



City of Austin

Recommendation for Action

File #: 25-1835, **Agenda Item #:** 24.

9/11/2025

Posting Language

Authorize a contract for merchant card processing services for all City departments with First Data Merchant Services LLC, for an initial term of three years with up to two 2-year extension options in an amount not to exceed \$13,000,000. Funding: \$1,100,000 is available in the Operating Budgets of various City departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Client Department(s)

All City Departments.

Fiscal Note

Funding in the amount of \$1,100,000 is available in the Fiscal Year 2025-2026 Operating Budgets of various City departments.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals solicitation RFP 7400 DJJ3006 for these services. The solicitation was issued on September 30, 2024, and closed on November 14, 2024. Of the seven offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at

https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=141489.

MBE/WBE:

This contract will be awarded in accordance with the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

This contract will provide credit and debit card processing services for various City departments including but not limited to, the Austin Convention Center Department, Austin Fire Department, Austin Public Health, Austin Public Library, Austin Water, Department of Aviation, Development Services Department, Emergency Medical Services, Human Resources Department, Municipal Court, Parks and Recreation Department, and

Transportation and Public Works Department.

Credit and debit card payment acceptance by various City departments provides customers with an additional payment option. Visa, MasterCard, Discover, and American Express cards are accepted as methods of payment at numerous City locations for City services.

The contract will replace the current citywide merchant processing contract expiring December 2025. The recommended contractor is not the current provider for these services. The requested funding authorization is based on historical card payment processing volumes.

An evaluation team with expertise in this area evaluated the offers and scored First Data Merchant Services LLC as the best to provide these services based on business organization, financial viability, experience, qualifications, exceptions and references; merchant processing service program; project management structure and personnel; pricing; local business preference; and small business preference.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

If this contract is not approved, the City will not be able to offer this payment method option to their customers.

Contract Details:		
Contract Term	Length of Term	Contract Authorization
Initial Term	3 years	\$5,000,000
Optional Extension 1	2 years	\$4,000,000
Optional Extension 2	2 years	\$4,000,000
Total	7 years	\$13,000,000

Note: Contract authorization amounts are based on the City's estimated annual usage.