



TO: Mayor Shaun Sipma
Members of the City Council

FROM: David Lakefield, Finance Director

DATE: June 27, 2018

SUBJECT: DIRECT PURCHASE PROGRAM

I. RECOMMENDED ACTION

It is recommended the City Council approve the Wells Fargo A/P Control System contract and authorize the Mayor to sign the contract.

II. DEPARTMENT CONTACT PERSONS

David Lakefield, Finance Director 701-857-4784

III. DESCRIPTION

A. Background

The City currently has eight credit cards issued to Department Heads or key personnel throughout the city. These cards earn rewards points but come with an annual fee. Currently vendors are paid via check for charges made on account. Numerous employees are able to charge items at these establishments.

The Wells Fargo A/P Control system was brought before Committee of a Whole in March of 2018. It was decided that the City would do further investigation into the contract and possibly into other vendors.

B. Proposed Project

Wells Fargo and U.S. Bank have a P-Card program that is partnered with an A/P Control System that would allow us to pay vendors via a virtual card payment, ACH payment or check. The Wells Fargo system would also allow our employee reimbursements to be done as a direct deposit into their personal account. The P-Card system would allow the City to impose controls on each user and make the reconciliation process more efficient.

C. Consultant Selection

Wells Fargo and U.S. Bank offer an A/P control Process— other potential vendors have been investigated and do not have the same functionality as the A/P Control System.

Wells Fargo is partnered with Cass County. Cass County runs the same version of Sunguard that the City of Minot uses. They are currently in process of implementing this same program and the needed Sunguard modification is available.

IV. IMPACT:

A. Strategic Impact:

This program will allow the Finance Department to be more efficient in processing vendor payments as well as reimbursement payments to employees. It will simplify the record keeping and approval process and reduce check costs. This A/P Control process will also reduce the chances of fraudulent purchases.

B. Service/Delivery Impact:

The more efficient process should speed up the time required to process payments, reduce postage and check costs.

C. Fiscal Impact:

Increased efficiency and reduced costs will result in budget savings for the City. In addition, the City will share in the interchange fees assessed on the card transactions resulting in revenue to the City.

V. ALTERNATIVES

Continue current operations.

VI. TIME CONSTRAINTS

We would plan for a potential August 1 implementation.

VII. LIST OF ATTACHMENTS

1. Comparison of Vendors