

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

**REPORT/RECOMMENDATION TO THE BOARD OF DIRECTORS
OF THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
AND RECORD OF ACTION**

October 8, 2019

FROM

ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector

DON TRAPP, Interim Fire Chief, San Bernardino County Fire Protection District

SUBJECT

Amendment to Agreements with Grant Street Group for Electronic Payment Services

RECOMMENDATION(S)

1. Acting as the governing body of the County of San Bernardino, approve **Amendment No. 3** to **Agreement No. 14-858** with Grant Street Group, extending the term for the one-year period of November 1, 2019, through October 31, 2020, in an amount not to exceed \$372,000, increasing the total contract amount to \$2,232,000, to provide eCheck, debit card, and credit card acceptance and processing services to the Auditor-Controller/Treasurer/Tax Collector for property tax and collections transactions.
2. Acting as the governing body of the San Bernardino County Fire Protection District (SBCFPD), approve **Amendment No. 3** to **Agreement No. 15-666** with Grant Street Group, extending the term for the one-year period of November 1, 2019, through October 31, 2020, at an estimated cost of \$30,000 to be paid directly to Grant Street Group by customers in the form of a convenience fee, increasing the total contract amount to \$135,000, to provide eCheck, debit card, and credit card acceptance and processing services to the SBCFPD for customer transactions concerning services and goods to residents, at no cost to the SBCFPD.

(Presenter: Douglas R. Boyd, Assistant Auditor-Controller/Treasurer/Tax Collector, 382-7004)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of these amendments will not result in the use of additional Discretionary General Funding (Net County Cost).

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The costs associated with Amendment No. 3 to Agreement No. 14-858 represent debit/credit card acceptance and processing fees for collections payments only, which are passed through and withheld from collected amounts prior to distribution to ATC's collections clients. The cost to extend the contract with Grant Street Group (GSG) for a one-year term will not exceed \$372,000. Sufficient appropriation and revenue have been included in the Auditor-Controller/Treasurer/Tax Collector's (ATC) 2019-20 budget and will be included in future recommended budgets. Debit/credit card acceptance and processing fees for property taxes are paid by the taxpayer pursuant to California Revenue and Taxation Code §2511.1(d); therefore, ATC will not incur any costs for these fees under this contract. eChecks are processed free of charge.

The costs associated with Amendment No. 3 to Agreement No. 15-666 represent debit/credit card acceptance and processing fees paid directly to GSG by SBCFPD customers in the form of a convenience fee; therefore, SBCFPD will not incur any costs for these fees under this contract. eChecks are processed free of charge. During 2018-19, approximately 4,500 electronic payments were processed, totaling \$1,895,546 in revenue for SBCFPD. The total debit/credit card processing fees associated with these transactions paid to GSG was \$30,000. The cost to extend the contract with GSG for a one-year term is not expected to exceed \$30,000 in debit/credit card processing fees paid directly to GSG from SBCFPD customers.

BACKGROUND INFORMATION

Pursuant to California Revenue and Taxation Code, ATC is responsible for the collection of property taxes on both secured and unsecured property. Procurement of eCheck, debit card, and credit card acceptance and processing services reflects ATC's effort to increase property tax collections by providing available and efficient electronic payment services to taxpayers. Property tax dollars are used to fund key public services, including education, police and fire protection, and social and public health services. Multiple forms of payment acceptance result in more efficient and fiscally responsible County operations.

SBCFPD is responsible for a variety of fire protection, emergency response, emergency medical response, and other mandated services Countywide. The acceptance of electronic payment transactions, including debit cards, credit cards, and eChecks, allows SBCFPD to offer County residents and business owners a streamlined and convenient option to remit payment for services/costs such as ambulance transports, hazardous material permits, fire prevention permits, printed information materials, and merchandise.

PROCUREMENT

As the result of a competitive process, on October 21, 2014 (Item No. 10), the San Bernardino County Board of Supervisors (BOS) approved Agreement No. 14-858 with GSG to provide eCheck, debit card, and credit card acceptance and processing services to ATC for property tax and collection payments in an amount not to exceed \$1,116,000 for the period of November 1, 2014, through October 31, 2017, with the option to extend the term for two additional one-year periods.

