



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 15-1129, **Version:** 1

- a. Approve and authorize the Treasurer-Tax Collector to sign and execute a Merchant Services Government Program Guide /Agreement with Wells Fargo Bank for the provision of enterprise wide Cardholder Present Merchant Card services, per the fee schedule provided, for the period of July 1, 2015 through June 30, 2018; and
- b. Approve non-standard language in the Wells Fargo Bank Government Program Guide/ Agreement as recommended by the Treasurer-Tax Collector; and
- c. Authorize the Treasurer-Tax Collector to sign annual renewals to the Wells Fargo Merchant Services Government Program Guide /Agreement and to issue purchase orders on an as needed basis, incorporating the same non-standard contract provisions for up to an additional two (2) years where the combined total of all purchase order fees or annual customer service fees do not exceed ten percent (10%) of the original prorated annual contract amount fees and do not significantly change the scope of the original Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Treasurer-Tax Collector to sign and execute a Merchant Services Government Program Guide /Agreement with Wells Fargo Bank for the provision of enterprise wide Cardholder Present Merchant Card services, per the fee schedule provided, for the period of July 1, 2015 through June 30, 2018; and
- b. Approve non-standard language in the Wells Fargo Bank Government Program Guide /Agreement as recommended by the Treasurer-Tax Collector; and
- c. Authorize the Treasurer-Tax Collector to sign annual renewals to the Wells Fargo Merchant Services Government Program Guide /Agreement and to issue purchase orders on an as needed basis, incorporating the same non-standard contract provisions for up to an additional two (2) years where the combined total of all purchase order fees or annual customer service fees do not exceed ten percent (10%) of the original prorated annual contract amount fees and do not significantly change the scope of the original Agreement.

SUMMARY DISCUSSION:

Currently, the County Treasurer-Tax Collector does not regulate or manage merchant card services in the County. In the past, each department requiring these services has independently sought out their own vendors and/or banks, which has created different sets of standards, inconsistent pricing, and various degrees of Payment Card Industry Data Security Standards (PCI DSS) compliance. To that end, the Treasurer has brought forward, and the Board has been asked to approve, the County of Monterey Bank Account and Merchant Card Services Policy.

The Treasurer-Tax Collector also recognized the need for a countywide solution and issued a RFP for these services. After careful review, it was determined by the selection committee that the contract be awarded to Wells Fargo Bank. Developing the recommended enterprise-wide solution will insure PCI DSS and regulatory compliance, lower cost structures, standardize credit card services throughout the County, and provide improved technology solutions.

The Treasurer-Tax Collector and Wells Fargo Merchant Services will support the initial implementation of new credit/debit card services and the ongoing conversion of existing credit/debit card service operations throughout

the County insuring PCI DSS and regulatory compliance and uniformity throughout the County.

The proposed Wells Fargo Merchant Services Government Program Guide /Agreement contains terms that are non-standard for the County, but is based upon an industry standard that is used throughout the United States with governments, and private sector service providers. The County Treasurer-Tax Collector has reviewed this document and is recommending approval of this Program Guide /Agreement with inclusion of these industry-wide standard terms.

OTHER AGENCY INVOLVEMENT:

The Program Guide /Agreement was not approved by County Counsel due to the presence of non-standard terms/conditions required by the vendor primarily related to industry specific regulatory compliance. These terms include, but are not limited to limitations on the vendor's liability, assumption of liability for costs and performance, exclusivity, indemnification of the vendor by the County, and contract venue in New York. This agreement was not approved by Risk Management because of non-standard indemnification, disclaimers, exclusions and limitations of liability.

FINANCING:

The General Fund may be impacted and the costs associated with the services provided are either fully funded by the clients utilizing the service or will be separately processed by the individual departments utilizing the services; the implementation of fees will be addressed by each Department utilizing the program upon adoption of the service. The County benefits through standardized services, enterprise-wide negotiated cost structures, increased regulatory compliance, and expedited cash flows.

Prepared by: Susanne King, Acting Treasury Manager, X5490

Approved by: Mary A. Zeeb, Treasurer-Tax Collector, X5015

Attachments:

Merchant Services Government Program Guide/Agreement
Wells Fargo Pricing Worksheets

CC: M. Derr