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REPORT TITLE: **Online Billing Portal Launch**

FROM: Kealy Dedman, Commissioner of Public Works

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## **RECOMMENDATION**

**That staff be authorized to directly negotiate a contract with KUBRA Data Transfer Ltd. for the provision of water and wastewater billing services for a period of three years, subject to two additional one-year extension options, on business terms satisfactory to the Commissioner of Public Works and on legal terms satisfactory to the Regional Solicitor, subject to the limits of the approved budget for the program.**

### **REPORT HIGHLIGHTS**

- The online water and wastewater billing and payment portal will be launched on February 14, 2022.
- The current service provider, KUBRA Data Transfer Ltd. (KUBRA), who is responsible for the Region of Peel water and wastewater billing, mail, and portal services, expires in May 2022.
- A direct negotiation with KUBRA to continue services would maintain a positive customer experience from the new portal and avoid an additional financial investment.
- This recommendation is pursuant to the Procurement By-law which identifies a method of purchasing by reason of a vendor having exclusive rights or compatibility with existing product and the purchasing of goods and services from a particular Vendor having special knowledge, skills, expertise, or experience.

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## **DISCUSSION**

### **1. Background**

The Region of Peel manages over 335,000 water and wastewater accounts, and issues over 1.3 million bills annually. All bills are sent through Canada Post, with 90 per cent receiving paper bills and 10 per cent through epost. Council received an update on July 12, 2018 (Resolution 2018-713) and approved an online billing and payment portal, then on September 24, 2020 (Resolution 2020-755) received a subsequent update to allow online credit card payments.

The online portal project was initiated in 2018, but was paused until late 2020, to provide time to introduce stormwater charges to the Region of Peel bill on behalf of the City of Brampton. The online portal will be available to the public as of February 14, 2022.

The current water and wastewater billing service provider is KUBRA, who have been working with the Region of Peel in this role since 2006. The contract with KUBRA expires in May 2022.

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### 2. Benefits

The online portal will improve customer experience with self-service features such as:

- review and pay invoices on-line via bank account or credit card
- view invoices, consumption, and payment history for the previous three years
- download bills on the day of invoice generation
- alerts for payment reminders
- pre-authorized payments using bank account or credit cards
- confirmation of payments, cancelled payments, and denied payments
- send billing inquiries and submit meter reads

Furthermore, there are several benefits to the Region as well:

- Based on market studies, the customer uptake could reach 30 percent in four years, resulting in an annual savings of \$350,000 after four years largely from lower postage costs and reduced call volumes.
- Supports the Region's priority to protect the environment by reducing the use of paper for bill printing, envelopes and inserts.
- Supports the digital services strategy by enhancing customers experience on how they interact with the Region staff.

### 3. Communications

To support the February 14, 2022 launch, customers will become aware of the portal through water bill inserts, social media, advertising, and the Region's website. Current epost customers have been provided instructions on how to migrate to the portal. The usability of the portal was tested with a group of Region of Peel employees from September to December 2021 to ensure a smooth transition for the public. Progress on customer uptake will be monitored and further communication tactics will be implemented, if required.

### 4. Risk Considerations

The current agreement with KUBRA expires in May 2022. KUBRA has provided water and wastewater printing and mail services since 2006 when the contract was awarded through a competitive procurement Request for Proposal (RFP) process and since then have been the successful service provider every four years when the RFP process was renewed. The current budget for printing and postage is \$1.4 million, of which \$186K represents print and mailing services, and remaining \$1.2 million capture postage cost KUBRA pays to the Canada Post on Region's behalf.

The introduction of the billing portal and the KUBRA contract expiry were not planned to occur within the short period of time. As mentioned earlier, the portal project initiated in 2018, but given the need to introduce stormwater charges in the City of Brampton, the project was paused until late 2020.

KUBRA has exclusive rights to the use of its portal. The introduction of a new service provider would result in a new portal and would create a significant negative customer experience as customers would be migrated to a new portal, with a different user experience, within a short period of time after the initial product launch. In addition, the

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Region has invested \$1million to launch the current portal, and the introduction of a new vendor would require a similar investment without a change in benefit to the community. In turn, given that the KUBRA contract expires in seven months, staff is recommending a direct negotiation for a contract period of three years with two additional one-year options.

### **5. Procurement Process**

This recommendation is pursuant to Section 5.2.1 of the Procurement By-law 30-2018, as amended, which identifies a method of purchasing by reason of a supplier having exclusive rights or compatibility with existing product, as well as Section 5.2.5 of the subject by-law, which identifies a method of purchasing goods and services from a particular Vendor having special knowledge, skills, expertise, or experience. The current online billing portal solution is protected by KUBRA through intellectual property rights. As a result, the migration to a new service provider would require the development of a new portal at significant cost to the Region.

### **6. Financial Implications**

There are sufficient funds available in the approved budget to carry out the report's direction

### **7. Next Steps**

The online portal will launch on February 14, 2022. Should Council approve the direct negotiation, staff will commence discussions with KUBRA immediately. If the negotiations result in recommendations beyond staff authority, a report will be brought to Council for approval.

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