



Midpeninsula Regional
Open Space District

R-18-30
Meeting 18-13
March 28, 2018

AGENDA ITEM 5

AGENDA ITEM

Change in Purchasing Card Service Provider

ACTING GENERAL MANAGER'S RECOMMENDATION *per*

Adopt a Resolution authorizing the Acting General Manager or his/her designee to change the current purchasing card service provider and issue new credit cards accordingly.

SUMMARY

The Midpeninsula Regional Open Space District (District) currently has its purchasing card program with Bank of the West via the California Special Districts Association (CSDA). However, CSDA is changing to Umpqua Bank, which prompted staff to review the purchasing card program and identify potential improvements. The District's current commercial banking provider, Wells Fargo Bank, offers a purchasing card program with extensive on-line reporting, workflow, and integration capabilities. The Acting General Manager recommends rescinding the Board's previous authorization to issue purchasing cards via Bank of the West and authorizing the Acting General Manager to issue new purchasing cards from Wells Fargo. The District would continue to operate the purchasing card program consistent with Administrative Policy 4.02.

DISCUSSION

Purchasing card programs are a commercial bank tool used to pay bills and purchase goods and services. With such a program, the District has several methods at its disposal to pay bills: cash, check, wire, direct deposit/ACH, and purchasing card. Particularly for smaller purchases, remote locations, over-the-counter permit fees, and parts or materials necessary during the course of normal business (e.g. during construction activities), the purchasing card is a very efficient and effective method of payment, reduces paperwork for employee reimbursement, and enables staff to have quick access to goods to maintain workflow and project momentum. The proposed resolution (Attachment 1) authorizes the General Manager to issue purchasing cards through the District's commercial bank, which is currently Wells Fargo. The purchasing card program will continue to be managed in accordance with Administrative Policy 4.02 (Attachment 2). The Finance Department has centralized access to the proposed Wells Fargo corporate purchasing card program and will have the ability to administer it via a web portal.

The District has maintained a purchasing card program for more than 15 years, currently with Bank of the West via the CSDA, and prior with First National Bank of Omaha. The CSDA recently informed the District that it is moving the program to Umpqua Bank effective April 30, 2018.

After studying the options for a more efficient purchasing card provider for the District, the Acting General Manager recommends using the District's current commercial bank, Wells Fargo, for purchasing card services. The District established its relationship with Wells Fargo as its bank on May 22, 1974 via Resolution 74-12 (Attachment 3).

The Wells Fargo electronic banking platform is more advanced than our current provider's platform. In addition to the current features, such as the ability to manage the card limits and spending categories, the Wells Fargo system also provides the following online and electronic features to streamline the credit card management process and reduce recordkeeping:

- Reconcile card purchases on-line
- Attach pictures of receipts to the reconciliation
- Electronic approval and validation of reconciled statements
- Electronic download of purchases to the General Ledger
- Request and process non-card employee reimbursements

Setup fees are waived, as are transactional fees, provided the District maintains a certain level of activity:

- District is required to maintain 10 or more cards at all times
- Minimum net purchase volume of \$40,000 per month
- Average transaction size of \$200

The District's credit card activity pattern for the past six months indicates that the District would meet the above-listed requirements for a fee waiver.

The District will receive an annual rebate from Wells Fargo of 80 basis points (0.008%) if the spend is from \$800,000 to \$999,999 and a rebate of 100 basis points (1.000%) for annual spend of \$1,000,000 or more. The Wells Fargo program also offers the same ancillary benefits as the Bank of the West program, such as employee fraud protection, rental car collision damage waiver, travel protection, and emergency card replacement.

Rescinding the authorization under previous Board Resolutions (Attachment 4) ends the use of Bank of the West as the District's purchasing card program service provider and removes the outdated spending limits and list of District personnel eligible to carry a card as designated in prior Board actions. The most up to date policy describing the District's use of the corporate purchasing card program, including the authorization limits for District personnel, is set forth in Administrative Policy 4.02. With the annual affirmation by the Board of certain financial policies, such as the Investment and the Disclosure Policies, a new Financial Instruments Policy will be brought forward to the Board later this year to formalize the management of the purchasing card program.

