

MEMORANDUM
COUNTY OF PLACER
PROCUREMENT DIVISION
2964 Richardson Drive
Auburn, CA 95603

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager

DATE: May 7, 2013

SUBJECT: Authorize an Amendment to the Wells Fargo Banking Services Contract to Support the County's Procurement Card Pilot Program.

ACTION REQUESTED

- A. Procurement Card Pilot Program:
1. Authorize the Purchasing Manager to execute an amendment to the Wells Fargo Banking Services Contract to support the County's Procurement Card Pilot Program in addition to other banking services.
 2. Authorize the Purchasing Manager and the Auditor-Controller to take all other actions necessary to implement the County's Procurement Card Pilot Program.

BACKGROUND

Placer County has utilized a credit card program since 1997. The current Cal-Card (Credit Card) Program is administered by US Bank and was last reviewed by your Board in November 2010.

Since its inception the Procurement Services Division has managed the County's Credit Card Program. The Credit Card Program allows and encourages departments to utilize credit cards for the acquisition of items that fall within the delegated purchasing authority. Currently 306 credit cards are being utilized Countywide with an annual volume of 7,466 transactions totaling \$1,063,210.

To further improve and enhance the use of the Credit Card Program, including streamlining County operations, the Procurement Division in cooperation with the Auditor-Controller's Office initiated a review of the County's Credit Card Program. The review focused on replacing the existing program from a paper intensive process to an online workflow solution with electronic document retention. A thorough review of various banking solutions that best met the County's requirements to create a fully automated system with proper controls and adequate workflow to ensure good checks and balances was conducted. These banking institutions included Wells Fargo, JP Morgan Chase, Great West and the current US Bank Cal-Card Program.

Based on the initial analysis of the solutions provided, staff determined that Wells Fargo and JP Morgan Chase best met the County's operational requirements. Both firms were invited to participate in further discussions of their proposed solutions. Staff has determined that Wells Fargo offers the most competitive proposal and best meets the County's needs and requirements.

Section 1.3(e)(3) of the Purchasing Policy Manual permits the use of public agency contracts without additional competitive bidding. Currently Wells Fargo provides other banking services to Placer County and staff is recommending amending the existing contract to support a Procurement Card Pilot Program.

The proposed Wells Fargo solution will enable the Procurement Division, in consultation with the Auditor-Controller and County Executive offices, to initiate a pilot program that would evaluate the

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migration from the existing paper intensive process to a fully automated system where all documentation including user transactions are stored electronically and readily available for auditing purposes without further impacting County storage or hardware expenses.

The implementation of the Procurement Card Pilot Program will be jointly administered through the Procurement Division and the Auditor-Controller's Office. The Procurement Card Pilot Program participants will consist of the Department of Administrative Services, Auditor-Controller's Office, and the Personnel Department. The Procurement Card Pilot Program will allow staff to thoroughly review the impact of the procedural changes resulting from this new program, provide recommendations regarding proper controls, and evaluate new workflow procedures. Upon completion of the initial pilot period, estimated between a period of six to twelve months, staff will return to your Board and present a formal recommendation to expand the Procurement Card Pilot Program Countywide or evaluate other potential solutions.

In order to amend the Wells Fargo Banking Services contract to include the new Procurement Card Pilot Program your Board's approval is required.

FISCAL IMPACT

There is no adverse fiscal impact anticipated with these actions. All of the fees associated with the pilot program have been waived for the duration. It is expected that there will be direct productivity enhancements and organizational efficiencies from the implementation of these changes.

cc: Andrew Sisk, Auditor-Controller
Jerry Gamez, Director of Administrative Services