



Legislation Details (With Text)

File #: 16-1155 **Version:** 1 **Name:** FM - Commercial Credit Card Program

Type: Resolution **Status:** Adopted

File created: 12/1/2016 **In control:** City Council

On agenda: 12/20/2016 **Final action:** 12/20/2016

Title: Recommendation to adopt resolution authorizing City Manager, or designee, to execute a master agreement with US Bank National Association, of Fargo, ND, for a Commercial Credit Card Program, on the same terms and conditions afforded to the State of Washington, Western States Contracting Alliance-National Association of State Purchasing Officials (WSCA-NASPO) contract, for a period of two years with the option to renew for additional terms in the event the WSCA-NASPO contract is extended. (Citywide)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 122016-R-19sr&att.pdf, 2. RES-16-0127.pdf

Date	Ver.	Action By	Action	Result
12/20/2016	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution authorizing City Manager, or designee, to execute a master agreement with US Bank National Association, of Fargo, ND, for a Commercial Credit Card Program, on the same terms and conditions afforded to the State of Washington, Western States Contracting Alliance-National Association of State Purchasing Officials (WSCA-NASPO) contract, for a period of two years with the option to renew for additional terms in the event the WSCA-NASPO contract is extended. (Citywide)

On July 13, 2010, the City Council approved and entered into a consortium contract agreement with US Bank sponsored by the City of Los Angeles, in an effort to increase rebates based on total purchasing card expenditures. In March 2015, the City of Los Angeles moved to the State of California Cal-Card (Cal-Card) program, thereby reducing the rebate potential for the City of Long Beach (City) under the existing agreement.

The proposed recommendation to execute a master agreement for a Commercial Credit Card Program with US Bank to access the WSCA-NASPO contract provides benefits due to economies of scale. Specifically, by participating under the agreement established with the Cal-Card program, the City’s quarterly expenditures will be combined with all public agencies within California, thus providing the City with the potential for a higher rebate amount. The Cal-Card program is a no-cost participation agreement.

Participation in a purchasing card program provides the following benefits to the City:

- Reduces administrative costs to the City;
- Eliminates purchasing delays on small dollar transactions;
- Reduces the number of checks issued;

- Improves supplier relations;
- Improves transaction reporting while reducing the amount of paperwork; and,
- Provides rebate incentive for prompt payment.

The Cal-Card program provides a number of layers of control and security that enhance accountability, improve best practices, and increase program oversight. In addition to these benefits, the following card controls and limits will be established by the City: 1) user/approver training; 2) credit limits (dollar amount per cycle); 3) single amount limit (dollar amount per transaction); 4) permitted/unpermitted Merchant Category Code (MMC) groups; and, 5) regular review sampling of receipts.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

This matter was reviewed by Deputy City Attorney Amy R. Webber on November 28, 2016 and by Assistant Finance Director Lea Eriksen on December 1, 2016.

City Council action to adopt a Resolution is requested on December 20, 2016, to ensure that the agreement is in place expeditiously to minimize disruption of service.

There are no costs related to this agreement; however, the increased prompt payment rebate potential is expected to generate savings.

Approve recommendation.

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JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER