



State of Colorado

Cooperative Master Contract with Citibank, N.A. Purchase, Travel & Integrated Credit Card Services



Synopsis

In 2010 the State of Colorado Department of Personnel and Administration, State Purchasing Office issued a Request for Proposal (RFP), with the purpose of selecting a single qualified financial organization to provide corporate purchase cards, individual and corporate travel cards as well as other types of integrated credit card services. The Purchasing and Travel cards have historically been provided by separate vendors and the decision was made to move to a more innovative approach to increase payment transparency, streamline processes and reduce costs, mitigate risk and enhance program compliance and simplify the reconciliation process. A team of seventeen (17) staff members representing state agencies, institutions of higher education, community colleges and local government dedicated their time and expertise to the overall RFP process and unanimously recommended the award be offered to Citibank, N.A., as the financial institution with the highest ranking proposal.

The State negotiated this cooperative contract on behalf of all Colorado governmental entities and the end result is a superior and extremely beneficial program for all participants. Participation will be open to state agencies, departments, legislative and judicial branches, political subdivisions (counties, school boards and districts, municipalities, or other public agencies or authorities), community colleges, institutions of higher education and other governmental entities. Entities not considered a State agency or governmental body within the State Procurement Code may participate as a program Affiliate, may manage independent programs and receive their portion of the rebate payment directly.

Key Benefits

✓ **Reduced financial risks and increased liability coverage**

The maximum amount an entity will be financially liable for unauthorized charges made prior to the card being reported lost or stolen is \$50.00 per card. This level of coverage is typically only offered on consumer cards.

✓ **Increased efficiencies with enhanced program monitoring and compliance tools**

All participating entities, regardless of type or spend volume, will receive the same level of customer service with dedicated account management resources. All entities will have the same online system access with extensive and flexible reporting and auditing tools. The training program will offer a variety of options including onsite sessions and web-based training modules with an electronic certification of completion.

✓ **Increased rebate revenue generated by the Travel and Procurement Card Programs**

The Cooperative Contract will combine the spend volume of all participating entities for rebate calculations. The rebate revenue for the State Procurement Card Program is expected to increase from 1.054% to 1.38%. The centrally billed Travel Program card accounts are expected to increase revenue from 0.68% to 1.38% and the individually billed accounts will increase from 0.68% to 1.02%. Each participating entity will be able to earn additional percentage points for submitting payments in less than thirty days.

✓ **Select the card type(s) that will be the best fit for the business needs of your entity**

Under the new Cooperative Contract Citi will offer individual, ghost and central event Travel cards. In addition to the standard Purchasing card other card options available may include cards with a limited/declining balance, department/group cards and cards issued specifically for an emergency. Additional options may also be implemented to streamline your accounts payable process. Entities may select one or more type of card program to participate in the Cooperative Contract. Entities will also have the option of integrating the functionality of two or more of the card types listed above with a "one" card solution.

✓ **Length of contract**

The total duration of the Master Contract, including the exercise of any options under this clause, shall not exceed eight years. Primary term ends December 31, 2015. Total extension period will end December 31, 2018.

✓ **Save procurement costs and staff time**

The average cost to issue an RFP with only 5 team members is estimated at \$31,250 with at least 720 work hours dedicated to the project. ***There are no costs associated with participation in the Colorado Cooperative Contract which has already been competitively bid!***