

Bay Area Toll Authority
Oversight Committee

June 12, 2024

Agenda Item 2d-24-0621

**Contract: American Express Credit Card Processing for the FasTrak[®] Electronic Toll
Collection Program: American Express Travel Related Services Company, Inc. (not to
exceed \$2,600,000 annually)**

Subject:

Staff requests that the Committee authorize BATA to enter into an agreement with American Express Travel Related Services Company, Inc. (AMEX), for the acceptance and processing of American Express cards for the FasTrak program, through June 30, 2026. Actual costs will be based on American Express card usage by customers; staff estimates cost will not exceed \$2,200,000 for FY 2023-24 , \$2,400,000 for FY 2024-25, and \$2,600,000 for FY 2025-26.

Expenses for this agreement do not represent a new budget expenditure as they were previously accounted for under the Bank of America Merchant Services (BAMS) Agreement which the Committee approved in February 2019. The budget for AMEX fees will be shifted from the BAMS engagement to AMEX.

Background:

The FasTrak program allows patrons to have their toll payments processed electronically at Bay Area toll facilities including the Bay Area Toll Authority's (BATA) seven-state owned bridges, the Golden Gate Bridge, and Bay Area express lanes.

In 2019, following a competitive procurement, BATA entered into a contract with BAMS to provide credit card processing services. The contract is for a five-year term, with an option to extend for two additional years (which has been exercised), through June 30, 2026. Since American Express is its own issuer, BATA registered as a participant in the California Department of General Services' contract with AMEX, whereby, AMEX completed the state's procurement process which allowed BATA to apply the pricing, terms, and conditions negotiated under the State of California Master Service Agreement. Due to recent changes in AMEX business practices, BATA will need to establish an agreement with AMEX to continue providing credit card processing for patrons who use American Express cards for the FasTrak program.

On average, the monthly settlement for American Express card transactions is \$8.1 million for the FasTrak program. Total credit card costs for American Express in fiscal year 2023 were approximately \$2 million. Given the volume of the current transactions, costs are projected to be \$2,200,000 for FY 2023-24 , \$2,400,000 for FY 2024-25, and \$2,600,000 for FY 2025-26.

Issues:

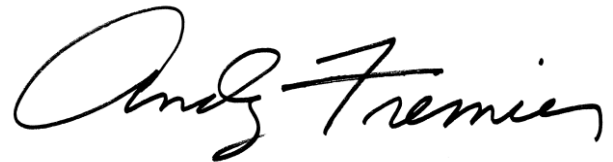
None identified.

Recommendations:

Staff requests that the Committee authorize the Executive Director or designee to negotiate and enter into an agreement with American Express Travel Related Services Company, Inc., for credit card processing services in an amount not to exceed \$2,200,000 for FY 2023-24, \$2,400,000 for FY 2024-25, and \$2,600,000 for FY 2025-26., subject to approval of future BATA budgets

Attachments:

- Request for Committee Approval – Summary of Proposed Contract



Andrew B. Fremier

Request for Committee Approval

Summary of Proposed Contract

Work Item No.: 1254

Consultant: American Express Travel Related Services Company, Inc.
New York, NY

Work Project Title: Credit Card Processing Services for FasTrak Electronic Toll Collection Program

Purpose of Project: To provide credit card processing services.

Brief Scope of Work: To provide credit card processing services for American Express cards for the FasTrak ETC program, including the Bay Area Toll Authority's seven-state owned bridges, the Golden Gate Bridge, and Bay Area express lanes.

Project Cost Not to Exceed: \$2,200,000 for FY 2023-24 , \$2,400,000 for FY 2024-25, and \$2,600,000 for FY 2025-26, subject to the approval of future BATA budgets

Funding Source: BATA Toll Bridge Program Operating Funds

Fiscal Impact: Subject to the approval of future BATA budgets. Amounts unutilized during the fiscal year will be rolled over to the following fiscal year.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a contract with American Express Travel Related Services Company, Inc. for credit card processing services described above and in the BATA Oversight Committee Summary Sheet dated June 12, 2024 and that the Chief Financial Officer is authorized to set aside funds for such contract, subject to approval of future BATA budgets.

Bay Area Toll Authority:

Federal D. Glover, Chair

Approved: June 12, 2024