



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 22

Agenda Date: June 15, 2023

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Contract for Corporate Purchasing Card Services

SUMMARY:

This ordinance authorizes JPMorgan Chase Bank, N.A. (J.P. Morgan) to provide Corporate Purchasing Card (P-Card) services to the City of San Antonio for an initial term of five (5) years, commencing September 1, 2023, and ending August 31, 2028, with an option to renew for two (2), additional, two (2) year periods by mutual agreement of the parties, unless sooner terminated in accordance with the provisions of the Commercial Card Agreement. The contract is expected to generate \$125,000.00 in revenue annually for the Purchasing and General Services Fund.

BACKGROUND INFORMATION:

The City established a Corporate P-Card Program in 2003 in order to streamline the purchasing process for small dollar, non-contract, and non-biddable purchases. The P-Card Program also provides a process for making emergency purchases as needed, to include Emergency Operations Center cards, which are only activated during an emergency situation.

On June 19, 2014, City Council Ordinance 2014-06-19-0445 approved a contract with Wells Fargo Bank to provide P-Card services for an initial term of five (5) years beginning July 1, 2014 and

ending June 30, 2019 with the option to extend for two (2), two (2) year renewal terms. On March 7, 2019, City Council Ordinance 2019-03-07-0170 approved the first two (2) year renewal term beginning July 1, 2019 and ending June 30, 2021. On April 1, 2021, City Council Ordinance 2021-04-01-0197 approved the second of two (2) year renewal term beginning July 1, 2021, and ending June 30, 2023.

On January 13, 2023, a Request for Proposals (“RFP”) was released soliciting proposals from qualified firms to provide Corporate Purchasing Card Account Services to the City. The RFP was advertised in the Hart Beat, TVSA channel, the City’s Bidding & Contracting Opportunities website, the San Antonio eProcurement System (SAePS), and an email notification was released to a list of potential Respondents. Responses were due February 13, 2023. Finance received two proposal responses. The Selection Committee consisted of representatives from the Finance Department, Information Technology Services Department, Parks and Recreation Department, and the San Antonio Fire Department.

The Evaluation Criteria included experience, background, and qualifications; proposed plan; pricing; the Local Preference Program; and the Veteran-Owned Small Business (VOSB) Preference Program.

The City’s goal setting committee recommended that no Affirmative Procurement Initiative (“API”) be applied due to the limited availability of Small Business Economic Development Advocacy (“SBEDA”) eligible firms registered for merchant banking services. Thus, it was determined that SBEDA points would not be applicable to the evaluation criteria or considered in the evaluation process.

The Selection Committee met with respondents to go over interviews/demos and to score the submitted proposals from the respondents on March 30, 2023. JPMorgan received the top ranking. Scoring was based on the evaluation criteria and consideration was given to the oral interviews as well as the written proposals.

JPMorgan Chase Bank, N.A.’s P-Card Services Contract will piggyback off of the City of Fort Worth’s Consortium contract (Commercial Card Agreement) that takes advantage of a competitive rebate schedule paid annually whereby the Proposed Aggregate P-Card Volume Tiers would combine the total charge volume of all participants in the Consortium:

Volume Rebate Ranges	Agg Volume <>	Agg Volume \$25M - <>
From \$250,000 - \$999,999	0.50%	0.5%
From \$1,000,000 - \$4,999,999	1.03%	1.04%
From \$5,000,000 - \$9,999,999	1.53%	1.54%
From \$10,000,000 - \$14,999,999	1.68%	1.69%
From \$15,000,000 - \$19,999,999	1.73%	1.74%

*The City’s annual P-Card spend for the past four years was between \$4.7M to \$8.1M. Depending

on the volume from other participants within the Consortium, the City is anticipating a rebate between 1.53% to 1.68%.

No fees will be charged to the City for original card issuance, set up, training, or custom reports. While the City does not intend to use it, there is a Rush Card fee of \$25.

Rebates received by the City will be recorded in the Purchasing Fund and used as a offset against future year procurement assessment charges.

A two month contract extension with Wells Fargo through August 31, 2023 is being recommended to allow for sufficient time to obtain and distribute new P-Cards, train City staff on the new vendor's portal while ensuring coverage for P-Card usage during the transition. This two month contract extension is being considered as a separate item on the City Council Agenda.

ISSUE:

P-Cards are necessary for procurement and payment of low value, non-biddable items to include travel City-wide. City Council approval is required to authorize execution of the proposed Corporate Purchasing Card Services contract with J.P. Morgan.

The Local Preference Program and the Veteran-Owned Small Business Preference Program were applicable to this solicitation. The highest ranked firm is a local business; however, is not a VOSB eligible firm.

ALTERNATIVES:

The City may choose not to execute this contract with J.P. Morgan and renew with Wells Fargo instead for corporate purchasing card services. Or another alternative, would be the City Council may elect to eliminate the Corporate Purchasing Card Program, requiring all City transactions to be processed through SAP and Accounts Payable thereby increasing the length of time to process and issue payments to City vendors. This option could also result in an increase in employees paying for items out of pocket and seeking reimbursement.

FISCAL IMPACT:

The P-Card Contract will result in an annual rebate based on aggregate transaction volume of all participants under the Consortium. The contract is expected to generate \$125,000.00 in revenue annually for the Purchasing and General Service Fund.

RECOMMENDATION:

Staff recommends approval authorizing the execution of contract with JPMorgan Chase Bank, N.A. (J.P. Morgan) to provide Corporate Purchasing Card Services to the City of San Antonio for a period of five (5) years, commencing September 1, 2023, and ending August 31, 2028, with an option to renew for two (2), addition two (2) year periods by mutual agreement of the parties, unless sooner terminated in accordance with the provisions of the Commercial Card Agreement.

This contract was procured by means of a Request for Proposals and a Contracts Disclosure Form is required.