

Meeting Date: 7/27/10

Agenda Item

11

REQUESTED COMMISSION ACTION:

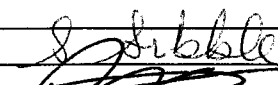

<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Consideration/ Discussion	<input type="checkbox"/> Presentation
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SHORT TITLE A Resolution of the City Commission of the City of Pompano Beach, Florida
approving and authorizing the proper City officials to execute an Agency
Participation Agreement for Discover Card between the City of Pompano
Beach and DFS Services, LLC pursuant to the Master Agreement with the
State of Florida; Providing an effective date.

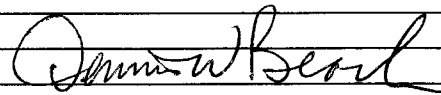
Summary of Purpose and Why:

The execution of this agreement will allow the City to participate in the State of Florida's contract with DFS Services, LLC, which will allow for a discounted rate for Discover Card merchant fees, to be directly assessed to customers who pay for City services with a Discover credit card.

- (1) Origin of request for this action: Finance Department
- (2) Primary staff contact: Suzette Sibble, Finance Director Ext. 4680
- (3) Expiration of contract, if applicable: _____
- (4) Fiscal impact and source of funding: N/A

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	DEPARTMENTAL HEAD SIGNATURE
Finance	<u>07/19/10</u>	<u>Approval</u>	<u></u>
Budget	<u>7/20/10</u>	<u>Approve</u>	<u></u>
City Attorney	<u>07/19/10</u>	<u>Approve</u>	<u>See Attached Resolution</u>

City Manager



ACTION TAKEN BY COMMISSION:

<u>Ordinance</u>	<u>Resolution</u>	<u>Consideration</u>
<u>Workshop</u>		
1 st Reading	1 st Reading	Results: _____
2 nd Reading		Results: _____

RESOLUTION NO. 2010-_____

CITY OF POMPANO BEACH
Broward County, Florida

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE AN AGENCY PARTICIPATION AGREEMENT FOR DISCOVER CARD BETWEEN THE CITY OF POMPANO BEACH AND DFS SERVICES LLC, PURSUANT TO THE MASTER AGREEMENT WITH THE STATE OF FLORIDA; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. That an Agreement between the City of Pompano Beach and DFS Services LLC, a copy of which Agreement is attached hereto and incorporated by reference as if set forth in full, is hereby approved.

SECTION 2. That the proper City officials are hereby authorized to execute said Agreement between the City of Pompano Beach and DFS Services LLC.

SECTION 3. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this _____ day of _____, 2010.

LAMAR FISHER, MAYOR

ATTEST:

MARY L. CHAMBERS, CITY CLERK

GBL/ds
7/19/10
l:reso/2010-326

EXHIBIT B
SUBSCRIPTION AGREEMENT
BETWEEN
DFS SERVICES LLC
AND
STATE ENTITY

This Subscription Agreement is entered this _____ (Date) between DFS Services LLC (the "Contractor") and State Entity City of Pompano Beach (the "Entity").

On January 2, 2004 (Date), Contractor and The Florida Department of Financial Services entered into a Master Agreement, which incorporates all Exhibits thereto, including but not limited to Contractor's Merchant Operating Regulations. The Master Agreement and Exhibits are collectively, the "Agreement", which provides that The Florida Department of Financial Services, state agencies, including Entity, may be parties to the Master Agreement by entering into a Subscription Agreement with Contractor.

The Entity hereby agrees it shall be a party to the Agreement and shall be bound by all of the terms and conditions of the Master Agreement. Entity further acknowledges and agrees that Entity shall be a Merchant under the Master Agreement and Merchant Operating Regulations and shall abide by all of the terms and conditions of the Master Agreement and Merchant Operating Regulations to the extent that such terms and conditions are not otherwise superseded or modified by other provisions in the Master Agreement.

This Subscription Agreement remains in full force and effect until terminated, expired or until the Master Agreement is terminated.

Contractor and the Entity through their authorized representatives agree to the aforementioned terms as of the date first written above.

DFS Services LLC

By: 
Title: Vice President

Date: July 19, 2010

Date: _____

City of Pompano Beach (Entity)

By: _____

Title: _____

Date: _____



GOVERNMENTAL ENTITY/UTILITY MERCHANT SERVICES AGREEMENT

Governmental Entity/Utility: Florida Department of Insurance and Treasurer. Street Address: 200 East Gaines Street, Tallahassee, FL 32399-0344. Merchant Fees: Discover Business Services Merchant Fee (See Exhibit A), Discover Business Services Per-Transaction Fee (N/A), MasterCard Processing Fee (N/A), VISA Processing Fee (N/A), AMEX Processing Fee (N/A), Discover Business Services Transaction Fee (N/A).

