



**DEPARTMENTAL
CORRESPONDENCE**

TO: RuthAnne Hall, Purchasing Agent
DATE: October 23, 2019
FROM: Rod Worden, Director-Public Works
RE: Bid Exemption Request, Openedge Credit Card Processor-Tyler Incode 10 Billing Software Services

Request

Public Works respectfully requests a bid exemption to authorize a contract with Openedge as its preferred credit card processor for an estimated cost of \$102,145.00. This action is required to continue implementation of the Department’s Tyler Incode 10 billing software.

Background

The Public Works Utility Billing System (UBS) performs utility user fee billing and collection financial recordkeeping for over 26,000 county retail sewer and water customers accounts.

The County determined due to technological advances and increased security requirements to replace the utility billing system and awarded Tyler Technologies a contract to implement Incode 10 as the new billing software system in July 2018. Public Works and Tyler are currently in the final development stage with a go-live target date by the end 2019.

The Department requires the ability to continue offering the customers the ability to receive and post electronic credit card and eCheck payments directly to the customer’s utility account through a direct interface from the credit card processor into the utility billing system. This industry standard functionality is highly desired by the customers and greatly reduces the administrative effort by the Department to process payments.

During fiscal Year 2018 approximately 62% of its utility customers made payments electronically. This is a 46% increase from five years prior, and a trend we anticipate will continue especially as we migrate Lakes Region Sanitary District customers into our billing software. A total of 27,593 electronic payment transactions were made in 2018, 23,026 by credit cards and 4,567 by echecks.

Measurements	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Target	FY 2020 Target
Percentage of Accounts Paying Electronically	42%	48%	40%	44.3%	57%	62%	60%	66%

Public Works has a long-standing practice and policy to not charge customers standalone processing fees associated with electronic payments. The fees are absorbed into the department's enterprise operational fund and the expense is imbedded into the water and sewer fee rate structure. This is common practice in the utility industry and has contributed to the increase use of electronic payments and in turn has reduced the effort and cost to administer the program. In fiscal year 2018 the processing costs totaled \$91,738.00 withdrawn directly from the Public Works Operating Bank Account.

Issue

The department's current credit card processor that interfaces with its legacy (Advanced) billing system is JetPay. Tyler disclosed during the bidding process that Tyler Incode 10 provides credit card payment integration but only with select vendors with whom they have established interface software code. JetPay is not compatible with the Tyler Incode 10 system.

The Department therefore needs to select a different credit card processor for electronic payments going forward and Tyler is unable to move forward with its system implementation until the new credit card processor is selected.

Options

Openedge is currently the only approved vendor compatible with the Tyler software that includes the ability to process credit card and eCheck payment options.

Loss of this functionality would decrease customer payment conveniences, delay of payment posting to customer accounts, potential revenue collection delays, and administrative inefficiencies due to manual entries.

The Purchasing department explored the option of a joint purchasing contract and determined there is not one available.