

# ORDINANCE No. 187016

\*Authorize a contract with NIC Services, LLC for an Electronic Payment System, Service and Support in a not to exceed amount of \$7,500,000 (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City's current payment gateway is a highly customized Java application developed in-house to support the processing of electronic payments for a variety of City services and payment options. It was deployed in January 2006 and is managed by the Bureau of Technology Services.
2. Since 2006, the payment gateway has become an essential means of conducting City business and receiving and processing electronic payments. Payment transaction volume has increased to the point that the City has attained Level 1 Merchant status, and the revenue processed has grown at an annual rate of approximately 20%. All City client services communicate with the City's payment gateway via an application procedural interface (API) that serves bureau-specific requirements based on the type of service.
3. The payment gateway is used by multiple City bureaus and based on the type of services or transaction, it accommodates bureau-specific requirements. Examples of payments processed include utility bills, construction permits, ticketing for streetcar transportation and on-street parking, leaf fees, and the arts tax.
4. The City has determined that emerging requirements merited an evaluation of replacing the in-house developed, custom solution with a standard commercial payment gateway system or service. A standard solution would achieve the following goals: reduce the City's overall PCI-scope and risk exposure; increase reliability and availability of City's electronic payment processing; improve transactional reporting and reconciliation methods; provide faster deployment of electronic payment options to process new City services.
5. Request for Proposal (RFP) No. 117040 was issued on August 25, 2014, in accordance with Portland City Code 5.68. On October 6, 2014, one proposal was received. The written proposal was evaluated and scored by an evaluation committee with minority evaluator participation. During the RFP evaluation process, the City received no protests.
6. The proposal from NIC Services, LLC, was deemed responsive to the requirements of the RFP. On December 19, 2014, the City issued a Notice of Intent to Negotiate and Award a contract to NIC Services, LLC and no protests of the Notice of the Intent to Negotiate and Award were received.

7. This ordinance seeks authorization to execute a contract with NIC Services, LLC for the implementation of Electronic Payment System, Services and Support. Contract costs will be charged as a fee per transaction processed. Contract costs will be deducted from the electronic payment revenue collected and received by the City. BTS's level of confidence in the cost estimate is "Optimal", the pricing is based on a per transaction fee schedule that is set for the term of the contract.

NOW, THEREFORE, the Council directs:

- a. In accordance with City Code 5.68, the City's Chief Procurement Officer is hereby authorized to execute, amend, and extend a five-year contract with NIC Services, LLC, with a not-to-exceed amount of \$7,500,000.00, provided it has been approved as to form by the City Attorney's office.

Section 2.

The Council declares that an emergency exists because the City needs to act promptly to ensure timely implementation of the new Electronic Payment System in order to accelerate compliance with PCI-DSS standards. Therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: FEB 18 2015

Mayor Charlie Hales

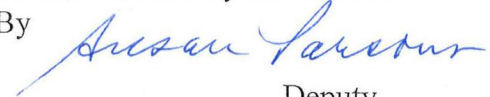
Prepared by: Christine Moody:eb

Date Prepared: January 20, 2015

**Mary Hull Caballero**

Auditor of the City of Portland

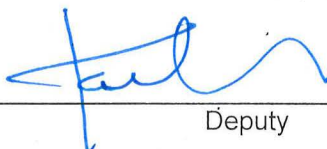
By



Deputy

Agenda No. **187016**  
~~REPORT~~ **ORDINANCE NO.**  
 Title

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INTRODUCED BY Commissioner/Auditor: <b>Mayor Hales</b>	CLERK USE: DATE FILED <b>FEB 13 2015</b>
COMMISSIONER APPROVAL Mayor—Finance and Administration <i>Smith</i> Hales	Mary Hull Caballero Auditor of the City of Portland  By:  Deputy  ACTION TAKEN:
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	
BUREAU APPROVAL Bureau: OMF Bureau of Revenue and Financial Services OMF CAO: Fred Miller <i>Fred D. Miller</i> Bureau Head: Ken Rust <i>KLR</i>	
Prepared by: Estelle Bollinger Date Prepared: 01/20/2015	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan	
Council Meeting Date 2/18/2015	

**AGENDA**

**TIME CERTAIN**   
 Start time: \_\_\_\_\_  
 Total amount of time needed: \_\_\_\_\_  
 (for presentation, testimony and discussion)

**CONSENT**

**REGULAR**   
 Total amount of time needed: **7 minutes**  
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	