



# Executive Summary

**To:** Jim Scholl, City Manager

**From:** Nancy Kielman, Finance Director

**Date:** April 22, 2015

**RE:** One Year Extension of First State Bank Merchant Services Contract

## **Action:**

This is a request to exercise the second one year extension option between the City of Key West and First State Bank of the Florida Keys for the purpose of providing Merchant Services to the City of Key West.

## **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 1<sup>st</sup> of two (2) one (1) year renewal options.

## **Advantages/Disadvantages:**

### **Advantages:**

1. First State Bank is already knowledgeable of the City and its merchant processing activities.
2. Exercising the option will result in no loss of staff time or cost of going out to bid.

### **Disadvantages:**

1. No competitive bid process.

### **Options:**

1. The Commission can approve the extension of the contract as recommended by Staff.
2. The Commission can disapprove the extension of the contract and direct staff to go out to bid for merchant services.

**Financial Impact:**

Current contract remains in place no change in the financial impact.

**Recommendation:**

Staff supports exercising the one year contract extension for merchant services with First State Bank of the Florida Keys. First State Bank has consistently provided outstanding customer service.

**Attachments:**

Resolution 11-111

Resolution 14-118