

**CITY OF MARYSVILLE AGENDA BILL**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE: December 14, 2020**

<b>AGENDA ITEM: Contract with US Bank for Purchase Card Program</b>	
<b>PREPARED BY: Jan Berg, Asst. Finance Director</b>	<b>DIRECTOR APPROVAL:</b>
<b>DEPARTMENT: Finance</b>	
<b>ATTACHMENTS:</b>	NASPO Political Subdivision Addendum with US Bank
<b>BUDGET CODE: Various</b>	<b>AMOUNT:</b>
<b>SUMMARY:</b>	

The Washington State Department of Enterprise Services (DES) has contracted with US Bank for the use of purchase cards that offer a rebate for each purchase made with the cards. The City already has a current master agreement with DES and is eligible to participate in this contract. The rebate rate for 2021 is 1.35% back on all payments and purchases.

Purchase cards work similar to credit cards and can be used to pay for goods, services, travel and fleet purchases. The purchase card statement would be paid monthly to include all of the purchases for the previous thirty days. This will increase efficiency by issuing one payment per card covering several purchases and reducing the number of vendor checks required to be run each month.

The purchase card program will also increase security by having the ability to monitor transactions online almost immediately rather than waiting to receive end of the month invoices. Also each purchase card will be set up with its own credit limit depending upon the user and have the ability to have set prohibited purchases consistent with city policy.

<p><b>RECOMMENDED ACTION:</b> Staff recommends that Council authorize the Mayor or sign and execute the NASPO Political Subdivision Addendum with US Bank</p> <p><b>RECOMMENDED MOTION:</b> I move to authorize the Mayor to sign and execute the NASPO Political Subdivision Addendum with US Bank</p>
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## NASPO POLITICAL SUBDIVISION ADDENDUM

This Political Subdivision Addendum ("**Political Subdivision Addendum**") constitutes an addendum to the Participating Addendum dated March 5, 2014 entered into by U.S. Bank National Association ("**U.S. Bank**") and the State of Washington ("**State**") ("**Participating Addendum**") which constitutes an addendum to the NASPO Contract dated January 1, 2014 between U.S. Bank and the State of Washington. This Political Subdivision Addendum is entered into by U.S. Bank and the Political Subdivision identified herein and supersedes like and similar agreements for any Card Product or Card Product Enhancement selected in Section 8 herein. This Political Subdivision Addendum shall become effective upon signing by U.S. Bank ("**Effective Date**").

### RECITALS

- A. The State has entered into the Participating Addendum for the purpose of making available a Purchase Card, One Card, Fleet Card or Corporate Card Program as described in the Participating Addendum for use by the State, its Agencies and Political Subdivisions;
- B. The State is willing to permit Political Subdivision to participate in the Card Program provided that Political Subdivision assumes all responsibility and liability for Political Subdivision's performance of the terms and conditions of the Participating Addendum as if Political Subdivision was the entity signing the Participating Addendum. The State is not responsible for Political Subdivision under the Participating Addendum or this Political Subdivision Addendum; and
- C. Political Subdivision has received a copy of the Participating Addendum from the State, and after a thorough review of the Participating Addendum, desires to participate as a Political Subdivision under the Participating Addendum. Political Subdivision is responsible for Political Subdivision's performance of the terms and conditions of this Political Subdivision Addendum, as well as the Participating Addendum, as if Political Subdivision was the entity signing the Participating Addendum. Political Subdivision is not liable for the acts and omissions of the State under the Participating Addendum or this Political Subdivision Addendum.

### AGREEMENT

Now therefore, in consideration of the foregoing Recitals, the mutual premises and covenants set forth in the Participating Addendum, which are incorporated herein by reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all parties agree as follows:

