



ERIC GARCETTI
MAYOR

June 1, 2022

Honorable Members of the Los Angeles City Council
City Clerk
City Hall, Room 395

REQUEST TO EXTEND CONTRACT WITH ELAVON, INC. (C-130729) FOR TWO YEARS

Dear Honorable Members:

The Office of Finance (Finance) requests approval to extend the term the contract with Elavon, Inc. (C-130729) for two additional years. The City of Los Angeles is currently a participant in the State of California, Department of General Services Master Service Agreement (No. 5-10-99-02) with Elavon for Electronic Acceptance Services (EPAY). EPAY provides electronic payment acceptance services at contracted pricing to the State of California and participating local governmental agencies. Electronic payment acceptance service categories include credit and debit card processing, e-check, electronic check conversion/remove deposit processing, and general payment services.

The initial terms of the State contract were for five years, beginning June 1, 2010, and ending on May 31, 2015. The State has extended the terms of the agreement several times and pursuant to the latest amendment it has been extended to May 31, 2024. Cost for the services of this contract is based on transactions processed and through any purchase or rental cost of Elavon equipment that is being used to process the transaction.

BACKGROUND

In order for the City to process electronic payments for fees or moneys due, the City has been utilizing EPAY services being provided by third party service providers. These services enable the City to integrate EPAY capabilities into software and applications that are being utilized to process payments and/or use standalone equipment to collect funds.

On January 19, 2018, the City joined the EPAY agreement the State had executed with Elavon. The agreement provided comprehensive set of services and competitive pricing for services and equipment provided. Many City departments currently utilize the service provided through this contract. Finance requests the authority to extend the terms of this contract for two additional years. The attached amendment to extend the contract has been reviewed by the Office of the City Attorney.

FISCAL IMPACT

There is no impact to the General Fund. The compensation for this contract is contingent upon the number and type of transaction that is processed and equipment that is purchased or rented for processing electronic payments.

RECOMMENDATION

Finance respectfully requests that the Mayor:

1. Authorize the Director of Finance to execute an amendment to contract C-130729 with Elavon, Inc., to extend the terms of the agreement for two additional years, from June 1, 2022, through May 31, 2024, subject to final review of the proposed amendment by the Office of the City Attorney.

If you have any questions, please contact Angela De La Rosa, Chief Management Analyst at (213) 564-7928 or by e-mail at angela.delarosa@lacity.org.

Sincerely,



Diana Mangioglu
Director of Finance / City Treasurer

Attachments: Proposed Draft Contract Amendment for C-130729 – Elavon, Inc.

cc: Lidia Manzanares, Office of the Mayor
Elena Guevara, Office of the Mayor
Ha To, Office of the City Administrative Officer
Augusto Gutierrez, Office of the City Administrative Officer
Angela Berumen, Office of Finance
Angela de la Rosa, Office of Finance

CONTRACT NO. C-130729 – THIRD AMENDMENT

	STATE AGREEMENT NUMBER 5-10-99-02	STATE AMENDMENT NUMBER 5-10-99-02 - 7	CITY CONTRACT NUMBER C-130729
--	--------------------------------------	--	----------------------------------

1. This **THIRD AMENDMENT** to Contract No. C-130729 (hereafter "Agreement") is entered into between the City of Los Angeles and the Contractor named below:

CITY OF LOS ANGELES CONTRACTING DEPARTMENT NAME

OFFICE OF FINANCE, hereinafter referred to as "City"

CONTRACTOR'S NAME

ELAVON, INC., hereinafter referred to as "Contractor"

2. The term of this Agreement is: December 19, 2017 through May 31, 2023

3. The maximum amount of this Agreement is: \$ (Based on Fee Schedule)

4. State of California Master Service Agreement (MSA) Authorization

WHEREAS, pursuant to the terms of MSA 5-10-99-02 between The State of California, Department of General Service, and the Contractor; Local Government Agencies, such as the City of Los Angeles, are authorized to execute an agreement with the Contractor for services listed in the "Select Services Signature Page, Exhibit D Attachment III" of the MSA. Upon execution of the agreement, the Local Government Agency is deemed to be "Authorized Users" and the terms of the provision of services by the Contractor to such "Authorized Users" are then governed by the terms of the MSA.

5. Current MSA Amendment

WHEREAS, on April, 29, 2021, the State executed Amendment 7 to MSA 5-10-99-02, to extend the terms of the MSA to May 31, 2023, and permit Authorized Users to extend the terms of their agreements with the Contractor for up to two additional years.

6. City Contract

WHEREAS, on December 19, 2017, the City executed Agreement C-130729 with the Contractor and became an Authorized User pursuant to authorizing provisions of MSA 5-10-99-2; and

WHEREAS, on April, 30, 2019, the City executed the First Amended to Agreement C-130729, pursuant to Amendment 5 to MSA 5-10-99-2, to extend the terms of the Agreement to May 31, 2021; and

WHEREAS, on June 15, 2021, the City executed the Second Amended to Agreement C-130729, pursuant to Amendment 7 to MSA 5-10-99-2, to extend the terms of the Agreement to May 31, 2022.

7. Current City Contract Amendment

WHEREAS, City desires to exercise the option to extend the terms of this Agreement for one additional year to May 31, 2023.

8. NOW THEREFORE, the parties hereby covenant and agree to extend the terms of this agreement for one additional year to May 31, 2023, and to comply with the terms and conditions of the following Attachments, which by this reference are made a part of the Agreement and incorporated herein. All other terms and conditions shall remain the same.

9. Attachments:

Attachment I – MSA 5-10-99-02 Amendment 7 (4 pages)

Attachment II – MSA 5-10-99-02 Amendment 7 Exhibit D Attachment III (3 pages)

Attachment III – MSA 5-10-99-02 Amendment 7 Exhibit E Attachment I - Service Pricing (3 pages)

Attachment IV – Payment Optimization Enrollment

Exhibit and Signature Pages Follow

CONTRACT NO. C-130729 – THIRD AMENDMENT (continued)

IN WITNESS THEREOF, the parties hereto have caused this instrument to be signed by their respective duly authorized officers:

Approved Corporate Signature Methods

- a) Two Signatures: One by Chairman of Board of Directors, President or Vice-President; **and** one by Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer. – **OR** –
- b) One Signature: by Corporate designated individual together with a properly attested resolution of Board of Directors authorizing the individual to sign on the company's behalf.

CONTRACTOR

CONTRACTOR NAME (If other than an individual, state whether a corporation, partnership, etc.)

ELAVON, INC.

CONTRACTOR BUSINESS ADDRESS (include City, State, ZIP)

7300 Chapman Hwy, Knoxville, TN 37920

PRINTED NAME OF PERSON SIGNING

TITLE

BY (Authorized Signature)

DATE SIGNED

**CONTRACTING DEPARTMENT**

CONTRACTING DEPARTMENT NAME

OFFICE OF FINANCE

CONTRACTING DEPARTMENT ADDRESS (include City, State, ZIP)

200 N. Spring St, Room 101, Los Angeles, CA 90012

PRINTED NAME OF PERSON SIGNING

TITLE

DIANA MANGIOGLU

Director of Finance / City Treasurer

BY (Authorized Signature)

DATE SIGNED

**APPROVED AS TO FORM**

MICHAEL N. FEUER

City Attorney

BY ASSISTANT CITY ATTORNEY

DATE SIGNED

**ATTEST**

HOLLY L. WOLCOTT

City Clerk

BY CITY CLERK

DATE SIGNED

