



DATE: NOVEMBER 21, 2022

FROM: ACCOUNTING

SUBJECT: RESOLUTION NO. _____ - THIRD AMENDMENT TO AGREEMENT NO. 16-3418, WITH CITIBANK, N.A. FOR CITY OF LOS ANGELES HARBOR DEPARTMENT TRAVEL PAYMENT SYSTEM SERVICES

SUMMARY:

Staff requests approval of the Third Amendment to Agreement No. 16-3418 (Agreement) with Citibank, N.A. (Citibank) which provides Travel Payment System (TPS) services to the City of Los Angeles Harbor Department (Harbor Department) by participating in an agreement between the State of California (State) and Citibank (State's Master Agreement) with the same terms and conditions. Under the Agreement, select Harbor Department staff are able to utilize charge cards towards business and travel reservation services in accordance with existing City of Los Angeles and Harbor Department travel policies and procedures.

The State has announced the Third Amendment to the State's Master Agreement with Citibank for TPS services and requests each participating agency to acknowledge the revision. The proposed Third Amendment will revise Exhibit D to include language regarding adverse credit bureau reporting of individual liability travel cards (IBTs). The Harbor Department does not utilize IBTs, and therefore revisions to Exhibit D do not affect the Harbor Department's charge cards and travel reservation services. All other terms and conditions within the Agreement remain unchanged. The Harbor Department will continue to be financially responsible for expenses incurred under the 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. Find that in accordance with the Los Angeles City Charter Section 1022, the services required can be performed more feasibly by an outside contractor than by City employees;

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3. Approve the proposed Third Amendment (Transmittal 4) to Agreement No. 16-3418 between the Harbor Department and Citibank;
4. Authorize the Executive Director or his designee to execute and the Board Secretary to attest to the proposed Third Amendment; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background: Since 2008, the Harbor Department has participated in the State of California's Department of General Services Statewide Travel Program (Program) for charge card and travel reservation services utilized by staff in accordance with existing City of Los Angeles and Harbor Department's travel policies and procedures.

Currently, Citibank is the contractor providing TPS services to the Program under the State's Master Agreement No. 5159906 which had an initial term of three years through October 31, 2019, with two two-year options to extend. The State exercised the second option and extended the agreement through October 31, 2023 (Transmittal 1).

The Harbor Department currently issues approximately 37 Citibank charge cards known as Government Cards (GCs) in accordance with Harbor Department policy, 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 employees' immediate supervisor and the Executive Director. Consistent with the Harbor Department's travel policy, all card requests must provide a reasonable explanation in line with travel policy to justify the issuance of the card to the employee.

Original Participating Agreement: The Harbor Department executed Agreement No. 16-3418 with Citibank in 2016 (Transmittal 2) to provide TPS services to the Harbor Department by participating in the State's Master Agreement with Citibank and enables the Harbor Department to take advantage of price discounts and program benefits negotiated as a result of the State's superior bargaining power.

First Amendment: At its meeting on December 19, 2019, the Board approved the First Amendment to the Agreement (Transmittal 3). This Amendment extended the original term of the Agreement for an additional two years through October 31, 2021.

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Second Amendment: At its meeting on September 23, 2021, the Board approved the Second Amendment to the Agreement (Transmittal 3). This Amendment extended the term of the Agreement for an additional two years through October 31, 2023.

Proposed Third Amendment: The State Master Agreement has a Third Amendment with Citibank to update the State Master Agreement's Exhibit D: Additional Provisions. The revised Exhibit D modifies the adverse credit bureau reporting of individual liability travel cards (IBTs). The Harbor Department, as a participating entity in the Program with Citibank, is required to amend its Agreement with Citibank in order to continue participating in the State's Master Agreement. Staff requests approval of the proposed Third Amendment (Transmittal 4) which will update Exhibit D to be consistent with the recently amended State Master Agreement No. 5159906. The modification to Exhibit D is not expected to have an impact on the Harbor Department cardholders because individual liability travel cards are not issued to staff.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Third Amendment to the Agreement with Citibank to provide TPS services, which is an administrative activity. 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:

This proposed Amendment revises an exhibit to an existing Agreement with Citibank, and is not anticipated to have a financial impact on the Harbor Department. 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 Third Amendment as to form and legality.

TRANSMITTALS:

1. Agreement No. 5159906 between State of California and Citibank
2. Agreement No. 16-3418 between the Harbor Department and Citibank

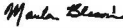
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3. Amendment No. 1 (19-3418-A), and Amendment No. 2 (21-3418-B) to Agreement No. 16-3418
4. Proposed Third Amendment to Agreement No. 16-3418

FIS Approval: MB
CA Approval: SD


Digitally signed by Frank Liu
Date: 2022.11.21 13:37:19 -08'00'
FRANK LIU
Director of Accounting


Marla Bleavins
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MARLA BLEAVINS
Deputy Executive Director and
Chief Financial Officer

APPROVED:

 For

EUGENE D. SEROKA
Executive Director

MB/FL/h
Author: Lorraine Hillyer