1. **Definitions.** Capitalized terms used in this Political Subdivision Addendum and not otherwise defined in this Political Subdivision Addendum are used with the same respective meanings attributed thereto in the Participating Addendum.
2. **Political Subdivision Responsibility.** Political Subdivision agrees to accept and perform all duties, responsibilities and obligations required of State as set forth in the Participating Addendum. Cards shall be issued to designated employees of Political Subdivision upon execution of this Political Subdivision Addendum by Political Subdivision and U.S. Bank.
3. **Financial Information.** In order to determine credit qualifications for Political Subdivision, Political Subdivision shall provide U.S. Bank with the last three (3) years of audited financial statements with this signed Political Subdivision Addendum. Political Subdivision shall provide to U.S. Bank annual financial statements thereafter. U.S. Bank will review the financial statements and notify Political Subdivision of the approval or decline of its credit qualification. If such financial statements can be independently obtained by U.S. Bank, Political Subdivision will not be required to provide such financial statements.
4. **Payment.** Political Subdivision shall make payment to U.S. Bank for all Debt incurred by Political Subdivision and its Cardholders as provided in the Participating Addendum. "**Debt**" means all amounts charged to a card and/or account including without limitation all amounts related to purchases, fees and other Charges that are owed to U.S. Bank by Political Subdivision, its Cardholders.
5. **Authority.** The representations, warranties and recitals of Political Subdivision set forth in this Political Subdivision Addendum and the Participating Addendum constitute valid, binding and enforceable agreements of Political Subdivision. All extensions of credit made to Political Subdivision pursuant to this Political Subdivision Addendum and the Participating Addendum will be valid and enforceable obligations of Political Subdivision and Political Subdivision shall pay to U.S. Bank all Debts incurred by Political Subdivision in accordance with the terms of the Participating Addendum and this Political Subdivision Addendum. The execution of this Political Subdivision Addendum and the performance of the obligations hereunder and under the Participating Addendum are within the power of Political Subdivision, have been authorized by all necessary action and do not constitute a breach of any contract to which Political Subdivision is a party or is bound.
6. **Purpose of Card Use.** Political Subdivision declares that cards shall be used for official Political Subdivision purchases only, and shall not be used for individual consumer purchases or to incur consumer debt. Political Subdivision warrants that it possesses the financial capacity to perform all of its obligations under the Participating Addendum and this Political Subdivision Addendum.
7. **Governing Law.** Except as provided to the contrary herein, the law of the State and applicable federal laws and regulations shall apply to all services provided by U.S. Bank under this Political Subdivision Addendum.
8. **Card Products and Card Product Enhancements:** U.S. Bank may provide the following Card Products to Political Subdivision and its Cardholders. Political Subdivision shall mark here the products requested.
  - A.  **Purchase Card with Corporate Liability** (Travel Accident Insurance not included with this Card Product)
    - Central Billing Accounts (Central Purchase Accounts/Event Planner Accounts/Managed Spend Accounts)
    - Managed Spend Cards (declining balance functionality)
    - Emergency Response Cards



- B.  **One Card with Corporate Liability** (Travel Accident Insurance is included with this Card Product)
  - Central Billing Accounts (Central Travel Accounts/Event Planner Accounts/Managed Spend Accounts)
  - Managed Spend Cards (declining balance functionality)
  - Emergency Response Cards
- C.  **Fleet Card with Corporate Liability**
- D.  **Corporate Card** (Travel Accident Insurance is included with this Card Product)
  - Contingent Liability
  - Joint and Several Liability

9. The notice address for Political Subdivision is:

City of Marysville  
 1049 State Avenue  
 Marysville WA 98270  
 Attn: Sandy Langdon

10. **Rebate Payments.** To receive payment, Political Subdivision must register in the manner prescribed by U.S. Bank. U.S. Bank will not make any payments until Political Subdivision has registered. If Political Subdivision fails to register by the end of the first Addendum Year, Political Subdivision forfeits any payments for that Addendum Year and any subsequent Addendum Years in which Political Subdivision fails to register. Political Subdivision designates the following person to register Political Subdivision.

Authorized Person's Name                      Sandy Langdon  
 Authorized Person's Email Address        finance@marysvillewa.gov

11. **Authorization.** Political Subdivision certifies to U.S. Bank that the person executing this Political Subdivision Addendum is authorized by Political Subdivision in accordance with its organization rules and applicable law to bind Political Subdivision to the Terms and Conditions of this Political Subdivision Addendum, including the authority to incur Debt in the name of Political Subdivision.

12. **Execution.** By signing below, the individual(s) signing this Political Subdivision Addendum is/are acting in his or her capacity as an authorized signing officer of Political Subdivision and not in his or her personal capacity, and certifies and warrants that (1) all action required by Political Subdivision's organizational documents to authorize the signer(s) to act on behalf of Political Subdivision in all actions taken under this Political Subdivision Addendum, including but not limited to, the authority to incur Debt on behalf of Political Subdivision, has been taken, (2) each signer is empowered in the name of and on behalf of Political Subdivision to enter into all transactions contemplated in this Political Subdivision Addendum and (3) the signatures appearing on all supporting documents of authority, if any, are authentic.

13. **Reliance.** Political Subdivision has read, understands and agrees to all terms and conditions in this Political Subdivision Addendum, and U.S. Bank is entitled to act in reliance upon the authorizations and certifications set forth herein.

IN WITNESS WHEREOF, the parties have, by their authorized representatives, executed this Political Subdivision Addendum.

