

**FORM 1**


**NOTICE OF DELEGATION OF DECISION TO CABINET MEMBER BY STRONG LEADER**

Section 15(4) of the Local Government Act 2000, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

I, Cllr Helen Dyke, as Strong Leader, delegate the decision to decide on the Provision of Banking Services to the Cabinet Member detailed below:

Cabinet Member for Finance and Capital Portfolio, Councillor Mary Rayner

Dated: 11<sup>th</sup> October 2021

Signed: 

Leader of the Council

## FORM 2

### NOTICE OF DECISION OF CABINET MEMBER

Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me by the Leader, I have made the following decision:

Subject	Decision	Reason for decision	Date for Decision to be taken
Provision of Banking Services	Grants delegated authority to the S151 Officer in consultation with the Cabinet Member for Finance and Capital Portfolio to award and enter into the Banking Services Contract for up to an eight year term (5+2+1) in accordance with the approved evaluation model.	The Council is required to tender for the provision of banking services. It is suggested that the tender be for a period of up to 8 years, potentially to expire 31/03/2030. The proposed delegation allows this award to be progressed in a timely manner.	By 11 <sup>th</sup> October 2021

**I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.**

Dated: 11<sup>th</sup> October 2021

Signed: 

Councillor: Mary Rayner, Cabinet Member for Finance and Capital Portfolio

**WYRE FOREST DISTRICT COUNCIL**

**CABINET DECISION FOR STRONG LEADER APPROVAL**

**11<sup>th</sup> OCTOBER 2021**

**Provision of Banking Services**

<b>Open</b>	
<b>CABINET MEMBER:</b>	<b>Councillor Mary Rayner, Cabinet Member for Finance and Capital Portfolio</b>
<b>RESPONSIBLE OFFICER</b>	Corporate Director: Resources/S151 Officer
<b>CONTACT OFFICER:</b>	Tracey Southall <a href="mailto:Tracey.southall@wyreforestdc.gov.uk">Tracey.southall@wyreforestdc.gov.uk</a> <a href="mailto:helen.ogram@wyreforestdc.gov.uk">helen.ogram@wyreforestdc.gov.uk</a> <a href="mailto:Kath.pearsall@wyreforestdc.gov.uk">Kath.pearsall@wyreforestdc.gov.uk</a>

**1. PURPOSE OF REPORT**

- 1.1 Approval of the Cabinet is required by the Contract Procedure Rules to enter into a procurement exercise where the value of the purchase is over £160,000.
- 1.2 The report seeks to gain approval to advertise the contract, for the tender evaluation model proposed for the procurement of the Banking Services contract and the granting of delegated authority to the Corporate Director: Resources/S151 Officer in consultation with the Cabinet Member for Finance and Capital Portfolio to award the Banking and Card Acquiring Services contracts.

**2. RECOMMENDATION**

- 2.1 That the Leader is asked to DECIDE to:
- 2.1.1 approve the procurement and tender evaluation model contained in section 5 of this report.
- 2.1.2 grant delegated authority to the Corporate Director: Resources/S151 Officer in consultation with the Cabinet Member for Finance and Capital Portfolio to award and enter into the Banking Services contract for up to an eight-year term in accordance with the approved evaluation model.

**3. BACKGROUND**

- 3.1 The Council's current banking services provider is Lloyds Bank plc. The initial contract for these services was awarded following competitive tendering and commenced on 1 April 2014 for a 5 year period, this was extended by 2 years to 31<sup>st</sup> March 2021 and a further 1 year, by exception, to 31<sup>st</sup> March 2022 due to the Covid-19 pandemic.
- 3.2 The Council's existing contract expires on the 31<sup>st</sup> March 2022.
- 3.3 Focus on Banking have been engaged at a cost of £4,800 to review the banking arrangements and to assist with tendering the banking contract. This company

supported our previous procurement for banking services, have worked with many other Council's and secured ongoing savings using their specialist market knowledge and expertise. They are working in close liaison with the Council's accountancy, legal and procurement teams.

- 3.4 The pricing aspect of the evaluation will include consideration of proposed debit/credit interest rates, transaction charges and all other relevant factors.
- 3.5 Delegated authority to award the tenders following evaluation in accordance with the approved criteria is sought as this needs to be done promptly to provide sufficient implementation time between award and commencement of the new contract.

