

CREDIT CARD SERVICES

TO: The Board of Trustees

FROM: President Cary Israel

DATE: June 23, 2011

SUBJECT: Recommendation for Approval of Request for Proposal 3374 - Annual Contract for Credit Card Services Provider.

SCOPE: Annual contract for credit card services provider. The initial term of contract is for two (2) years with an option to renew two (2) additional consecutive years upon mutual agreement and Board approval. Term of contract: 07/01/2011 through 06/30/2013.

RESPONSES: Six (6) vendors viewed the bid package, four (4) responded.

COMPARISON: See attached.

RECOMMENDATION: First Data Merchant Services Atlanta, GA \$425,000.00
(estimated)

JUSTIFICATION: Best evaluated offer.

The \$425,000.00 is the total annual fees/cost for credit card processing. The fees include non-negotiable, standard processing fees charged by MasterCard/Visa Association and Discover Card Network to the processing networks and the fee charged by the processing bank. The processing bank's estimated fees were determined by using a previous one (1) year total of charges processed and applying the rate and all applicable fees by the processing bank.

COLLIN COLLEGE	Branch Banking & Trust		First Data Merchant Services		Chase Paymentech		Bank of America Merchant Services	
RFP 3374 Credit Card Services Provider								
Fee Schedule - Discount rates based								
on Net Sales	Cents Per Transaction Rate	Interchange Plus Rate	Cents Per Transaction Rate	Interchange Plus Rate	Cents Per Transaction Rate	Interchange Plus Rate	Cents Per Transaction Rate	Interchange Plus Rate
Debit Card Transactions	\$0.10		\$0.12	--	\$0.05	0.05%	\$0.30	Debit network fees passed through
Cost w/historical usage	\$1,023.40		\$1,228.08		\$511.70 plus	\$685.52	\$3,070.20	
Debit Card Totals w/historical usage	\$1,023.40		\$1,228.08		\$1,197.22		\$3,070.20	
MasterCard (Swiped) Transactions	\$0.10	0.20%	--	0.12%	\$0.05	0.05%	\$0.10	0.04%
Visa (Swiped) Transactions	\$0.10	0.20%	--	0.12%	\$0.05	0.05%	\$0.10	0.04%
MasterCard (Non-Swiped) Transactions	\$0.10	0.20%	--	0.12%	\$0.05	0.05%	\$0.10	0.04%
Visa (Non-Swiped) Transactions	\$0.10	0.20%	--	0.12%	\$0.05	0.05%	\$0.10	0.04%
Discover								
Cost w/historical usage	\$17,093.40	31,678.07		\$15,839.04	\$8,546.70	\$7,919.52	\$17,093.40	\$6,335.61
Credit Card Totals w/historic usage		48,771.47		\$15,839.04		\$16,466.22		\$23,429.01
Equipment:					4 pin pads @ \$175	\$700.00		
PCI Fee with proof of certification		3.95						
GRAND TOTAL		49,798.82		\$17,067.12		\$18,363.44		\$26,499.21
Monthly Service Charge	\$5.00	--	\$0.00	\$0.00	--	--		\$0.00
(Maintenance Agreement) - By Account or Merchant No.								
Chargeback Fee		\$15.00	\$10.00	\$0.00	\$5.00	\$0.00	\$15.00	
	per occurrence							
Settlement (State the applicable time frame) for deposits to the District's account).	11:59 PM		1 day plus bank settlement		Reserve Acct. Required	48 hours (24 hrs if deposit to Chase DDA)	Settlement next business day if deposited to Bank of America DDA and	
Best Evaluated Offer								

