



Visalia City Council

Staff Report

Visalia City Council
707 W. Acequia
Visalia, CA 93291

File #: 25-0143

Agenda Date: 4/21/2025

Agenda #: 10.

Agenda Item Wording:

Conditional Authorization to Engage Stripe for Microtransit Credit Card Payment Processing Services - Authorize the City Manager, upon completion of the staff vetting of the terms and conditions, to enter into a contract with Stripe to act as a third party credit card processing services provider for the microtransit pilot program for one year with the option of up to four one-year renewals, and up to \$30,000 annually.

Deadline for Action: 4/21/2025

Submitting Department: Administration - Transit Division

Contact Name and Phone Number:

Angelina DeRossett, Transit Manager; Angelina.DeRossett@Visalia.City; (559)713-4591 John Lollis, Assistant City Manager; John.Lollis@Visalia.City; (559)713-4323

Department Recommendation:

That the City Council authorize City Manager to enter into a contract for one year with the option of four one-year renewals and a maximum of \$30,000 annually to utilize Stripe as a third party credit card payment processing services provider. This authorization is only to be acted upon once a through vetting of the terms and conditions has been completed and a contract agreed upon.

Staff is requesting this unusual procedure of asking for authorization prior to having the majority of the contract being finalized due to the importance of launching the microtransit project as soon as possible. Staff believes that having this authorization will accelerate the launch of the program.

Background Discussion:

Protection of customer credit card data is a primary concern for the City when contracting for credit card payment and processing services. Credit card payment safety is measured according to standards set by the Payment Card Industry (PCI) Security Standards Council. Stripe credit card payment processing services have received certification at the highest rating (Level 1) for PCI Compliance. Stripe is a popular third party payment platform used by many types of businesses of various sizes. There are a wide range of online tools and ways to accept payments on the Stripe payment platform. For the purposes of the City's microtransit, if deemed appropriate once the vetting is completed, Stripe will be used to process the credit card payments that passengers submit when booking a ride for the microtransit program.

Instacart, Lyft and Wayfair are just some of the larger companies that utilize Stripe as its credit card payment processing platform. A contract is not attached to this item given that City staff has not had adequate time to fully vet the terms and conditions. Upon final approval of the contract, it will be brought to Council to confirm.

The delayed and unusual procedure is the result of the Stripe third party vendor information not being included in the proposal information provided by the microtransit software vendor Via, therefore, when the project was presented to the City Council previously at its meeting on September 16, 2024, Transit staff did not request and Council did not authorize the Stripe payment processing platform. Transit staff met with the City's Information Technology Manager and Finance Director to discuss Stripe, and the secondary option supported on the Via platform (Brain Tree) and were advised to continue forward with Stripe upon completion of the full vetting of the system. It should also be noted that both the Tulare County Regional Transit Agency and the City of Porterville also utilize Stripe as the third party credit card payment processor through Via for microtransit services.

Fiscal Impact:

The microtransit pilot program is being supported by State Senate Bill 125 transit grant funds provided by the Tulare County Association of Governments (TCAG).

Prior Council Action:

24-0016	12-04-2023	Authorization to partner with County on microtransit
23-0454	12-15-2023	Approval of Project Budget List (microtransit included)
24-0258	06-24-2024	Rescinding of County partnership for microtransit
24-0251	09-16-2024	Award for microtransit software and vehicle purchase
24-0497	11-22-2024	Authorization to receive SB125 funding for microtransit
24-0562	03-03-2025	Transit update presentation (microtransit included)
24-0432	03-03-2025	Rates and Fees for microtransit service
25-0074	03-17-2025	Recommendation from staff on branding microtransit service

Other:

N/A

Alternatives:

The City Council could reject the Stripe standard terms and conditions, and direct staff to explore the secondary option of Brain Tree.

Recommended Motion (and Alternative Motions if expected):**Environmental Assessment Status:**

N/A

CEQA Review:

N/A