**4. KEY ISSUES**

- 4.1 The estimated annual values is likely to mean that the overall value of the contract, over the maximum eight year period, exceeds Public contracts regulations limit for 2021 for sub-central government goods and services of £189,330 and must be advertised on the UK e-notification Service, Find a Tender (FTS).
- 4.2 The new contract will be for 5 years with the option to extend for a further two-year period, followed by a further option to extend by one year making a maximum term of eight years.
- 4.3 The proposed tender timetable is as follows:

	Date
Draft tender document provided by Focus on Banking (FOB)	23 September 2021
Draft Document to be Reviewed by WMP/Legal	7 <sup>th</sup> October 2021
Comments and proposed amendments sent to FOB	8 <sup>th</sup> October 2021
Document amended and finalised by FOB	11 <sup>th</sup> October 2021
Approval of Tender Process, including evaluation model and delegation to award contract	19 <sup>th</sup> October 2021
Advert place on FTS by WFDC	11 <sup>th</sup> October 2021
Deadline for Tender responses (min 45 days assuming electronic advert)	12 <sup>th</sup> November 2021
Evaluation Reports completed by FOB	26 <sup>th</sup> November 2021
Clarification process/meetings if required	w/c 29 <sup>th</sup> November 2021
Contract Award - standstill	6 <sup>th</sup> December 2021
Final Award – End standstill	17 <sup>th</sup> December 2021

- 4.4 If the result of the process is a change of provider, it would increase the workload of accountancy significantly and it is essential to get the migration right for this business critical service. In order to allow sufficient time for the potential additional work that could be generated, it is essential that the tender award is made by the end of December to allow three months for the necessary work for a smooth transition should it prove necessary.

## 5. EVALUATION CRITERIA AND SCORING METHODOLOGY

5.1 All Tenders will be evaluated on a 60/40 split in favour of price over quality.

### 5.1.1 Price

The Total Estimated Contract Cost will be calculated by applying the proposed tariffs to the indicative transaction volumes for the five-year contract period (as indicated in the pricing schedule – Appendix 1).

The cost of moving bank will be added to the Total Estimated Contract Cost (if appropriate) and will be estimated based on the Tenderers proposals for implementation of the arrangements.

The Tenderer with the lowest tender price will score the maximum score of 60%. The other tenders will be scored pro rata as a percentage of their tender sum compared with the lowest tender.

$$\frac{\text{Lowest submitted total price}}{\text{Tenderer's submitted total price}} \times 60$$

### 5.1.2 Quality

The quality element of submissions will be evaluated based on responses to the Quality Questionnaire included at Appendix 2. The individual weighting of each question is detailed below:

	<b>Criteria</b>	<b>Weighting</b>
1.	Relationship Management	15%
2.	Service Delivery and Query Resolution	10%
3.	Implementation	10%
4.	Social Value	5%
	<b>Total</b>	<b>40%</b>

Each question will be assessed and awarded a score of 0 to 5 based on the bespoke scoring matrix detailed underneath the question.

The evaluation process will consider all relevant submitted evidence and written information provided by each Tenderer, in relation to the specific requirements as set out within this ITT and the supporting documentation. There will be an initial check of all Tenders for completeness and compliance with the tendering instructions (including a check that the Tender is a “compliant Tender”). Any submissions that in the opinion of the Council do not meet the requirements set out in this ITT may be rejected as non-compliant and will not be evaluated further.

Each question for quality will be assessed by a panel. The panel will agree a single overall score out of 5. This score will be multiplied by the weighting for that question (as set out in the above table) to give weighted score. The following formula will be used to calculate weighted scores:

$$\text{Weighted Score} = \frac{\text{Awarded Score}}{\text{Maximum Score}} \times \text{weighting}$$

For example, if a score of 3 is awarded for Question 2 (weighting 10%) the weighted score will be 6 (3/5 x10).

At the sole discretion of the Council, Tenderer's may be invited to present their proposals at clarification meeting and demonstrate details of their submission. The meeting may be used to validate the provisional scores for the Tenderer's written submissions in relation to quality and technical merit. The Council's tender evaluation panel may therefore reduce a Tenderer's provisional score for their written submissions in relation to quality where the meeting indicates that a Tenderer's provisional score on the basis of their written submission cannot be justified. Conversely, the evaluation panel may increase a Tenderer's provisional score where it considers their written submissions in relation to quality did not sufficiently reflect the quality of their actual delivery proposals for the Contract.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The Council has a combined annual budget for Banking Services to cover the costs for the proposed maximum eight-year contract. It is hoped to make savings from this procurement exercise.
- 6.2 Depending on the outcome of the procurement process the value of the maximum eight-year contract could potentially be close to the Council's Contract Procedure Rules limit of £160,000 where Cabinet approval is required.
- 6.2 It is also hoped that cost of the engagement of Focus on Banking to assist us with this procurement process will be covered by savings achieved from the new contract award. Funding for this can be met from accountancy earmarked reserves initially.

