

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

September 18, 2012

Agenda Item: 5.7

Subject: Approval of Agreement - Heartland Payment Systems for Credit Card Processing for Student Payments, District

Background: Chabot-Las Positas Community College District has been using Official Payments Corporation (OPC) since 2005 for processing the credit card payments for student tuition and fees for both Chabot and Las Positas Colleges. At that time, the District migrated from Card Services International to Official Payments Corporation to implement a solution that was compliant with the Payment Card Industry (PCI) Data Security Standards (DSS). The OPC vendor provided a special rate of 2.25% per transaction for the California Community Colleges which has been in effect for the past seven (7) years of our contract. Services are included for all the major credit card companies such as Visa, MasterCard, Discover, and American Express.

The current credit card processing consists of two parts: (1) a front end “payment gateway” which is the Official Payments vendor that provided the collection of the credit card payments through our Banner CLASS-Web System. (2) a back end “payment processor” which is Heartland Payment Systems that handles the final processing of the payment with the credit card companies. Heartland Payment Systems has recently expanded their business to provide both the front end and back end portions of the credit card processing at a substantial cost savings to the clients. Heartland is offering an average rate of 1.6% per transaction which is considerably less than the current 2.25% offered by Official Payments. In addition, in October 2011 the Durbin amendment went into effect for regulated debit card transactions which provides even greater discounts on Debit transactions. The replacement of Official Payments to a single vendor offering through Heartland Payment Systems is estimated to save the District an annual cost of \$54,116 for both colleges combined, which is based on actual transaction history from the District.

Based on these annual savings, the District has selected to replace their current Official Payments System with Heartland Payment Systems. The planned date of implementation which will take 6-8 weeks and will coincide with our Academic student registration cycle for the Spring 2013 term, which is the first week of November 2012. There is no additional costs for the installation of the product nor any recurring support costs other than the reduced transaction fee. The District will “piggyback” on the San Mateo Community College District contract with Heartland Payment Systems to migrate off of Official Payments, which is available to all the California Community Colleges.

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Recommended Action: That the Board of Trustees approves the proposed agreement with Heartland Payment Systems for a 3-year term, beginning September 4, 2012 ending September 3, 2015. It is further recommended that the Board authorize the Vice Chancellor, Business Services, to execute the agreement on behalf of the District.

Submitted: Lorenzo Legaspi/Date

Approved: Judy E. Walters/Date

_____ APPROVED

_____ DISAPPROVED

_____ TABLED