

Agenda No. 408

ORDINANCE NO.

*Amend participating agreement with Invoice Cloud, Inc., for paperless billing processing fees to extend term for two years and increase not to exceed amount to \$3,210,000 (Ordinance; amend Contract No. 30005056)

The City of Portland ordains:

Section 1. The Council finds:

1. The Water Bureau's Customer Service Group (WBCS) is responsible for bill presentment and payment processing of the City's water and sewer utility bills. WBCS assists customers by providing utility bill resources which includes account services, billing and collection, quality assurance, meter reading, water efficiency, financial assistance, meter maintenance and repair, and data processing. The revenue from these utility bills are the primary source of revenue for the Water Bureau and the Bureau of Environmental Services.

2. WBCS signed an agreement with Invoice Cloud, Inc. to be their vendor for ACH and credit card payment processing effective February 1, 2016. Invoice Cloud, Inc was chosen due to its PCI compliance and their previous work with Cayenta Utilities, the billing system used by WBCS. The City utilized an Interstate Cooperative Procurement on a contract that Invoice Cloud, Inc. had won through a competitive bid with Spotsylvania County, Virginia on February 27, 2013, in order to quickly restore auto-pay capabilities that had been lost due to the City's issues with PCI compliance.

Introduced by

Mayor Ted Wheeler

Bureau

Management and Finance

Prepared by

Mac Dennis

Date Prepared

April 23, 2021

Requested Council Date

June 2, 2021

Requested Agenda Type

Consent

Date Filed with Clerk

May 25, 2021

3. Invoice Cloud, Inc. is responsible for the payment information of the WBCS's customers used for making online payments and registering for electronic billing options. They process WBCS's credit card, debit card, and ACH payments for utility bills. They are a critical partner for WBCS's AutoPay program, which 50,000 customers have enrolled in.

4. The funds being added are based on an estimate of \$500,000 to be paid each year, or up to \$41,000 per month, to Invoice Cloud, Inc for processing fees for credit card and ACH (electronic check) payments. The processing fees are fixed and based on the volume of transactions. Making payments through services supported by Invoice, Cloud Inc. are increasingly popular for customers, therefore the bureau anticipates more payments from long-term arrangements given the number of accounts with outstanding balances from COVID impacts. That increase in payments is expected to also increase processing costs with Invoice Cloud.

5. Continued work with Invoice Cloud, Inc, is critical to the seamless continuation of payments from customers.

6. WBCS and Invoice Cloud, Inc desire to extend the term of Contract No. 30005056 for up to an additional 24 months to continue collecting utility payments and assisting in managing customer data.

7. Funds are currently allocated for this agreement. The Water Bureau's level of confidence in the cost estimate is "Strong".

NOW, THEREFORE, the Council directs:

- A. The City's Chief Procurement Officer is hereby authorized to amend participating agreement 30005056 with Invoice Cloud, Inc., to increase the not-to-exceed amount by \$1,385,000.00, for a new total not-to-exceed amount of \$3,210,000.00 and to extend the contract for 2 years, provided the amendment is approved as to form by the City Attorney's Office.

Section 2. The Council declares that an emergency exists because a delay in proceeding with the Agreement will seriously impact the service levels as provided by the WBCS, and further disrupt the operations resulting from these services; therefore, this Ordinance shall be in full force and effect from and after its passage by Council.

Passed by Council:

MARY HULL CABALLERO

Auditor of the City of Portland

Action Taken:

By

Deputy

Commissioners voted as follows (Yea or Nay)

Rubio -

Ryan -

Hardesty -

Mapps -

Wheeler -

IMPACT STATEMENT

Legislation title: *Amend participating agreement with Invoice Cloud, Inc., for paperless billing processing fees to extend term for two years and increase not to exceed amount to \$3,210,000 (Ordinance; amend Contract No. 30005056)

Contact name: Kathy Koch, Customer Service Director

Contact phone: 503-823-3494

Presenter name: Gabriel Solmer, Water Utility Director

Purpose of proposed legislation and background information:

The purpose of this legislation is to allow the Portland Water Bureau to continue to use Invoice Cloud, Inc. to process credit/debit card and electronic check payments for utility bills, and for electronic or paperless bill presentment. The bureau signed an agreement with Invoice Cloud, Inc. in 2016 for this work, which allowed the bureau to restore their auto-pay functionality and allow a more robust payment and presentment solution following the City's PCI compliance issues.

The Water Bureau has 193,000 active customer accounts. Those accounts include over 52,000 that use the paperless billing feature offered by Invoice Cloud, Inc., and over 54,000 enrolled in the auto-pay program. 60% of all payment transactions and 44% of all payment dollars for utility bills are processed through Invoice Cloud, Inc.

Invoice Cloud, Inc. supports several different methods of payment for customers. In addition to auto-pay, it processes payments made by interactive voice response (IVR), payments made via the website, mobile payments, one-time and recurring payments.

Customers have registered their payment information with Invoice Cloud, Inc., and continued work with Invoice Cloud, Inc. is necessary to avoid any disruption in payment processing capabilities and revenue stream. Invoice Cloud, Inc. is PCI compliant.

This is the eighth amendment for this contract.

Financial and budgetary impacts:

The amounts needed to continue work with Invoice Cloud, Inc. is already available in the Water Bureau's FY20-21 budget as well as the requested budget for FY21-22. Money will also be available in the budgets for FY 22-23 and FY 23-24.

The contract term will be for two (2) years. This action will not result in a change to the forecast water rates. This legislation does not impact any current or future staffing levels in the Water Bureau.

Community impacts and community involvement:

Utility ratepayers enjoy the flexibility and varied payment options Invoice Cloud, Inc. allows the Portland Water Bureau to provide. Their platform accepts four major credit cards, in addition to electronic checks. They have recently added Pay Pal and have other options on their technological roadmap.

Prior to working with Invoice Cloud, Inc., customers had expressed significant displeasure when the auto-pay functionality had been temporarily removed. Adoption of auto-pay by 28% of all active accounts demonstrates the importance of that method of payment as a customer choice, as well as a stable stream of payments for the bureau.

100% Renewable Goal:

This action does not affect the City's total energy use. This action does not affect the City's renewable energy use.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount