



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 21

Agenda Date: June 15, 2023

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Contract Extension for Corporate Purchasing Card Services

SUMMARY:

This ordinance approves a contract amendment with Wells Fargo Bank for Corporate Purchasing Card (P-Card) services to extend the term of the contract for an additional two (2) months, commencing on July 1, 2023, and ending on August 31, 2023, under the same terms and conditions. This contract extension is anticipated to generate \$12,500.00 of revenue to be the deposited in the Purchasing and General Services Fund.

BACKGROUND INFORMATION:

On June 19, 2014, City Council approved the contract between the City, and Wells Fargo Bank, for P-Card services for a period of five (5) years, commencing on July 1, 2014, through June 30, 2019, with an option to renew for two (2), two (2) year renewal terms. The option to renewals were exercised with City Council approval on March 7, 2019, and April 1, 2021, respectively. The most recent approved extension of the contract was through June 30, 2023. As noted below, the City has completed a request for proposal process, as such, this extension 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.

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 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. J.P. Morgan is the recommended respondent to provide P-Card services to the City for a period of five (5) years, commencing on September 1, 2023, through 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.

P-Card usage by the City has permitted departments the flexibility and ease to procure small dollar, non-biddable/contract items expediently without the need to utilize additional City resources to issue a check. The P-Cards have further been used as a means for City travelers to procure airfare and lodging thereby reducing the necessity of City Council and employees to procure said resources themselves and request for payment from the City to cover those out of pocket expenses.

ISSUE:

The proposed renewal is consistent with State law. P-Cards are a necessity for the procurement and payment of low value, non-biddable items to include travel City-wide. This extension with Wells Fargo will provide the City and J.P. Morgan the time to convert the City's P-Card program over to the new vendor, obtain and distribute the new cards and provide required training to utilize the services.

ALTERNATIVES:

The City may choose not to extend this contract with Wells Fargo for Corporate Purchasing Card Services. The alternative would be the City Council may elect to place the Corporate Purchasing Card Program on hold until the P-Card services can be transferred over to J.P. Morgan. This will require all City disbursements to include travel to be processed through SAP and Accounts Payable thereby increasing the length of time to process and issue payments to all 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 includes an annual rebate based on the aggregate transaction volume of City purchases that is included in the FY 2023 Adopted Budget within the Purchasing and General Services Fund. This contract extension is anticipated to generate \$12,500.00 of revenue to be deposited in the Purchasing and General Services Fund.

RECOMMENDATION:

Staff recommends approval authorizing the two (2) month extension of the contract with Wells Fargo Bank to provide Corporate Purchasing Card Services, commencing July 1, 2023, and ending August 31, 2023, by mutual agreement of the parties.