



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 11/12/2024

**REQUESTER:** Mike White, Fleet Program Manager

**PRESENTER:** Scott Sturtz, Interim Public Works Director

**ITEM TITLE:** CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2425-65: A PROPOSED CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND WORLD FUEL SERVICES TO PROCESS PUBLIC PAYMENTS AT THE COMPRESSED NATURAL GAS STATION TO BE FINALIZED UPON IMPLEMENTATION AS A CUSTOMER OF WORLD FUEL SERVICES, AND AUTHORIZATION FOR CITY MANAGER OR DESIGNEES TO PROVIDE PERTINENT INFORMATION AND COMPLETE CONTRACT IN CONFORMANCE WITH THE TERMS SET FORTH THEREIN.

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### **BACKGROUND:**

The City of Norman provides the option for private citizens to purchase and pay for fuel at our Compressed Natural Gas (CNG) Station, including payment with credit cards. These forms of payment require that Payment Card Industry Data Security Standards (PCI-DSS) be followed in an effort to protect personally identifying information of these customers. World Fuel is an approved vendor to provide processing services for these forms of payments that comply with those standards. Further, World Fuel provides software that is able to be integrated with the CNG Fueling Pumps. A new fuel pedestal was approved and installed at the CNG station in late FY24 that uses a new software system, FM Live through Fuelmaster. FM Live is being implemented to allow payments using EMV or chip cards. This software requires a billing software system that would be compatible with that system. This proposed agreement is presented for City Council consideration in order to provide the necessary compatible billing software system.

### **DISCUSSION:**

City Staff from the Public Works, Finance, Legal and Information Technology Departments have all reviewed the services offered by World Fuel Services, Inc. (WFS), as well as the terms of this proposed agreement. City staff can confirm that this proposed agreement would allow for World Fuel's provision of the needed compatible software systems enabling the City to process bank (debit) card and credit cards for payment from customers at the CNG station.

Per the proposed agreement, and as is typical in contractual arrangements of this nature, fees associated with the billing service are automatically added to the amount charged to the

customer “at the pump.” The fees associated with the proposed contract are set forth as “Discount Rates” in Schedule 2. As set forth, these rates will be based on the card type (ranging from 2.35 to 4.5%) as well as the amount of transactions processed through World Fuel’s software. The fees for these services will be billed to customers of the CNG station on a per-transaction basis, and thus will be remitted to World Fuel per-transaction. Per this arrangement, no fees are being charged by or to the City itself. As for the revenue from CNG sales, these amounts will be remitted to the City, and recorded to the General Fund, on a daily basis, and reconciled monthly by the City internally.

To become verified and accepted as a customer into World Fuel’s software system, this proposed agreement must be provisionally finalized and executed on behalf of the City. Thereafter, World Fuel may receive and evaluate pertinent information (including financial information) from the City in order to confirm the City as an eligible customer. Upon confirmation as a customer, City Staff will thereafter need to finalize and submit necessary approvals (including completed versions of Schedule 1 and Exhibit 1 attached to the proposed agreement).

City staff in the Finance Department is ready to submit pertinent information to World Fuel upon City Council’s approval and provisional execution of the proposed agreement. In the unexpected case that World Fuel is unable to accept the City as a customer, the proposed agreement will be null and void.

**RECOMMENDATION:**

Staff recommends Council approve the proposed agreement, Contract K-2425-65, with World Fuel Services, Inc. for the provision of debit and credit card charge processing services to City customers at the CNG Station, and further recommends that City Council authorize the City Manager, and his designees as necessary and appropriate, to provide pertinent information to World Fuel, and to complete and finalize necessary agreement and other forms, in order to obtain said services in compliance with the terms of this proposed agreement.