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**Halifax Regional Council**  
**March 20, 2007**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
Dan English, Chief Administrative Officer

  
\_\_\_\_\_  
Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services and Strategy

**DATE:** February 14, 2007

**SUBJECT:** Award - RFP No. 06-070, Banking and Financial Services Products  
(Procurement Cards)  
\_\_\_\_\_

**ORIGIN**

The issue of a Request for Proposals for the provision of procurement card services.

**RECOMMENDATION**

It is recommended that Halifax Regional Council award RFP No. 06-070, Banking and Financial Services Products (procurement cards) to the highest scoring proponent, National Bank of Canada for a five year period at no anticipated cost as outlined in the Budget Implications section of this report.

**BACKGROUND**

In July 1997, the HRM Purchasing Card Program was introduced to establish a more efficient, cost-effective method of purchasing and payment for small dollar transactions. The program is designed to replace a variety of processes, including petty cash and low-value purchase orders under \$1,000 and to complement existing methods of purchases including the use of price agreements.

There are approximately 850 cards in use within the HRM and its Agencies, Boards and Commissions with an annual spend of approximately \$5,800,000. Opportunities exist to enhance the procurement card program through improvements in the tracking and control over spending and managing the spending in a strategic manner.

There has been an agreement for the provision of procurement card services since the adoption of the HRM Purchasing Card Program in 1997. A request for proposals for the provision of procurement card services for a five year period was issued in April 2006 as part of the RFP for banking and financial service products for HRM and its Boards and Commissions. Regional Council awarded the portion of the RFP for basic banking services in August 2006.

**DISCUSSION**

Proposals for the provision of procurement card services were received from the following financial institutions:

- BMO Financial Group
- CIBC
- National Bank of Canada
- U.S. Bank Canada
- Scotiabank

The proposal from CIBC was subsequently withdrawn as a result of the acquisition of the CIBC Visa Commercial Card portfolio by another financial institution.

The proposals were evaluated in detail by a staff committee, which included representation from HRM and its ABC's. The evaluation criteria used is attached as Appendix A - Evaluation Scorecard.

The final scoring for all proponents is as follows:

Company	Scoring (max. 100)
<b>National Bank of Canada</b>	<b>86.9</b>
U.S. Bank Canada	79.1
BMO	72.8

The proposal from Scotiabank lacked sufficient detail and was therefore deemed technically

unacceptable.

There are no costs associated with the procurement card program. All annual card fees and transaction fees are waived. HRM's anticipated usage of the card program does not meet the threshold in spend for any of the volume incentive programs offered.

It is recommended that the award go to the highest scoring proponent the National Bank of Canada. The National's proposal is considered the best overall proposal with the highest scores in all of the categories of evaluation.

It is anticipated that a new procurement card program contract could be executed with the recommended new service provider within two months and the new program implemented by September. The Halifax Regional Water Commission may elect to defer its participation in this transition for an additional six months. Our current provider will continue to offer the services provided under the current agreement until the transition to the new service provider is completed.

**BUDGET IMPLICATIONS**

There are no estimated costs over the five year term of the contract.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

**ALTERNATIVES**

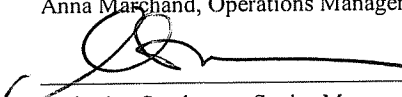
There are no recommended alternatives.

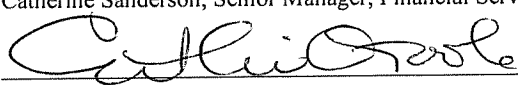
**ATTACHMENTS**

Appendix A - Evaluation Scorecard

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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**Halifax Regional Municipality  
RFP No. 06-070 - Appendix A  
Banking and Financial Services Products (Procurement Cards)  
Summary of Evaluation Criteria**

ITEM	Max Score	Proponent		
		BMO	National Bank of Canada	U.S. Bank Canada
<b>1. Knowledge &amp; Understanding</b> <ul style="list-style-type: none"> <li>• demonstrated knowledge of the needs of HRM as an organization as well as its diverse communities</li> <li>• experience in servicing Regional Municipal Government or equivalent organizations</li> <li>• experience in servicing multi-faceted organizations</li> <li>• references</li> </ul>	30	18.4	25.5	21.9
<b>2. Customer Service</b> <ul style="list-style-type: none"> <li>• demonstrated commitment to customer service</li> <li>• innovation in customer service to meet current and future needs</li> <li>• service quality standards</li> </ul>	20	14.3	16.4	16.0
<b>3. Technology &amp; Technical Competence</b> <ul style="list-style-type: none"> <li>• technology that will meet the current and future customer service needs of HRM &amp; its ABC's</li> <li>• technology compatible with the various existing HRM and ABC platforms and software</li> <li>• demonstrated strength in internal control to safeguard assets and transactions</li> </ul>	30	23.8	26.2	25.4
<b>4. Transition Management</b> <ul style="list-style-type: none"> <li>• proven ability to facilitate similar transactions in a manner transparent to the client</li> <li>• quality and scope of transition plan as it relates to HRM and ABC needs</li> </ul>	10	6.3	8.8	5.8
<b>5. Cost</b>	10	10	10	10
<b>Total Score</b>	100	72.8	<b>86.9*</b>	79.1

\* Recommended Proponent