## **7. LEGAL AND POLICY IMPLICATIONS**

- 7.1 As stated in the Council's Contracts Procedure Rules Cabinet Approval is sought for procurements where the value of the purchase is estimated to be in excess of £160,000.
- 7.2 The successful Tenderer will be required to enter into a formal contract prepared by the Council's Solicitor.

## **8. RISK MANAGEMENT**

- 8.1 The Council must fully evaluate contracts to ensure that they are capable of delivering upon the contract.
- 8.2 The choice of the Council's Bankers is intrinsically linked to the Treasury Management Policy and risk must be mitigated to ensure funds are protected. Appropriate consideration of credit ratings is included as part of the tender process to ensure the Council is protected as far as possible, going forward. In addition to this, the new contract for Banking Services will contain two break-clauses (at 5 and 7 years) to allow a review of the contract should this be deemed necessary. We also intend to reserve the right to terminate the contract should the successful contractor be removed from the Council's counterparty list for investments during the contract period.

## **9. EQUALITY IMPACT ASSESSMENT**

- 9.1 This is a financial report and there is no requirement to consider an Equality Impact Assessment.

## **10. CONCLUSION**

- 10.1 It is essential that a new contract for banking services is in place for 1<sup>st</sup> April 2022. The Council is required to tender for the provision of banking services. It is suggested that this tender be for a period of up to 8 years, potentially to expire 31/03/2030.
- 10.2 Given the value of the contract a full procurement exercise in accordance with UK Regulations and WTO rules will be undertaken using the expertise of Focus on Banking in close liaison with Council officers.

## **11. CONSULTEES**

Cabinet Member for Finance and Capital Portfolio  
Corporate Leadership Team  
Contracts Solicitor  
Finance Officers  
Procurement Partner (West Mercia Police) and Procurement team

## **12. BACKGROUND PAPERS**

Appendix 1 – Pricing Schedule  
Appendix 2 – Quality Questionnaire

**Pricing Schedule**

<b>Transaction Type</b>	<b>Estimated Annual Volumes/Values</b>	<b>Proposed Tariff</b>	<b>Cost (Excl. VAT)</b>
Cheques Paid	185	£0.00	£
Direct Debits Paid	3,145	£0.00	£
Other Debits	935	£0.00	£
Manual Credits - Branch	13	£0.00	£
Manual Credits - Cash Processing Centre	273	£0.00	£
Manual Credits - Cheque Processing Centre	167	£0.00	£
Automated Credits	14,722	£0.00	£
Faster Payment Credit	12,699	£0.00	£
Other Credits	516	£0.00	£
Cash Paid In - Branch	£1,687	£0.00%	£
Cheques Paid In - Branch	2	£0.00	£
Notes Paid In - Processing Centre	£22,010	£0.00%	£
Coin Paid In - Processing Centre	£727,638	£0.00%	£
Bulk Cheques Paid In - Processing Centre	3,116	£0.00	£
BACS - Files	602	£0.00	£
BACS - Items Distributed	371,055	£0.000	£
<b>Internet Banking Service</b>			
Monthly Fee (8 Accounts, 12 Users)	12	£0.00	£
CHAPS Payments	213	£0.00	£
Immediate Faster Payments	451	£0.00	£
<b>Other Fees</b>			
Overdraft Fee	£750,000	0.00%	£
Other - please specify (e.g. internet banking training, provision of copies of paid cheques)	1	£0.00	£
<b>Sub-Total</b>			<b>£</b>
<b>Set-up Fees</b>			
Transfer BACS Service User Numbers - DD's	5	£0.00	£
Transfer BACS Service User Numbers - DC's	3	£0.00	£
BACS Smart Cards	4	£0.00	£
Internet Banking Smart Cards (assumes 1 per user required)	12	£0.00	£
Internet Banking Smart Card Readers (assumes 1 per user required)	12	£0.00	£
Other Set-up costs (please specify)		£0.00	£
<b>Discount (insert as minus figure)</b>	1	£0.00	£
Estimated Cost Year 1			£
Estimated Cost Year 2			£
Estimated Cost Year 3			£
Estimated Cost Year 4			£
Estimated Cost Year 5			£
<b>Total Estimated Contract Cost</b>			<b>£</b>



**Quality Questionnaire****1. Relationship Management (15%)**

Details of the Relationship Management structure proposed for the Council must be provided. This should include, but not limited to, the following:

- a) Information on the roles / responsibilities of the key members of the relationship management team. This should include information on the delivery services during non-working hours in emergency situations (see examples detailed in the Specification).
- b) The proposed relationship team's specific experience of working with local authorities
- c) Outline proposals for service delivery review meetings with the Council

