

# Mayor and Council Communication

**DATE:** 09/13/22

**M&C FILE NUMBER:** M&C 22-0718

**LOG NAME:** 60PAYMENTUS CSC 52288 CONTRACT AMEND

## **SUBJECT**

(ALL) Authorize the Ratification of Expenditures in the Amount of \$355,413.07; Authorize the Extension of the Agreement with Paymentus Corporation (CSC 52288) for the Water Utility's Bill Payment Processing Services Through May 12, 2023; and Increase the Contract Amount by \$1,000,000.00

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Ratify expenditures in the amount of \$355,413.07 incurred by the City of Fort Worth from March 31, 2022 through April 30, 2022;
2. Authorize the execution of a contract amendment to extend City Secretary Contract 52288, the agreement with Paymentus Corporation for the Water Utility's bill payment processing services, to expire on May 12, 2023; using an Inter-Local Agreement; and
3. Authorize the execution of contract amendment to agreement City Secretary Contract 52288 with Paymentus Corporation to increase the contract amount by \$1,000,000.00, at an annual cost of \$4,120,845.00.

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## **DISCUSSION:**

On December 11, 2018, Council approved a contract with Paymentus Group Inc. to provide an enhanced payment processing solution for the Water Utility, City Secretary Contract (CSC) 52288, in the annual amount of \$3,020,845.00, utilizing an inter-local agreement with the City of North Richland Hills.

On May 10, 2022, CSC 52288-A3 was approved and amended the agreement by adding the administrative funds in the amount of \$100,000.00 in order to cover some of the amount by which the contract fell short. However, there were additional costs that required the department to exceed the contract amount. Staff requests the ratification of expenditures in the amount of \$355,413.07 that was incurred between March 31, 2022 and April 30, 2022.

This Mayor and Council Communication covers increases in fees due to higher volumes of online water bill payments. Fees are paid to Paymentus on a per-transaction basis for each water bill paid via the website or the IVR. The total value of the spending need is based upon current and projected transaction volume.

Staff is also requesting that the spending authority for this agreement be increased by \$1,000,000.00 so as not to fall short towards the end of the agreement, based on the current costs. The maximum spending authority will equal \$4,120,845.00 annually.

Finally, Staff requests the authorization to extend the agreement to expire on May 12, 2023, rather than the current November 30, 2022, according to the terms of the Inter-local agreement with the City of North Richland Hills. This extension will allow the final renewal to equal one year, after which the contract will be re-evaluated.

**ADMINISTRATIVE CHANGE ORDER** - An administrative change order or increase may be made by the City Manager in the amount up to 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 TERM** -This Agreement will commence upon City Council approval and end on May 12, 2023, to coincide with the City of North Richland Hills Inter-local agreement dates.

**RENEWAL OPTIONS** - This Agreement will have no renewals.

Funding is budgeted in the Bank Charges account of the Water Department's rollup within the Water & Sewer Fund and will also be included in the Fiscal Year 2023 Operating budget.

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

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations funds are available in the current operating budget, as previously appropriated, and upon adoption of the Fiscal Year 2023 Budget by the City Council, funds will be available in the Fiscal Year 2023 Operating Budget, as appropriated, in the Water & Sewer Fund. Prior to an expenditure being incurred, the Water Utility has the responsibility to validate the availability of funds.

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