

**City of Culver City, California
Agenda Item Report**

Meeting Date: 5/13/2013		Item Number: <u>C-6C</u>	
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution (1) Amending City Council Policy Statement No. 4209 Entitled "Purchasing Cards," to Update the Guidelines and Controls for the Use of City Issued Purchasing Cards and (2) Rescinding Resolution No. 2007-R071.			
Contact Person/Dept.: Nick Kimball, Finance Department		Phone Number: 310-253-6013	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (Email) Agenda and Meetings – City Council (05/07/13)			
Department Approval: Jeff Muir (05/02/13)		City Attorney Approval: Carol Schwab (by H. Baker) (05/07/13)	
Chief Financial Officer Approval: Jeff Muir (05/07/13)		City Manager Approval: John M. Nachbar (05/07/13)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a resolution (1) amending City Council Policy Statement No. 4209 entitled "Purchasing Cards" to update the guidelines and controls for the use of City issued Purchasing Cards, and (2) rescinding Resolution 2007-R071. <u>BACKGROUND:</u> The City issues Purchasing Cards to responsible staff to reduce total transaction costs by streamlining the business process for certain types of purchases. Purchasing Cards differ from traditional credit cards in that there are a number of controls built-in to the purchasing card, including, but not limited to, restricting purchases by Merchant Category Code and setting single purchase and monthly credit limits per card. Various City Council policies regulating the issuance, use, and management of Purchasing Cards have been established and amended over the years. In 1995, the City Council adopted City Council Policy No. 4205 – Credit Card Usage. In 2002, City Council Policy No. 4205 was rescinded and combined with City Council Policy No. 4209 – Purchasing Cards, which was subsequently amended in 2007. <u>DISCUSSION:</u> In January 2012, the City began transitioning from the Bank of America program to the CAL-Card program. The CAL-Card program is available to all government			

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agencies in California at no cost through a Master Services Agreement between the State Department of General Services and US Bank. The CAL-Card program has a number of advantages, including:

- No annual card fee.
- Accepted wherever Visa is accepted.
- No minimum card count or spend requirements.
- Rebates: Prompt Payment, Volume Sales, and Average Transaction Rebates that are calculated and paid quarterly.
- A City staff member acts as Program Administrator to manage credit limits, run reports, manage card restrictions and issue new cards using US Bank Access Online, in real time, 24/7.
- Cardholders get a unique username and password to Access Online to review their purchases and assign account codes (using the City's account structure) for each purchase.
- Online P-card statement approval by managers can be accommodated.
- City's name and seal/logo are embossed on each CAL-Card at no cost.

With the transition to the CAL-Card program now complete, the policies and procedures in *City Council Policy No. 4209 - Purchasing Cards* need to be updated. The updated Policy maintains the same restrictions related to allowable and non-allowable purchases, single purchase and monthly credit limits, and keeps adequate oversight and controls in place. The revised Policy has a slightly different layout to improve the flow of the document and some of the procedures, particularly related to the submittal of Activity Statements, have been amended to reflect the online management capabilities of the CAL-Card program.

FISCAL ANALYSIS:

There is no cost associated with amending City Council Policy No. 4209 – Purchasing Cards. Since the inception of the CAL-Card program in January 2012 (with full citywide implementation completed in June 2012), the City has earned \$3,170 in rebates.

ATTACHMENTS:

1. Proposed Resolution (including revised Policy No. 4209)
2. Current City Council Policy No. 4209

MOTION:

That the City Council:

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Adopt a resolution (1) amending City Council Policy Statement No. 4209 entitled "Purchasing Cards," to update the guidelines and controls for the use of City issued Purchasing Cards and (2) rescinding Resolution 2007-R071.