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191652

Ordinance

Amend participating agreement with Invoice Cloud, Inc., for paperless billing processing fees to extend term for two years and increase funds in the amount of \$1,200,000 (amend Contract 30005056)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. Portland Water Bureau's Customer Service Group (Customer Service Group) is responsible for bill presentment and payment processing of the City's water and sewer utility bills. The Customer Service Group assists customers by providing utility bill resources which includes account services, billing and collection, quality assurance, meter reading, water efficiency, financial assistance, meter maintenance and repair, and data processing. The revenue from these utility bills is the primary source of revenue for the Portland Water Bureau and the Bureau of Environmental Services.
2. The Customer Service Group signed Agreement No.30005056, effective February 1, 2016, (Agreement) with Invoice Cloud, Inc. to be the Customer Service Group's vendor for ACH (electronic check) and payment card processing. Invoice Cloud, Inc. was chosen due to its Payment Card Industry (PCI) compliance and previous work with Cayenta Utilities, the billing system used by the Customer Service Group.
3. The City utilized an interstate cooperative procurement on a contract and Invoice Cloud, Inc. was selected as the contractor through a competitive bid with Spotsylvania County, Virginia on February 27, 2013, to quickly restore auto-pay capabilities that had been lost due to the City's issues with PCI compliance.
4. Invoice Cloud, Inc. is responsible for the payment information the Portland Water Bureau's customers use for making online payments and registering for electronic billing options. Invoice Cloud, Inc. processes credit card, debit card, and ACH payments for utility bills. It is a critical partner for the Portland Water Bureau's AutoPay program, in which 70,000 customers have enrolled.

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Water](#)

Contact

Quisha Light

Customer Service Director

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date


March 13, 2024

5. Making payments through services supported by Invoice Cloud, Inc. is increasingly popular for customers and expected to continue. Outbound Campaigns, which allow the Customer Service Group to send automated messages to customers, are included in the Agreement.
6. This ordinance will extend the Agreement's term for up to an additional two years to continue collecting utility payments and assisting in managing customer data. Continued work with Invoice Cloud, Inc. is critical to the seamless continuation of payments from customers.
7. The funds being added are based on an estimate of \$600,000 to be paid each year, or up to \$50,000 per month, to Invoice Cloud, Inc. for processing fees for credit/debit card and ACH payments. The processing fees are charged per transaction.
8. The total increase to the current Agreement is \$1,200,000 bringing the total Agreement to \$4,410,000. Funding is available in Portland Water Bureau's fiscal year (FY) 2023-24 Budget. Funding will be requested in the FY 2024-25 through FY 2025-26 Budgets.

NOW, THEREFORE, the Council directs:

- A. The Chief Procurement Officer is authorized to execute the amendment attached as Exhibit A, adding additional funds and time to the Agreement, provided the amendment is approved as to form by the City Attorney's Office.
- B. The Auditor and the Mayor are authorized to draw and deliver checks chargeable to the Water Bureau Fund when demand is presented and approved by the proper authorities.
- C. The Chief Procurement Officer is authorized to execute amendments to the Agreement, including amendments increasing the total compensation upon funding availability.

Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2024/invoice-cloud-inc.-amendment-exhibit-a-final.docx\)](https://www.portland.gov/sites/default/files/council-documents/2024/invoice-cloud-inc.-amendment-exhibit-a-final.docx) 23.61 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
March 13, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The purpose of this legislation is to allow Portland Water Bureau's Customer Service Group (Customer Service Group) to continue using Invoice Cloud, Inc. to process credit/debit card and electronic check payments for utility bills and to present electronic or paperless bills. Portland Water Bureau signed Agreement 30005056 (Agreement) with Invoice Cloud, Inc. in 2016, which allowed the Portland Water Bureau to restore its autopay functionality and allowed a more robust payment and presentment solution following the City's Payment Card Industry Data Security Standard (PCI) compliance issues.

The Customer Service Group has 194,000 active customer accounts. Those accounts include over 69,000 that use the paperless billing feature offered by Invoice Cloud, Inc. and over 70,000 enrolled in the autopay program. Invoice Cloud, Inc. processes 69% of all payment transactions and 53% of all payment dollars for sewer/stormwater/water bills.

Invoice Cloud, Inc. supports several different methods of payment for customers. In addition to autopay, it processes payments made by interactive voice response, payments made via website, mobile payments, and one-time and recurring payments. Customers have registered their payment information with Invoice Cloud, Inc.

The Customer Service Group desires to continue Agreement 30005056 with Invoice Cloud, Inc., so that they may continue to provide these critical services to Portland Water Bureau customers and avoid any disruption in payment processing capabilities or the revenue stream.

Financial and Budgetary Impacts

The total increase to the current agreement is \$1,200,000, bringing the total Agreement to \$4,410,000. Funding is available in Portland Water Bureau's fiscal year (FY) 2023–24 budget. Funding will be requested in the FY 2024–25 through FY 2025–26 budgets.

This action will not result in a change to the forecasted water rates. This legislation does not impact any current or future staffing levels in the Water Bureau.

Community Impacts and Community Involvement

Utility ratepayers enjoy the flexibility and varied payment options Invoice Cloud, Inc. allows the Portland Water Bureau to provide for sewer/stormwater/water bills. Their platform accepts four major credit cards, in addition to electronic checks. They have recently added Google Pay and have other options on their technological roadmap.

Prior to working with Invoice Cloud, Inc., customers had expressed significant displeasure when the autopay functionality was temporarily removed. Adoption of autopay by 36% of all active accounts demonstrates the importance of that method of payment as a customer choice, as well as a stable stream of payments for the Portland Water Bureau.

100% Renewable Goal

This action does not affect the City's total energy use. This action does not affect the City's renewable energy use. Our partnership with Invoice Cloud, Inc. allows us to continue offering paperless billing, which reduces printed bills.

Agenda Items

205 Consent Agenda in [March 6, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/3/6)
(<https://www.portland.gov/council/agenda/2024/3/6>)

Passed to second reading

Passed to second reading March 13, 2024 at 9:30 a.m.

222 Consent Agenda in [March 13, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/3/13)
(<https://www.portland.gov/council/agenda/2024/3/13>)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea