

RESOLUTION NO. 2021-287

A RESOLUTION TO AUTHORIZE AN AGREEMENT WITH INVOICE CLOUD, INC., BRAINTREE, MA, TO PROVIDE MODERNIZED PAYMENT SOLUTIONS FOR VINELAND MUNICIPAL UTILITIES.

WHEREAS, the City of Vineland has heretofore advertised for proposals for Modernized Payment Solutions for the Vineland Municipal Utilities, in accordance with the Request for Proposals (RFP), on file in the office of the City Clerk; and

WHEREAS, on February 19, 2021, proposals were received, and referred to the Utilities' Evaluation Committee for evaluation and recommendation; and

WHEREAS, the Director of the Vineland Municipal Utilities has recommended that an agreement with Invoice Cloud, Inc., Braintree, MA, be authorized for the required services for a period of one year commencing September 1, 2021, with option to renew for 3 one-year periods, based upon the proposal received, pursuant to a fair and open process; and

WHEREAS, payments for said services provided shall come from a Customer Convenience Fee with additional options being offered with minimal transaction fees and monthly access fees paid by Vineland Municipal Utilities.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vineland that the Mayor and Clerk of the City of Vineland are authorized to execute an Agreement with Invoice Cloud, Inc., Braintree, MA, to provide Modernized Payment Solutions for the Vineland Municipal Utilities, for a period of one year commencing September 1, 2021, with option to renew for 3 one-year periods, based on their proposal pursuant to fair and open process and considered in the best interest of the City of Vineland.

Adopted:

President of Council

ATTEST:

City Clerk



MEMORANDUM

June 2, 2021

TO: ROBERT DICKENSON, BUSINESS ADMINISTRATOR

FROM: LISA LUCENA, ADMINISTRATIVE ANALYST 

SUBJECT: REQUEST FOR RESOLUTION FOR CONTRACT AWARD –
INVOICE CLOUD, INC.

I am requesting a resolution be prepared for the next city council meeting authorizing Vineland Municipal Utilities (VMU) to enter into an agreement for Modernized Payment Solutions with Invoice Cloud, Inc.

For your convenience, I've attached a copy of the prepared resolution for this request along with the request for resolution form and a detailed summary from the evaluation team.

If you have any questions, please do not hesitate to contact me.


Approved by: John Lillie, Director of VMU

/ll

Attachments

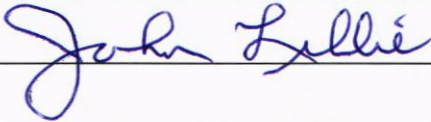
Cc: John Lillie
Miguel Mercado

**REQUEST FOR RESOLUTION FOR CONTRACT AWARDS
UNDER 40A:11-5 EXCEPTIONS
(PROFESSIONAL SERVICES, EUS, SOFTWARE MAINTENANCE, ETC)**

6/1/2021

(DATE)

1. Service (detailed description): Modernized Payment Solutions
2. Amount to be Awarded: \$ Customer conv. fee, w/option for utility to pay some fees
 Encumber Total Award
 Encumber by Supplemental Release
3. Amount Budgeted: \$ 30,000
4. Budgeted: By Ordinance No. _____
Or Grant: Title & Year _____
5. **Account Number to be Charged: 1-05-55-502-9006-53016 E922
6. Contract Period: Commence Sept. 1, 2021, 1 year with option to renew 3 addit. one year periods.
7. Date To Be Awarded: June 22, 2021
8. Recommended Vendor and Address: Invoice Cloud, Inc.
30 Braintree Hill Office Park, Suite 301
Braintree, MA 02184
9. Justification for Vendor Recommendation:(attach additional information for Council review)
Attached is a recommendation summary from VMU's evaluation team.

- Non-Fair & Open (Pay-to-Play documents required)
 Fair & Open: How was RFP advertised? Website
10. Evaluation Performed by: Bob N, Tom V, Lisa L, George P
11. Approved by: 
12. Attachments:
 Awarding Proposal
 Other: Vendors who received RFP

- **Send copies to:**
Purchasing Division
Business Administration

**** If more than one account #, provide break down**



June 1, 2021

Vineland Municipal Utilities (VMU) has solicited proposals for Modernized Payment Solutions for our customers.