COMMITTEE REVIEW

No Board Committee previously reviewed this item.

FISCAL IMPACT

The proposed Resolution does not impact the Fiscal Year 2017-18 budget. However, the use of the Wells Fargo credit card will reduce staff time spent on recordkeeping and reconciliation, and increase the annual rebate revenue.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. No additional notice is required.

CEQA COMPLIANCE

No compliance is required as this action is not a project under CEQA.

NEXT STEPS

Following Board approval, the Acting General Manager or his/her designee will terminate the credit card program with Bank of the West and enter into a new agreement with Wells Fargo Bank.

Attachments:

1. Resolution rescinding Resolutions R-13-18, R-05-31, R-03-33, and others pertaining to credit card programs, and authorizing the General Manager to operate the credit card program consistent with Administrative Policy 4.02
2. Administrative Policy 4.02
3. Resolution R-74-12 authorizing Wells Fargo as the District's depository bank
4. Resolutions R-13-18, R-05-31, and R-03-33

Responsible Department Head:
Stefan Jaskulak, Chief Financial Officer

Prepared and reviewed by:
Andrew Taylor, Finance Manager

RESOLUTION 18-__

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT RESCINDING
RESOLUTIONS R-13-18, R-05-31, AND R-03-33, AND ANY OTHERS
PERTAINING TO DISTRICT CREDIT CARD PROGRAMS, AND
AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A
CREDIT CARD AGREEMENT WITH THE DISTRICT'S COMMERCIAL
BANK**

WHEREAS, the Midpeninsula Regional Open Space District ("District") has enjoyed the benefits of a credit card program for many years; and

WHEREAS, the Board previously authorized such credit card programs through Resolutions, including but not limited to Resolution 13-18 and Resolution 05-31; and

WHEREAS, the District wishes to discontinue its current credit card agreement with Bank of the West via the California Special Districts Association (R-13-18); and

WHEREAS, the Board desires to authorize the General Manager to issue credit cards with the District's commercial bank.

The Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors hereby rescinds Resolutions R-13-18, R-05-31, R-03-33, and any others pertaining to District credit card programs.
2. The Board of Directors hereby authorizes the District's General Manager or his/her designee to implement a credit card program with the District's commercial bank.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2018, at a regular meeting thereof, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Secretary
Board of Directors


President
Board of Directors

APPROVED AS TO FORM:

General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

District Clerk

	District-Issued Credit Card Policy and Procedures	Administrative Procedure Manual
		Chapter 4 – Fiscal & Budget Procedure 4.02
Effective Date: 03/01/16		Responsible Department: Administration
		Attachments: 1. Employee Agreement Regarding Use of District-Issued Credit Cards
Prior Versions: 02/05/14 Supersedes AP-04-04, AP-99-03		

Purpose

The purpose of this policy is to provide direction and instructions on the proper use of District credit cards for purchases of supplies, materials, equipment, travel, and all other District expenses, not to exceed individual limits, defined by position, as established by the District's General Manager and within the Board approved District budget.

Policy

A purchasing credit card may be issued to District staff for the purpose of conducting District business, based on functional need, as authorized by the General Manager or designee.

I. General Guidelines for Credit Cards

- A. The credit card will have the employee's name and District name on the card.
- B. Authorization to use District credit cards is restricted to the individual card holder. It may not be delegated to another employee.
- C. The card is to be used for official business and may not be used for personal purchases at any time.
- D. When receiving a credit card, the employee will receive a copy of the certification and receipt of credit card which indicates the maximum dollar amount of each single purchase and a total for all purchases made with the credit card within a given month (i.e. credit limit). The single purchase limit is the expenditure authorization limit for that employee. The monthly credit limit, in most cases, will be at or below the expenditure authorization limit.
- E. The General Manager will establish the card holders and credit limits.
- F. Each single purchase may be comprised of multiple items, but the total, including tax, cannot exceed the employee's purchasing authority, as outlined in the Public Contract Bidding, Vendor, Professional Consultant Selection and Purchasing policy.
- G. One-time purchases exceeding the cardholder's limit must be approved by the Department Manager and the Administrative Services Manager, up to \$10,000, via an email or other written request. One-time expenditures exceeding \$10,000 must be approved by the Assistant General Manager. Approvals will be forwarded to Accounting for processing.

- H. The issuance of a credit card in the employee's name shall not allow the credit card company to perform any credit check on the employee's personal credit. The credit card company shall not request any personal information from the employee, nor should any personal information be furnished.
- I. No District credit cards shall be issued to individual members of the District's Board of Directors.

II. Credit Card Authorization

- A. The General Manager shall determine which positions are issued a District credit card and the credit limit for the card. The Administrative Services Department will maintain the list of approved cardholders and their card limits. Requests for additional cards must be submitted by the Department Manager, approved by the Assistant General Manager, and forwarded to the General Manager or designee for approval.

III. Procedures

- A. Cardholders will complete the following steps with each purchase:
 1. Obtain a receipt from the vendor that includes the vendor name, date, item(s) purchased, and total sale (including tax and shipping).
 2. Upon receipt of monthly credit card account statement, write the charge account on each receipt and, if applicable, the project code.
 3. Submit statement and receipts to supervisor and Department Manager for approval.
 4. Department Manager reviews and initials the statement and submits approved statement and receipts to the Department's Administrative Assistant, if applicable.
 5. Department Manager or Administrative Assistant submits statement and receipts to Accounting for payment.
- B. One-time adjustments to credit card limit:
 1. Cardholder shall submit a written request to Department Manager to increase his/her monthly credit card limit on a one-time basis. The request must include:
 - a. The item to be purchased and its cost;
 - b. Justification for the purchase;
 - c. The amount by which the credit card limit is requested to be increased.
 2. If approved by Department Manager, the request is forwarded to the Administrative Services Manager.
 3. If approved by the Administrative Services Manager, the request is forwarded to Accounting or, if the cost exceeds \$10,000, the request is forwarded to the Assistant General Manager or the General Manager.
 4. Accounting will increase the cardholder's limit, on a one-time basis, via the credit card bank's online service portal.
 5. Accounting will notify the cardholder once the credit limit has been increased.

C. Gasoline Credit Cards

Any employee of the District may utilize District gasoline credit cards, for use only in District vehicles for District purposes. (If an employee is driving his/her personal vehicle for District business, he/she should submit a mileage reimbursement form.) For each gasoline purchase made on the credit card, the staff member shall obtain a receipt and complete a "Gas Credit Card Purchase" form.

D. Vendor Specific Credit Cards

The District maintains vendor specific credit cards with various vendors (e.g., Home Depot, Orchard Supply). Any employee of the District may utilize the District's vendor specific credit cards when authorized by their supervisor for purchases needed by the District for products and supplies. For each purchase made on the vendor specific credit card, the staff member shall obtain a receipt and complete a Purchase Order.

IV. Disputes

When items purchased with the credit card are found to be defective, the cardholder has the responsibility to return the item(s) to the merchant for replacement or to receive a credit on the purchase. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in dispute and will not be paid for until resolved.

A disputed item must be noted on the cardholder's Statement of Account so it will not be paid until the problem is resolved and the credit card bank should be notified immediately of such dispute.

V. Request For Additional Cards

Requests for additional cards for new cardholders shall be submitted in writing, by the Department Manager, via the appropriate Assistant General Manager, to the General Manager or his/her designee and shall include justification for the additions.

VI. Lost/Stolen Credit Cards

Should any employee lose or have his/her purchasing credit card stolen, it is his/her responsibility to contact the credit card company immediately. The employee must also notify Accounting and the Department Manager or his/her designee of the theft/loss within one (1) working day.

The employee shall provide the credit card number, full name, the date reported to the police if stolen, date the credit card company was notified, and any purchases made the day the card was stolen or lost to Accounting.

VII. Separation Of Employment

Employees that are separating from service with the District must turn in the District-issued credit card to Human Resources prior to or on the last day of employment. Human Resources will forward the card to Accounting who will notify the card company of the employee's separation of service and destroy the credit card.

