



STAFF REPORT
7/22/2026

TO: Honorable Mayor and City Council Members

FROM: Gustavo J. Romo, City Manager

PREPARED BY: Lincoln G. Bogard, Finance Director

SUBJECT: Software License and Professional Services Agreement with PayIt, LLC for a Cloud-Based Government Payment Platform, Procured Under the OMNIA Partners/Region 14 Education Service Center Cooperative Contract; and Adoption of a Resolution Authorizing Convenience and Processing Fees Pursuant to California Government Code Section 6159(h)(1)

STAFF RECOMMENDATION:

Staff recommends that the City Council: (1) approve the Software License and Professional Services Agreement between the City of Coachella and PayIt, LLC for a cloud-based government payment platform, procured under the OMNIA Partners cooperative purchasing contract (Region 14 Education Service Center Contract No. 15-21) pursuant to Coachella Municipal Code Section 4.08.120(D) and Public Contract Code Section 10298(a); (2) adopt Resolution No. 2026-48, authorizing the imposition of convenience and processing fees on payments made to the City by credit card, debit card, or electronic funds transfer through PayIt, pursuant to California Government Code Section 6159(h)(1); and (3) authorize the City Manager to execute the Agreement, in substantially the form presented, and any related implementation documents, subject to final approval as to form by the City Attorney.

EXECUTIVE SUMMARY:

The City seeks to modernize and standardize payment collection across multiple departments — including utility billing, citations, permits, and other City fees — through a single, PCI-compliant digital payment platform. Staff recommends entering into a Software License and Professional Services Agreement with PayIt, LLC to implement its cloud-based government payment platform (to be branded “myCoachellaCA”), which will offer residents web/mobile, telephone (IVR), point-of-sale, and embedded checkout payment options, along with a centralized administrative portal for City staff. The Agreement is available to the City through the OMNIA Partners cooperative purchasing contract; however, City staff negotiated City-specific terms, including a waiver of standard set-up, subscription, and maintenance fees, that are more favorable than the base cooperative pricing schedule. The City Attorney’s office has also substantially revised PayIt’s standard cooperative agreement template to better protect the City’s interests. Because the platform is funded primarily through convenience and processing fees charged for card and electronic

payments, staff also recommends that the City Council adopt an accompanying resolution, pursuant to California Government Code Section 6159(h)(1), authorizing those fees to be passed on to residents and other end users who elect to pay by credit card, debit card, or electronic funds transfer, rather than funded by the General Fund.

BACKGROUND:

The City currently collects payments for utility bills, citations, permits, and other fees through a mix of processes that vary by department, creating inconsistent resident experiences and limiting the City's ability to centrally manage, report on, and reconcile payment activity. To address this, Finance Department staff evaluated cloud-based government payment platforms capable of supporting current utility billing needs while providing a flexible foundation for future City services, including point-of-sale, telephone payments, and embedded checkout for online applications.

Region 14 Education Service Center issued Request for Proposals No. 15-21 for a Cloud-Based, SaaS Solution for Government Transaction Processing. PayIt, LLC submitted a proposal in response, and Region 14 Education Service Center subsequently awarded PayIt a Master Agreement (Contract No. 15-21), which is operative through July 31, 2027. The National Cooperative Purchasing Alliance, now operating as OMNIA Partners, administers purchases under that cooperative contract on behalf of eligible public agencies nationwide.

Public Contract Code Section 10298(a) authorizes public agencies to cooperatively utilize contracts that another public agency has competitively awarded, and Coachella Municipal Code Section 4.08.120(D) similarly authorizes the City to make purchases without conducting an independent competitive process when another public agency has already done so for the same goods or services. On this basis, the City is authorized to procure the PayIt platform directly under the Region 14/OMNIA Partners Master Agreement.

Over recent months, Finance Department staff worked with PayIt to develop a City-specific Statement of Work defining the scope of services, payment channels, and pricing applicable to the City's implementation, and with the City Attorney's office (Best Best & Krieger LLP) to negotiate a City-specific Software License and Professional Services Agreement. The City Attorney's office substantially revised PayIt's standard OMNIA agreement template — converting the license grant to a limited SaaS subscription right rather than a perpetual license, making confidentiality obligations mutual, narrowing the software warranty and its exclusions, adding a new Payment Processing Terms exhibit (Exhibit "C"), and expanding force majeure and records-access provisions to better protect the City's proprietary and security information.

Because the platform is funded primarily through per-transaction convenience and processing fees rather than a City appropriation, staff also worked with the City Attorney's office to prepare an accompanying resolution authorizing those fees to be charged to residents and other end users who elect to pay by credit card, debit card, or electronic funds transfer, as permitted under California Government Code Section 6159(h)(1).

DISCUSSION/ANALYSIS:

The proposed platform, to be branded myCoachellaCA for residents, will provide a unified digital resident profile allowing End Users to link multiple City accounts (e.g., utility, citations, permits) and pay them together. Payment channels included in the Statement of Work are: Web/Mobile (a configurable “Pathway” experience accepting card, mobile wallet, and ACH payments); Interactive Voice Response (a 24/7 phone payment option accepting card payments only); Point-of-Sale (in-person card and mobile wallet payments via seven Ingenico Lane 3600 terminals); a Non-Integrated Payment Page for quick-launch payment collection without back-office integration; and PayIt Checkout (SDK), which allows PayIt’s payment experience to be embedded directly into other City-owned web applications.