In this Agreement, the words "you" and "your" mean the government entity/utility specified above; the words "we", "our", "us" and "Discover Business Services" refer to Discover Financial Services, Inc.; "Card" means a valid credit, charge or other card bearing a Discover Card or NOVUS logo, service mark or trademark identified in the Discover Business Services Merchant Operating Regulations "Operating Regulations" or as otherwise approved in writing by us; "Cardmember" means a person to whom a Card has been issued and/or any authorized user of a Card; and "Sales Data" means evidence of Card transactions, whether in paper, or electronic form, that is received by us in the form and format that we specify. Unless the context clearly indicates otherwise, words used in the singular include the plural, and words used in the plural include the singular.

This Agreement governs the acceptance of Cards issued by any authorized Card issuer (the "Bank"), by the governmental entity/utility specified above. It supersedes any other agreements concerning the Cards. Please read it carefully. You must follow all of its terms.

1. Acceptance of Cards. You agree to accept Cards at your locations in payment for purchases of goods and services from all Cardmembers who want to use Cards at your establishment. You agree to follow the procedures in this Agreement and in our Operating Regulations concerning your acceptance of Cards and the preparation of sales slips. Please refer to your Operating Regulations for specific details regarding how you may accept Card sales. If specified above, we agree that you may impose a surcharge, levy or fee of a similar kind for any transaction where a Cardmember desires to use the card for any payment of amounts owed you. However, such surcharge, levy or fee may be only in the amount shown above and you agree that you will not add any additional markup to such amounts. You agree that you will not require that any Cardmember must make a minimum dollar payment in order to use the Card, and you will not limit the maximum amount that a Cardmember may spend when using the Card. You further agree that you will not institute or adopt any practice that discriminates or provides unequal treatment for the Card versus any other credit or charge card.

2. Operating Regulations. Our Operating Regulations are incorporated into this Agreement as Exhibit A. The Operating Regulations are an integral part of this Agreement and contain procedures which you must follow in connection with acceptance of a Card. We may change the Operating Regulations from time to time by sending you written notice 30 days in advance. However, certain changes may become effective immediately for security reasons. If there is any conflict between this Agreement and the Operating Regulations, the terms of this Agreement will govern.

3. Authorization. For each individual Card sale, you must obtain authorization from us prior to making the Card sale. Please refer to the Operating Regulations for specific information on obtaining authorization.

4. Card Not Present Card Sales. For each Card sale made by mail or telephone you shall complete a mutually acceptable sales form on which you shall record the following:

- (a) The date of Card Sale;
(b) A brief description of the purchased goods or service;
(c) The total amount of the Card sale, including any tax;
(d) The Cardmember's Account number;
(e) The expiration date of the Card;
(f) The Authorization number or code; and
(g) Your merchant number.

The Cardmember's signature is not required with respect to mail/telephone order Card sales, provided that you identify each sure Card sale as "Mail Order" or "Telephone Order". If a Cardmember asserts that he or she has not authorized a mail/telephone order Card sale or otherwise denies the validity of the card sale, such Card sale shall be subject to chargeback pursuant to section 9 below.

5. Card Present Card Sales. It is anticipated that most of the Card sales transacted by you will be mail/telephone order Card sales. However, to the extent that you generate Card sales at your office or other sites of operation ("Office"), if any, you shall prepare a sales slip using a form supplied by us or such other form that is mutually acceptable. Each sales slip must be legible and fully completed with the same information required for mail/telephone order Card sales. Each sales slip relating to a Card transaction made at an Office shall be imprinted to obtain a clear imprint of the Card, provided that in the case of sales slips that are electronically produced by you, and which are identifiable as electronically produced, you are not required to obtain an imprint of the Card. You shall include all payments made in a single transaction on one sales slip, except for customer deposits or partial payments. You may not split a Card sale to avoid obtaining authorization. For your Office Card sales, if any, the Cardmember or authorized user of the Card must sign the sales slip in your presence and the signature must be reasonably similar to the signature appearing on the signature panel of the Card.

6. Cardmember Refunds and Credits. You may establish your own policy concerning refunds, and you agree to advise Cardmembers, in advance of any Card sale, of this policy. Consult the Operating Regulations regarding the procedures you must follow in order for us to honor your return policy.

