

To: Regional and Corporate Services Committee
From: Mike Veenbaas, Director of Financial Services

Date: 2018-09-05
File No: 1690-21

Subject: FVRD Purchasing Card Program – BMO Agreement

RECOMMENDATION

THAT the Fraser Valley Regional District Board authorize the Regional District to enter into an agreement with BMO to provide up to \$250,000 in credit capacity for a Purchasing Card program with the understanding that the Regional District will be responsible for payment of all amounts charged;

AND THAT the Fraser Valley Regional District Board authorize its signatories to execute the agreement with BMO.

STRATEGIC AREA(S) OF FOCUS

Provide Responsive & Effective Public Services

BACKGROUND

For many years Fraser Valley Regional District has maintained a purchasing card program, similar to our member municipalities. The purchasing card allows for the purchase of low value goods and services via an option that is significantly lower than traditional purchasing methods. Cardholders are expected to follow the policies and procedures outlined in FVRD's Purchasing Policy.

DISCUSSION

FVRD has been presented with an opportunity to join the Province of BC Purchasing Card consortium which allows for a better fee structure and a stronger software platform for the administration of the program.

The existing FVRD Purchasing Card program has 53 cardholders each with varying individual credit limits set based on the cardholders position and purchasing needs. It should be noted that the current program has a \$30 per card annual fee.

The proposed Purchasing Card program brings a software solution that will greatly enhance the program's administration and provide cardholders with the online tools to effectively manage their purchases and resulting coding into the regional district's financial system. In addition, there is no annual card fee for this program which alone saves FVRD about \$1,600 per year.

The BMO program includes membership from District of Mission, City of Chilliwack and District of Kent, along with the Abbotsford School District.

In order to initiate the process to transition to the new program, BMO requires the passing of a resolution allowing FVRD to enter into a credit arrangement with BMO.

COST

There are no costs associated with the administration of the purchasing card program. All actual purchase costs are allocated to the applicable service area as authorized by the financial plan bylaw.

CONCLUSION

FVRD has been presented with an opportunity to change purchasing card providers that will allow for reduced administration costs and increased administration/cardholder efficiency. In order to enable this transition, BMO requires the passing of a motion allowing FVRD to enter into a credit arrangement with BMO.

COMMENTS BY:

Paul Gipps, Chief Administrative Officer

Reviewed and supported