Our goal is to provide state of the art technology that supports multiple payment formats, improves customer satisfaction, and all at a reasonable rate for our customers.

The Vendor must have established payment and security experience, interfaces cleanly with all our city systems, have a creditable and responsive customer support platform, and a proven record at helping support paperless go green initiatives. We are proud to recommend InvoiceCloud as our selected vendor.

InvoiceCloud meets all our objectives, is a leading payment provider with 2,100 implementations for utilities and local governments. Payment providing is their sole business and they are a true Software as a Service provider. InvoiceCloud always provides the latest and most secure version of their service without having to perform updates or upgrades and they continually improve their product with cutting edge technologies. We feel very fortunate to be able to offer these services to our customers.

We have recently been through a very traumatic time in our world with the COVID-19 pandemic effecting every customer and business. We need to offer services that help us and our customers get back to a normal status and we believe InvoiceCloud will help us move in that direction.

InvoiceCloud has offered customer paid fees that are significantly less than what our customers are paying now. VMU customers currently pay \$3.95 per credit card, debit card and ACH transactions, the new fee for these transactions would be \$2.95. We also have an option where recurring autopay ACH transactions would be at a fee of \$0.25 per transaction.

InvoiceCloud has an established record of the successful promotion and migration of customers to paperless billing. Our out of pocket expenses for paper, ink, postage is in the range of \$0.60 per bill not including labor costs. There are significant savings and environmental benefits from customer participation in this program.

We opened up the specification to include various payment options and services so we now have the ability to consider different packages and services for our customers. The options include services that offer better security, better cash flow, and quicker posting of payments for our customers. Some of the options do have minimal transaction fees that would be paid by the utility but we can link some of these options to paperless participation resulting in a net savings. These are all options that can be considered and we have the option to adopt, not adopt or consider them in the future.

We are excited to recommend InvoiceCloud as the selected vendor for our Modernized Payment Solutions payment services. They will provide the needed technology, lower cost and better service for our customers.

VMU Evaluation Team,

Bob Napier, Tom Van Noord, Lisa Lucena and George Papamihalakis

1 Pricing

Table 1. Customer Engagement, Electronic Bill Presentment and Payment Pricing. Pricing is based on 19,502 bills per month with an average bill size of \$116 and a bill frequency of 12 bills/year/customer.

Service Description (Paid by City)	Fee
Integration, Deployment and Training	No Charge
Account Access – monthly access to branded Customer and Biller Portals – includes unlimited Administrative Users NOTE: The monthly access fee covers maintenance, support, upgrades, and full access to the Invoice Cloud service for the biller and its customers	\$100.00
HelpDesk Support and Marketing – access to Invoice Cloud HelpDesk, client services team, and marketing support to help you achieve the industry’s highest payment and paperless adoption.	No Charge
Invoice Presentment for New Paperless Customers – per paperless bill per cycle (includes email reminders of upcoming payment withdrawals, payment confirmations, and reconciliation & reporting) NOTE: Only when paper is suppressed, and a paper invoice is not mailed.	No Charge
Electronic Payment Fees – Convenience Fee (Paid by Customers)	
Credit/Debit Cards Visa, MasterCard, Discover, and American Express – Fee per transaction	\$2.95 (\$500 max. for Credit Cards)
ACH for One-Time Payment– Fee per transaction	\$2.95 (\$125k max. for ACH)
Autopay ACH (Option 1) – per transaction for recurring autopay for new online enrollees who sign up online via Invoice Cloud. *Vineland may continue to use its existing autopay offline process for current enrollees and for any new enrollees who sign up offline.	\$0.25 (\$125,000 max. per transaction)

Electronic Payment Fees – Absorbed Fee (Paid by City)	
Autopay ACH (Option 2) - per transaction for recurring autopay for new online enrollees who sign up online via Invoice Cloud. *Vineland may continue to use its existing autopay offline process for current enrollees and for any new enrollees who sign up offline.	\$0.19 (\$125,000 max. per transaction)
Online Bank Direct – Online Bank Payment Consolidation: (Paid by City)	
Per Transaction Fee	\$0.25
OBD Monthly Access Fee	\$50.00
IVR: (Paid by Customers)	
Inbound -- Per Call (Payment Only)	No Charge
Miscellaneous Fees (Paid by City)	
Credit Card Chargeback (i.e., disputed transaction)	\$15.00
ACH Reject (e.g., NSF, bank account closed, no account number)	\$15.00

