

COUNCIL AUTHORITY FOR CONTRACT AWARDS CONTRACT EXTENSION

Project Award	Contract Extension for the Procurement Card Program
Recommendation	Staff are recommending a contract extension to US Bank Canada for the administration of the Procurement Card Program for a five (5) term starting September 1, 2023 and ending August 31, 2028.
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background Information	<p>On CORS-049-18, Council approved the contract extension to US Bank Canada for the administration of the Procurement Card Program which is set to expire August 31, 2023. This is a Halton Cooperative Purchasing Group (HCPG) joint contract with the following participating agencies:</p> <ul style="list-style-type: none"> • Town of Milton • Town of Halton Hills • Town of Oakville • Region of Halton • Halton Police <p>The procurement card program through US Bank Canada has been very effective in reducing the amount of administrative time spent on small dollar purchases. The reporting software supplied by US Bank Canada is web-based so changes to card limits, status, and account access are instantaneous.</p> <p>Since its inception, the purchasing card program has grown to 228 cardholders with an average spend of \$10,687,363 (exclusive of HST) per year over the last five years. US Bank Canada provides a rebate to the Town calculated from the overall card purchases and payment terms. The rebate has been steadily increasing each year and in 2022 amounted to \$160,349. As part of the proposed renewal the size of rebate provided to the Town for transaction will be further increased.</p> <p>Participating agencies from the HCPG reviewed the proposed contract extension with US Bank Canada as well as BMO Financial Group, who are currently a vendor of record with the Province of Ontario. The US Bank Canada procurement card program has greater financial benefits and familiar functionality of their website and integration with other Town software programs. The other participating agencies are in agreement to extend the current contract for the five year term of September 1, 2023 to August 31, 2028.</p>

Schedule E

Finally, as a part of the Town of Milton's introduction of the Workday software, staff are also currently transitioning the purchasing card reconciliation process to Workday, and the related integrations with US Bank have developed.

Based on the above, staff are recommending that the Town continue a coordinated approach with the other municipalities and extend the agreement with US Bank for a 5 year term.

Financial Planning Section: Budget Impact (Note 1)

In 2022 the Town realized rebates in the amount of \$160,349 as a result of this program. Budgeted revenue for 2023 is in the estimated amount of \$175,000, with any variances reported through the Town's financial reporting.

Note 1: Financial impact includes any non-refundable portion of HST.