



City Council Special Meeting Agenda

Date: 08-29-13
Time: 4:15 p.m.
Location: City Hall Council Chambers

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|--|--|---|
| <input type="checkbox"/> Mayor Nancy Tia Brown | <input type="checkbox"/> Steve Miller | <input type="checkbox"/> Assistant Administrative Services Officer, Sara Wead |
| <input type="checkbox"/> Donny Anderson | <input type="checkbox"/> Stan Wolz | <input type="checkbox"/> City Attorney, Scott Kolpitcke |
| <input type="checkbox"/> Bryan Edwards | <input type="checkbox"/> City Administrator, Jenni Rosencranse | |
| <input type="checkbox"/> Jerry Fritz | | |
| <input type="checkbox"/> Landon Greer | | |

- Discuss Purchase Card Provider
 - Staff Reference: Leslie Brumage, Finance Officer
- Discuss City of Cody Sign Ordinance and approval procedure
 - Staff Reference: Jenni Rosencranse, City Administrator
- Review Council Agenda for September 3, 2013.
- Staff Updates
- Council Updates.
- Meeting Reminders:
 - Tuesday, September 3, 2013 –Regular Council Meeting 7:00 p.m. City Council Chambers (pre-meeting 6:30 p.m.)
 - Thursday, September 12, 2013 – Council Work Session 4:15 p.m. City Council Chambers

Time Adjourned: _____

MEETING DATE: SEPTEMBER 3, 2013

DEPARTMENT: ADMINISTRATIVE SERVICES

PREPARED BY: LESLIE BRUMAGE

PRESENTED BY: LESLIE BRUMAGE

AGENDA ITEM SUMMARY REPORT

Purchase Card Provider Selection

ACTION TO BE TAKEN:

Select US Bank as the provider of the City's purchase card program and authorize staff to begin contract negotiations.

SUMMARY OF INFORMATION:

Purchase cards (also known as procurement cards or P-Cards) are specialized credit cards that are issued to staff for the purchase of materials, supplies, good and services. The purpose of a purchase card program is to provide an efficient, cost-effective method of purchasing and paying for small-dollar as well as high-volume purchases. This type of program is used as an alternative to the traditional purchasing process and can result in a significant reduction in the volume of invoices and checks processed. Purchase cards are also a recommended practice of the Government Finance Officers Association.

In April 2012 I researched the feasibility of instituting a purchase card program for the City of Cody and found that such a program would offer many benefits including improving work efficiency, reducing costs, and improving accountability in the purchasing system. Through the research process I found that several other cities in Wyoming including Sheridan, Gillette, Laramie, Green River, Casper and the State of Wyoming are successfully using purchase cards. After presenting the information to the City Administrator and Department Heads it was decided to recommend the program to Council.

Earlier this year the Council reviewed and discussed the proposed purchase card program and approved it as part of the Financial Management Policy. Staff moved forward with issuing an RFP for purchase card services in June. The RFP was emailed to each of the banks in Cody and posted on the City's website. Four responses were received from US Bank, JP Morgan Chase, Wells Fargo and Bank of America.

A committee consisting of Jenni Rosencranse, Cindy Baker, Sara Weed and me reviewed and evaluated the proposals. Based on the services offered, the cost of the services and the potential rebate available the committee selected the US Bank proposal to recommend to the Council for acceptance. Additionally, I contacted the three references US Bank provided: the City of Billings, the City of Green River and Western Wyoming Community College. All three gave excellent references and are pleased with the service they receive from US Bank.

US Bank offers all the services the City requested in the proposal including customized purchase restrictions and limits which are available either globally or by individual card. In addition, their web

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based management and reporting system is very comprehensive, allowing real-time monitoring of accounts and purchases as well as analytical tools for evaluating program compliance. They also offer training as part of the implementation as well as ongoing training for existing staff and customized training for new staff.

If US Bank is selected as the purchase card provider staff will begin contract negotiations. The proposed contract would be subject to approval by the City Attorney and would be brought to the Council for consideration prior to starting the purchase card program.

If a contract is approved, we will phase in the program beginning with the Parks, Facilities, Recreation and Aquatics departments. We anticipate that within 6 to 8 months the remaining departments will be transitioned into the purchase card program.

FISCAL IMPACT

The potential benefits to the City include:

(1) Increased work efficiency – by using purchase cards the City would be reducing the number of invoices coded and processed each cycle. Rather than reviewing and coding the numerous individual invoices supervisors would be able to review and code all purchases electronically at any time they wish; they would not have to wait for the paper invoice to arrive. Administrative staff would also be able to import the electronic statements into the accounts payable system, reducing the amount of time spent manually entering each transaction. Additionally, there would be less staff time needed to follow up on missing invoices and unreadable signatures.

(2) Cost reduction – in addition to the staff time efficiency savings the City would also see reduced costs for supplies and postage due to fewer checks being printed, decreased advertising costs for the bi-monthly Council minutes and voucher lists, and a decrease in finance charges paid due to late payments on invoices. Additionally, the City has the potential to earn annual cash rebates based on the City's purchase volume.

(3) Accountability – purchase cards offer an additional level of internal controls over the purchasing process through greater accountability. Since purchase cards are issued to individual employees each purchase can be traced back to a specific employee. Under the current system, anyone can use a City store charge account. This has created situations where the purchaser cannot be identified or the purchase cannot be confirmed to be a valid City expense. The City would also have greater control over who makes purchases on behalf of the City since purchase cards would be issued to only those employees authorized under the program. This would reduce the current risk of former or non-employees charging on City accounts.

ALTERNATIVES

- (1) Accept the US Bank purchase card proposal and authorize staff to begin contract negotiations
- (2) Consider one of the other 3 proposals instead of US Bank
- (3) Do not accept any of the proposals and continue with the current purchasing process

ATTACHMENTS

None

AGENDA & SUMMARY REPORT TO:

None

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