BOARD AGENDA ITEM

TO: Dr. Michelle Hubbard, Superintendent
FROM: Russell Knapp, Chief Financial Officer
SUBJECT: BOE Agenda Item – April 25, 2022
Authorization to Contract with Heartland Payment Systems for Payment Processing Services
DATE: April 15, 2022

Overview

Staff recommend contracting with vendor Heartland Payment Systems (d/b/a Heartland School Solutions) (“Heartland”) for a five-year period at an estimated cost of $171,500 in transaction fees over this period, with a 3% contingency.

In January 2022, the District publicly issued a Request for Information (RFI) document for payment processing services, in order to replace point-of-sale (POS) devices that were at end of life. The District received responses from the following seven vendors: Certified Payments; E-Funds for Schools; Gray Step Software; Heartland; JP Morgan; Online School Management Systems; and Paysafe.

A staff committee evaluated and ranked the responses based on the following criteria: the response’s adequacy in providing the District’s desired information; proposed options and features; proposed pricing/cost models; and the vendor’s experience and qualifications.

After initial review, the District sought additional information from the four top-ranked vendors: Certified Payments, JP Morgan, Heartland, and Gray Step Software. After considering PCI compliance information and product demonstrations from these four vendors, staff recommend proceeding with Heartland.

Heartland would provide the District with an initial 30 credit card readers and receipt printers (totaling $16,770) that would be paired with District iPads. The District would be charged 4.95% in transaction fees, or an estimated $34,300 annually.

Based in Rochester, New York, and founded in 1997, Heartland provides payment processing services for more than 3,000 school districts, with clients that include Fairfax County Public Schools, VA; Seminole County Public Schools, FL; and Jefferson County Public Schools, KY, among others.

The initial equipment is budgeted to be paid with capital outlay funds ($16,770), and the transaction fees would be paid with general funds.