
HALDIMAND COUNTY

Report LSS-29-2019 Delivery of Services Relating to the Purchasing Card Program



For Consideration by Council in Committee on November 19, 2019

OBJECTIVE:

To obtain Council authority to enter into a Provincially-Funded Organizations Consortium Agreement with the Province of Ontario and the Bank of Montreal (BMO); and to enter into an agreement with the Province of Ontario's Vendor of Record (VOR): Bank of Montreal (BMO) for the delivery of services relating to the Purchasing Card Program, from the date of approval to March 31, 2023, with two 2-year extension options.

RECOMMENDATIONS:

1. THAT Report LSS-29-2019 Delivery of Services Relating to the Purchasing Card Program be received;
2. AND THAT the General Manager, Corporate and Social Services be authorized to enter into a Provincially-Funded Organizations Consortium Agreement with the Province of Ontario and the Bank of Montreal (BMO) for the use of the Vendor of Record Agreement (#OSS-00559105).
3. AND THAT the General Manager, Corporate and Social Services be authorized to enter into an agreement with the Bank of Montreal (BMO): the Province of Ontario's Vendor of Record (VOR), for the delivery of services relating to the Purchasing Card Program from the date of approval to March 31, 2023 with two 2-year extension options.

Prepared by: Lori Friesen, CPPB, Manager, Legal and Support Services

Respectfully submitted: Cathy Case, General Manager of Corporate & Social Services

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

Within the Business Application Software (BAS) project, the objective is to implement functionality that streamlines workflows and improves efficiencies. As part of this project initiative, the Haldimand County Purchasing Card (P-Card) Program is being re-launched, expanded and a P-Card Provider agreement executed.

BACKGROUND:

A Haldimand County P-Card Program (commercial purchasing credit card program) was launched in 2003. Since then, the County P-Card Program has remained unchanged in its functionality. The current Program is limited in nature; specifically on how and where the card can be used, who can be issued a P-Card and the spend thresholds. Opportunities for rebates on municipal spending are not being realized under the antiquated program.

Under the BAS project, it was determined that the P-Card Program could be optimized to streamline the purchasing function, improve staff efficiency, and provide value-added oversight, audit control and reporting. In order to accomplish these efficiencies, the current P-Card Program would require a significant review and re-launch.

In addition, staff reviewed other public sector agency best practices and sought out information from the marketplace to source P-Card providers and programs, including rebates based upon annual spends. Staff are members of the National Association of Purchasing Card Professionals (NAPCP). This Association provides education and best practices to allow leveraging of proven frameworks and implementation strategies to ensure success of the P-Card Program. Preference was provided to financial institutions who could easily integrate into our financial software to streamline workflow approvals and reduce paper and manual intervention for reconciliation.

Although many financial institutions have “credit card programs”, they were not a good fit for the County. Examples include - program was limited in nature, did not offer or provided a limited rebate program, could not easily integrate into our financial solution. Our current incumbent, US Bank, was not a preferred choice, as they currently do not have an existing purchasing cooperative agreement available to the County and as they are US based, were requesting personal information from staff, which has different impacts of protection of personal information than Canada.

Upon review of the Province of Ontario Supply Chain Management website, BMO was found to be an established Vendor of Record providing P-Card Programs. As a public sector entity, the County can utilize this existing cooperative contract, which is permitted within Procurement Policy No. 2013-02. Several municipalities use the BMO Program and we have received confirmation from our financial software provider that they have several established integrations with BMO. As the Agreement for the Program is in place until 2023 with two 2-year extensions, this provides the County with a continuity of service. It is also important to note that the Province of Ontario is working on an initiative of centralized procurement for purchasing opportunities for efficiencies and cost savings within the broader public sector, including through Vendor of Records and cooperative purchasing.

ANALYSIS:

In order to proceed with the BMO P-Card Program, two agreements need to be executed. The first is an agreement with the Province of Ontario and the Bank of Montreal (BMO); which enables Haldimand County to participate as a member of the consortium.

The second agreement is with the Bank of Montreal (BMO) for the delivery of services relating to the Purchasing Card Program.

This report is seeking authorization for the General Manager, Corporate and Social Services to execute these agreements on behalf of the County.

FINANCIAL/LEGAL IMPLICATIONS:

There are no additional costs as a result of the County entering into these Agreements.

The County will receive rebates from the P-Card provider once per year, based on the value charged to the P-Cards used by the County for the previous year. The P-Card Program is a cost-efficient method of payment for low cost supplies and services. To optimize the rebate program, a holistic review of our payment practices will be implemented to determine if we can utilize payment by P-Card to increase our annual rebates.

STAKEHOLDER IMPACTS:

Responsibility of the P-Card Program administration will fall within the Legal and Support Services Division; however, as the Program is re-developed/re-launched, Senior Management along with Divisional Managers will have input in the functional requirements.

REPORT IMPACTS:

Agreement: Yes

By-law: No

Budget Amendment: No

Policy: No

ATTACHMENTS:

1. None.