

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 15

FROM: DIRECTOR FINANCE

FILE: 6400-20

SUBJECT: MONERIS SOLUTIONS – CREDIT CARD MERCHANT SERVICES

PURPOSE: To obtain Council approval to award a contract to Moneris Solutions for the provision of merchant credit card and debit card services.

RECOMMENDATION:

1. **THAT** a contract be awarded to Moneris Solutions for merchant credit card and debit card services for a five year period commencing 2017 January 01 to 2021 December 31 as outlined in this report.

REPORT**1.0 INTRODUCTION**

The City has offered credit and debit card payment options to Burnaby residents and patrons since 1993 through the merchant services platform offered by Moneris Solutions, a credit card acquirer wholly owned by the Royal Bank of Canada and the Bank of Montreal.

The City of Burnaby requires a credit card acquirer for access to the credit and debit card services platforms such as Interac, Visa, MasterCard and American Express. Moneris provides the City with PinPad rentals, payment processing and clearing, online payment services, payment technology solutions and electronic and online reporting services for reconciliation processes. The City's existing contract with Moneris Solutions expires 2017 February 28.

The City has seen exponential growth in the use of credit and debit card payments at Parks and Recreation facilities, Food Services locations and for various other payables at City Hall such as permits, building and planning applications, business licences and dog licences. With the growth in payment and transaction volumes, the City has seen a rise in merchant fees in step with increased volumes over the last decade. In 2015, the City paid approximately \$500,000 in total fees for merchant card services.

An RFP was conducted in 2016 July for acquirer services for the purpose of identifying the best fees and rates in the marketplace for an organization of the City's size and to identify a partner to support the City in the provision of card services in an efficient and effective manner.

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City staff evaluated three RFP submissions, the outcome of which identified Moneris Solutions as the lead proponent based on reduced costs, the provision of ongoing and uninterrupted services, and the lowest cost of implementation.

The City will move to an Interchange plus fee model that is expected to reduce fees by \$95,000 per annum. In addition, Moneris will provide the City with a cost recovery model to support the City's credit card merchant fee recovery bylaw that will allow the City to expand online services without incurring additional payment processing costs.

Under this contract, the City will incur no implementation costs as the technical and pricing changes will be applied by Moneris to the City's existing Moneris merchant profile. Equipment, merchant accounts, reporting and reconciliation processes are already in place at the City and do not require updates or changes.

2.0 RECOMMENDATION

Staff recommend proceeding with an award to Moneris Solutions subject to finalizing contract review and negotiations.

The City's current contract with Moneris expires 2017 February 28, however the new five year contract award can take effect 2017 January 01 which would reduce fees two months earlier. Upon Council approval, City staff will conclude contract negotiations with Moneris for a final agreement on term, services and fees.



Denise Jorgenson
DIRECTOR FINANCE

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Copied to: City Manager