7. Settlement of Transactions. You agree to promptly, but at least once each week, send to us at the address we specify, all sales slips and credit slips pertaining to Card transactions generated at your retail outlets, if any. If you

See Reverse Side For Continuation of This Agreement

By: [Redacted]
Title: CHIEF OF STAFF
Date: 1/2/04

Discover Financial Services, Inc.
By: [Redacted]
Title: VP Sales
Date: JAN 8, 2004

EXHIBIT A

Florida Department of Insurance and Treasurer Discover Card Statewide Contract Merchant Fees

Effective January 1, 2004 through December 31, 2004

1.70 % swiped or keyed
1.90 % IVR or Internet

Effective January 1, 2005 through December 31, 2005

1.75% swiped or keyed
1.95% IVR or Internet

Extension and Amendment to the Governmental Entity/Utility
Merchant Services Agreement

The Florida Department of Financial Services (formerly the Florida Department of Insurance and Treasurer) and Discover Financial Services LLC ("Discover") have agreed to extend the current pricing on Exhibit A of the Governmental Entity/Utility Merchant Services Agreement originally entered on January 2, 2004, including all subsequent amendments and extensions.

The Agreement is amended to extend the pricing beginning January 1, 2006 for sixty days and ending March 1, 2006. All other provisions of the Agreement will remain the same.

Florida Department of Financial
Services

BY: _____

Discover Financial Services LLC

BY: _____

Date: 1/25/06

Date: 1/17/06

**This June 1, 2006 Amendment to the Governmental Entity/Utility
Merchant Services Agreement**

The Agreement entered on January 2, 2004 between The Florida Department of Financial Services (the "Florida Dept. FS") (formerly the Florida Department of Insurance and Treasurer) and Discover Financial Services LLC ("DFS") f/k/a Discover Financial Services, Inc. is being amended to change the following:

Effective June 1, 2006 and through May 31, 2007, the Merchant Fee including the percentage of Card sales ("Discount") DFS assesses the Florida Dept. FS under the Merchant Services Agreement is amended as follows:

- | | |
|---|--|
| 1) Credit Card Sales
(Card Present or Hand Keyed) | 1.80% Discount |
| 2) Credit Card Sales
(Card Not Present – Internet or IVR) | 1.95% Discount |
| 3) Stored Value (e.g. Gift Cards) or
Signature Debit Card Sales.
(Card Present) | 80% of Credit Card Sale Discount #1 above |
| 4) Stored Value (e.g. Gift Cards) or
Signature Debit Card Sales.
(Card Not Present) | 80% of Credit Card Sale Discount #2 above |
| 5) Corporate or Small Business Cards
(Card Present) | 130% of Credit Card Sale Discount #1 above |
| 6) Corporate or Small Business Cards
(Card Not Present) | 130% of Credit Card Sale Discount #2 above |

DFS will calculate the Discount portion of the Merchant Fee by multiplying the percentage amount indicated above by the gross dollar amount of Card sales accepted by the Florida Dept. FS during the calculation period. The periodic reports that the Florida Dept. FS receives from DFS for Card sales accepted by the Florida Dept. FS after June 1, 2006 will reflect these changes.

The following Submission Error Fees (SEF) will also apply to the Florida Dept. FS :

Submission Errors	Fee Per Error
Voice Authorization or AVS from a Merchant Services Agent ("Voice Usage"). -- See Sections 4.4.4 and 4.4.10 of the Operating Regulations	\$0.50
Late Submission of Sales Data ("Stale Transaction"). -- See Section 7.1 of the Operating Regulations	\$0.50

All other provisions of the Agreement will remain the same.

The parties through their duly authorized representatives agree to the aforementioned terms as of the June 1, 2006 effective date of this Amendment.

Florida Department of Financial
Services

BY: 

Title: Chief of Staff

Discover Financial Services LLC

BY: 

Title: VP

THIRD AMENDMENT

This Third Amendment ("the Amendment") to the Merchant Services Agreement (the "Agreement") between Discover Financial Services LLC formerly Discover Financial Services, Inc. ("Discover Services") and The Florida Department of Financial Services (the "Florida Dept. FS"), formerly the Florida Department of Insurance and Treasurer, is entered into and effective as of the date shown herein. In consideration of the mutual agreements set forth in the Agreement and below, the undersigned parties agree that the Agreement shall be amended as follows:

1. Effective June 1, 2007 (i) the definition of Merchant Fee under our MSA shall be as defined in our Merchant Operating Regulations and (ii) the Discount and Submission Error Fees portions of the Merchant Fee we assess you in connection with your acceptance of Cards will be as follows:

a) Discount/Gross Card Sales

Credit Card Sales (Card Present or Hand Keyed)

06/01/07 – 05/31/08	1.84% Discount
06/01/08 – 05/31/09	1.88% Discount

Credit Card Sales (Card Not Present-Internet or IVR)

06/01/07 – 05/31/08	1.99% Discount
06/01/08 – 05/31/09	2.03% Discount

Commercial Card Sales	130% of the Credit Card Sales Discount
Premium Card Sales	100% of the Credit Card Sales Discount
Prepaid Card Sales	80% of the Credit Card Sales Discount
Signature Debit Card Sales	80% of the Credit Card Sales Discount

Notwithstanding the aforementioned, the above Merchant Fee for Premium Card Sales will become effective November 1, 2007. The definitions of the Card products outlined above can be found in our Merchant Operating Regulations, Release 7.2, which is available on Discovernetwork.com.

