



## Legislation Text

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File #: 19-477, Version: 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Waive the applicable provisions of the Naperville Procurement Code and award Procurement 19-199, Electronic Bill Payment, to FIS/Metavante for an amount not to exceed \$260,400 and for a 30-month term (requires six positive votes)

**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 concludes on June 30, 2019. Services provided under this contract provide utility customers the opportunity to view and pay City bills online.

In November 2018, change order #1 was approved by the City Manager modifying system functionality to eliminate frustrations expressed by customers. In February 2019, staff completed the work with FIS resulting in three significant modifications including eliminating a 90-day password reset requirement, removing an autopayment expiration date and adding three event email notifications (credit card expiration warning, credit card expiration notification and payment overdues). Since completing the changes, staff has experienced a reduction in password related phone calls and use of the service continues to increase.

#### **DISCUSSION:**

In 2015, City Council approved Contract 16-015 with Tyler Technologies for the implementation of a new enterprise resource planning (ERP) system. A major component of the new system is a utility billing module, which is set to deploy at the end of 2021. As part of deployment, staff will review the capabilities of Tyler's e-billing options.

The new ERP can host a version of an electronic bill payment service, but staff will not understand the full capabilities until testing begins. If the service meets the City's needs, a separate provider will no longer be necessary. However, if the ERP system does not provide a quality e-bill service, the City will issue an RFP for a third-party provider.

The recommended extension will avoid potential disruptions to the current billing process, as the ERP implementation continues. Staff is concerned if multiple changes are made to the e-billing service, residents and businesses will opt out of electronic bill payments and go back to paper bills.

The recommended extension is presented with slight changes to current rates. FIS increased rates on payment only services and reduced rates on enrolled services. Changes are detailed below and are not anticipated to increase bills for the City based on historic use.

Rate Types	Current Rates	Extension Rates
<b>Payment Only</b>		
1 - 25,000	\$0.15	\$0.19
25,001 - 50,000		\$0.13
50,001 - 100,000		\$0.11
100,000 and over		\$0.09
<b>Enrolled Documents</b>		
1 - 25,000	\$0.23	\$0.19
25,001 - 50,000	\$0.22	\$0.13
50,001 - 100,000	\$0.21	\$0.11
100,000 and over	\$0.20	\$0.09

However, the total award is anticipated to increase over previous years due to a steady increase in customer use. Currently, more than 37-percent of the City’s utility customers are enrolled in in the e-bill service. In 2017, when the contract was last extended, enrollment was around 33-percent. Since 2014, use of the service increased an average of 10-percent annually, which results in increased monthly bills to the City. A breakdown of total invoiced bills and average monthly bills is presented below, along with the projected expenses for the duration of this agreement:

Year	Average Monthly Invoice	Total Invoiced	Change (%)
2014	\$ 4,794	\$ 57,524	
2015	\$ 5,330	\$ 63,955	11%
2016	\$ 5,704	\$ 68,452	7%
2017	\$ 6,265	\$ 75,179	10%
2018	\$ 7,063	\$ 84,751	13%
<b>2019*</b>	<b>\$ 8,062</b>	<b>\$ 96,749</b>	<b>14%</b>
<b>2020</b>	<b>\$ 8,525</b>	<b>\$102,300</b>	<b>6%</b>
<b>2021</b>	<b>\$ 9,300</b>	<b>\$111,600</b>	<b>9%</b>

\*2019 includes actual bills through April

Approval of the new award requires a Waiver of Section 1-9B-4 (Methods of Source Selection) of the Naperville Code because the recommended process is not one of the enumerated methods under

the Code.

The term of the extension is 30-months from July 1, 2019 through December 31, 2021.

**FISCAL IMPACT:**

CIP: N/A

Electronic billing services are expensed to the other professional services accounts listed below. A total of \$72,000 is budgeted for utility billing tools, including e-billing, in 2019. The increased costs will be budgeted appropriately in subsequent years.

<b><u>Account Number</u></b>	<b><u>Fund Description</u></b>	<b><u>Total Budgeted Amount</u></b>
15171300-531309	Electric Utility	\$36,000
15171500-531309	Water and Wastewater	\$36,000