



Midpeninsula Regional
Open Space District

R-13-109
Meeting 13-34
December 11, 2013

AGENDA ITEM 4

AGENDA ITEM

Change in Credit Card Service Provider

GENERAL MANAGER'S RECOMMENDATION

Adopt a resolution authorizing the District to change its credit card service provider to the California Special District Association (CSDA) Program with Bank of the West.

SUMMARY

Staff recently evaluated the District's credit card program to identify possible improvements and cost savings. After reviewing the program provided by the current service provider, First National Bank of Omaha, and comparing it to other service providers, staff recommends switching the District's credit card service provider to Bank of the West, which offers many more benefits through their California Special District's Association Program. If approved, this change will expand oversight controls, enhance reporting capabilities, and increase internal operational efficiencies as discussed below.

DISCUSSION

Change to the District's Credit Card Service Provider

The District has maintained a credit card program for over 15 years, and currently uses First National Bank of Omaha as its service provider. Through the California Special Districts Association (CSDA), Bank of the West is offering CSDA members a comprehensive credit card program that offers several advantages over more traditional credit card programs, including additional oversight controls and reporting capabilities. A switch to the CSDA's Bank of the West program would rely on prior financial statements to set the District's overall credit limit and ensure that the District credit needs are met. Bank of the West requires no annual fees as long as the aggregated spending of all participating CSDA member agencies exceeds \$20,000 per month, and \$50,000 per year for individual CSDA members.

Benefits offered by the CSDA Bank of the West, which are not offered by the District's current credit card service provider, are outlined below:

- Annual Rebate – CSDA participating agency spending attracts a rebate with a minimum of 0.5%, increasing to a maximum of 1.25% based on the total spending of all CSDA members. Last year's rebate credited to all program members was 0.8%.
- Credit Limits – Ability to place controls on the overall credit limit per individual cardholder or on the maximum single transaction value. Restrictions can also be made on specific merchant categories (e.g. exclude specific merchant categories like liquor stores).
- Credit Limit Adjustments – Ability to adjust credit limits for one-time purchases that exceed card credit limits with prior written authorization from the General Manager. This would allow the District to have lower card limits and temporarily increase them as needed for infrequent larger purchases.
- Fraud Insurance – Provides up to \$100,000 fraud insurance in the event of misuse.
- Reporting – 24/7 online access to billing statements and transaction reports for aggregate and individual cardholder activity. Ability to generate activity reports for specific merchants, categories of merchants, individual transactions, etc. Ability to export all reports into Excel to facilitate processing and reporting.
- Billing and Payment – 25 day billing payment grace period and ability to pay through direct debit or online payment, thus providing the option for electronic payments. The District currently issues paper checks for credit card payments.
- Card Identification – Both CSDA and District logos can be placed on the cards thereby easily distinguishing District credit cards from personal credit cards.
- Other Benefits – Travel accident insurance, emergency card replacement, rental car collision damage waiver, roadside assistance, and other travel-related services.

Given the numerous advantages offered by the CSDA Bank of the West credit card program, staff recommends Board approval of the attached Resolution to change the District's credit card service provider.

COMMITTEE REVIEW

No committee review required.

FISCAL IMPACT

The proposed change in credit card service provider does not impact the Fiscal Year 2013-14 budget. However, once a member of the program, the District will receive annual rebates which are based on total District and total member agency purchases. Based on the last 12 months of purchases, the District rebate would have been \$1,200.

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, staff will establish a credit card program with Bank of the West and terminate the First National Bank credit cards.

Attachments:

1. Resolution Authorizing Participation With Bank Of The West's California Special Districts Association Purchasing Card Program

Prepared and reviewed by:

Kate Drayson, Administrative Services Manager

RESOLUTION NO. 13-XX

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.

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