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Title: B. Actions Related to Retaining of Consultant for Automated Billing Paying Services:
1. Approve the City Manager's determination that Consultant is uniquely qualified
2. Approve a consultant services agreement with First Billing Services for a total fee of \$13,000 per month for Electronic Billing Payment Presentation Services and up to \$14,630 per month for Optional Print Services for City of Fresno utility customers (Citywide).

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. Sole Source Memo.pdf, 2. Agreement -First Billing Services .pdf

Date	Ver.	Action By	Action	Result
10/20/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

October 20, 2016

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

THROUGH: JERRY L. SCHUBER, SR., Assistant Director
Department of Public Utilities, Water Division

BY: BRIAN REAMS, Revenue Manager
Department of Public Utilities - Utilities, Billing and Collection

SUBJECT

B. Actions Related to Retaining of Consultant for Automated Billing Paying Services:
1. Approve the City Manager's determination that Consultant is uniquely qualified
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RECOMMENDATIONS

1. Approve an agreement with First Billings Services to provide electronic utility payment services and optional print services for the City of Fresno.

2. Authorize the Director of Public Utilities, or designee to sign agreement on behalf of the City of Fresno.

EXECUTIVE SUMMARY

The Department of Public Utilities seeks Council approval of a professional consultant services agreement with First Billing Services to provide ongoing support and maintenance of all the Electronic Billing Payment Presentation (EBPP) services including presentation of bills on the agent and customer computer portals.

BACKGROUND

The City of Fresno wants to expand its electronic payment processing capabilities and to control, minimize or eliminate costs associated with these services, particularly the costs associated with the acceptance of credit or credit/debit cards. In October 2014, as part of Phase I of this process, the City entered into an exclusive Agreement with Heartland Payment, Systems, Inc. (Heartland) to process all City of Fresno credit card payments and to enable the use of the service fee model. This model provides for the card processor (Heartland) to charge the customers a fee for the convenience of using a credit card and allows the City to retain the full amount of the City payment being processed (gross amount of the bill). The service fee is retained by Heartland as a charge for processing the payment. Over the next 12 to 18 months all City departments accepting credit card payments were converted to Heartland and in addition, departments who previously did not accept credit cards were brought on line. As a result, nearly \$4 million in credit card fees were eliminated and are no longer being included in the Department's operating budget which are ultimately passed on to the rate paying customers.

The overall plan, once credit card processing was addressed was to move on to Phase II to begin the process of providing more and enhanced payment solutions and services to the customers of Fresno. As part of the Contract with Heartland, new EBPP services are available. Heartland offers multiple payment solutions including payment via phone, web, mobile, or in person. The benefits include additional customer convenience of being able to establish auto-payment options based on criteria established by the customer, cost savings of processing fewer paper bills, reduced late and delinquent payments, comprehensive and flexible reporting, and 24 hour access convenience to the customers of Fresno. Customers will be able to pay online, by phone, or via text messages and do so securely from anywhere, anytime using a computer, smart phone or tablet. For those customers who still prefer to receive a paper bill or pay in person, those options will continue to be available.

Heartland partners with numerous companies for electronic payment solutions; however, they work exclusively with First Billing Services, LLC., a single source vendor for eBilling solutions that require integration with the SunGard Utility Software utilized by the City of Fresno Utilities, Billing and Collection Department. Heartland confirmed in writing (attached) the single source arrangement with First Billing Services.

After meeting with the First Billing Team and going through a comprehensive demonstration of their product, a proposal was requested. In addition, information was obtained with respect to First Billing's experience with implementing their payment solution product with/on the same SunGard system currently in use by the City of Fresno. They have been through a complete implementation on the same SunGard version that the City is currently using and they have experience working with

SunGard's new "Fusion" product that allows for live time data exchange between the SunGard customer data base and their remote payment system.

The Department of Public Utilities, Utilities, Billing and Collection Division, (working with the Finance Department and Information Services as part of the review team), recommends the approval for a professional consulting services agreement with First Billing Services, LLC., to provide ongoing support and maintenance of all EBPP services, including presentation of bills on the agent and customer computer portals.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378 this item does not qualify as a project for the purposes of CEQA.

LOCAL PREFERENCE

Local preference was not implemented because First Billing Services, LLC., is uniquely qualified.

FISCAL IMPACT

No General Fund dollars will be used to fund these services. Additional costs associated with automated bill paying services in FY 2017 are anticipated to be \$93,100 and will be covered with existing appropriations within the Department of Public Utilities Water, Wastewater and Solid Waste Enterprise Funds.

Attachments:

Sole Source Memo

Consultant Agreement