



Legislation Text

File #: 19-0042, **Version:** 1

ITEM TITLE:

Approval of Contract with Xpress Solutions, Inc. for Provision of Web-Based Billing and Payment System

SUBMITTED BY: Brian Carlson, Finance Director

FISCAL NOTES:

Expenditure Required: \$70K in 2019; \$200K through 2021

Unencumbered Balance: \$70K

Funding Source: Finance Dept / Prof Fees and Services; 001.5200.43200

RECOMMENDATION:

Approve contract as presented

SUMMARY STATEMENT:

- This contract represents a three-year service agreement with **Xpress Bill Pay**, a web-based billing/payment system that integrates with the City's general ledger software, **Caselle**.
 - The service provides for online account administration, online payment processing, paperless billing, seamless data exchange for account reconciliation, and customer support for both staff and account holders.
 - This service will be used for all city services except for Port, and Harbor Departments, which now use an industry-specific platform ("MOLO") with similar features.
- Finance staff interviewed six similar service providers in May of 2018 to evaluate fees, support, and user interface. The recommended provider works closely with Caselle, and their platform is designed specifically for Caselle users.
 - To ensure compliance with procurement regulations, staff also published an RFP in December of 2019, and received no responses
- The cost of the service itself (\$2K-\$5K per year) does not meet the dollar threshold for Council approval. However, vendors of this type of service commonly include their respective banking relationships for payment processing. These combined fees (\$40K-\$100K per year) over three years exceed the \$100K threshold.
 - Banking/credit card fees are a function of transaction volume, and staff cannot yet estimate them with precision, as we anticipate much higher volume once the new

service is implemented.

- Banking/credit card fee **rates** will be less than half of the City's current arrangement with Wells Fargo, but **total fees** will be unknown until after implementation. Staff anticipates a high level of customer participation, and therefore greater transaction volume.
- Much of the cost can be passed on to customers. **However, staff recommends that the City initially absorb the costs through 2019**, allowing time to ascertain the full costs and then adjust policy as needed, prior to adoption of the 2020 budget. The objective is to strike the optimal balance between customer satisfaction, labor savings, and allocation of costs between City and customers, most of whom are residents.
- Staff anticipates full implementation by end of March.
- Legal Department has reviewed and approved, as to form, the attached service agreement.

Attachments: XBP Service Agreement