

Issue Analysis Form

Date: 07/12/2022
Item: Award of Contract –
Third Party Electronic
Payment Processor
Information Technology,
Finance
Lead Department(s):
Contact Person(s): Clifton Young; Betsy Drewry



Description and Current Status

The Prince George County Treasurer, and most departments who take credit and debit card payments, currently use **Elavon as the third-party electronic payments processor**. We are using Elavon through a cooperative state contract. CDCC currently uses OpenEdge as the processor for Energov credit and debit card payments.

The County needs to upgrade Energov (in CDCC) to make available all necessary functionality. This Energov upgrade requires a **County-wide** upgrade of "Tyler Cashiering," the County's integrated payment acceptance module with Munis.

Once Tyler Cashiering is upgraded, **we can no longer use Elavon** as the third-party payment processor. We must use Tyler Payments (Tyler Munis in-house payment processing) or OpenEdge. Staff received pricing and fees from both Tyler Payments and OpenEdge. See **Attachment A** for a comparison of fees and machine pricing, as well as a complete fee listing from Tyler Payments.

After a careful evaluation, **staff recommends an award of contract to Tyler Payments (cooperative contract through Sourcewell #090320-TTI).**

Staff further recommends the purchase of 10 card readers (instead of leasing) for a cost of \$4,190, plus annual support of \$1,800 for a total year 1 cost of \$5,990.

Impacts:

Credit and Debit Card Fees increasing to 3% (from an average of 1.4%)

New – Acceptance of e-checks (on-line) for a flat fee of \$1.75

New – Acceptance of Apple Pay

Purchase of 10 new card readers County-wide at a cost of \$5,990 (\$4,190 for card readers + \$1,800 annual support) [requires transfer from Contingency]

Board Action Requested:

- Authorize award of contract for third-party electronic payment processing services to **Tyler Payments at an initial year 1 cost of \$5,990**, including annual support cost of \$1,800; **credit and debit card fees of 3%** which will be passed to citizens using credit / debit cards and an **e-check flat cost of \$1.75** per check.
- Approve a transfer from contingency of \$5,990 to cover year 1 cost (not included in FY2023 adopted budget)

Transfer Entry:

General Fund Expenditures

0100-09-401-0917-49199	General Fund Contingency	\$5,990 decrease
0100-01-002-0405-43320	IT Maintenance Service Contracts	\$1,800 increase
0100-01-002-0405-48107	IT Hardware	\$4,190 increase

Government Path

- Does this require IDA action?** Yes No
- Does this require BZA action?** Yes No
- Does This require Planning Commission Action?** Yes No
- Does this require Board of Supervisors action?** Yes No
- Does this require a public hearing?** Yes No
- If so, before what date?** Yes No

Fiscal Impact Statement

Transition to Tyler Payments will require \$5,990 in year 1 costs not currently budgeted, and staff is requesting a transfer from General Fund Contingency. Citizen fees will increase to 3% from 1.4%.

County Impact

Transitioning to Tyler Payments will allow for needed upgrades to Energov to use full system functionality. Additionally, citizens will have the ability to pay on-line by e-check at a flat fee of \$1.75, a feature not currently available. Apple Pay will be a new option for those visiting the Treasurer's Office in person.

Notes

ATTACHMENT A

	Tyler Payments (Munis)	Open Edge (Global Payments)
Software Install required	Yes	No
Fee	3%	3%
Separate Utility fee	No (was on original quote, but removed)	No
Card Readers**	Lane 3000	Lane 3000
Can still use the Epsoms	Yes	Yes
Apple pay	Yes	No
e-check /Cost	Yes / \$1.75 per check	Yes / \$1.50 per check
Departments that would make a change	4 (CDCC, Fire, RCJA, Treasurer)	3 (Fire, RCJA, Treasurer)

** See Card reader over five years numbers based on 10 readers [6 - Treasurer's office, 2 CDCC, 1 Fire/EMS, 1 RCJA].

Numbers sent by Steve Simmons (Munis)

	5 year Cost comparisons							
	YR1	YR2	YR3	YR4	YR5			
Purchase Cost (10 units @ \$419 per unit) - Lane 3000 (useful life 500K swipes)	\$4,190							
+ Annual Support (10 units @ \$180 per unit)	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800			
Total	\$5,990	\$1,800	\$1,800	\$1,800	\$1,800	\$13,190		(12 month warranty)
Rental Cost (10 units @ \$216 per unit) - Lane 3000 (useful life 500K swipes)	\$2,160	\$2,160	\$2,160	\$2,160	\$2,160			
+ Annual Support	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800			
Total	\$3,960	\$3,960	\$3,960	\$3,960	\$3,960	\$19,800		(next day replacement)

