

MOTION NO. M2013-18

Banking and Merchant Services Contract

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations Committee	04/04/2013	Final Action	Brian McCartan, CFO Tracy Butler, Treasurer Jim Block, Cash Investment Administrator	206-398-5100 206-398-5146 206-689-4997

PROPOSED ACTION

Authorizes the chief executive officer to execute a three year contract with two one-year options to extend with Wells Fargo Bank to provide comprehensive banking, and merchant services in the amount of \$4,763,318, with no contingency, for a total authorized contract amount not to exceed \$4,763,318.

KEY FEATURES SUMMARY

- Under this contract, Wells Fargo Bank will provide depository services for Sound Transit and the ORCA program and merchant services for Sound Transit.
- 88% of the contract amount covers pass-through costs which are charged by Visa and Master Card for card acceptance at the ticket vending machines.
- The requested contract amount will cover the entire contract period including the optional extensions.
- The current contract for banking and merchant services will expire on May 17, 2013.

BACKGROUND

The agency contracts with a primary bank to provide day to day depository services for the receipt of items such as accounts receivable, grant drawdowns and bike locker payments, and for disbursement services such as payroll, accounts payable and wire transfers to vendors and for merchant services to process credit card payments at the ticket vending machines and credit card terminals.

This contract will also provide services for the ORCA card program, of which Sound Transit serves as the fiscal agent. This entails managing the various bank accounts where ORCA funds reside, overseeing the flow of funds from the various accounts and handling the billings and payments to various vendors who support the Orca program. \$177 million in cash flowed through the ORCA accounts in 2012.

A request for proposals (RFP) was issued on October 25, 2012. In response to the RFP solicitation, Sound Transit received five proposals. Wells Fargo Bank was determined to be the best value proposal submitted.

FISCAL IMPACT

The 2013 budget for banking and merchant service is \$570,920. Additional budget authority related to this action will be requested in future budgets. This contract, if approved, will result in approximately \$15,000 in savings for banking fees for the remainder of 2013.

Services – Ticket Vending and Other Services	Adopted 2013 Budget	Spent and Committed to Date	2013 Contract Expenditures	Remaining 2013 Budget
Service Delivery – Ticket Vending Machines	9,062	889	0	8,173
Finance and Information Technology – Other Services	71	4	0	67
Total Facilities Maintenance Budget	\$3,024	\$2,554	\$86	\$23

Contract Spending Plan	Prior Year(s) Spending	2013 Spending	Future Spending	Total
Wells Fargo	0	\$570	\$4,192	\$4,763

Contract Budget	Approved	Spent to Date	This Action	Contract Value
Wells Fargo			570	4,763
Contingency				
Total Contract			\$570	\$4,763
Percent Contingency			0%	

Notes:

Amounts are expressed \$000s.

Spent and Committed to Date is February 28, 2013

Service Delivery – Ticket Vending Machines budget is on page 18 of the 2013 Proposed Budget.

Finance and Information Technology – Other Services budget is on page 77 of the 2013 Proposed Budget.

SMALL BUSINESS PARTICIPATION

There were no subcontracting opportunities and consequently no small business or DBE goal was established.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

The current contract was extended on February 18, 2013, and the extension will expire on May 17, 2013.

ENVIRONMENTAL REVIEW

JI 3/22/2013

LEGAL REVIEW

JW 3/29/13

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A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a three year contract with two one-year options to extend with Wells Fargo Bank to provide comprehensive banking, and merchant services in the amount of \$4,763,318, with no contingency, for a total authorized contract amount not to exceed \$4,763,318.

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a three year contract with two one-year options to extend with Wells Fargo Bank to provide comprehensive banking, and merchant services in the amount of \$4,763,318, with no contingency, for a total authorized contract amount not to exceed \$4,763,318.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 4, 2013.


Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Marcia Walker
Board Administrator