



## Recommendation for Action

**File #:** 20-2782, **Agenda Item #:** 44.

9/17/2020

### **Posting Language**

Authorize negotiation and execution of a multi-term contract with CityBase, Inc., or one of the other qualified offerors to Request For Proposals 7400 DDM3002, to provide an enterprise-wide online e-payment system, for up to nine years for a total contract amount not to exceed \$24,500,000.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were an insufficient availability of M/WBEs; therefore, no subcontracting goals were established).

### **Lead Department**

Purchasing Office.

### **Client Department(s)**

All City Departments.

### **Fiscal Note**

Funding in the amount of \$2,300,000 is available in Fiscal Year 2020-2021 Operating Budget of various City departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

The Purchasing Office issued a Request for Proposals (RFP) 7400 DDM3002 for these services. The solicitation issued on August 5, 2019 and it closed on September 24, 2019. Of the nine offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=130960)

[<https://www.austintexas.gov/financeonline/account\\_services/solicitation/solicitation\\_details.cfm?sid=130960>](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=130960).

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or

[AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) [<mailto:AgendaOffice@austintexas.gov>](mailto:AgendaOffice@austintexas.gov)

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Jim Howard, at 512-974-2031 or [jim.howard@austintexas.gov](mailto:jim.howard@austintexas.gov)

[<mailto:jim.howard@austintexas.gov>](mailto:jim.howard@austintexas.gov).

### **Additional Backup Information:**

The contract will replace the Financial Service's existing online payments contract, continuing to provide an enterprise-wide payment system that facilitates the processing of online payments by Automated Clearing House (ACH) or by credit card. A wide variety of City services use the online payment system to pay for fees associated with the permitting process, security alarm permits, library fines and charges, quarterly hotel occupancy taxes and licensing, emergency medical services, public information requests, Green Building

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program classes, and donations to the Animal Services Center.

The critical external business drivers for providing online payment capabilities include:

- Ability to “Be Green” by offering customers an alternative to paying in person as well as a way to stay home-stay safe while interacting with City departments remotely
- Make it convenient for customers to pay for products and services offered by the City
- Decrease the transactional cost due to volume discounting and automation of transactional processes

The critical internal business drivers of providing online payment capabilities include:

- Reduce overall costs of accepting credit cards
- Improve collections of funds due to the City
- Streamline administration of payment operations
- Improve efficiencies by automating backend reconciliation processes
- Reduce and/or eliminate recurring manual billing/sales processes

There has been a significant year over year increase in the transactional volume of the online payments contract. During 2019, more than 125,000 transactions resulted in \$133 million in revenue collected online across the current eight billing systems. Additional City billing systems are expected to take part in this contract in the near term, with the ultimate goal of providing customers an online payment option while also improving the departments’ efficiencies with their billing and collections processes.

The recommended contractor has all required permitting and compliance fulfilled.

An evaluation team with expertise in this area, which included staff from Financial Services, Communication and Technology Management, Austin Public Library, Austin Police Department, and Development Services Department, evaluated the offers and scored CityBase, Inc. as the best to provide these services based on price, functional requirements, technical requirements, general requirements, implementation requirements, support and service requirements, local preference and service-disabled veteran owned business enterprises.

Online payment capability is critical to providing accessible City services and payment for those services.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

**Contract Detail:**

<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Contract Authorization</u></b>
Initial Term	3 yrs.	\$ 9,000,000
Optional Extension 1	3 yrs.	\$ 5,000,000
Optional Extension 2	3 yrs.	\$10,500,000
<b>TOTAL</b>	<b>9 yrs.</b>	<b>\$24,500,000</b>

**Note:** Contract Authorization amounts are based on the City’s estimated annual usage.

**Strategic Outcome(s):**

Health and Environment; Culture and Lifelong Learning; Safety; Government that Works for All; Economic Opportunity and Affordability; Mobility.