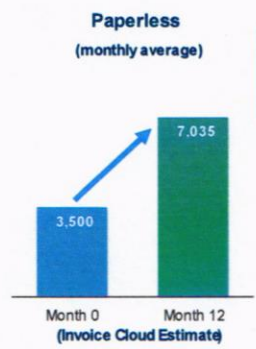
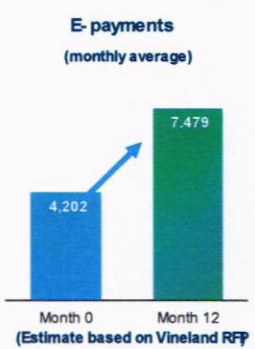
1.1 Business Benefits & Projected Results

Invoice Cloud: Business Benefits

- Epayment Adoption Increase
- Paperless Enrollment
- Postage and Print Savings
- Payment Call Reduction
- Echeck Processing Improvements

Projected Results

35,000 Customers



\$21K
Annual print/postage savings

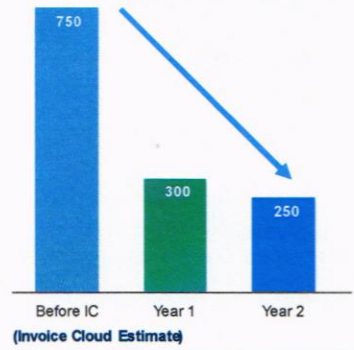
E-adoption
78%
Increase in E-payments in 12 Months

Paperless Enrollment
101%
Increase in Paperless Adoption in 12 Months

Projected base on average year 1 results of Paymentus clients who have switched to Invoice Cloud*

Projected Results

Average Monthly Payment Calls By Year



60% DECREASE IN PAYMENT CALLS IN YEAR ONE

By The Numbers

76%
Decrease in payment calls

Projected base on Arlington (TX) Case Study Results

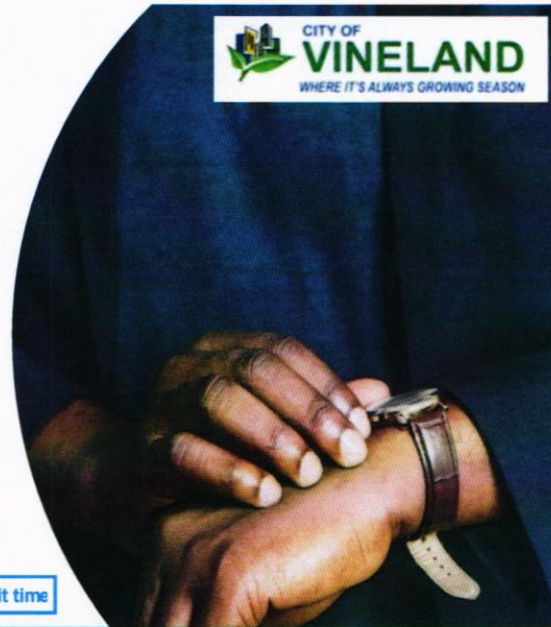
Online Bank Direct

Benefits of registered billers with online banks:

- Customer payments are **electronically deposited**
- Payments are reported next day and **deposited within 48 hours**
- Paper **checks are eliminated**
- Spend **less time matching electronic payments with open invoices** View OBD match suggestions in a simple interface where CSRs verify the right matches with a click —then are **“remembered” and matched automatically next time**
- **Invoice Cloud Estimate: Assuming 3,500 Echecks/month at 3 ½ minutes/check to process & 7-10 days to manually deposit =**

Savings of 204 hrs/month & 5-8 day reduction in account deposit time

InvoiceCloud™



Invoice Cloud: Projected Results Summary



- **Epayment increase: 7,479 per Month from 4,202 per Month**
- **3,535 New Paperless Customers: \$21k/Year Savings on Printing/Postage**
- **Payment Call Reduction: 250 Calls/Month from 750 Calls/Month**
- **Reduce Echeck Processing Time: 204 Hours per Month**
- **Reduce Echeck Payment Deposit Time: 48 hours from 7 to 10 Days**