

# Mayor and Council Communication

**DATE:** 04/11/23

**M&C FILE NUMBER:** M&C 23-0251

**LOG NAME:** 60PAYMENTUS UTILITY BILL PAY SERVICES

## **SUBJECT**

(ALL) Authorize Execution of a Sole Source Agreement with Paymentus Corporation for the Water Utility's Bill Payment Processing Services, in the Amount of \$4,533,000.00

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## **RECOMMENDATION:**

It is recommended that the City Council authorize execution of a Sole Source Agreement with Paymentus Corporation for the Water Utility's bill payment processing services, in the amount of \$4,533,000.00.

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## **DISCUSSION:**

Paymentus has provided the Water Utility with electronic bill payment services since May of 2019. The Paymentus Transaction Manager is seamlessly integrated with the current billing system, and processes all Water billing payments. Paymentus does not allow any other company to maintain or support its system.

Paymentus is Payment Card Industry Data Security Standard (PCI DSS) Level 1 compliant and certified, which is the highest level attainable. It provides a powerful and reliable fully hosted platform that meets all PCI compliance standards so as to reduce or eliminate the PCI security burden on the City.

For each payment transaction, Paymentus will charge a Transaction Fee as follows:

- A flat rate of \$1.45 per credit card transaction;
- 2.65% per transaction for non-qualified/non-utility credit/debit card transactions; and
- \$.30 for ACH/eCheck one time and recurring transactions.

The annual cost is estimated to be \$4,533,000.00, which is a ten percent cost increase from the previous agreement, to allow for growth.

Funding is budgeted in the Water and Wastewater Department's rollup within the Water & Sewer Fund.

## **ADMINISTRATIVE CHANGE ORDER**

An administrative change order or increase may be made by the City Manager in the amount up to the maximum allowed under state law and the City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

## **AGREEMENT TERMS**

Upon City Council approval, this Agreement shall begin on May 12, 2023.

## **RENEWAL OPTIONS**

This Agreement will automatically renew annually until terminated by either party. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

## **DVIN**

Water Department was approved for a sole source exemption by the Legal Department. Therefore, the business equity goal requirement is not applicable. Therefore, the business equity goal requirement is not applicable.

A Form 1295 is not required because: This contract will be with a publicly-traded business entity or a wholly-owned subsidiary of a publicly-traded business entity: Paymentus Corporation

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the recommendation, funds are available in the current operating budget, as previously appropriated, in the Water and Sewer Fund. Prior to an expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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