



ERIE COUNTY WATER AUTHORITY

INTEROFFICE MEMORANDUM

August 18, 2020

To: Jerome D. Schad, Chair
Mark S. Carney, Vice Chair
Peggy A. LaGree, Treasurer

From: Karen A. Prendergast, Chief Financial Officer

Subject: Payment Processing Contract with Paymentus Corporation

After an extensive RFP process, the Board awarded a professional service contract to Paymentus to process credit card payments by phone and online at its meeting of August 7, 2014. The contract was awarded with a three-year term and one three-year renewal option ending in December of 2020.

The contract, as executed, will automatically renew for successive three-year terms without a three-month written notice of termination. All fees are collected from Authority customers directly by Paymentus. There has been no increase in the \$1.75 transaction fee during the contract period.

Paymentus has been a valuable partner to the Authority and its customers – there have been no issues with Paymentus' customer service. Since the Authority began taking credit card payments in 2015, there have been modest increases in the number of payments processed each year. In 2019, 30,443 credit card payments were processed compared to 22,300 in 2015.

I have reviewed payment processing rates offered under NYS contracts awarded in December of 2019 and the rates offered by Paymentus are lower based on the average credit card payment amount. Paymentus has a payment maximum of \$300 – 96% of all credit card payments processed are less than \$300 – but will process multiple transactions. A comparison of the per transaction rates is attached. Additionally, there would be hourly set up charges billed by a new processor and our IT support contractor.

I am recommending the Authority allow the existing contract with Paymentus renew for the upcoming three-year period and one optional three-year period. A resolution approving the renewal will be included for your consideration at the September 10, 2020 board meeting.

cc T. McCracken
M. Murphy
R. Stoll

Analysis of Current Payment Processing Contract to NYS OGS Contract

	NYS OGS Contract Vendors				
	Paymentus	KeyBank, NA	Key Merchant	Worldpay	First Data
Per transaction costs	1.75	0.01	0.02	0.02	0.01
Convenience Fee Percentage per transaction	n/a	2.99%	2.99%	1.75%	2.65%
<u>Cost to customer</u>					
Paymentus threshold - \$300.00	1.75	8.98	8.99	5.27	7.96
Ave credit card payment - \$105.51	1.75	3.16	3.17	1.87	2.81
Representative commercial payment - \$3,600	21.00	107.65	107.66	63.02	95.41
<u>OGS Contract Set up Fees per Hour</u>					
Project Manager	n/a	195.00	125.00	-	200.00
Programmer	n/a	120.00	125.00	-	200.00