<p><b>Date:</b> _____</p> <p><b>By Political Subdivision:</b></p> <p>City of Marysville          _____          (Name)</p> <p>_____          (Signature of Authorized Signer)</p> <p>Jon Nehring          _____          (Printed Name of Authorized Signer)</p> <p>Mayor          _____          (Printed Title of Authorized Signer)</p>	<p><b>Date:</b> _____</p> <p><b>By U.S. Bank:</b></p> <p>U.S. Bank National Association          _____</p> <p>_____          (Signature of Authorized Signer)</p> <p>_____          (Printed Name of Authorized Signer)</p> <p>Vice President          _____          (Printed Title of Authorized Signer)</p>
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Approved as to form:

\_\_\_\_\_  
 (Signature of Attorney for Political Subdivision)

\_\_\_\_\_  
 (Printed Name of Attorney)

**Before completing the Certificate of Authority, please read:**



- If the document being signed was “approved as to form” by an attorney, it is not necessary to complete the attached Certificate of Authority (C of A).
- If the document was not “approved as to form” by an attorney, please complete the attached C of A (page 6).
- Be sure to date all documents upon signing. Undated documents cannot be accepted and will be returned for dating.

**Signing Instructions for  
Certificate of Authority**

Note that three (3) different individuals must sign and date the C of A. If the Political Subdivision does not have three individuals who are authorized to sign on behalf of the Political Subdivision, please refer to page 7.

**Section 1 Organizational Information-** Enter the legal Political Subdivision name and the tax ID number on the C of A. Note: The legal name of the Political Subdivision name is required. The legal name is usually the name on the Political Subdivision’s financial statements.

**Section 2 Authorized Persons -** The individual who signed the Political Subdivision Addendum must complete and sign in Section 2.

**Section 3 Execution Requirement -** Check only one box in Section 3 to indicate how many individuals (either 1 or 2) that the Political Subdivision requires to sign legal documents on behalf of the Political Subdivision.

**Section 4 Execution -** No action required.

**Section 5 Certification -** Two (2) individuals must sign and date Section 5 as well as insert their names and titles. Note: The individual(s) who signed in Section 2 cannot sign in Section 5 or this document is invalid.

- An officer of the Political Subdivision (“**Officer One**”) is required to sign the top area of Section 5 attesting to the signatures in Section 2.
- One other officer of the Political Subdivision (“**Officer Two**”) must sign the bottom area of Section 5 attesting to the signature of Officer One.

Please see examples below:

**5. Certification.** I certify that I am the **Secretary** and I am acting in my official capacity as an authorized officer who has been given the authority by the Political Subdivision to certify that the Authorized Person(s) has/have the full power and authority under applicable law and the governance rules relating to the Political Subdivision to execute and deliver to U.S. Bank, on behalf of the Political Subdivision, and to bind the Political Subdivision under, the Documents for the purpose of establishing and extending the Services. I also certify that the name(s) and title(s) of the Authorized Person(s) set forth above are correct and that the signature appearing beside each name is a true and genuine specimen of his/her signature.

**JOHN DOE**

↑ PRINTED NAME OF THE **SECRETARY** OF THE POLITICAL SUBDIVISION↑ (CANNOT BE AN AUTHORIZED PERSON LISTED IN SECTION 2)

↑ Signature of the **Secretary** of the Political Subdivision↑

**DATE**

I certify that I am an officer of the Political Subdivision, and as such, I certify that the above-named **Secretary** is acting in such capacity on behalf of the Political Subdivision, the signature below is my genuine signature and the signature above is the genuine signature of such **Secretary**.

**JANE SMITH, TREASURER**

↑ PRINTED NAME & TITLE OF INDIVIDUAL SIGNING BELOW ↑ (CANNOT BE AN AUTHORIZED PERSON LISTED IN SECTION 2)

↑ Signature ↑ Attested by One (1) Other Individual of the Political Subdivision

**DATE**



CERTIFICATE OF AUTHORITY

1. Organizational Information. This Certificate of Authority has been completed on behalf of the following Political Subdivision (the "Political Subdivision"):

Political Subdivision Legal Name: \_\_\_\_\_

Federal Tax Identification Number: \_\_\_\_\_

2. Authorized Persons. In accordance with the governance rules relating to the Political Subdivision, the following individuals (the "Authorized Person(s)") are authorized, on behalf of the Political Subdivision, to execute and deliver to U.S. Bank National Association ("U.S. Bank") and/or its affiliates the applicable contract(s), any applicable addenda and/or amendments thereto and any other documents or writings required by U.S. Bank (collectively, the "Documents") for the purpose of establishing one (1) or more card programs, extending credit and providing related services to the Political Subdivision with U.S. Bank in the United States (collectively, the "Services"):

