



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
May 2, 2023

TOPIC: Online Debit and Credit Card and Electronic Fund Transfer Automated Clearing House (ACH) Merchant Payment Processing Services

AGENDA TITLE

Approve Amendment to Agreement with TSYS Merchant Solutions, LLC DBA Global Payments, Inc. for Online Debit and Credit Card and Electronic Fund Transfer Automated Clearing House (ACH) Merchant Payment Processing Services, Support and Maintenance, and Purchase of Point-of-Sale Payment Terminals for a New Agreement Amount Not to Exceed \$2,022,400

RECOMMENDED ACTION

Authorize the City Manager to execute a second amendment to the agreement with TSYS Merchant Solutions, LLC, doing business as Global Payments, Inc., for online debit and credit card payment processing, electronic fund transfer Automated Clearing House ("ACH") payment processing, support and maintenance, and purchase of payment terminals. The amendment includes a base contract increase in the amount of \$4,000 and general contingency increase in the amount of \$120,000, for a new agreement amount not to exceed \$2,022,400. The not to exceed amount includes a general contingency of \$362,400 over the maximum life of the agreement. The amendment adds a base term commencing May 2, 2023 and expiring December 31, 2025, with provision for two renewal options (a three-year and a one-year), subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

On December 6, 2022, the City Council approved a renewal agreement with TSYS Merchant Solutions, LLC, DBA Global Payments Direct, Inc. ("TSYS"), to support the City's Europay, MasterCard, and Visa ("EMV") Chip and PIN cashiering software and hardware upgrades to improve the security of debit and credit payment transactions for Santa Ana residents and customers. Now, City staff would like to propose a contract amendment to support new system integrations for various City agencies and to provide added payment services.

The City uses TSYS for all walk-in credit card payments made at City facilities, including City Hall cashiering counters, Police Department Traffic and Records Divisions, and the Santa Ana Zoo. TSYS will also provide an e-Commerce gateway transaction integration

for the EMV Chip and PIN cashiering software and hardware upgrade. The proposed contract amendment would provide more payment options and fewer restrictions for other City agencies currently undergoing information system enhancements and upgrades. Modernization projects in process include the following: the Santa Ana Zoo's new ticketing system; the new Land Management System used by the Planning and Building Agency and Public Works Agency; the new parks reservation management system; and the new rental registry system.

Staff recommends the approval of a second amendment to agreement with TSYS to expand the scope of payment processing services to include online debit and credit card and electronic fund transfer (ACH) payment processing services. To provide more payment options and fewer restrictions for the departments going through system upgrades, the proposed second agreement includes contingency options for additional systems to integrate into TSYS' merchant processing and gateway services.

Finance staff would like to streamline all online debit and credit and electronic fund transfer (ACH) payment transactions. TSYS (aka Global Payments/OpenEdge) has unique institutional knowledge of the City's payment processing systems and is a leading provider of merchant processing payment technology and software solutions. The alternative to using TSYS could necessitate significant cost to implement an equivalent third-party merchant payment processing service for new software and integration. Therefore, staff recommends the approval of the proposed amendment to provide convenient payment processing services for the new systems noted above.

FISCAL IMPACT

Funding for the agreement is budgeted in various departmental Contract Services Professional accounts (No. Various-62300), allocated based upon use of the services. Proposed budgets for future fiscal years will include contract funding, as summarized below.

FY	Accounting Unit - Account No.	Fund Description	Accounting Unit - Accounting No. Description	Support & Maint.	Contracted Amount	Annual Rate Increase (Contg.)	Maximum Amount
2022-23	Various-62300	Various	Contract Services Professional	\$5,000	\$199,500	\$41,325	\$245,825
2023-24	Various-62300	Various	Contract Services Professional	\$5,000	\$195,500	\$45,325	\$245,825

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2024-25	Various-62300	Various	Contract Services Professional	\$5,000	\$200,000	\$46,000	\$251,000
2025-26	Various-62300	Various	Contract Services Professional	\$5,000	\$210,000	\$47,500	\$262,500
2026-27	Various-62300	Various	Contract Services Professional	\$5,000	\$220,000	\$49,000	\$274,000
2027-28	Various-62300	Various	Contract Services Professional	\$5,000	\$230,000	\$50,500	\$285,500
2028-29	Various-62300	Various	Contract Services Professional	\$5,000	\$240,000	\$52,000	\$297,000
2029-30	Various-62300	Various	Contract Services Professional	\$5,000	\$125,000	\$30,750	\$160,750
				Subtotal:	Subtotal:	Subtotal:	Grand Total:
				\$40,000	\$1,620,000	\$362,400	\$2,022,400

EXHIBIT(S)

1. Second Amendment to Agreement with TSYS Merchant Solutions, LLC DBA Global Payments, Inc.

Submitted By: Kathryn Downs, FMSA Executive Director

Approved By: Kristine Ridge, City Manager