

Mayor and Council Communication

DATE: 06/22/21

M&C FILE NUMBER: M&C 21-0473

LOG NAME: 13P RFP 21-0095 PROCUREMENT CARD SERVICES FMS ADK

SUBJECT

(ALL) Authorize an Agreement with JP Morgan Chase Bank N.A. for Procurement Card Services for an Initial Two Year Term with Options to Renew for Two Additional Two-Year Terms at the City's Discretion for the Financial Management Services Department

RECOMMENDATION:

It is recommended that the City Council authorize an agreement with JP Morgan Chase Bank N.A. for procurement card services for an initial two year term with Options to Renew for two additional two year terms for the Financial Management Services Department.

DISCUSSION:

The Financial Management Services (FMS) Department approached the Purchasing Division with the intent to establish an agreement for procurement card services. City Departments use the City's purchasing card (P-Card) program to make efficient small dollar purchases that have a maximum transaction threshold of \$3,000.00. The program's primary objectives are to achieve administrative savings associated with an online electronic small-purchase billing/payment/management system to consolidate and enhance data collection and reporting and to realize volume-based rebates. The City processes approximately 23,000 transactions annually through this program. As a result of the electronic nature of the system, P-Card transactions are less laborious; therefore, less expensive to process than payments by check.

The purchasing card program is monitored for compliance at the user's department levels through a reporting process during each billing cycle. The P-Card administrator reviews compliance at a City-wide level. Audits can also be performed by the Internal Audit Department, and transactions are included in the annual audit of expenditures completed by the external auditing team. There is not an annual fee for this service however JP Morgan will pay an annual rebate based on total charge volume achieved each year based off of both Consortium and City small and large ticket transactions. The City's annual rebate last year based off of volume was \$169,323.68.

A Payment Card Consortium is defined as the City of Fort worth, Texas and other Texas public entities who participate in the program under the Act and that have been approved by the Bank for participation.

The request for proposal (RFP) 21-0095 consisted of detailed specifications and was advertised in the *Fort Worth Star-Telegram* for six (6) consecutive Wednesday's beginning on March 17, 2021 through April 28, 2021. A pre-proposal conference held on March 24, 2021 and March 26, 2021 which provided an opportunity for interested bidders to learn more about the City's requirements and to seek clarification on the RFP requirements. A total of ten (10) vendors were solicited and responses were received from eight (8) potential vendors. All bids were evaluated by a five (5) person team consisting of members from the FMS, Information Technology Services (ITS) and Property Management Departments. Each bid was evaluated based on customer service, responsiveness and ability to provide services and reports required, implementation process, equipment, software and tools, and the company information.

M/WBE: A MBE/SBE goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

A form 1295 is not required because JP Morgan Chase Bank N.A. is a publicly traded company.

AGREEMENT TERMS: The initial contract period will be for two (2) years with two (2) two-year renewal options, upon City Council's approval.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the participating departments' Operating Funds to support the approval of the above recommendation and authorization of the agreement. Prior to any expenditure being incurred, the participating departments have the responsibility to validate the availability of funds.

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