



## Recommendation for Water & Wastewater Commission

<b>Commission Meeting Date:</b>	November 10, 2015
<b>Council Meeting Date:</b>	November 19, 2015
<b>Department:</b>	Purchasing
<b>SUBJECT</b>	
Authorize execution of Amendment No. 4 to the contract with <b>AMERICAN EXPRESS</b> , for credit card acceptance services to add a 36-month extension option in an amount not to exceed \$795,872, a 24-month extension option in an amount not to exceed \$1,038,601, and an additional 24-month extension option in an amount not to exceed \$1,859,653, for a revised total contract amount not to exceed \$4,292,470. Austin Water's portion of the requested authorization is estimated at \$48,000.	
<b>AMOUNT AND SOURCE OF FUNDING</b>	
Funding in the amount of \$14,666 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Water. Funding for the remaining 25-months of the original option period and remaining extension options is contingent upon available funding in future budgets.	
<b>Purchasing Language:</b>	Contract Amendment
<b>Prior Council Action:</b>	November 7, 2002 – Council approved a contract with American Express CO (AMEXCO).
<b>For More Information:</b>	Jonathan Dalchau, 512-974-2938
<b>Boards and Commission Action:</b>	November 10, 2015- To be reviewed by the Water and Wastewater Commission.
<b>MBE/WBE:</b>	This contract was awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for this contract.

The contract is for American Express (AMEX) card acceptance services. Services are provided City wide, and American Express bank cards are currently accepted at the following department locations: Austin Convention Center, Austin Fire Department, Austin Police Department, Austin Public Library, Transportation Department, Austin Water, Aviation Department, Emergency Medical Services, Economic Growth and Redevelopment Services, Health & Human Services, Human Resources, Municipal Court, Parking Meters, Parks and Recreation Department, Planning Development and Review, and Watershed Protection. 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 and check.

The AMEX transaction fee rate charged to the City will be 2.15%. This is the rate the AMEX has charged the City since 2001.

This contract is a sole source procurement since AMEX does not allow the City to use a third party processor. The vendor requires the City to process AMEX card transactions directly with its firm. These services provided by AMEX are required to continue receiving payments from customers requesting to pay for City services with the AMEX credit card. The use of AMEX as a payment method to the City has increased since the prior amendment was approved. Multiple City department locations have added AMEX as a payment method over the past five years, which has contributed to the increased sales volume.

The recommended Council action is to approve additional time and authority to the contract due to the usage of American Express cards as a payment method by citizens at City departments. If Council does not approve the amendment, the City will not be able to offer AMEX as a payment option.

**CONTRACT SUMMARY:**

Description	Action	Amount
Original Contract awarded November 7, 2002	\$0	\$0
Amendment No. 1: Council Approval September 23, 2010	Authorize initial term plus added two 36-month extension options: \$175,089 (Initial) \$202,250 (Option 1) \$221,005 (Option 2)	\$175,089
Amendment No. 2: Option 1 - Early Extension May 1, 2013	Added Option No. 1 funding: \$202,250	\$377,339
Amendment No. 3: Option 2 - Early Extension September 25, 2014	Added Option No. 2 funding: \$221,005	\$598,344
Proposed Amendment:	Authorize additional extension options: \$795,872 (Option 3 – 36-month option) \$1,038,601 (Option 4 – 24-month option) \$1,859,653 (Option 5 – 24-month option)	\$4,292,470