



## **MEMORANDUM**

To: Government Operations Committee

From: Rick Snyder, Director of Finance

Date: September 27, 2017

Subject: Update on Procurement Card (P-Card) RFP

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We have stayed on schedule so I thought a brief report to the Government Operations Committee would be in order. We have completed our review of the 5 responses to the RFP for Procurement Card (P-Card).

### **Background**

The Finance Department, after extensive research, determined that it would be in the County's best interest to evaluate competitive proposals for a new Procurement Card (P-Card) Program.

This Program is intended to reduce the costs affiliated with the purchasing and accounts payable processes by streamlining the purchases therefore issuing less requisitions, purchase order, and checks. The Finance Department will continue to oversee the Program to ensure that County Policies and Procedures are followed in the acquisition of goods and services.

A Procurement Card (P-Card) Program is intended to save the County money because the various programs offered by banks now offer **rebates** to the County for purchases made on a P-Card.

### **Benefits to the County**

- Reduction in procurement and payment paperwork for both the requesting department(s) and the Purchasing and Accounting Divisions;
- Rebate on 100% of the money spent with vendors that accept the card vs. the **zero rebate** we receive currently (current vendor: Elan Financial Services, Fargo, ND);
- Expedited payments to the vendors (24-48 hours vs. net 30) potentially reducing the need for manual checks; and
- Zero liability to the County for lost or stolen cards.

### **Question from Last Meeting**

We were asked to find out why no local bank(s) responded to the RFP. We inquired of Tompkins Financial (Tompkins Trust) why they did not respond, since we had emailed them about the RFP. I did touch base with Deborah Hoover, Assistant Vice President/Branch Manager, and Leon Wylde, Procurement Card Representative.

The short answer: Tompkins Trust does not run its own business credit card or Purchasing Card service. This service is farmed out to US Bank who, in turn, farms it out to Elan Financial Services. The current P-Card we have with Elan does not have a *rebate* feature.

They said in order to respond to an RFP for P-Card it would take them **6 weeks** to respond. (We only gave 4 weeks to respond.) Leon also explained it would take long because he would have to run a response through US Bank and they would, in turn, have to run it through Elan Financial Services. I did ask what their rebate *might* be, if they were to have responded to the RFP. He said Elan *could* offer us their "One Card" for small businesses which has a rebate feature. I asked him what that rebate would be. He said **1%**.

I reviewed this information with Dan Klein, Chairman of the Government Operations Committee. Neither of us saw any value in interrupting the planned Procurement Card (P-Card) Schedule based on the response from Leon Wylde at Tompkins Financial. I recommended that we proceed with setting up the vendor demonstrations for the top 3. It was clear that the Tompkins Trust/US Bank/Elan Financial Services potential "offer" of a **1%** rebate would not put them in the running against the other more competitive offers.

### Next Steps

Now that the review of the responses to the RFP is complete, the Review Committee has set up vendor demonstrations with the top 3 candidates: PFM Financial Services, JP Morgan Chase, and Capital One. All 3 vendor demonstrations will take place on October 10, 2017.

Depending on the outcome of the vendor demonstrations, the Review Committee should be able to make a recommendation to the Government Operations Committee on November 1, 2017. The "Award of Bid" will be scheduled for your approval at the November 1, 2017 Government Operations Meeting.

After approval by the Government Operations Committee, this item will be forwarded to the full Legislature for their approval at the November 9, 2017, Legislative Meeting.

cc: Joe Mareane, County Administrator

## Tompkins County Procurement Card (P-Card) Program Status Update

Activity	Notes/Comments
RFP Released	July 27, 2017
Email Notifications of Specification Availability Issued to Vendors	July 27, 2017 - Vendors: TCTC Chemung Canal KeyBank First National Bank of Groton First National Bank of Dryden Tioga State Bank Community Bank JP Morgan Chase M & T Bank (web contact form) PFM Financial Services (NYSAC endorsed)
Vendors who Downloaded Specifications	JP Morgan Chase Capital One Bank of America MasterCard PFM Financial Services KeyBank
RFP Due	August 25, 2017 - Five Responses Submitted: KeyBank Capital One JP Morgan Chase PFM Financial Services Bank of America
Review Committee	Rick Snyder, Finance-Accounting Donna Shaw, Finance-Accounting Julie Fergus, Finance-Accounting Lisa Hall, Finance-Purchasing Greg Potter, ITS Katy Prince, ITS Jackie Kippola, Administration
Vendor Demonstrations	October 10 - 13, 2017
Award Recommendation to Committee	November 1, 2017
Legislature	November 9, 2017
Contract Commencement	January 1, 2018