



CITY MANAGER'S OFFICE MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Mark Z. Finigan, Finance Director

DATE: April 25, 2016

SUBJECT: Extension Request – Merchant Services Contract

ACTION STATEMENT:

Respectfully request approval for a one (1) year extension to the Merchant Services Contract with First State Bank, subject to the terms and conditions of a contract executed between the City of Key West and First State Bank of the Florida Keys in May of 2011. Subject request is made pursuant to the City of Key West Code of Ordinances Section 2-797. – Exemptions, (4) Exempt contractual services, (b) best interests of the city.

BACKGROUND:

The City entered into a three (3) year contract for merchant services with First State Bank of the Florida Keys on May 4, 2011 for a term of three years. The contract also included an additional option to renew with two (2) one-year extensions upon the same terms and conditions as contained in the initial term. Resolution No. 11-146 authorized the contract with First State Bank for merchant services. Resolution 14-118 authorized the 1st of two (2) one (1) year renewal options. Resolution 15-148 authorized the 2nd of two (2) one (1) year renewal options. The 2nd and final option expires on May 3, 2016. First State Bank has agreed to extend to the City of Key West for up to another 12 months the same terms, conditions and rates stipulated under the May 4, 2011 contract while the City prepares, solicits and awards a new multi-year merchant services contract.

FINANCIAL IMPACT:

Merchant service fees are budgeted in appropriate amounts for FY 2015-16 in the respective budgets for those City Funds which incur merchant service fees for the processing of credit card transactions.

RECOMMENDATION:

Approve a one (1) year extension to the Merchant Services Contract with First State Bank, subject to the terms and conditions of a contract executed between the City of Key West and First State Bank of the Florida Keys in May of 2011.