

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	20313	Agenda Number	48.
---------------------	----------	-------	---------------	-----

Meeting Date:	December 6, 2012
---------------	------------------

Department:	Purchasing
-------------	------------

Subject

Authorize award, negotiation, and execution of a 36-month requirements service contract with JPMORGAN CHASE BANK, NA, or with the other qualified respondents to RFP BKH0152 to provide an enterprise-wide online e-payment system in an estimated amount not to exceed \$661,400 with two 24-month extension options in an estimated amount not to exceed \$903,650 for the first extension option and \$1,407,377 for the second extension option, for a total estimated contract amount not to exceed \$2,972,427.

Amount and Source of Funding

Funding in the amount of \$118,624 is available in the Fiscal Year 2012-2013 Operating Budget of the Parks and Recreation Department and Austin Police Department. Funding in the amount of \$6,000 is available in a Financial Services Department Capital Projects Fund. Funding for the remaining 27 months of the original contract period and the extension options is contingent upon available funding in future budgets of various departments.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Best evaluated proposal received.
----------------------	-----------------------------------

Prior Council Action:	
-----------------------	--

For More Information:	Brenda Helgren, Sr. Buyer, /974-9141
-----------------------	--------------------------------------

Boards and Commission Action:	Recommended by the Zero Waste Advisory Commission, Water and Wastewater Commission, and the Electric Utility Commission.
-------------------------------	--

MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
------------	---

Related Items:	
----------------	--

Additional Backup Information

On November 1, 2007, City Council passed a Resolution directing the City Manager to begin a City-wide web redesign project. On December 19, 2011, the City released the beta version of the new website, austintexas.gov, with full release in January 2012. The next phase of the web redesign project includes the ability to accept payments from citizens and customers online.

This contract will provide an enterprise-wide online payment system to facilitate online credit card and ACH payment transactions. Requirements for the online epayment system software were compiled from interviews conducted with 21 City departments (including Austin Energy, APD, CTM, Municipal Court, PARD, and Financial Services). Analysis of existing business requirements from other interrelated systems and contracts, including the City's financial system, Citywide merchant processing contract, and existing departmental billing/collection systems (PARD's RecTrac system, APD's Cry Wolf alarm permitting system, and Austin Energy's Customer Care and Billing system) also assisted with the development of requirements for the online epayment system.

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

- Provide the ability to pay online for a wide range of City fees, fines, products and services
- Make it easier to locate and pay for products and services offered by the City
- Decrease the time and cost associated with making payments for City services
- Decrease transactional costs due to volume discounting and automation of transactional processes
- Ability to "Be Green" by interacting with City departments remotely

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

- Reduce overall costs for 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

A cross-functional team with representation from the Controller's office, the Treasury office, Communications and Technology Management, Austin Energy, and Municipal Court evaluated the proposals based upon compliance with general, functional and technical requirements, implementation considerations, support and ongoing service requirements, total evaluated cost, local presence, and overall experience.

In addition to the ability to accept payments online and in order to better facilitate backend processes, the City will build out a reconciliation component of the online payments process to reconcile between the departmental billing/collection systems, the merchant processor/gateway, the depository bank and the general ledger. This system will provide exception based reporting for departments and central staff. Future agendas may include technology procurements to facilitate this back end process. The project team consulted with the Comptroller's Office with the State of Texas to review and discuss their automated backend reconciliation processes.

MBE/WBE solicited: 96/40

MBE/WBE response: 0/0

PRICE ANALYSIS-RFP NO. BKH0152

- a. Adequate competition.
- b. One thousand two hundred and forty notices were sent, including 96 MBEs and 40 WBEs. Five proposals were received, with no response from the MBE/WBEs.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.
- b. The Purchasing Office concurs with the recommended award.
- c. Advertised in the Austin American Statesman and on the Internet.