



## Overview of the City's Purchasing Card (P-Card) Program

### FINANCE DEPARTMENT

Finance Committee  
September 14, 2016

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## Background

- As a result of a competitive Request for Proposals (RFP) in 2007, the City partnered with Bank of America to establish the Purchasing Card (P-Card) program.
- Provides an expedited and cost-effective method for end-users to procure a variety of low-value/high-volume goods and services through the use of a credit card.
- Program administered by the Finance Department's Purchasing Services Division.



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## Program Objectives

- Simplify and expedite the procurement process;
- Provide a more efficient, cost-effective method of purchasing and paying for low-value/high-volume goods and services;
- Designed to augment other existing methods of purchasing that are available, such as requisitions, purchase orders and requests for payment/direct payments;
- Not intended to avoid or circumvent existing City procurement guidelines and procedures set by Purchasing Resolution Number 22576.



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## Administrative Policy

- City's Administrative Policy Number 07.017.00 provides the guidelines and procedures for the use of the City's P-Card;
- Specifies the authority and responsibility of authorized personnel who use the card to make purchases;
- Identifies procedures and responsibilities of program participants and illustrates the P-Card application process, cardholder agreement and a table of restricted items.



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## Program Participants

- P-Card Program Administrator
- Accounting Division
- Department Directors/Management
- Approving Officials
- Cardholders



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## Process of Obtaining a P-Card

- Approving officials or Department Directors must authorize, set limits and submit the cardholder P-Card application to the program administrator.
- Cardholder reviews the P-Card user's manual and satisfactorily completes mandatory P-Card training.
- Cardholder completes and signs the program cardholder agreement.
- Program administrator reviews the application and orders P-Card from Bank of America.



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## Restricted Purchases

The P-Card MUST NOT be used for the following purchases:

- Personal or private use;
- Goods and services that are included in existing annual contracts;
- Any on-site services, including repair and technical services;
- Computer hardware and software;
- Travel and entertainment;
- Fuel and oil;
- Personal items and gifts, including gift certificates and gift cards for employees;
- Alcoholic beverages, controlled substances; and
- Professional services.



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## Rebate Program

- The Bank of America P-card program includes a quarterly rebate based on dollars spent.
- The City's P-Card spending and corresponding rebate have gradually increased over the years, as noted below.

	FY 08/09 Volume	FY 09/10 Volume	FY 10/11 Volume	FY 11/12 Volume	FY 12/13 Volume	FY 13/14 Volume	FY 14/15 Volume	FY 15/16 Volume
<b>P-Card Purchase</b>	\$3,517,314	\$4,046,698	\$4,119,043	\$4,941,743	\$5,942,707	\$6,266,451	\$6,486,330	\$6,628,482
<b>ePayables</b>	\$5,778,932	\$6,820,679	\$6,608,980	\$6,038,819	\$5,893,615	\$6,247,880	\$5,965,749	\$6,496,720
<b>Total Rebate</b>	\$112,484	\$124,384	\$137,463	\$139,738	\$212,194	\$217,683	\$197,753	\$221,083



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## Total FY 2015-16 Spend by Department

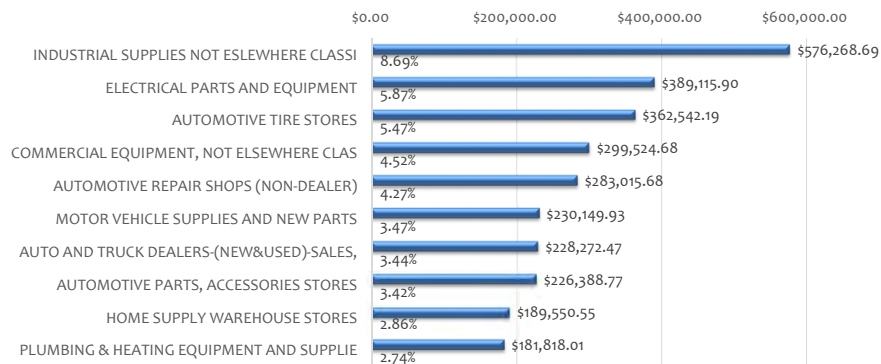
Department	Total Spend Amount	% of Total Amount	Number of P-Cards
General Services	\$1,973,061	29.77%	39
Public Utilities	\$1,442,143	21.76%	95
Police	\$753,405	11.37%	9
Parks & Recreation	\$678,585	10.24%	70
Public Works	\$502,534	7.58%	33
Finance	\$501,106	7.56%	6
Fire	\$275,512	4.16%	77
City Manager	\$124,828	1.88%	6
Museum	\$85,436	1.29%	3
Library	\$82,067	1.24%	2
Community Development	\$79,426	1.20%	5
Human Resources	\$56,180	0.85%	5
IT	\$52,663	0.79%	3
Mayor	\$15,479	0.23%	1
City Clerk	\$4,144	0.06%	2
Office of the City Attorney	\$1,907	0.03%	1
<b>Totals</b>	<b>\$6,628,482</b>	<b>100.00%</b>	<b>357</b>



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## FY 2015-16 Top 10 Purchases by Merchant Category



Total FY Spend: \$6,628,482



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