

EXECUTIVE SUMMARY

Recommendation to Approve First Renewal 17-008H – Integrated Payables

Introduction

Responsible: Procurement & Warehousing (PWS)

This request is to approve the First Renewal for Request for Proposal (RFP) 17-008H – Integrated Payables. The RFP was approved on March 21, 2017, for three (3) years and ten (10) months starting March 22, 2017, through December 31, 2019, with a renewal option for (2) additional one (1) year periods. The School Board of Broward County, Florida (SBBC), and CPS Payment Services LLC would like to exercise the first one (1) year renewal option for this contract from January 1, 2020, through December 31, 2020. This contract provides income by a rebate to the District.

Goods/Services Description

Responsible: Treasurer's Office

SBBC's accounts payable system currently issues payments to vendors via check and/or Automated Clearing House (ACH) for invoices received. SBBC also utilizes Purchasing Cards (P-Cards), which are physical cards that can be used for direct face-to-face (in-store) or indirect (via phone, online, etc.) transactions when purchasing from a vendor. With P-Cards, the bank sends statements which are then reviewed, approved, and ultimately processed for payment through accounts payable's process.

With an Integrated Payables solution (IP), the District would process the invoice/billing file received from a vendor, generate a file from SAP, and send the file to CPS Payment Systems LLC, who, in turn, pays the vendor by way of a "virtual" credit card. The IP vendor then bills the District; the District receives a rebate based on the total dollars of invoices processed.

SBBC issued an RFP seeking responses from vendors to provide a virtual/merchant card payment solution. The payment of one (1) particular vendor, Florida Power & Light (FPL), was especially critical in the selection process. SBBC pays approximately \$5 million per month to FPL. This contract now provides a rebate to SBBC between one-point fifty-five (1.55) percent to one-point sixty-five (1.65) percent on all standard transactions. This incentive is paid monthly to SBBC and is calculated each month based on SBBC's previous month's spend and resets every year on the contract anniversary. FPL is the only vendor being paid under this contract.

The implementation of this virtual/merchant payment solution has assisted in improving the process efficiencies and reducing administrative costs, as well as the benefit of an income/rebate for transactions with enrolled vendors.

Procurement Method

Responsible: PWS

The procurement method chosen was through a competitive solicitation, which is required by Purchasing Policy 3320, Part II, Rule D, and Florida Administrative Code 6A-1.012(7).

This solicitation was released to the public on February 16, 2016 and opened on March 16, 2016. Five hundred and fifty-two (552) bidders were notified through Demandstar, eighteen (18) bidders downloaded the RFP, and five (5) proposals were received from Bank of America, NA, CPS Payment Services LLC, JPMorgan Chase Bank, N.A., SunTrust Bank, and U.S. Bank National Association.

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On April 8, 2016, the Evaluation Committee reviewed and scored five (5) proposals and consisted of the following members: Robert Jindracek, Nell Johnson, Renee Mahler, Erum Motiwala, and Ivan Perrone. Three (3) proposers were shortlisted and provided a presentation to the Evaluation Committee Members; the shortlisted proposers were Bank of American, NA CPS Payment Services, and JPMorgan Chase Bank, N.A. CPS Payment Services LLC was the highest-ranked proposer and was recommended by the Evaluation Committee for the award.

**Financial Impact
Responsible: Treasurer’s Office**

There is a positive financial impact to the District. CPS Payment Services LLC has provided a rebate totaling \$1,654,683.56 from April 2017 through June 2019. The total annual rebate schedule is stated below:

Annual Total Payments Rebate:

\$0 - \$50,000,000	one-point fifty-five (1.55) percent
Above \$50,000,000	one-point sixty-five (1.65) percent

By renewing this contract for an additional year, CPS Payment Services LLC increased its rebates from one-point fifty (1.50) percent to one-point fifty-five (1.55) percent and one-point sixty (1.60) percent to one-point sixty-five (1.65) percent, respectively, and would increase the rebates received.

FPL Rebates Received

FY2017	Rebate
April, 2017	\$ 88,635.76
May, 2017	\$ 32,553.92
June, 2017	\$ 65,326.90
Total	\$ 186,516.58

FY2018	Rebate
July, 2017	\$ 64,348.27
August, 2017	\$ 59,193.92
September, 2017	\$ 66,270.85
October, 2017	\$ 70,275.50
November, 2017	\$ 73,430.05
December, 2017	\$ 62,468.99
January, 2018	\$ 58,373.60
February, 2018	\$ 54,111.08
March, 2018	\$ 59,655.89
April, 2018	\$ 54,957.70
May, 2018	\$ 56,696.25
June, 2018	\$ 61,112.74
Total	\$ 740,894.84

FY2019	Rebate
July, 2018	\$ 58,763.94
August, 2018	\$ 67,560.11
September, 2018	\$ 53,368.89
October, 2018	\$ 68,067.37
November, 2018	\$ 70,295.71
December, 2018	\$ 63,635.21
January, 2019	\$ 57,005.12
February, 2019	\$ 53,511.17
March, 2019	\$ 56,316.39
April, 2019	\$ 57,332.94
May, 2019	\$ 59,330.45
June, 2019	\$ 62,084.84
Total	\$ 727,272.14
TOTAL REBATE	\$ 1,654,683.56