

PURCHASING VIEW



CITY OF MADISON • FINANCE DEPARTMENT • PURCHASING SERVICES

Non-Competitive Selection Request

Date: 05/22/2020

Requisition Number: (8 characters)

Requestor Name: Craig Franklin

Requestor Phone Number: (608) 266-6067

Requestor Email: cfranklin@cityofmadison.com

Fund: 2130 PARKING UTILITY

Agency: 82 PARKING

- Major:
- 53*** Supplies/Goods
 - 541** Utilities
 - 542** Building/Facility Maintenance/Repair
 - 543** Software/Equipment Maintenance/Repair
 - 544** Public Works Maintenance/Repair
 - 545** Training/HR-Related Services
 - 546** Consulting/Professional Services
 - 548** Grants/Loans/Insurance/Other Services

Total Purchase Amount: \$90,000.00

Vendor Name: Baker Tilly

Product/Service Description: PCI Compliance Consulting

- \$50,000 and UNDER**
This form will be sent to the Purchasing Supervisor for review.
- OVER \$50,000**
Complete this form and draft a resolution using the sample resolutions provided by the City Attorney to your Budget Analyst. **Your resolution will not be added to the Finance Committee agenda without this form.**

Check the box(es) for the exception criteria you feel are applicable:

- 1. Public exigency (emergency) will not permit the delay incident to advertising or other competitive processes.
- 2. The services or goods required are available from only one person or firm (i.e., **true** sole source).
- 3. The services are for professional services to be provided by attorneys.
- 4. The services are to be rendered by a university, college, or other educational institution.
- 5. No acceptable bids have been received after formal advertising.
- 6. Service fees are established by law or professional code.
- 7. A particular consultant has provided services to the City on a similar or continuing project in the recent past, and it would be economical to the City on the basis of time and money to retain the same consultant.
- 8. Otherwise authorized by law, rule, resolution, or regulation. Explain:

- If procurement is being paid with Federal or State grant funds, the vendor was identified by name in the approved Grant Application. (OPTIONAL)

REASON FOR REQUEST

WHY A COMPETITIVE SELECTION PROCESS CANNOT BE USED:

Provide **detailed** explanation below. For a true sole source, provide all information to explain why this product or service can only be purchased from this vendor. For one-of-a-kind items not sold through distributors, explain the unique performance features of the product requested that are not available from any other product. For services, detail the unique qualifications this vendor possesses, or other reason(s) that meet the criteria selected above. Identify specific, measurable factors and qualifications.

The City of Madison processes over one million credit card transactions per year and exceeds \$28 million. The City utilizes many different systems to process these transactions. Transactions are accepted in person, over the phone and online. The majority of transactions relate to the Parking Utility. The number of transaction have increased significantly in recent years with the installation of credit card enabled pay stations and street meters.

The major credit cards brands created the PCI Security Standards Council in 2006. This Council implemented the Payment Card Industry Data Security Standards (PCI DSS) in an attempt to prevent organizations from incurring liabilities and losses related to credit card data. A breach of cardholder data reduces customer confidence, creates liability from fraud loss and legal actions. It further subjects a merchant to fines, penalties and potential loss of card acceptance.

The PCI DSS requires a merchant to create and maintain systems to safeguard cardholder data that includes maintaining a secure network, protecting cardholder data, maintain a vulnerability management program, implement strong access control measures, regularly monitor and test the network and maintain an information security policy. A merchant is required to document these elements and provide an attestation of compliance and assessment questionnaire to the card brands as evidence of a system and related maintenance.

The City has not completed an attestation or assessment questionnaire. The City does not currently have staff well versed in PCI standards. This subjects the City to fines from the card brands. The monthly fine amount is \$5,000 and currently waived due to the COVID-19 pandemic through July 2020. In an effort to minimize fines, a non-competitive contract is sought with the City's external audit firm, Baker Tilly. The consulting work will include:

- Document the current state of card acceptance across all City functions.
- Assistance in identifying control gaps related to PCI DSS compliance.
- Help identify opportunities to reduce the scope of the current processing environment and lessen the effort of compliance.
- Develop a roadmap for achieving compliance; assist City staff in completing the assessment questionnaire.
- Develop and provide PCI DSS compliance education to the Information Technology and Treasury staff.

COMMENTS REGARDING PURCHASES OVER \$50,000

Since 2015, Baker Tilly has been paid \$1,337,000 by the City of Madison. Baker Tilly has been selected for the external financial audit services through a formal RFP process since 2014. Most of the monies paid to BT are for these services (estimated \$1,200,000). They have also been awarded other smaller projects through formal RFP. They are paid primarily through p-cards and there are many transactions. There may be some small projects for which Baker Tilly was selected without a competitive process, but Purchasing believes these to be minimal.

Date:

Submit