City staff will access these channels through PayIt’s ProSight administrative portal, which provides real-time transaction reporting, remittance and disbursement tracking, full and partial refund processing, and role-based user management, including SAML single sign-on support. Resident-facing features include autopay, eBilling, payment scheduling, and configurable notifications and reminders delivered by email, SMS, and in-app alerts. PayIt will also provide implementation project management, End User support (email support during business hours and a 24/7 online help center), and marketing and adoption services, including branding, launch communications, and campaign consultation, at no additional cost to the City.

Under the pricing structure set forth in the Statement of Work, the platform is funded primarily through per-transaction Transaction Fees (\$1.00) and Payment Processing Fees (not to exceed 2.49% for card payments and \$0.50 to \$1.50 for ACH payments, depending on channel), which the City may configure to be absorbed by the City or passed on to End Users during implementation. Standard Platform Technology Fees — including a \$150,000 Set-up Fee, and Annual, Update, Upgrade, and Maintenance Fees — as well as the ProSight Premium subscription fee, are all waived for the City. The City’s one-time hardware cost is \$3,500 for seven point-of-sale device bundles.

Section 10.6 of the Statement of Work also provides for a Monthly Inactive Service Fee of \$7,500 per affected service, which is not an expected operating cost but a contingency fee that would apply only if the City fails to launch a service and redirect traffic to the platform within the timelines specified in the Statement of Work, or otherwise becomes unresponsive during implementation for more than thirty days. The scope and pricing of this engagement were built around a citywide deployment across all departments identified in the Statement of Work; PayIt has confirmed that, under that deployment plan, no Inactive Service Fees are expected to be incurred, and that such fees would only become applicable if the City later changed course and did not move forward with PayIt payments for one or more of the departments already included in the agreed-upon scope. Section 4(b) of the Agreement caps Provider’s total compensation at a one-time fee not to exceed \$3,500 and a monthly fee not to exceed \$7,500 absent a written amendment; PayIt has confirmed that this monthly figure is sized specifically to preserve room for a potential Inactive Service Fee under that contingency, rather than to reflect an anticipated recurring charge under normal implementation.

While PayIt's platform is available to public agencies nationally under the standard OMNIA Partners/Region 14 cooperative pricing schedule, City staff negotiated agreement-specific terms more favorable than that standard schedule, including the fee waivers described above. Staff believes this pricing, combined with the legal protections negotiated by the City Attorney's office, represents a favorable and low-risk basis for the City to modernize its payment infrastructure.

Because the Transaction and Payment Processing Fees described above are charged by PayIt and the underlying card networks in connection with providing electronic payment services, staff recommends that the City Council adopt an accompanying resolution authorizing those fees to be charged directly to residents and other end users who elect to pay by credit card, debit card, or electronic funds transfer, rather than absorbed by the General Fund. California Government Code Section 6159(h)(1) authorizes a city to impose a fee for the use of a credit card, debit card, or electronic funds transfer, provided the fee does not exceed the costs incurred by the City or its agent in providing that payment method, and provides that recoverable costs may include fees or discounts paid to the City's payment services provider. The statute does not require that the fee be a flat amount rather than a percentage of the transaction, and requires only that the fee be approved by the governing body responsible for the City's fiscal decisions — here, the City Council. The proposed resolution approves the Transaction and Payment Processing Fee schedule set forth in the Statement of Work as consistent with this cost limitation.

ALTERNATIVES:

1. Approve the Software License and Professional Services Agreement with PayIt, LLC and adopt the accompanying resolution authorizing convenience and processing fees, as recommended by staff, and authorize the City Manager to execute the Agreement and any related implementation documents.
2. Approve the Agreement and/or the resolution with modifications as directed by the City Council, and authorize the City Manager to execute the Agreement as modified.
3. Do not approve the Agreement and/or the resolution, and direct staff to continue using the City's existing payment collection methods and/or solicit additional proposals independently.
4. Continue this item to a future meeting and direct staff to provide additional information.

FISCAL IMPACT:

No General Fund appropriation is required to execute the Agreement. As described above, PayIt's standard Set-up Fee (\$150,000), Annual Fee, Update Fee, Upgrade Fee, Maintenance Fee, and ProSight Premium subscription fee are all waived for the City under the negotiated pricing. Ongoing platform costs will instead be recovered through per-transaction Transaction and Processing Fees. Adoption of the accompanying resolution will authorize those fees, in the amounts set forth in the Statement of Work, to be charged directly to residents and other End Users who elect to pay by credit card, debit card, or electronic funds transfer, consistent with California Government Code Section 6159(h)(1), resulting in no material net impact to the General Fund.

The City's one-time cost for seven point-of-sale device bundles is \$3,500, which will be funded from the Finance Department's adopted FY 2026-27 operating budget. Section 4(b) of the Agreement caps Provider's total compensation at a one-time fee not to exceed \$3,500 and a

monthly fee not to exceed \$7,500, absent a future written amendment approved by the City Council. This monthly figure is not an anticipated recurring cost; it is sized to preserve room under the cap for a contingent Monthly Inactive Service Fee (SOW Section 10.6) that would only apply if the City later did not move forward with one or more of the departments included in the current citywide deployment scope. PayIt has confirmed that no Inactive Service Fees are expected under the City's current deployment plan.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative 1 — approve the Software License and Professional Services Agreement with PayIt, LLC, procured under the OMNIA Partners/Region 14 Education Service Center cooperative contract; adopt Resolution No. 2026-48 authorizing convenience and processing fees pursuant to California Government Code Section 6159(h)(1); and authorize the City Manager to execute the Agreement, in substantially the form presented, and any related implementation documents, subject to final approval as to form by the City Attorney.