Year	Month	Total Sales	# Items	Total Refunds	# Items	Fees	Fees/Sales
FY 2013							
	August						
	July						
	June	\$ 1,828,072	15,802	\$ 249,893	1,693	\$ 24,614	
	May	\$ 2,265,252	20,662	\$ 97,875	638	\$ 33,381	
	April	\$ 861,007	14,219	\$ 45,616	254	\$ 14,371	
	March	\$ 890,360	12,877	\$ 64,852	380	\$ 13,217	
	February	\$ 823,270	17,502	\$ 440,769	2,806	\$ 7,160	
	January	\$ 6,399,808	29,495	\$ 209,652	1,181	\$ 85,320	
	December	\$ 2,232,048	13,914	\$ 74,651	180	\$ 33,675	
	November	\$ 483,267	12,888	\$ 49,839	330	\$ 8,995	
	October	\$ 670,965	17,411	\$ 149,335	647	\$ 10,820	
	September	\$ 1,214,068	20,773	\$ 560,880	3,667	\$ 10,818	
		\$17,668,117	175,543	\$1,943,362	11,776	\$ 242,371	1.24%
FY 2012	August	\$ 6,955,628	32,470	\$ 223,020	1,328	\$ 90,903	
	July	\$ 2,761,395	16,467	\$ 124,464	951	\$ 37,679	
	June	\$ 1,449,167	14,950	\$ 238,577	1,791	\$ 18,612	
	May	\$ 2,253,897	19,884	\$ 76,455	468	\$ 32,731	
	April	\$ 768,682	13,666	\$ 36,428	191	\$ 13,127	
	March	\$ 861,055	14,864	\$ 84,163	518	\$ 11,824	
	February	\$ 706,477	16,646	\$ 376,889	2,704	\$ 6,029	
	January	\$ 5,903,493	29,943	\$ 202,676	1,362	\$ 72,741	
	December	\$ 2,059,783	12,149	\$ 40,473	156	\$ 29,266	
	November	\$ 240,886	10,505	\$ 79,197	430	\$ 4,176	
	October	\$ 532,256	13,658	\$ 125,402	612	\$ 7,396	
	September	\$ 964,264	17,973	\$ 478,682	3,438	\$ 8,476	
		\$25,456,983	213,175	\$2,086,426	13,949	\$ 332,960	1.21%
FY 2011	August	\$ 7,345,960	35,630	\$ 261,560	1,661	\$ 112,907	
	July	\$ 1,907,188	14,180	\$ 135,559	1,095	\$ 29,438	
	June	\$ 1,512,257	15,273	\$ 240,674	1,718	\$ 21,419	
	May	\$ 2,072,874	17,706	\$ 47,203	344	\$ 34,461	
	April	\$ 805,757	12,489	\$ 32,979	173	\$ 14,439	
	March	\$ 723,870	12,826	\$ 94,085	446	\$ 10,969	
	February	\$ 640,883	11,554	\$ 381,997	2,683	\$ 4,115	
	January	\$ 6,356,904	31,218	\$ 176,740	1,363	\$ 98,473	
	December	\$ 2,181,804	13,585	\$ 21,279	124	\$ 37,244	
	November	\$ 187,212	7,938	\$ 39,026	263	\$ 3,038	
	October	\$ 547,482	12,143	\$ 105,433	496	\$ 8,078	
	September	\$ 1,041,952	16,293	\$ 492,056	3,517	\$ 9,897	
		\$25,324,144	200,835	2,028,590	13,883	384,478	1.41%

According to First Data, the average effective rates for those who process at the District's volume level (\$25-50 million annually) range from 1.81 to 2.05%. As shown below, Collin's effective rates fall well below these averages.

All Bankcard Effective Rates				
Date	Visa	MC	Debit	Disc
Jan-12	0.74%	1.59%	0.51%	1.70%
Feb-12	1.06%	1.66%	0.64%	1.69%
Mar-12	1.02%	1.74%	0.62%	1.72%
Apr-12	1.27%	1.87%	0.61%	1.71%
May-12	0.94%	1.72%	0.61%	1.71%
Jun-12	0.96%	1.69%	0.68%	1.73%
Jul-12	0.89%	1.63%	0.57%	1.67%
Aug-12	0.81%	1.57%	0.54%	1.68%
Sep-12	0.99%	1.64%	0.64%	1.70%
Oct-12	1.27%	1.75%	0.62%	1.69%
Nov-12	1.55%	1.97%	0.72%	1.70%
Dec-12	1.02%	1.77%	0.59%	1.68%
TOTAL	0.90%	1.65%	0.58%	1.69%