

DATE: SEPTEMBER 12, 2023

FROM: ACCOUNTING

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF AGREEMENT WITH U.S. BANK NATIONAL ASSOCIATION FOR TRAVEL PAYMENT SERVICES

SUMMARY:

Staff requests approval to enter into a three-year term Local Agency User Agreement with U.S. Bank National Association (U.S. Bank) to provide Travel Payment Services (TPS) to the City of Los Angeles Harbor Department (Harbor Department) by participating in an agreement between the State of California (State) and U.S. Bank (State's Master Agreement). The initial term of the State's Master Agreement is for three years through October 31, 2026. By utilizing the TPS under the agreement, selected Harbor Department staff can utilize charge cards towards business and travel reservation services in accordance with existing travel policies and procedures of the City of Los Angeles. This agreement will replace the Harbor Department's current agreement with Citibank. The Harbor Department will continue to be financially responsible for the payment of as-needed travel expenses incurred through use of the TPS under the proposed Agreement.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the proposed Local Agency User Agreement between the Harbor Department and U.S. Bank National Association for a three-year term;
3. Authorize the Executive Director or designee to submit the U.S. Bank Participating Entity application via the U.S. Bank onboarding portal;
4. Authorize the Executive Director or designee to sign the Local Agency User Agreement upon U.S. Bank's approval of the Department's Participating Entity application; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context: - Since 2016, the Harbor Department has participated in the State's Department of General Services Statewide Travel Program (DGS/STP) and has implemented Travel Payment Services by utilizing the State's Citibank Corporate/Government Card and Meeting Planners' Accounts, also known as Business Travel Accounts (BTAs), as the charge card and travel reservation program for the Harbor Department. The program was able to improve operational efficiencies and compliance with existing travel policies and procedures of the City of Los Angeles by providing the assigned Program Administrator the tools, control, and resources to manage and reconcile accounts and transactions online. The current contract with Citibank will expire October 31, 2023.

The State has announced the award of a new TPS agreement with U.S. Bank under the State's Master Agreement No. 5-23-99-37-01. The State completed a solicitation for the TPS provider utilizing a competitive Invitation to Negotiate (ITN) method. The initial term of the contract is for a three (3) year period from November 1, 2023, to October 31, 2026, with three (3) two-year options to extend (Transmittal 1). Staff recommends approving the initial three-year term for the Department's Local Agency User Agreement. In the event that the State's Master Agreement is extended through its options, the Board will be requested to extend the term of the Department's Local Agency User Agreement at that time.

By participating in the State's Master Agreement, the Harbor Department, as a user agency, will continue to have access to charge cards and travel reservation services and take advantage of price discounts and program benefits negotiated as a result of the State's superior bargaining power. The Master Agreement can be amended without notice or approval by local agency users. The agreement with U.S. Bank is not expected to have an impact on the travel program of the Harbor Department.

To participate in the State's Master Agreement 5-23-99-37-01 and transition the program from Citibank to U.S. Bank, the Harbor Department is required to complete an application via U.S. Bank Digital Onboarding Tool web portal within 30 days from the U.S. Bank's email invitation on August 31, 2023. After the application is submitted, a standard Local Agency User Agreement will be provided by the U.S. Bank web portal. See Transmittal 2 for a copy of Local Agency User Agreement. It is anticipated that the Harbor Department will receive the new credit cards 30-40 days after the application approval by U.S. Bank. With the new participating entities onboarding process, the State no longer requires the Harbor Department to sign a hardcopy of the State's Standard Agreement (STD 213) as a Participating Entity to the State's Master Agreement. See Transmittal 3 for more details on the onboarding process.

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The Harbor Department currently issues approximately 37 Citibank charge cards known as Government Cards (GCs) in accordance with the policy of the Harbor Department, which outlines who is authorized to be issued a GC, for what purposes, and how the card may be used, as well as the responsibilities of the cardholder. Currently, GCs are issued by request to Board of Harbor Commissioners, the Executive Director, Deputy Executive Directors, and other Harbor Department staff, on a case-by-case basis with the approval of employee's immediate supervisor and the Executive Director. Consistent with the travel policy of the Harbor Department, all card requests must provide a reasonable explanation in line with the Department's travel policy to justify issuance of the card to the employee.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an Agreement with U.S. Bank to provide TPS to the Harbor Department, which is an administrative action. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Agreement will enable the Harbor Department to participate in the State's Master Agreement to access charge cards and travel reservation services. Each Harbor Department division will continue to budget for travel-related expenses as part of the annual budget adoption process, subject to Board approval, within each division's respective travel accounts.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed agreement as to form and legality.

TRANSMITTALS:

1. Master Service Agreement (MSA) 5-23-99-37-01
2. Local Agency User Agreement
3. U.S. Bank Participating Entity Onboarding/Kickoff Meeting Presentation

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FIS Approval: 
CA Approval: 


Digitally signed by Frank Liu
Date: 2023.09.12 17:02:21 -07'00'
FRANK LIU
Director of Accounting


MARLA BLEAVINS
Deputy Executive Director and
Chief Financial Officer

APPROVED:


EUGENE D. SEROKA
Executive Director

MB/FL/lh
Author: Lorraine Hillyer