



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 3/16/2021

FOCUS AREA: Exceptional Services

STAFF CONTACT: Erin Vader/Dianna Wright

SUBJECT: Consideration of renewal of contract to Paymentus Group, Inc (dba Paymentus Corporation) for payment processing services.

ITEM DESCRIPTION:

Consideration of renewal of contract to Paymentus Group, Inc (dba Paymentus Corporation) for payment processing services.

SUMMARY:

Based on Council direction in 2014, staff began exploring expanding customer payment options and no longer charging credit card processing fees for utility accounts. Council last approved a renewal on November 6, 2018; CA-Z.

Paymentus is used for billing for various programs in the City including utilities, housing services, false alarm services and licensing in the City Clerk office. The services through Paymentus offer different payment options to our citizens such as in person credit/debit card payment, over-the-phone credit/debit card payments, and check by phone payments. Paymentus has recently added additional payment options including Amazon Pay, Venmo, PayPal and Walmart money centers.

Paymentus offers excellent and proactive service in maintaining Payment Card Industry (PCI) and National Automated Clearinghouse Association (NACHA) compliance. This compliance helps ensure the security of credit card transactions and protects credit card data.

In anticipation of the contract expiration, the City of Olathe executed a Request for Information (RFI.) Based on the received responses, continuing the contract would save processing, integration and implementation costs for a new vendor, and additional fees not charged in the current or updated contract by Paymentus.

The City's cost for renewing the contract with Paymentus would be the continued absorption of the credit card fees. Historical spend has been as such:

Using Departments	2018	2019	2020
Animal Control	\$0.00	\$0.00	\$646.34
Housing	\$1,146.92	\$1,643.09	\$1,354.04
Transfer Station	\$18,803.68	\$24,591.70	\$28,792.41
Utility Billing	\$265,874.46	\$384,995.48	\$386,573.37
Total annual spend	\$285,825.06	\$411,230.27	\$416,012.12

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Staff recommends renewal of the contract with Paymentus for payment processing services for a contract term through March 16, 2024.

FINANCIAL IMPACT:

Expected annual expenditures for absorbing the credit card fees is approximately \$390,000 for citywide services.

ACTION NEEDED:

Renewal of contract to Paymentus for payment processing services.

ATTACHMENT(S):

A. Contract