



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Controller



Date: July 15, 2014
Board Meeting Date: August 5, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Bob Adler, Controller

Subject: First Amendment to the Agreement with Bank of America

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with Bank of America allowing the County to utilize Bank of America's Corporate Card services at no cost to the County.

BACKGROUND:

As more goods and services are available online, County departments have identified the need for a County-issued credit card as an efficient, cost effective ability to pay for selected goods and services when other methods of payment are not feasible (checks, direct deposit, and ePayables). Corporate card services have evolved over the years to limit goods and services that can be purchased, improve tracking and reporting to minimize fraud and inappropriate use. A cross-departmental workgroup led by the Controller's Office issued a Request for Proposals (RFP) for corporate card services, which would be implemented on a pilot basis and evaluated before full County implementation. Once the program is fully implemented, credit card transaction data will automatically transfer to the County's IFAS accounting system thereby reducing manual data entry.

DISCUSSION:

Six proposals were received in response to the RFP and based on the evaluation of proposals Bank of America's Corporate Card services provide the best overall value to the County. (The RFP Matrix is attached as Attachment A.) The County already utilizes similar services via Bank of America's ePayables services pursuant to the Prime Agreement with Bank of America dated May 21, 2013 ("Prime Agreement"); thus, using Bank of America's Corporate Card services will provide for additional efficiencies, ease of use and increased rebates.

Bank of America's proposal for its corporate card services meets the County's requirements, has an established implementation methodology and offers the highest rebate terms based on payment amounts processed. Furthermore, Bank of America's California Public Sector Group (CAPSG), an association of public sector clients, enables government entities to maximize their rebate potential by aggregating their annual amount of vendor payment transactions processed via the ePayables and Corporate Card services for purposes of calculating rebates. Bank of America has over seven years of experience providing the ePayables and Corporate Card services and has excellent customer references.

This proposed amendment to the Prime Agreement binds the County to reimburse Bank of America for payments made on corporate cards authorized for County business purposes. Although this service is provided at no cost to the County, a late fee and finance charges will be assessed if the County fails to submit reimbursements on or before the payment due date. To reduce the risk of improper purchases and to help ensure that cardholders adhere to applicable County credit card internal controls, policies, and procedures, such policies will include consequences for noncompliance.

The contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including, but not limited to, insurance, non-discrimination and equal benefits. County Counsel has reviewed and approved the amendment and Resolution as to form. Contractor meets insurance certification requirements. Risk Management has also reviewed and approved this amendment.

The Controller's office also requests the Board give authority to the Controller or his/her designee to execute subsequent amendments to the Prime Agreement which do not exceed an aggregate of \$25,000.

Approval of this amendment to the Prime Agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by providing an efficient, cost effective ability to pay for selected goods and services when other methods of payment are not feasible (checks, direct deposit, and ePayables).

PERFORMANCE MEASURE(S):

Measure	FY 2013-14 Actual	FY 2014-15 Projected
Implement three major process improvements	3	3

FISCAL IMPACT:

The term of the first amendment to the Prime Agreement is August 5, 2014 through May 20, 2016 (corresponding to the end of the term of the Prime Agreement itself), and no fee payments are required from the County for services provided by Bank of America. There is no Net County Cost. The term may be extended by an additional three years at the County's sole discretion.

Attachment A

Request for Proposals – Matrix

1	Where was the RFP advertised?	San Mateo County Times, February 10-12, 2014. RFP was also published on www.publicpurchase.com
2	In addition to any advertisement, list others to whom the RFP announcement was sent:	Union Bank, Bank of America, and Commerce Bank were informed about RFP via email.
3	State the total number of RFP's sent to prospective proposers:	None. Potential proposers were asked and provided a link to obtain/download RFP file from County's website.
4	How many proposals did you receive?	Six
5	List in alphabetical order the names of the proposers (or finalists, if applicable) and the location:	Bank of America, CitiBank, J.P. Morgan Chase, PFM Payment Solutions, Union Bank, US Bank