Numbers sent by Steve Sutton (Open Edge (Global))

	5 year Cost comparisons							
	YR1	YR2	YR3	YR4	YR5			
10 units @\$467.40 per year (\$38.95 per unit /per month - Lane 3000)	\$4,674.00	\$4,674.00	\$4,674.00	\$4,674.00	\$4,674.00			
Total	\$4,674.00	\$4,674.00	\$4,674.00	\$4,674.00	\$4,674.00	\$23,370		(free replacements and upgrades)

Payer Electronic Payment Costs If passing transaction costs to the payer	
<p><u>Payer Card Cost</u> – Service Fee - per card transaction with Visa, MasterCard, Discover, and American Express for transactions. <u>Applied to:</u></p> <p>Enterprise ERP- online and over the counter</p> <ul style="list-style-type: none"> • Animal License • Business License • General Billing • Miscellaneous • Personal Property • Real Estate • Utility Billing <p>Enterprise Permitting & Licensing- online and over the counter</p> <ul style="list-style-type: none"> • Permits 	<p>3.00% \$2.50 minimum</p>
<u>Payer eCheck Cost</u> – per electronic check transaction	\$1.75
Miscellaneous Costs	
<u>Credit Card Chargebacks</u> – If a card payer disputes a transaction at the card issuing bank (e.g. stolen card)	\$15.00
<u>eCheck Rejects</u> – when an eCheck transaction comes back as declined (e.g. bounced check)	\$5.00
<u>Card Terminal Rental</u> – Annual recurring fee per device. Covers cost of PCI compliance, service, maintenance, real-time integration and support	<p>Lane 3000: \$396 (annual recurring) Lane 5000: \$456 (annual recurring)</p>
<u>Card Terminal Purchase</u> – Maintenance fee is an annual fee per device. Covers cost of PCI compliance, service, maintenance, real-time integration and support	<p>Lane 3000: \$419 (one-time fee) Lane 5000: \$529 (one-time fee) Plus \$180 Device Annual Support</p>
<u>IVR</u> - per transaction on top of Card fee passed to the payer or absorbed	\$0.50

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 12th day of July, 2022:

Present:

Vote:

Marlene J. Waymack, Chair
Donald R. Hunter, Vice-Chair
Floyd M. Brown, Jr.
Alan R. Carmichael, Jr.
T. J. Webb

A-9

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; AWARD OF CONTRACT AND BUDGET TRANSFER (\$5,990 THIRD PARTY ELECTRONIC PAYMENT PROCESSOR – TYLER PAYMENTS)

WHEREAS, Required system upgrades require the County to change its third-party electronic payment processor; and

WHEREAS, two processor options are available, and after a careful evaluation, staff is recommending and award of contract for third party electronic payment processing to Tyler Payments with fees, once implemented, as follows:

Transaction Type	Fee / Cost
Card Payer Service Fee – per card transaction with Visa, MasterCard, Discover and American Express {ERP Online and over the counter}	3.00%; with \$2.50 minimum
eCheck per electronic check transaction	\$1.75
Credit Card Chargebacks (if card payer disputes transaction at issuing bank)	\$15.00
eCheck Rejects	\$5.00
IVR (Interactive Voice Response) per transaction on top of Card fee	\$0.50

and

WHEREAS, the upgrade will require the purchase of 10 card readers and related device annual support at a total year 1 cost of \$5,990, which is not budgeted and requires a transfer from General Fund Contingency; and

WHEREAS, Staff is requesting authorization for the County Administrator to enter into a contract for third party electronic payment processing with Tyler Payments at the agreed upon fee schedule.

NOW, THEREFORE, BE IT RESOLVED That the Board of the Supervisors of the County of Prince George this 12th day of July, 2022, hereby awards the contract for third party electronic payment processing to Tyler Payments in accordance with proposed fee schedule and authorizes the County Administrator to execute a contract with Tyler Payments.

NOW THEREFORE, BE IT FURTHER RESOLVED That the Board of Supervisors of the County of Prince George this 12th day of July, 2022, does hereby authorize the following increase of funds within the 2022-2023 Budget, such line items increased as follows, which monies shall be expended for purposes authorized and approved by the Board of Supervisors of the County of Prince George:

<u>FUND/ORGANIZATION</u>		<u>AMOUNT</u>
<u>General Fund</u>		
<u>Expenditure:</u>		
0100-09-401-0917-49199	General Fund Contingency	(\$5,990) Decrease
0100-01-002-0405-43320	IT Maintenance Service Contracts	\$ 1,800 Increase
0100-01-002-0405-48107	IT Hardware	\$ 4,190 Increase

A Copy Teste:

Jeffrey D. Stoke
County Administrator