

## AGENDA



Thursday, September 23, 2010

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 70**

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**Subject:** Authorize award, negotiation, and execution of Amendment No. 1 to a requirements service contract with AMERICAN EXPRESS, CO. New York, NY for credit card acceptance services by extending the current contract period for a 36-month period in an estimated amount not to exceed \$175,089, with two 36-month extension options in estimated amounts not to exceed \$202,250 for the first extension option and \$221,005 for the second extension option, for a total estimated contract amount not to exceed \$598,344.

**Amount and Source of Funding:** Funding in the amount of \$58,363 is available in the Fiscal Year 2010–2011 Operating Budgets of various departments. Funding for the remaining 24 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Steve Aden, Purchasing Manager, 974-2021.

**Purchasing Language:** Sole Source.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission.

**Prior Council Action:** November 7, 2002, approved contract for bank card acceptance services for various City offices.

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This contract is for American Express card acceptance services. Services are provided city wide, and currently American Express bank cards are accepted at the following department locations: Austin Convention Center, Municipal Court, Parks and Recreation, Austin Water Utility, Emergency Medical Services, Aviation, Community Care Services, Economic Growth and Redevelopment Services, Primary Care, Health & Human Services, and Library. Credit card acceptance is considered a customer service convenience to citizens, since it provides a form of payment to the City in addition to cash. American Express is a widely used national bank card.

The American Express CO (AMEXCO) transaction fee rate charged to the City will be 2.15%. This is the rate the AMEXCO has charged the City of Austin since 2001.

This contract is a sole source procurement, since AMEXCO does not allow the City to use a third party processor. The vendor requires the City to process bank card transactions directly with its firm. These services are still needed to continue receiving payments from customers requesting to pay for City services with the American Express credit card.