



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: August 31, 2023

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Automated Teller Machine License Agreement

SUMMARY:

This ordinance authorizes an exclusive Automated Teller Machine (ATM) License Agreement with US ATM Network, Inc. to provide, install and maintain permanent ATMs at various City facilities for an initial term of three (3) years with two (2), additional one (1) year renewal periods. This Agreement is expected to generate approximately \$114,000.00 annually or \$570,000.00 over the entire five years. Revenue received by the City will be allocated to the Airport Fund, Convention & Sports Facility Fund, Market Square Fund, Development Services Fund, City Tower Fund, or General Fund depending on the volume of transactions and related revenue earned at each of the ATM locations.

BACKGROUND INFORMATION:

In anticipation of the expiration of the current Alamodome ATM License Agreement which provided ATMs for the Alamodome, Convention Center, and various other downtown locations (Downtown Agreement) and Airport ATM License Agreement (Airport Agreement), Finance worked in coordination with the Convention & Sports Facilities and Aviation Departments, to consolidate a city-wide Automated Teller Machine License Agreement RFP.

The Downtown Agreement provided the following 17 ATMs:

- Alamodome – 7 throughout the facility
- Convention Center – 2, to include 1 at Lila Cockrell Theater
- Municipal Court – 1
- Market Square – 3, to include 1 at El Mercado and 1 at Farmers Market Plaza
- One Stop Center – 1
- Riverview Towers – 1 (discontinued in 2020 during the move to City Tower)
- Police Headquarters – 1
- Police Property Room – 1

The Airport Agreement provided 6 ATMs across the San Antonio International Airport's two terminals.

The Downtown Agreement originally passed and approved on October 21, 2010 (Ordinance 2010-10-21-0919) was most recently renewed on January 30, 2020 (Ordinance 2020-01-30-0042) for two years with an option to renew for two (2) successive one (1) year terms. Cardtronics USA, Inc. notified the City on August 23, 2022 of its option to allow the contract to expire on December 31, 2023 and not renew for the final term. Cardtronics USA, Inc. further informed the City that its intent was to provide sufficient time for a new RFP and that it would be preferable to be released from the contract before the December 31, 2023 term end date.

The Airport Agreement originally passed and approved on March 1, 2018 (Ordinance 2018-03-01-0157) was for a five-year concession agreement with Cardtronics USA, Inc. The Airport Agreement is currently on a month to month hold over in accordance with the Airport Agreement, until a new contract is signed.

On December 16, 2022, a Request for Proposal ("RFP") was released soliciting proposals from qualified firms to provide an Automated Teller Machine License Agreement. Responses were due January 25, 2023. Finance received three proposal responses. The Selection Committee consisted of representatives from the Finance Department, the Convention & Sports Facilities Department, the Aviation Department and Market Square.

The Evaluation Criteria included experience, background, and qualifications; proposed plan; pricing; and the Airport Concessionaire Disadvantaged Business Enterprise Program (ACDBE).

Scoring was completed on February 24, 2023 with US ATM Network, Inc. receiving the top ranking.

This ATM License Agreement will provide for a minimum of twenty-five (25) permanent ATMs throughout downtown and at the San Antonio International Airport. ATM locations and units may be reconfigured, added, or deleted during the term of this Agreement at the direction of the Finance Department upon thirty (30) days' written notice.

In exchange for the exclusive use of City facilities, US ATM Network, Inc. will pay the City twenty-five percent (25%) of all transaction fees and twenty-five percent (25%) of all gross

revenue collected from Alternate Transactions generated by each ATM.

First year fees charged on ATM transactions are:

- ATM withdrawal fees \$3.25.
- Credit Card Fees \$0.49.
- Currency Conversion Fees 0.5% of the withdrawal

Subsequent years' fees and surcharges shall be adjusted upward by the Prime Rate plus one (1) rounded to the nearest \$0.10 in subsequent years.

Revenue received by the City will be allocated to the Airport Fund, Convention & Sports Facility Fund, Market Square Fund, Development Services Fund, City Tower Fund or General Fund depending on the volume of transactions and related revenue earned at each of the ATM locations.

ISSUE:

ATMs are necessary at the Alamodome, Convention Center, Airport, and other City locations to provide cash to patrons and residents to purchase parking, tickets, concessions, novelties, pay fees, etc. City Council approval is required to authorize execution of the proposed ATM License Agreement with US ATM Network, Inc.

ALTERNATIVES:

Alternatives to the proposed action include: 1) directing staff to revise and re-advertise the RFP, while keeping the existing Airport Agreement on a hold-over status; 2) the City purchasing and maintaining its own ATMs; or 3) the City discontinuing this service for the benefit of patrons, residents and City employees.

The City does not typically purchase and operate ATMs at its facilities for various reasons including staffing, operations and maintenance, security, and cash management issues.

FISCAL IMPACT:

The ATMs will assess a transaction fee of \$3.25 for withdraws in the first year to which the City will receive \$0.82 or 25% of each transaction. The City will likewise receive 25% for any credit card or currency conversion fees. This Agreement is expected to generate approximately \$114,000.00 annually, or \$570,000.00 over the entire five years.

Revenue received by the City will be allocated to the Airport Fund, Convention & Sports Facility Fund, Market Square Fund, Development Services Fund, City Tower Fund or General Fund depending on the volume of transactions and related revenue earned at each of the ATM locations.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the execution of an exclusive ATM License Agreement with US ATM Network, Inc.

If approved, the ATMs will be operational on or around July 1, 2023.

This contract was procured by means of a Request for Proposals and a Contracts Disclosure Form is required.