



Legislation Text

File #: 20-1187, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 to Contract 19-199, Electronic Bill Payment, to FIS/Metavante for an amount not to exceed \$126,500 and for a total award of \$386,900

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In 2004, the City Council approved the award of RFP 04-073 to Metavante Corporation to provide internet bill presentment and payment (e-billing) services for City utility bills. In 2009, Metavante Corporation became a wholly-owned subsidiary of Fidelity National Information Services, Inc. (FIS).

Since the initial agreement, the City has maintained a partnership with FIS for e-billing services, including an 18-month extension approved in 2017, which concluded on June 30, 2019. On June 18, 2019, the City Council approved a second 18-month agreement with FIS extending the relationship from July 1, 2019 to December 31, 2021.

Services under this contract provide utility customers the opportunity to view and pay City bills online. In November 2018, the city manager approved three modifications to system functionality in order to eliminate frustrations of customers. In February 2019, the following three modifications were implemented:

1. Eliminating a 90-day password reset requirement
2. Removing an autopayment expiration date
3. Added three event email notifications (credit card expiration warning, credit card expiration notification and payment overdues)

DISCUSSION:

Since the 2019 extension, costs associated with this contract have increased, creating the need for a change order to accommodate fees through the end of 2021. Staff has identified two causes for this increase.

First, the City has experienced an increase in online payment activity. Enrollment numbers have increased as pandemic-related closures to the Municipal Center pushed more customers to utilize online payment services. In June of 2019, customer enrollments totaled 32,963. By February of 2021,

that number had increased by over 30% to 43,021.

Second, the 2019 contract extension included a modified rate structure. FIS also identified that prior to the contract extension, they had not been properly billing according to the existing rate structure, to the City's benefit. Specifically, FIS had not been applying charges for all online transaction attempts. Under the rate structure, a fee is generated every time a payment attempt is made on a bill, including those failing due to expired cards or customers who split bills across multiple payments. The full scope of changes to the rate structure, including remedies to FIS's existing billing methodology were not clearly articulated to City staff. Thus, the associated cost increase of the new contact was underestimated.

Staff is exploring alternative options for online billing in the future but requests a change order to maintain this relationship through 2021. Shifting to a new vendor for online payments is a significant change that will take time due to the complexities of the service and the amount of sensitive customer information stored within the current system.

Adding to the complexity of this issue is the timing of other changes in the utility billing process, such as the rollout of the Water 2.0 project and planned transition of the City's utility billing function into the City's enterprise resource planning system, or ERP. Staff recommends maintaining the continuity of the current system while these other pieces are implemented given that the contract is manageable from a budgetary perspective.

A change order is requested to add funds to cover anticipated bills through the final year of the agreement.

FISCAL IMPACT:

CIP: N/A

Electronic billing services are expensed to the other professional services accounts listed below. Staff identified the increasing costs in late 2020 and added additional funds to the 2021 budget accordingly. A total of \$150,000 is budgeted for e-billing in 2021. Staff will monitor this agreement to ensure expenses comply with the approved budget.

Account Number	Fund Description	Total Budget Amount
15171300-531309	Electric Utility	\$75,000
15171500-531309	Water and Wastewater	\$75,000