Legislation Details (With Text)

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File created:	10/30/2017		**In control:**	City Commission	
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Title:	PAYMENTUS UTILITY BILL PAYMENT SYSTEM				
Sponsors:	IT Department				
Indexes:					
Code sections:					
Attachments:	1. Legal Review Checklist paymentus master services agreement, 2. Paymentus Master Services Agreement Delray Beach Fl 11-3-17 Final - Paymentus Executed				

Date	Ver.	Action By	Action	Result

TO: **Mayor and Commissioners**
FROM: **Mickey Baker, Chief Information Officer**
THROUGH: **Mark R. Lauzier, City Manager**
DATE: **November 20, 2017**

PAYMENTUS UTILITY BILL PAYMENT SYSTEM

Recommended Action:
Motion to approve Paymentus Corporation as a City Standard for Utility Bill payments in an amount not to exceed $150,000 per year for five (5) years.

Background:
The City of Delray Beach (City) currently processes Water Utility bill payments through on-premise servers with software purchased through Selectron. The Selectron servers are programmed to interface with the SunGard HTE ERP system. Utility Billing will be migrated to the Tyler New World Financial Management System in the next few months and will need an interface for on-line web payments and Interactive Voice Response (IVR) phone call payments. The City has used Selectron services since 2004, but Tyler New World Financial Management Systems does not have an integration with Selectron. Paymentus has a hosted solution with proven integration to the Tyler New World Utility Billing solution. Replacing our current bill payment processing companies from Selectron to Paymentus is in the best interest of the City.

Justification:
The City currently averages 8505 Lockbox payments at $1,526,039 per month, 3167 ACH/eCheck payments at $390,327/ per month, 2619 web payments at $320,148 per month and 1293 IVR payments at $143,366 per month. With the migration to Tyler New World Utility Billing System, and to address issues with the current payment solution for utility bills, IT staff has investigated on-line bill presentation and payment options. Several firms were interviewed of their on-line bill presentation and payment systems including: Paymentus, Selectron, AMS and BridgePay.

Highest on the priority list for any system evaluated was the ability to provide excellent customer service to Delray Beach residents, including:

· Ability to replicate the paper bill on-line.

· Option to sign up and register on-line and store payment account information in a hosted Payment Card Industry (PCI) compliant environment. (This provides the highest level of protection to customer for secure credit card information.)

· Ability to schedule future payments or make one-time payments.

· Ability to view account information and payment history.

· Provide these services at a cost that is comparable to the cost the city currently incurs.

From that analysis, Paymentus was selected as the preferred vendor since they offered a hosted, all-inclusive platform including bill payment, customer self-serve, E-bill presentation/payment and outbound communication. Paymentus provides users the opportunity to view their utility bill and make payments using Visa, MasterCard, Discover, American Express, and Echeck by Interactive Telephone Voice Response System (IVR) or a secure internet interface provided at the Paymentus web site. The system provides many functional processes. Customers are able to access account information to either make a one-time payment or register online to store payment account information in order to make recurring payments. By registering online the customer is able to access the "Customer Dashboard" where they can view various tabs where personal account information and history is stored as well as manage future payments.

Paymentus is Payment Card Industry (PCI) Level One Certified. PCI compliance refers to adherence to a set of security standards that were developed to protect card information during and after a financial transaction. No credit card data is stored on the City's network or system.

Paymentus does not charge any fees related to setup and personalization of its standard service for either web or IVR interfaces. They provide customer access to 12 months of historical E-Bill statements. This allows customers to view their past 12 months of statements electronically over the Customer Dashboard.

Customer payments initiated through the Paymentus portal are deposited to Delray Beach's bank account on a daily basis. On a monthly basis, Paymentus charges their service fees based on a monthly report summarizing use of the payment services by customers. We have negotiated a favorable flat rate fee of $1.50 per transaction for Credit Card Transactions, $.50 per transaction for ACH/eCheck and $.10 per transaction for Lockbox payments. The complete Service Fee Schedule is attached to the Paymentus Master Service Agreement.

Based on current transactions, Paymentus would cost $104,000 annually. This is a reduction in cost of $14,000 per year.

We anticipate a marketing campaign to migrate additional customers from walk-up cashier window payments to more secure methods through Paymentus.

The cost per transaction fee with Paymentus is expected not to exceed $150,000 per year for a PCI compliant, fully hosted solution.

Our current costs are $70,000 per year for web and IVR payments, $29,000 per year for Lockbox payments and $19,000 per year for ACH payments.

The Paymentus term of Agreement is for a period of 5 (five) years with automatic renewals for successive 3 (three) year periods.

Purchasing Policy:
City Standard Purchasing Request greater than $65,000.

City Attorney Review:
Approved as to form and legal sufficiency.

Finance Department Review:
Finance recommends approval.

Funding Source:
Costs will be deducted directly from the revenue transfer and there are $0 funded from the City.

Timing of Request:
Timing is sensitive to coincide with "go live" date of New World ERP Utility Billing module.