

Council Meeting Staff Report

August 16, 2017

Agenda No.:	6.C
Indexes (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt
Legislative File:	AGR0518-17

Title

Approval of Amendment No. 1 to Services Agreement No. AGR16-4289 with Paymentus Corporation in the amount of \$50,000.00, for a Revised Total Agreement Amount of \$99,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Credit Card and Electronic Payment Processing Services.

Recommended Action

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR16-4289 with Paymentus Corporation in the amount of \$50,000.00, for a Revised Total Agreement Amount of \$99,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Credit Card and Electronic Payment Processing Services.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

For years, the Utilities Department had a “convenience fee” model for accepting credit card payments for utilities bills. Under this model, customers were charged \$4.95 per transaction with a transaction limit of \$450.00. The department received substantial customer feedback that this model was unacceptable in the modern business world. We also got similar indications from trade shows and publications to which we subscribe. Finally, to successfully deploy our Smart Customer Mobile application, it was apparent that we needed to better support credit card payments.

In response to these inputs, Department staff reached out to the then current provider, Paymentus Corporation, and to several other potential providers, to look at their fee models and structure. Because such services have been determined exempt from the competition requirements of the Los Alamos Procurement Code, no formal request for proposals was issued, but staff did conduct extensive “due diligence” to ensure we were obtaining best value for the Department and our customers. After careful consideration, it was determined that Paymentus provides the most cost effective model, flexibility, and the best service for our requirements.

Having not had experience with the “absorbed fee” model, staff had little information on which to base an estimated total contract cost. We also wanted to limit our exposure until we had that history, and could gauge success of the program. Thus, we initially funded the contract for only \$49,000.

With nearly two years under the program, we have received very favorable customer feedback. While we are seeing increased utilization, especially as the Mobile App has been deployed, we are anticipating that the proposed funding will be adequate for the remainder of the contract term, and remain confident that the service provides good value for the department and our customers in terms of payment ease and flexibility.

Alternatives

If the Board elects not to approve this amendment we will cancel the current contract when funding runs out and begin negotiations for a different fee model, or return to the “convenience fee” model we

were previously under.

Fiscal and Staff Impact

The increase of \$50,000 was budgeted for in the FY2018 budget. There is no staff impact as this is for continuation of an existing service.

Attachments

A - AGR16-4289-A1