

PORT ST. LUCIE CITY COUNCIL
AGENDA ITEM REQUEST

COUNCIL ITEM 13J
DATE 9/26/11

Meeting Date: September 26, 2011

Public Hearing _____ Ordinance _____ Resolution _____ Motion X

Item: #20110122 – Hillsborough County Procurement Card Program Linking Authorization Contract RFP No. S-0001-09(JSW) – Vendor: FIA Card Services, N.A., a Bank of America company.

Recommended Action:

Waive the bidding, equal to or lower than existing contract, Chapter 35.06, approve the Hillsborough County Purchasing Card Program Linking Authorization Contract RFP No. S-0001-09(JSW) linking the City's Purchasing Card Consortium with Hillsborough County's Purchasing Card Program, resulting in higher rebates.

Exhibits: Copy of the Hillsborough County Purchasing Card Program Linking Authorization Contract RFP NO S-001-09
Waive the Bidding Memo

Summary Explanation/Background Information:

The City initiated its Purchasing Card Program and Rebate by piggybacking the Florida State Contract with Bank of America. As the program usage escalated, the City negotiated a new contract directly with Bank of America for a better rebate. That contract was subsequently amended to allow local governmental entities to utilize the City's Procurement Card Program via "Linking Agreement". The City currently has a Consortium consisting of 13 agencies.

Hillsborough County solicited Purchasing Card Program Services through a competitive RFP process. FIA Card Services, N.A., a Bank of America company was the chosen respondent. The City of PSL would benefit by linking its Purchasing Card Consortium with Hillsborough County's Purchasing Card Program.

Example:

The City's total spend for last year was \$16,358,368.00, and the total rebate was \$203,883.40. That was based on 1.41 basis points and .30 basis points for large ticket for a total Consortium spend of \$62,336,066.24. Had the City been on the contract alone, its rebate would have been 148,099.00, based on 1.01 basis points and .30 basis points for large ticket – a difference of \$55,784.40.

Currently the City Consortium has a spend of \$52 million with an expected increase to \$100 million. If the City linked its Consortium with Hillsborough County's Program the projected spend would be \$200 million. On the City's correct table, the basis points would be 1.51, which if calculated using last year's spend, would have resulted in rebate of \$217,835.51. On the new contract the grid is going up to 1.59 basis points for a \$400 million spend.

This involves no cost to the City

Director of OMB concurs with award: NSP

City Manager concurs with award: JAB

RECEIVED
SEP 21 2011

Submitted by: Cheryl Shanaberger, CPPO
Title: City Manager's Office

Date Submitted: September 20, 2011

MEMORANDUM

To: City Council

From: Jerry A. Bentrott, City Manager

Date: September 21, 2011

Re: **Waive Bidding Process**

The City's OMB Department is requesting to waive the sealed bid process and authorize a contract with FIA Card Services, N.A., a Bank of America company for the Procurement Card Program with Hillsborough County. Hillsborough County conducted an RFP (No. S-0001-09(JSW)) resulting in a better rebate to users than the City's current rebate program. Their contract allows other local governments to use their program via a linking agreement. Had the City been using this proposed rebate program, our annual rebate would have been \$55,784.40 higher. Currently the OMB department has worked to create a consortium of 13 agencies to push the total spend level to a higher threshold to achieve higher rebates. This step will achieve an even greater rebate assuming the same level of spending.

Under chapter 35.06 and by recommendation of this office, the City Council may waive the bidding process for an offer that is better than an existing contract. Please advise if any further information is needed.

JAB:dkp

EXHIBIT II

HILLSBOROUGH COUNTY PROCUREMENT CARD PROGRAM LINKING AUTHORIZATION CONTRACT RFP NO. S-0001-09(JSW)

Hillsborough County has agreed that local government entities (each a "Local Public Body") may utilize the procurement card program of Hillsborough County ("Procurement Card Program") as the basis for establishing a procurement card program with FIA Card Services, N.A., a Bank of America company.

This Linking Authorization is entered into by [Insert local government entity name] ("Company") and FIA Card Services, N.A., a Bank of America company, ("Bank of America") as of (the "Effective Date"). By signing this Linking Authorization, the government entity requests and Bank of America agrees to provide to the entity the ePayables services as set forth in the Bank of America Corporate Purchasing Card Agreement between Hillsborough County and Bank of America dated as of August 5, 2009, and the Modifications to Bank of America Corporate Purchasing Card Agreement dated as of August 20, 2009, (collectively, the "Card Agreement").

Capitalized terms used in this Linking Authorization, not otherwise defined, have the meanings given to them in the Card Agreement.

The government entity acknowledges and agrees that it has received and reviewed a copy of the Card Agreement and agrees to adhere to the terms and conditions of the Card Agreement, as amended from time to time.

The government entity represents and warrants to Bank of America that:

1. it is a Local Public Body;
2. its contracting for ePayables services with Bank of America, and its performance of its obligations under this Linking Authorization and the Card Agreement will not violate any law, regulation, judgment, decree or order applicable to the entity; and
3. it desires to utilize the Procurement Card Program of Hillsborough County as the basis for establishing a procurement card program.

Bank of America represents and agrees that with respect to each government entity and Hillsborough County:

1. that the combined total spend of all entities that enter into this agreement will be used to establish the rebate multiplier
2. that the rebate amount will be determined by the individual entity spend multiplied by the groups' rebate multiplier
3. that entities that have joined the linking Agreement shall receive an initial rebate for the period up to September 30th of the joining year, and for each year thereafter must have a spend of \$1,000,000 to qualify for a rebate
4. that each entity will be paid their rebate within sixty (60) days of the end of the Calculation Period
5. rebate check shall be issued no later than December 31st of each year

The government entity acknowledges and agrees that, notwithstanding anything to the contrary in the Card Agreement, Bank of America may disclose to Hillsborough County and to each other Local Public Body that utilizes the Procurement Card Program of Hillsborough County as the basis for establishing a procurement card program with Bank of America: (i) entity's name and the fact that entity has entered into this Linking Authorization; and (ii) aggregate information about entity's Transactions and spend volume.

This Linking Agreement is solely for the purpose of determining a multiplier for rebates to the participating governmental entities and in no way creates a liability for any governmental entity for the expenditures of other participating governmental entities.

This Linking Authorization and the Card Agreement constitute and represent the entire agreement between the government entity and Bank of America regarding the corporate card services Bank of America provides to Company anywhere in the world and supersedes and extinguishes all prior agreements, understandings, representations, warranties and arrangements of any nature (including requests for proposals and other sales material), whether oral or written, between the entity and Bank of America relating to such corporate card services.

IN WITNESS WHEREOF, the parties hereby execute this Linking Authorization as of the Effective Date.

FIA CARD SERVICES, N.A.

Government Entity

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____