Table with 3 columns: Name, TITLE, SIGNATURE

3. Execution Requirements. The governance rules relating to the Political Subdivision require the following number of Authorized Persons to sign the Documents for the Services (choose only one box):

- One (1) Authorized Person
Two (2) Authorized Persons

4. Execution. By signing the Documents, each individual signing in his or her capacity as an authorized signing officer of the Political Subdivision and not in his or her personal capacity, certifies and warrants that (a) all action required by Political Subdivision's organizational documents to authorize the signer(s) to act on behalf of the Political Subdivision in all actions taken under the Documents, including but not limited to, the authority to incur debt on behalf of the Political Subdivision, has been taken, (b) each signer is empowered in the name of and on behalf of the Political Subdivision to enter into all transactions and Services contemplated in the Documents, and (c) the signatures appearing on all supporting documents of authority are authentic.

5. Certification. I certify that I am the \_\_\_\_\_ and I am acting in my official capacity as an authorized officer who has been given the authority by the Political Subdivision to certify that the Authorized Person(s) has/have the full power and authority under applicable law and the governance rules relating to the Political Subdivision to execute and deliver to U.S. Bank, on behalf of the Political Subdivision, and to bind the Political Subdivision under, the Documents for the purpose of establishing and extending the Services. I also certify that the name(s) and title(s) of the Authorized Person(s) set forth above are correct and that the signature appearing beside each name is a true and genuine specimen of his/her signature.

PRINTED NAME OF THE \_\_\_\_\_ OF THE POLITICAL SUBDIVISION (CANNOT BE AN AUTHORIZED PERSON LISTED IN SECTION 2)

Signature of the \_\_\_\_\_ of the Political Subdivision DATE

I certify that I am an officer of the Political Subdivision, and as such, I certify that the above-named \_\_\_\_\_ is acting in such capacity on behalf of the Political Subdivision, the signature below is my genuine signature and the signature above is the genuine signature of such \_\_\_\_\_.

PRINTED NAME & TITLE OF INDIVIDUAL SIGNING BELOW (CANNOT BE AN AUTHORIZED PERSON LISTED IN SECTION 2)

Signature Attested by One (1) Other Individual of the Political Subdivision DATE

**EXAMPLES TO Signing Instructions  
for  
Certificate of Authority (C Of A)**

**EXAMPLE 1:**

1. One (1) person is required to sign legal documents, and
2. Political Subdivision has more than two (2) authorized signatories who can attest to signatures of other signatories.

Addendum: Person A signs.  
C of A Section 2: Person A completes and signs.  
C of A Section 3: First box is checked.  
C of A Section 5: Person B (preferably the Secretary) signs attesting to the signature of Person A  
**AND**  
Person C signs attesting to Person B's authority and signature.

**EXAMPLE 2:**

1. Two (2) people are required to sign legal documents, and
2. Political Subdivision has more than two (2) authorized signatories who can attest to signatures of other signatories.

Addendum: Persons A and B sign.  
C of A Section 2: Persons A and B complete and sign.  
C of A Section 3: Second box is checked.  
C of A Section 5: Person C (preferably the Secretary) signs attesting to the signatures of Persons A and B  
**AND**  
Person D signs attesting to Person C's authority and signature.

**EXAMPLE 3:**

1. One (1) person is required to sign legal documents, and
2. Political Subdivision has only one (1) other authorized signatory who can attest to signatures of other signatories.

Addendum: Person A signs.  
C of A Section 2: Person A completes and signs.  
C of A Section 3: First box is checked.  
C of A Section 5: Person B (preferably the Secretary) signs attesting to the signature of Person A.  
NOTE: If the Secretary can sign the C of A, than they cannot be Person A; they must be Person B.  
**AND**  
Person A signs attesting to Person B's authority and signature.

**EXAMPLE 4:**

1. Two (2) people are required to sign legal documents, and
2. Political Subdivision has only one (1) other authorized signatory who can attest to signatures of other signatories.

Addendum: Persons A and B sign.  
C of A Section 2: Persons A and B complete and sign.  
C of A Section 3: Second box is checked.  
C of A Section 5: Either Person A or B (preferably the Secretary) signs attesting to the signature of Persons A and B.  
NOTE: If the Secretary can sign the C of A, than they must sign in Section 4 and the other person must sign in Section 5  
**AND**  
The Person who did not sign Section 4 signs attesting to the signing authority and signature of the person who did sign in Section 4, subject to the note above.