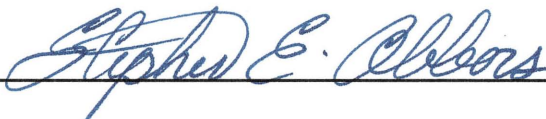
VIII. Card Restrictions

- A. Credit cards shall not be used to receive any cash advances, wire transfers, money orders, etc.
- B. Cards may not be used to purchase items for which the District has purchase discount agreements, unless for an emergency situation.
- C. Cards may not be used to purchase meals during business travel. A per diem amount for the days traveling shall be issued to the employee in advance of the travel, or after travel is complete where advance payment is not practicable.
- D. Additional restrictions may be applied by the General Manager as appropriate.

IX. Misuse Of Card

Misuse of the credit card or noncompliance with this policy as determined by the General Manager shall result in the immediate revocation of the credit card and all its privileges. Misuse may also result in employee discipline up to and including termination.

General Manager's Signature:



Dated:

3.22.16

Related Policies and Procedures: Administrative Procedure 4.05 *Money Management Procedures*; Administrative Procedure 4.06 *Travel, Lodging, and Meal Reimbursements*; Administrative Procedure 4.08 *District-paid Food Purchases*

Employee Agreement Regarding Use of District-Issued Credit Cards

The Midpeninsula Regional Open Space District (the "District"), through Bank of the West, will issue credit cards to certain employees for use in their jobs. The *District-Issued Credit Card Policy and Procedures* sets out the acceptable and unacceptable uses of such credit cards. Use of District-issued credit cards is a privilege, which the District may withdraw in the event of serious or repeated abuse.

I, _____, hereby certify that I have read, understand, and agree to adhere to the *District-Issued Credit Card Policy and Procedures*. I agree to use the credit card for District business only. I agree that if I make any transactions in violation of the policy, i.e., incur financial liability on the District's part that is not within the scope of my duties, my authorization to make business-related purchases, or use the card for personal purchases, I am financially responsible for any such expenses and agree to reimburse the District for such amounts until the unauthorized amounts are fully repaid. I may reimburse the District with cash or check or I may elect to have that amount deducted from my next paycheck, and if there is a balance remaining after such deduction, the District may deduct the balance of the wage advance from my future paychecks until the amount is repaid in full. Such deductions will be in the amount of the unauthorized purchase(s), but if such amount would take my pay below minimum wage for the workweek in question, the deductions will be in two or more equal increments that will not take my pay below minimum wage for any workweek involved.

I have read the *District-Issued Credit Card Policy and Procedures Administrative Policy and* understand that misuse of the District-issued credit card may result in disciplinary action up to and including termination.

Signature of Employee

Date

Employee's Name - Printed

PASSED AND ADOPTED by the Board of Directors of the
Midpeninsula Regional Park District on May 22, 19 74,
at a regular meeting thereof, by the following vote:

AYES: Five (5)

NOES: None (o)

ABSTAIN: None (o)

ABSENT: None (o)

ATTEST:

Dorothy G. Hinko
Secretary

APPROVED:

William C. Peters
President, Board of Directors

I, the Secretary of the Midpeninsula Regional Park District,
hereby certify that the above is a true and correct copy of a resolu-
tion duly adopted by the Board of Directors of the District by the
above vote at a meeting thereof duly held and called on the above
date.

Anne Cathcart Cusley
Secretary

(Agenda item No. 4,
Meeting 74-12)RESOLUTION AUTHORIZING SIGNING AND ENDORSING
CHECKS AND OTHER INSTRUMENTS

Resolution No. 74-12

RESOLVED, that WELLS FARGO BANK, N.A. be, and it is hereby selected as a Depositary of the funds of this Organization, and that President and Secretary of this Organization be and they are authorized to establish such account, and that checks or drafts withdrawing said funds may be signed by any 2 of the following:

(INDICATE NUMBER REQUIRED)

	NAME	TITLE
1.	William Peters	President
PLEASE TYPE	Herbert Grench	General Manager
OR	Anne Cathcart Crosley	Administrative Secretary
PRINT NAMES		
AND		
TITLES		
5.		

