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191855

Emergency Ordinance

*Amend contract with Elavon, Inc. for Merchant Bankcard services to increase the not to exceed amount to \$55 million (amend Contract 31001290)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Treasury Division of the Budget and Finance Service Area is responsible for providing Merchant Bankcard services to bureaus and programs that choose to accept credit/debit cards as payment.
2. Merchant bankcard services refers to the authorization, processing and settlement of credit card and debit card transactions.
3. As authorized by Ordinance 188306, in January of 2018, the City awarded a five-year contract (Contract 31001290) to Elavon Inc., through a competitive RFP process, to provide Merchant Bankcard services for a total contract value of \$25,000,000.00.
4. Contract 31001290 included an option to extend the term for an additional five years, through December of 2027, which the City exercised in Amendment 1.
5. Amendment 2 increased the not-to-exceed value to \$28,750,000.00.
6. Additional compensation is required to cover services through December of 2027, resulting a new not-to-exceed amount of \$55,000,000.00.
7. The contract is paid for by the bureaus and programs using the service. City bureaus and programs have available funds in their FY 2024-25 budgets to cover these costs.

NOW, THEREFORE, the Council directs:

- A. The Chief Procurement Officer is hereby authorized to execute an amendment to Contract No. 31001290 with Elavon, Inc. to increase the not-to-exceed value to \$55,000,000.00, provided that the amendment is approved as to form by the City Attorney's Office.

Section 2. The Council declares that an emergency exists because a delay in the contract amendment will negatively impact all the City bureaus and

Introduced by

[Mayor Ted Wheeler](#)

City department

[Treasury](#)

Contact

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Treasurer

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

August 7, 2024

programs that accept credit/debit cards as payment; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council

August 7, 2024

Auditor of the City of Portland

Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

In January of 2018, the City awarded a five-year contract to Elavon, Inc., through a competitive RFP process, to provide Merchant Bankcard Services for a total contract value of \$25,000,000. The City has exercised an option to extend this contract for an additional five years, through December of 2027, and previously increased the contract value to \$28,750,000.00. However, the not-to-exceed amount of the contract will need to be increased to cover the additional services to be provided during the 5-year extension period. With this amendment, the new total not-to-exceed amount of this contract will be \$55,000,000.

Since this contract was executed in 2018, the number of bureau programs that accept card-based payments has more than doubled. The City of Portland maintains about 270 Merchant Bankcard Accounts which process approximately 12 million transactions per year.

The City's contract with Elavon, Inc. reflects two components:

1. The negotiated processing fee to Elavon of \$0.0225 per transaction, and
2. All Visa, MasterCard, Discover interchange fees, assessments, dues fees and other charges, which Elavon passes through and collects from the City at cost.

Financial and Budgetary Impacts

The contract is paid for by the bureaus and programs using the service. In some cases, bureau programs are able to pass along these fees to the cardholder in the form of a service fee or convenience fee. City bureaus and programs have available funds in their FY 2024-25 budgets to cover these costs.

Community Impacts and Community Involvement

Bureaus provide increased customer service and convenience by allowing customers to pay for City services using credit cards and debit cards.

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

The extension of this contract for an additional five years, through December of 2027, increases the not-to-exceed amount of the contract by \$30,000,000 to cover the additional services to be provided during the extension period. With this amendment, the new total not-to-exceed amount of this contract will be \$55,000,000.

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The contract is paid for by the bureaus and programs using the service. In some cases, bureau programs are able to pass along these fees to the cardholder in the form of a service fee or convenience fee. City bureaus and programs should have available funds in their FY 2024-25 budgets to cover these costs.

Document History

Item 712 Consent Agenda in [August 7, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/8/7)
(<https://www.portland.gov/council/agenda/2024/8/7>)

City Council

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea