

Audit and Accountability Committee



Briefing for Contract Extension of Corporate Purchasing Card Services

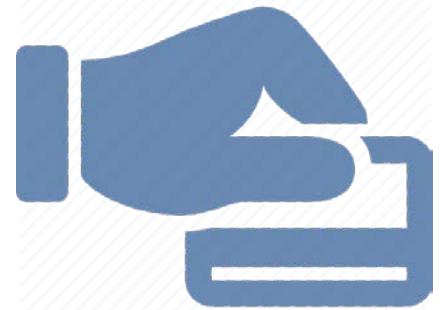
Date: February 19, 2019

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Program Overview

Purchasing Card (P-Card) Program Benefits

- Streamline purchasing process for small dollar, non-contract, and non-biddable purchases.
- Provides a process for making emergency purchases as needed to include Emergency Operations Center cards which are only activated during an emergency situation



Contract Term

Wells Fargo P-Card Services Current Contract



Approved by City Council

- June 19, 2014



Current Contract Term

- 5 years - July 1, 2014 to June 30, 2019



Renewal Options

- Two (2), two (2) year renewal options



1st Renewal Option

- Renew for 2 years
July 1, 2019 to
June 30, 2021

Contract Solicitation

RFP issued November 20, 2013

- 9 proposals received
- 6 responsive proposals
- 4 firms shortlisted
 - FIA Card Services, a Bank of America, N.A. company
 - JP Morgan Chase Bank
 - US Bank National Association
 - Wells Fargo
- Wells Fargo awarded the contract by City Council on June 19, 2014.

Vendor Services

Wells Fargo provides the following services for this contract:

- Corporate purchasing cards
- Online expense reconciliation & tracking tool
- 24/7 customer service
- Fraud monitoring
- Transaction dispute resolution
- 7 year retention of receipt images



Key Program Information

Wells Fargo P-Card Services Contract

- Average annual revenue of \$60,000
 - Revenue share is calculated as a percent of total spend and average transaction size
 - 1.07% is the current revenue share percent
- Average annual spend of \$6 million through P-Cards
- Approximately 25,000 transactions annually
- No recurring fees
- Currently 425 active cards



Next Steps

Options

1. Exercise 1st renewal option extending the contract an additional two years
2. Issue RFP and extend Wells Fargo contract 2-3 months to allow time for implementation of a new contract

Staff Recommendation

- Renew Wells Fargo contract