The method in which we calculate the Discount shall remain the same.

b) Submission Error Fees

Because submission of inaccurate, incomplete or late data increases our processing costs and fraud risk, we will charge the following Submission Error Fees for Card Transactions. Consult our Merchant Operating Regulations for further information regarding Submission Error Fees.

<i>Card Verification Value ("CVV") Data from Magnetic Stripe Missing or Incomplete</i>	\$0.50
<i>Required Address Verification ("AVS") Not Obtained for Card Transactions over the Internet</i>	\$0.50
<i>Voice Authorization or AVS from a Merchant Services Agent ("Voice Usage")</i>	\$0.50
<i>Late Submission of Sales Data ("Stale Transaction")</i>	\$0.50

Third Amendment
Page Two

Except as specifically provided herein, all other terms and conditions of the Agreement are not affected by this Amendment and shall remain in full force and effect.

Florida Department of Financial Services

By:

Title:

Date:



Chief of Staff

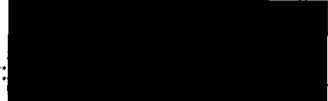
5/31/07

Discover Financial Services LLC

By:

Title:

Date:



VP

5/18/07

FOURTH AMENDMENT

This Fourth Amendment ("the Amendment") to the Merchant Services Agreement (the "Agreement") between DFS Services LLC ("Discover") and The Florida Department of Financial Services (the "Florida Dept. FS") is entered into and effective as of the date shown herein. In consideration of the mutual agreements set forth in the Agreement and below, the undersigned parties agree that the Agreement shall be amended as follows:

1. Effective June 1, 2009 through May 31, 2011 the Merchant Fee (Discount and Per Transaction Fee) and Submission Error Fees payable by all State of Florida agencies and entities that become parties to this Agreement through a Subscription Agreement for the acceptance of Discover® Network Card Sales are as indicated below.

a.) Merchant Fee (Discount and Per Transaction Fees)

<u>Effective June 1, 2009 through May 31, 2011 (Card Present)</u>	
Consumer Card Products	
Credit Card Sales	
Rewards Card Sales	1.88% Discount ("Rewards Card Discount") + \$0.00 Per Transaction Fee
Core Card Sales	100% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
Premium Card Sales	100% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
Prepaid Card Sales	80% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
Debit Card Sales	80% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
Commercial Card Products	
Commercial Card Sales	130% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
<u>Effective June 1, 2009 through May 31, 2011 (Card Not Present)</u>	
Consumer Card Products	
Credit Card Sales	
Rewards Card Sales	2.03% Discount ("Rewards Card Discount") + \$0.00 Per Transaction Fee
Core Card Sales	100% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
Premium Card Sales	100% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
Prepaid Card Sales	80% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
Debit Card Sales	80% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee
Commercial Card Products	
Commercial Card Sales	130% of the then effective Rewards Card Discount + \$0.00 Per Transaction Fee

b.) Submission Error Fees

Because submission of inaccurate, incomplete or late data increases our processing costs and fraud risk, the Submission Error Fees indicated below are payable by all State of Florida agencies and entities that become parties to this Agreement through a Subscription Agreement for the acceptance of Discover® Network Card Sales on and after the Effective Date.

Voice Authorization or AVS from a Merchant Services Agent ("Voice Usage")	\$0.50
Late Submission of Sales Data ("Stale Transaction")	\$0.50

Please note that previous references in your Merchant Fee to "Credit Card Sales Discount" and "Credit Discount" are replaced with "Rewards Card Discount". Discount for "Card products" other than Rewards Cards shall be equal to the Rewards Card Discount multiplied by the number listed for the respective Card product indicated above. Discount is calculated based on the Gross Card Sales Amount and Per Transaction Fees are based on Gross Card Sales Number. Discount amounts payable by all State of Florida agencies and entities that become parties to this Agreement through a Subscription Agreement for the acceptance of Discover® Network Card Sales are calculated and collected monthly.

"Card product" as used herein is defined in the Operating Regulations. All other capitalized terms used herein are defined in the Operating Regulations. Release 9.1 of the Operating Regulations, effective April 17, 2009, is available online at Discovernetwork.com. Consult the Operating Regulations for additional information regarding Submission Errors and the calculation of Merchant Fees.

Except as specifically provided herein, all other terms and conditions of the Agreement are not affected by this Amendment and shall remain in full force and effect.

Florida Department of Financial Services

By: 

Title: Chief of Staff

Date: 5/29/09

DFS Services LLC

By: 

Title: VP

Date: 5/26/09