FURTHER RESOLVED, that WELLS FARGO BANK, N.A. is authorized to honor and pay any and all checks and drafts of this Organization signed as provided herein, whether or not payable to the person or persons signing them; and that checks, drafts, bills of exchange, and other evidences of indebtedness may be endorsed for deposit to the account of this Organization by any of the foregoing or by any other employee or agent of this Organization, and may be endorsed in writing or by stamp and with or without the designation of the person so endorsing.

FURTHER RESOLVED, that the authority hereby conferred shall remain in force until written notice of the revocation thereof by the Board of this Organization shall have been received by said depositary at the office at which the account is kept; and that the certification of the secretary or an assistant secretary as to the continuing authority of this resolution and the persons authorized to sign and their signatures, shall be binding upon this Organization.

I HEREBY certify that the foregoing is a true and correct copy of a resolution adopted by the governing Board of this organization at a meeting of said Board regularly held on the May day of May, 1974 and that said resolution is still in full force and effect.

I FURTHER certify that the signatures appearing on the reverse side of this card are the signatures of the persons authorized to sign for and on behalf of this organization.

WITNESS my hand and the seal of this organization this May day of May, 1974

SEAL

President

SECRETARY
MidPeninsula Regional Park
District

NAME OF ORGANIZATION

(FOR LODGE OR ASSOCIATION ONLY)

WE CERTIFY TO THE CORRECTNESS OF THE FOREGOING INFORMATION.

RETIRING OFFICER

TITLE

RETIRING OFFICER

TITLE

RESOLUTION NO. 13-18

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA
REGIONAL OPEN SPACE DISTRICT AUTHORIZING PARTICIPATION WITH THE
BANK OF THE WEST'S CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
PURCHASING CARD PROGRAM**

WHEREAS, credit cards and purchasing cards are mechanisms for purchasing goods and services for the Midpeninsula Regional Open Space District (MROSD); and

WHEREAS, the California Special Districts Associations (CSDA) has negotiated with Bank of the West to provide a Purchasing Card Program for vendor payments, purchasing, travel or fleet transactions; and

WHEREAS, the CSDA District Purchasing Card Program (Program) is available to members of the CSDA, and the MROSD is a member of the CSDA; and

WHEREAS, the Program requires an application for credit approval, a resolution by the MROSD Board of Directors, and District policy and procedures regarding the use of credit cards; and

WHEREAS, the MROSD has a standard practice of procedures for using credit cards as required by the Program;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Midpeninsula Regional Open Space District as follows:

- 1) Authorize District participation with Bank of the West in the CSDA Purchasing Card program;
- 2) Authorize the application to the Program for credit cards or purchasing cards;
- 3) Delegate authority to the General Manager to negotiate and execute any necessary agreements, approved as to legal form.

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately upon adoption.

* * * * *

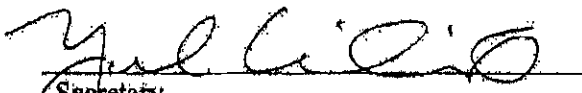
RESOLUTION NO. 13-18

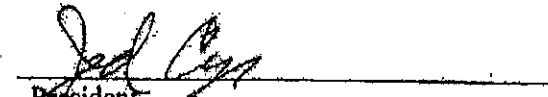
PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on December 11, 2013, at a Special Meeting thereof, by the following vote:

AYES: CYR, HARRIS, HASSETT, KISHIMOTO, RIFFLE, AND SIEMENS
NOES: NONE
ABSTAIN: NONE
ABSENT: HANKO

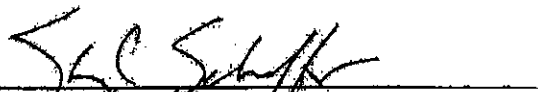
ATTEST:

APPROVED:

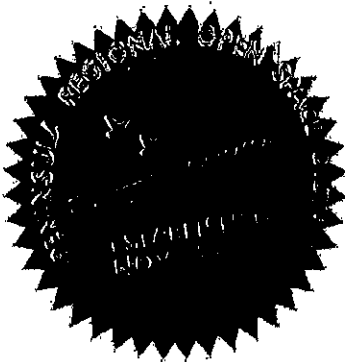

Secretary
Board of Directors

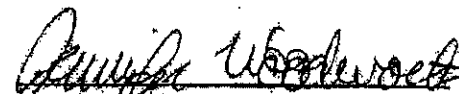

President
Board of Directors

APPROVED AS TO FORM:


General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.




