordinance No. 2016-0867, City Council approved a fourth amendment to transfer payment transaction fees assessed by the card association and credit processor to JPMorgan Chase Bank N.A. for increased card processing business with the City. On September 5, 2018, per Ordinance No. 2018-0696, City Council approved a fifth amendment to extend the contract term to October 3, 2019. On September 4, 2019, per Ordinance No. 2019-0661, City Council approved a sixth amendment to extend the contract term to October 3, 2020. On September 23, 2020, per Ordinance No. 2020-0817, City Council approved a seventh amendment to extend the contract term to October 3, 2021. This is a revenue contract; therefore, no expenditures are reflected.

The contract extension will allow HITS and its contract vendors, Virtuo Group and JPMorgan Chase, sufficient time to complete the integration of all new processing equipment. HITS and Virtuo Group's transition plan is estimated to take six (6) months to complete. During the pilot phase of the project, the Houston Public Works Permitting Center encountered credit card device issues including partial payment acceptance and not having the ability to process debit card refunds. HITS, along with JPMorgan, are sorting through the equipment error codes to resolve the issues. Also, JPMorgan is addressing the equipment issues with its provider, which has stated it will take approximately 30 to 45 days for resolution. Due to the unforeseen problems and the amount of time needed to complete the implementation, the Finance Department is requesting an extension.

The Contractor is required to provide online and point-of-sales payment processing for all City departments. The services allow citizens to obtain permits online without the requirement of traveling to the City location.

### **M/WBE Participation:**

Zero-Percentage Goal document approved by the Office of Business Opportunity.

### **Fiscal Note:**

There is no impact to the fiscal budget, therefore, no fiscal note is required.

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*Jerry Adams*

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**Jerry Adams, Chief Procurement Officer  
Finance/Strategic Procurement Division**

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*Tantri Emo*

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**Chief Business Officer/ Director  
Finance Department**

8/5/2021

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