CITY OF NORMAN, OK
STAFF REPORT

MEETING DATE: 11/25/2025

REQUESTER: Brandon McClendon

PRESENTER: Ken Giannone, Capital Projects Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2526-98: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA AND CSG FORTE FOR INTEGRATED PAYMENT PROCESSING SERVICES FOR THE SANITATION DIVISION TRANSFER STATION AND THE PURCHASE OF EQUIPMENT VALUED AT $900 PLUS SHIPPING AS REQUIRED FOR IMPLEMENTATION OF THESE SERVICES AS OUTLINED IN THE STAFF REPORT. (City)

BACKGROUND:

The Sanitation Division's Transfer Station is currently running a non-integrated payment processing system. As a result, each billing must be manually created and billed through the City's general accounting ledger. This process creates delays and potentially errors and is generally not very efficient.

DISCUSSION:

Sanitation Division staff recently upgraded the software furnished by CSG Forte that is used at the Transfer Station. Based on available features in the new software, staff realized that there was potential for great savings in staff time spent on payment processing as well as a more efficient and streamlined payment process for customers if the Transfer Station began using an integrated payment processing system. An integrated payment processing system would also give staff the ability to email account balances to and allow online payments by customers. Moreover, an integrated payment processing system would reduce potential for billing errors and expedite receipt of payments by the City.

For these reasons, the Sanitation Division entered into negotiations with CSG Forte to determine if a cost effective agreement to implement an integrated payment processing system at the Sanitation Division's Transfer Station could be reached. These negotiations yielded two alternative pricing models for Sanitation Department consideration (costs associated with each model are listed in the attached CSG Forte Pricing Fee Schedule).

One model is the "Absorbed Pricing" model. In this model, the City of Norman Sanitation Division pays all fees incurred based on a "menu" of fees for different services that would be available to our customers, payable on a "per transaction" basis. The second model is a "Service

(Convenience) Fee" model. In this model, all fees incurred are paid directly to CSG Forte by the customer using the integrated payment system.

With the desire to move to expand customer payment options in the future, City staff recommends moving forward with the Absorbed Pricing model to provide the total cost to the user rather than charging fees above the list price. Since fees will only be incurred at the time of service, fees will be paid for from the revenues associated with that service. Additionally, this would provide the lowest cost option for Sanitation customers since the minimum charge will be $0.25 rather than $2.

Initial cost outlays under this contract would only cover small equipment purchases. The purchase will be two VeriFone V400c Terminals at $450 each plus shipping. Fees for this initial equipment cost outlay would paid from the Sanitation Fund, Waste Disposal - Minor Equipment & Tools (Account 33955163-43699), which has an unencumbered balance of $7,771.56.

All other fees associated with this contract would be incurred per transaction processed after the system is operational and would be paid to CSG Forte on a monthly basis from fees collected under the Absorbed Price model described herein.

RECOMMENDATION:

Staff recommends approval of Contract K-2526-98 for an Absorbed Model pricing agreement between the City of Norman and CSG Forte for integrated payment processing services for the Sanitation Division's Transfer Station and the purchase of equipment valued at $900 plus shipping as required for implementation of these services.