District Clerk

RESOLUTION NO. 05-31

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
AUTHORIZING THE ISSUANCE OF DISTRICT CREDIT CARDS
AND RELATED BORROWING OF FUNDS FROM
FIRST NATIONAL BANK OF OMAHA**

WHEREAS, the Midpeninsula Regional Open Space District is organized and existing under and by virtue of the laws of the State of California, with its principal office at 330 Distel Circle, Los Altos, California 94022-1404, and is duly authorized to transact business in the State of California; and

WHEREAS, the District currently holds several accounts and maintains in good standing a business relationship with the Mid-Peninsula Bank, whose affiliate is First National Bank of Omaha ("Lender"); and

WHEREAS, the Lender has agreed to issue the District credit cards for use by authorized positions in the employment of the District, at no cost; and

WHEREAS, the District has authorized the General Manager, Assistant General Manager, Operations Manager, Planning Manager, Public Affairs Manager, Administration/Human Resources Manager (currently vacant), Real Property Manager, Skyline Area Superintendent, Foothills Area Superintendent, Support Services Supervisor, General Counsel, Construction, Maintenance & Resource Supervisors (4) and Network Specialist to be issued District credit cards; and

WHEREAS, the issuance of these credit cards will enable the District to borrow from time to time from the Lender on such terms as may be agreed upon between the District and the Lender, such sum or sums of money as in their judgment should be borrowed; however, not exceeding at any one time the principal amount of forty-three thousand dollars (\$43,000.00), which represents two thousand dollars (\$2,000.00) per authorized position other than the General Manager and Assistant General Manager, twelve thousand dollars (\$12,000.00) for the General Manager and five thousand dollars (\$5,000.00) for the Assistant General Manager, in addition to such sum or sums of money as may be currently borrowed by the District from the Lender on terms where funds are borrowed without use of credit cards.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Midpeninsula Regional Open Space District authorizes and agrees to the terms of the issuance by the Lender of credit cards to specified District employees, and hereby rescinds Resolution No. 05-16.

* * * * *

RESOLUTION NO. 03-33

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
AUTHORIZING THE ISSUANCE OF DISTRICT CREDIT CARDS
AND RELATED BORROWING OF FUNDS FROM FIRST
NATIONAL BANK OF OMAHA

WHEREAS, the Midpeninsula Regional Open Space District is organized and existing under and by virtue of the laws of the State of California, with its principal office at 330 Distel Circle, Los Altos, Ca 94022-1404, and is duly authorized to transact business in the State of California; and

WHEREAS, the District currently holds several accounts and maintains in good standing a business relationship with the Mid-Peninsula Bank, whose affiliate is First National Bank of Omaha ("Lender"); and

WHEREAS, the Lender has agreed to issue the District credit cards for use by authorized managers or supervisors in the employment of the District, at no cost; and

WHEREAS, the District has authorized the General Manager, Assistant General Manager, Operations Manager, Planning Manager, Public Affairs Manager, Administration and Human Resources Supervisor, Skyline Area Superintendent, Foothills Area Superintendent, Real Property Manager, Support Services Supervisor, and General Counsel to be issued District credit cards; and

WHEREAS, the issuance of these credit cards will enable the District to borrow from time to time from the Lender on such terms as may be agreed upon between the District and the Lender, such sum or sums of money as in their judgment should be borrowed; however, not exceeding at any one time the principal amount of thirty-two thousand and 00/100 dollars (\$32,000.00), which represents two thousand and 00/100 (\$2,000.00) per authorized position other than the General Manager, and twelve thousand and 00/100 dollars (\$12,000.00) for the General Manager, in addition to such sum or sums of money as may be currently borrowed by the District from the Lender on terms where funds are borrowed without use of credit cards.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Midpeninsula Regional Open Space District authorizes and agrees to the terms of the issuance by the Lender of credit cards to specified District employees, and hereby rescinds Resolution No. 03-05.

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