



City of Tacoma

PUB Resolution No.: _____

City Council Resolution No.: _____

**Contract and Award Letter
Purchase Resolution —Exhibit "A"**

TO: Board of Contracts and Awards
FROM: Andy Cherullo, Director, Finance
Patsy Best, Procurement and Payables Division Manager, Finance
COPY: Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,
City Clerk, EIC Coordinator, LEAP Coordinator, and Carly Fowler, Finance
Department.
SUBJECT: Wells Fargo Merchant Services
Request for Proposals Specification No. FI13-0360F, Contract No. CW2231733 -
July 10, 2024 Public Utility Board and July 23, 2024 City Council
DATE: June 10, 2024

RECOMMENDATION SUMMARY: The Finance Department requests approval to increase and extend CW2231733, with Wells Fargo Bank, NA (Wells Fargo), Seattle, WA, by \$1,000,000, plus applicable taxes, budgeted from various funds, extending the contract by six years to March 31, 2030, for merchant services. This increase will bring the contract to a cumulative total of \$3,500,000, plus applicable taxes.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND: Wells Fargo has provided credit card processing services for the City of Tacoma since 2014. There are dozens of technology integrations across the City that are configured to process credit card transactions through Wells Fargo. This is a critical service for City operations and provides departments with the ability to accept credit card payments.

ISSUE: In 2022, the City did a competitive solicitation for banking and credit card processing services as the final contract extension with Wells Fargo was concluding. Chase was awarded the contract and in 2023 all banking services, as well as credit card processing services, were switched over. After six months of service issues and increased costs, the city terminated the credit card processing agreement with Chase while continuing the banking services. Going back to Wells Fargo for credit card processing saved the City time and money and has resolved the multiple service issues that were experienced.

ALTERNATIVES A request for proposal for merchant services could be conducted but that would disrupt credit card processing for all City departments that accept this type of payment option.

CONTRACT HISTORY: The City entered the original contract with Wells Fargo on January 1, 2014 for banking and merchant services. Amendment No. 1 was entered into on January 1, 2020 which used the first two-year extension and increased the total contract value to \$1,500,000. Amendment No. 2 was entered into on January 1, 2022 using the second and final two-year extension and increasing total contract value to \$2,300,000. Amendment No. 3 was entered into on December 31, 2023 to extend the contract a few months to March 30, 2024 as



a temporary extension to avoid interruption of service as services were transferred to another provider and increase the contract total to \$2,500,000.

SUSTAINABILITY: Five percent of the total award was reserved for consideration of sustainability.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: **Not applicable - Service contract - EIC Regulations are not yet established**

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not applicable to this contract.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various			\$1,000,000
TOTAL			Up to \$1,000,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various			(\$1,000,000)
TOTAL			Up to (\$1,000,000)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,000,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A