



BAY AREA TOLL AUTHORITY
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TO: BATA Oversight Committee

Date: April 4, 2012

FR: Deputy Executive Director

Re: Contract: Credit Card Processing and Banking Services for the FasTrak[®] Electronic Toll Collection (ETC) Program (\$10,000,000): Bank of America Merchant Services

This proposed action, if approved, would authorize the Executive Director or designee to negotiate and enter into a five-year contract with an option to extend for an additional two years with Bank of America Merchant Services (Bank of America) to provide credit card processing and banking services for the FasTrak[®] Electronic Toll Collection (ETC) Program.

Background

BATA and the Golden Gate Bridge Highway and Transportation District (GGBHTD) use electronic toll collection, under the brand FasTrak[®], to collect tolls on the eight Bay Area bridges. FasTrak[®] is also used to collect tolls on Bay Area Express Lanes and for parking transactions at the San Francisco International Airport garages.

FasTrak[®] ETC usage on the bridges has experienced a generally upward trend with each passing month. As of January 2011, 53 percent of the total traffic passing through the toll plazas use the ETC system, with this share jumping above 65 percent during the weekday peak.

The success of the program depends on a reliable credit card processing and banking platform capable of handling in excess of 500,000 transactions per month representing just under \$30,000,000 per month in toll transactions.

In March of 2005, BATA selected Bank of America to provide credit card processing and banking services for the FasTrak[®] program. The contract award allowed for an initial two year period with an option to extend for an additional five year period which will expire on June 30, 2012. BATA currently budgets \$10,000,000 per year for credit card processing and banking expenses related to the FasTrak[®] ETC program. This amount is based on current traffic levels and is subject to changes in ETC traffic.

BATA issued a Request for Proposal (RFP) on February 10, 2012 to provide credit card processing and banking services for the five-year period from July 1, 2012 through June 30, 2017 with an option to renew for an additional two years. The RFP contained twelve minimum qualifications, including that the proposer have the capability to process credit card transactions using ClearCommerce software (as required by the FasTrak[®] Regional Customer Service Center operations); that the proposer have an asset base of at least \$5 billion; that the proposer have a minimum of ten years experience in providing credit card and debit card services; and that the proposer currently provide services to at least ten clients that have at least 300,000 monthly transactions per account, three of which are from the government sector.

Seven firms responded to the RFP by the March 19, 2012 deadline specified in the RFP, one of which did not meet one or more of the minimum qualifications, and was therefore not evaluated. The remaining six proposals were as follows:

Bank of America
Wells Fargo
Citibank
Bank of the West
Fifth Third Bank
Umpqua Bank

A review panel consisting of BATA and GGBHTD staffs evaluated the proposals based on the following criteria: cost effectiveness; settlement capabilities; technological and reporting capabilities; Payment Card Industry compliance history and system security; accuracy and clarity of the responses to the RFP; and staffing plan and demonstrated experience in credit card processing, specifically on high volume government entity accounts.

Based on these evaluation factors, Bank of America scored highest. Bank of America provided a complete proposal committed to providing service, product, and resources to address the credit card processing and banking needs of the FasTrak[®] ETC program. The proposal from Bank of America came with multiple pricing concessions that will reduce the expenses associated with this program across multiple categories while maintaining the integrity and commitment to the highest levels of service. Bank of America has the capability to provide settlement in full on a daily basis and has demonstrated excellent reporting capabilities. Over the past seven years, Bank of America has provided exceptionally responsive service to the FasTrak[®] program which we expect to continue with the new contract.

Recommendation

Staff recommends that the Authority authorize the Executive Director or his designee to negotiate and execute a five-year contract in an amount not to exceed \$10,000,000 per year with an option to extend for two years with Bank of America, subject to the approval of future BATA budgets.



Andrew B. Fremier

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Consultant Contract

Work Item No.: 1254

Consultant: Bank of America Merchant Services
San Francisco, CA

Work Project Title: Credit Card Processing Services for Electronic Toll Collection (ETC)

Purpose of Project: Secure credit card and banking services for the ETC program for FY 2012-2017; with an option to extend fro two years.

Brief Scope of Work: To provide banking and credit card services for the ETC program for the combined FasTrak[®] customer service center operations for the state-owned bridges, the Golden Gate Bridge, Bay Area Express Lanes, and for parking transactions at the San Francisco International Airport garages.

Project Cost Not to Exceed: \$10,000,000 annually

Funding Source: BATA Toll Revenue

Fiscal Impact: \$10,000,000 annually subject to the approval of future BATA budgets.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract with Bank of America for banking and credit card processing services for the FasTrak[®] ETC program in an amount not to exceed \$10,000,000 annually for five years with an option to extend for two years, subject to the approval of future BATA budgets, and the Chief Financial Officer is authorized to set aside the funds for such contract.

BATA Oversight Chair: _____
Bill Dodd

Approved: Date: April 11, 2012