



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 7/14/2021

C73974.A5 - Credit Card Processing Services - ORDINANCE (Wells Fargo Bank, N.A. and Wells Fargo Merchant Services, LLC)

Agenda Item#:

Background:

S36-C73974.A5 - Approve an ordinance authorizing a fifth amendment to Contract No. 4600010361 between the City of Houston and Wells Fargo Bank, N.A. and Wells Fargo Merchant Services, LLC (approved by Ord. No. 2010-0727 on September 15, 2010) to extend the contract term from October 3, 2021 to October 3, 2022 for credit card 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 a fifth amendment to the contract between the City of Houston and Wells Fargo Bank, N.A. and Wells Fargo Merchant Services, LLC to extend the agreement term for a maximum of twelve (12) months (October 3, 2021 to October 3, 2022) for credit card processing services for various departments.

The contract was originally awarded by City Council on September 15, 2010, per Ordinance No. 2010-0727 for a five-year term with three one-year options. On July 6, 2016, per Ordinance No. 2016-0553, City Council approved a first amendment approving the Contractor's amended Exhibit "B" to revise the Contractor's processing fees. On September 5, 2018, per Ordinance No. 2018-0697, City Council approved a second amendment to extend the contract term to October 3, 2019. On September 4, 2019, per Ordinance No. 2019-0660, City Council approved a third amendment to extend the contract term to October 3, 2020. On September 16, 2020, per Ordinance No. 2020-0783 City Council approved a fourth 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 implementation 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, Finance is requesting an extension.

The Contractor is required to provide electronic payment processing and gateway processing services to various City departments for accepting payments issued for various City fees, fines, and commercial burglar and fire permits. The payments are made by payees using credit card, debit card, and potentially electronic check or Automated Clearing House (ACH) payments. The Contractor provides customers with web-based payment portals and Point-of-Sale (POS) processing systems, including the Internet, Kiosks, telephone and POS payment modules for both remote clients and in-office payments.

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**

8/2/2021

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**Chief Business Officer/ Director
Finance Department**

8/5/2021

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MP

Prior Council Action:

Ordinance No. 2010-0727, passed September 15, 2010
 Ordinance No. 2016-0553, passed July 6, 2016
 Ordinance No. 2018-0697, passed September 5, 2018
 Ordinance No. 2019-0660, passed September 4, 2019
 Ordinance No. 2020-0783, passed September 16, 2020

Amount of Funding:

No funding required - REVENUE

Contact Information:

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ATTACHMENTS:**Description**

Form B
 Ordinance No. 2010-0727
 Ordinance No. 2016-0553
 Ordinance No. 2018-0697
 Ordinance No. 2019-0660
 Ordinance No. 2020-0783
 MWBE Zero Percentage Goal

Type

Backup Material
 Ordinance/Resolution/Motion
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 Ordinance/Resolution/Motion
 Backup Material