

CABINET

16 May 2017

BANKING SERVICES PROCUREMENT

Report of the Director for Resources

Strategic Aim:	Sound Financial and Workforce Planning	
Key Decision: Yes	Forward Plan Reference: FP/240217/02	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Deputy Leader and Portfolio Holder for Growth, Trading Services and Resources (except Finance)	
Contact Officer(s):	Saverio Della Rocca, Assistant Director (Finance)	01572 758159 sdrocca@rutland.gov.uk
	Debbie Mogg, Director for Resources	01572 758358 dmogg@rutland.gov.uk
Ward Councillors	Not Applicable	

DECISION RECOMMENDATIONS

That Cabinet approves delegating the award criteria and the contract award for banking services to the Director of Resources in consultation with the Portfolio Holder for Growth, Trading Services and Resources (except Finance).

1 PURPOSE OF THE REPORT

- 1.1 To update Cabinet in respect of the approach to the procurement of Banking Services and to seek delegated approval for the Director of Resources in consultation with the Portfolio Holder to define the award criteria and the award the contract following a tender exercise.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The Banking Services contract is due for renewal on 1 April 2018. The main Banking service is currently supplied by HSBC. The value of the contract is c£14k.
- 2.2 In its last tender exercise in 2013/14, the Council used a specialist company 'Focus on Banking' (FOB) to produce a tender specification and evaluate bids for banking services. FOB support lots of Councils in undertaking banking tenders and tailor specifications to illicit the best response from supplier. They can also benchmark existing fees to assess whether value for money is being achieved. This approach last time led to a reduction in costs.

- 2.3 The Council is again running its own tendering exercise with support from FOB. The proposed process for evaluation of tenders is outlined below. The tender process will be one stage which will involve a Qualification Questionnaire which is to be completed by tenderers to provide information regarding the tenderer's basic capability to undertake the contract i.e. tenderers will be asked to confirm that they are regulated by the Financial Conduct Authority (FCA) and that they will comply with various legislation. Failure to provide an adequate response or failure to comply with any of the requirements in the questionnaire will be treated as grounds for exclusion without further consideration of the full tender.
- 2.4 The detailed specification and award criteria will be drawn up in consultation with FOB to ensure the Council the tender will encourage suppliers to submit a response.
- 2.5 One of the key objectives of the contract will be to engage a supplier who can help the Council explore alternative payment options to reduce cash and face to face transactions. The price:quality split is expected to be 40:60 with the quality score taking into account Customer Support, Electronic/Internet Banking Capabilities, e-Commerce and Efficiencies. This will be confirmed in agreement with FOB.
- 2.6 The proposed timetable for the tender is as follows:

Activity	Completed by
Advertise Invitation to Tender	June 2017
Last date for submission of tenders	July 2017
Clarification of any tender issues completed by	August 2017
Evaluation completed by	September 2017
Award contract	September 2017
Start of contract delivery	April 2018

- 2.7 Should the Council decide to change supplier, six months is sufficient time to put in place new arrangements based on discussions with other local authorities and from suppliers themselves.

3 CONSULTATION

- 3.1 No formal consultation is required.

4 ALTERNATIVE OPTIONS

- 4.1 Cabinet could decide to not delegate the decision and request that the Director returns to Cabinet once criteria have been agreed with FOB before any procurement is undertaken.

5 FINANCIAL IMPLICATIONS

- 5.1 The Medium Term Financial Plan includes the current contract amount as per paragraph 2.1. The MTFP will be updated after the procurement but it is not expected that the fee will increase.
- 5.2 A change of supplier will lead to an implementation project but it is anticipated that this could be accommodated within existing resources.

5.3 The cost of using FOB is not expected to exceed £5k and can be met from within existing budgets.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

6.1 The Contract Procurement Rules (CPRs) state the procurement method has to be a single stage (open) tender. Per para 12.1 of the CPRs states that Cabinet is required to approve the award criteria and award of the contract but this can be delegated to officers.

7 EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment (EqIA) has not been completed because the report does not represent the introduction of a new policy or service or a change / review to an existing policy or service.

8 COMMUNITY SAFETY IMPLICATIONS

8.1 There are no community safety implications.

9 HEALTH AND WELLBEING IMPLICATIONS

9.1 There are no health and wellbeing implications.

10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

10.1 In order to ensure that the Council maintains adequate banking arrangements, Cabinet are asked to approve the delegation to define the award criteria and award of the contract.

11 BACKGROUND PAPERS

11.1 There are no additional background papers to the report.

12 APPENDICES

12.1 None

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.