On August 22, 2017 (Item No. 15), the BOS approved Amendment No. 1 to Agreement No. 14-858 with GSG, exercising the first one-year option to extend the term through October 31, 2018, in an amount not to exceed \$372,000, increasing the total contract amount to \$1,488,000. On September 11, 2018 (Item No. 16), the BOS approved Amendment No. 2 to Agreement No. 14-858 with GSG, exercising the second one-year option to extend the term through October 31, 2019, in an amount not to exceed \$372,000, increasing the total contract amount to \$1,860,000.

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ATC's Agreement No. 14-858 with GSG included a Participation Clause (Paragraph C.28) allowing municipalities, school districts, and other tax districts within the County of San Bernardino requiring the same services to avail themselves of the contract with GSG. On September 15, 2015 (Item No. 80), the SBCFPD Board of Directors (BOD) approved Agreement No. 15-666 with GSG to provide eCheck, debit card, and credit card acceptance and processing services to SBCFPD for customer transactions concerning services and goods to residents, in an annual estimated amount of \$25,000, for an aggregate total of \$50,000, paid directly to GSG by the customer in the form of a convenience fee at no cost to SBCFPD, for the period of September 16, 2015, through October 31, 2017, with the option to extend the term for two additional one-year periods.

On October 17, 2017 (Item No. 31) the BOD approved Amendment No. 1 to Agreement No. 15-666 with GSG, exercising the first one-year option to extend the term through October 31, 2018, in an estimated amount of \$25,000, increasing the total contract amount to \$75,000. On October 16, 2018 (Item No. 51) the BOD approved Amendment No. 2 to Agreement No. 15-666 with GSG, exercising the second one-year option to extend the term through October 31, 2019, in an estimated amount of \$30,000, increasing the total contract amount to \$105,000.

On June 28, 2019, ATC released Request for Proposal (RFP) No. ACT120-ACTT-3423 for electronic payment services, as the current contracts with GSG expire on October 31, 2019. Prior to the deadline for submission of questions, it became clear that in order for other County departments to take advantage of the RFP's Participation Clause (Section X, Paragraph A.28), those departments would need to provide their scope of work, transaction volume, and background information specific to each one's need for the services. In addition to SBCFPD, other County departments that have expressed interest in participating in the RFP include Public Health, Fleet Management, Human Resources, and Land Use Services. As a result, Purchasing and ATC made the decision to extend the proposal timeline and release addenda reflecting the additional information. The current deadline for proposals is Wednesday, October 30, 2019, with a tentative contract award date in February 2020.

The recommended amendment to Agreement Nos. 14-858 and 15-666 with GSG will extend both contract terms for the one-year period of November 1, 2019, through October 31, 2020, to allow ATC to work with Purchasing, SBCFPD, and other stakeholder departments to complete the procurement process and award a new agreement for electronic payment services.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Robert F. Messinger, Principal Assistant County Counsel, 387-5455; and Scott M. Runyan, Deputy County Counsel, 387-5455) on August 29, 2019 and September 3, 2019, respectively; Purchasing (Leo Gomez, Purchasing Manager, 387-2063) on September 11, 2019; Finance (Carl Lofton, Administrative Analyst, 387-5404; and Tom Forster, Administrative Analyst, 387-4635) on September 23, 2019, and September 16, 2019, respectively; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on September 23, 2019.

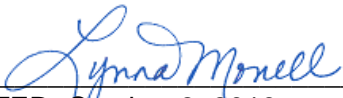
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Record of Action of the Board of Directors
San Bernardino County Fire Protection District
Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Janice Rutherford
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD/SECRETARY

BY 
DATED: October 8, 2019



cc: ATC- Atkeson w/agree
 SBCFPD- Trapp w/agree
 Contractor- C/O ATC w/agree
 Contractor-C/O SBCFPD w/agree
 File- w/agree
la 10/11/2019