

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**00-392**

**SYNOPSIS -**

**AGENDA:**

AUGUST 28, 2000

**SUBJECT:**

CREDIT CARD  
APPLICATION

The Public Works Department's Equipment Maintenance Center needs a backup fueling location for emergencies. The nearest such station is Coastal Express, which requires a credit card or cash for payment at the time of fueling. Therefore, the City needs a Coastal Express credit card with which to make emergency fuel purchases. Furthermore, several other City departments are in need of credit cards in order to conduct business either during off-business hours or with vendors who refuse to accept payment by means other than a credit card.

**TYPE:**

**FISCAL IMPACT -**

RESOLUTION  
ORDINANCE  
RECEIVE/FILE

None directly, although expanding the universe of vendors with whom the City deals conceivably could lead to lower procurement prices in certain instances.

**SUBMITTED BY:**

KEVIN RIPER  
FINANCE  
DIRECTOR

**RECOMMENDATION -**

**Approval of Coastal Express credit card application attached to the roll call; authorization for the Finance Director to procure and issue City credit cards only for specific business purposes, not to City employees as individuals; and instruction to the Finance Director to monitor periodically the frequency and appropriateness of usage of such credit cards, and to take corrective action where necessary, including cancellation of the credit card.**

**BACKGROUND -**

For many years the City has used only one credit card-a DINER'S CLUB card kept at Short's Travel and used to purchase airline tickets. Last year the Police Department requested and used a credit card issued by the City's new bank, Bankers Trust, for a

successful undercover operation. In addition to the Public Works Department's need for capability to purchase fuel in an emergency (described above), the Fire Department has a parallel need for its HazMat unit, which often operates during non-business hours. Furthermore, employees in the Criminal Investigation Division of the Police Department occasionally must travel by air to interview witnesses or pick up suspects-at times when Short's Travel is not open. Airlines, of course, require payment in advance for tickets, and a credit card is the only feasible means of making such payment.

Furthermore, in the growing world of e-commerce, an increasing number of the City's vendors refuse to accept a purchase order or even a check for payment in advance. The Information Technology Department has bumped up against this business constraint repeatedly. For example, at Microsoft and Novell, many divisions-particularly after-hours emergency consulting or help desks-accept payment only by credit card. As a result, in order to procure the services needed to keep the City's network running, Information Technology Department employees occasionally have had to use their own personal credit cards to make the required purchase, and later request reimbursement from the City. This is an inappropriate burden on employees, which should be borne by the City directly.

Hence the request for authorization to procure and issue credit cards-only for specific business purposes such as those just described. The Legal Department will continue to review and approve future credit card applications. The Finance Department will conduct the same accounts payable review and audit process already in place for other City bills and invoices.