Marks 0-5 will be allocated based on the following schedule:

<b>Score</b>	<b>Evaluation Criteria</b>
5	The response provides comprehensive detail of a robust and effective approach to relationship management. The proposed team have experience of working with a significant number of local authorities.
4	The response provides in sufficient detail of an effective approach to relationship management. The proposed team have experience of working with local authorities.
3	The response provides in sufficient detail an adequate approach to relationship management. The proposed team has some experience of working with local authorities.
2	The response details an approach to relationship management; however this is limited in some minor areas and/or is limited in detail. The proposed team has limited experience of working with local authorities.
1	The response details an approach to relationship management; however this is extremely limited and does not provide sufficient detail. The proposed team has no experience of working with local authorities or specific details of experience have not been provided.
0	No response or the response is not relevant

**Response (max 1,000 words):**

## 2. Service Delivery and Query Resolution (10%)

Please provide:

- a) Details of the team that will be responsible for dealing with day to day service issues (e.g. transaction queries, mandate instructions, correction of bank errors etc). This should include information on the team's specific experience of working with local authority clients.
- b) Details of the process for raising queries / issues together with indicative response times. Details of how the Council will be compensated if service levels fall below an acceptable level or if agreed timescales are not met
- c) Escalation procedures to be followed when timescales are not met or when the quality of service falls below an acceptable level.
- d) Details of how you propose to limit downtime of your internet banking service during working hours. Please also provide details of planned and unplanned downtime experienced with the proposed internet banking service during the last 12 months.

Marks 0-5 will be allocated based on the following schedule:

Score	Evaluation Criteria
5	The response provides comprehensive detail of a particularly effective approach for all four requirements
4	The response provides sufficient detail to adequately approach all four requirements. For three of the requirements the response provides details of a particularly effective approach.
3	The response provides sufficient detail to adequately approach all four requirements. For two of the requirements the response provides details of a particularly effective approach.
2	The response provides sufficient detail to adequately approach all four requirements. For one of the requirements the response provides details of a particularly effective approach.
1	The response provides sufficient detail to adequately undertake all four requirements.
0	All four requirements have not been addressed.

**Response a) max 500 words:**

**Response b) max 500 words:**

**Response c) max 500 words:**

**Response d) max 500 words:**

### 3. Implementation (10%)

Please provide details of:

- a) How you propose to plan and manage the implementation project. This should include proposals for the initial scoping meeting and ongoing progress meetings.
- b) The experience and expertise you will deliver in the implementation project. Details of other similar implementations (i.e. for local authorities) the proposed team has undertaken. Note that this question relates to the proposed implementation manager/team and not the entire bank.
- c) A key requirement of the implementation project is the early allocation of sort codes/account numbers for the main income accounts (i.e. so details can be printed on the relevant demands). How quickly can you provide account details following contract award and what documents/information will you require from the Council in order to do so?
- d) How you will minimise the need for Council resources during the implementation process.

All suppliers must provide a complete response to this question. Marks 0-5 will be allocated based on the following schedule:

Score	Evaluation Criteria
5	No implementation project is necessary OR the response provides comprehensive detail of a particularly effective approach for all four requirements.
4	The response provides sufficient detail to adequately approach all four requirements. For three of the requirements the response provides details of a particularly effective approach.
3	The response provides sufficient detail to adequately approach all four requirements. For two of the requirements the response provides details of a particularly effective approach.
2	The response provides sufficient detail to adequately approach all four requirements. For one of the requirements the response provides details of a particularly effective approach.
1	The response provides sufficient detail to adequately undertake all four requirements.
0	All four requirements have not been addressed.

**Response a) max 500 words:**

**Response b) max 500 words:**

**Response c) max 500 words:**

**Response d) max 500 words:**

#### 4. Social Value (5%)

Tenderers must outline their approach for delivering Social Value within the area served by the Council.

The response must include the following:

- a) The arrangements you will make to recruit local apprentices, reach long term local unemployed and trainees, creating part-time and flexible opportunities to increase for single parents seeking employment and people with disabilities.
- b) Facilities/arrangements you will make available to provide local residents with bank account facilities (i.e., residents that have historically been declined for bank account facilities).
- c) Details of staff time you will make available to support local community projects.
- d) Financial education that can be provided in local schools and other establishments (e.g. financial/technology workshops for elderly residents)

Marks 0-5 will be allocated based on the following schedule:

Score	Evaluation Criteria
5	The response provides comprehensive detail of a particularly effective approach for all four requirements
4	The response provides sufficient detail to adequately approach all four requirements. For three of the requirements the response provides details of a particularly effective approach.
3	The response provides sufficient detail to adequately approach all four requirements. For two of the requirements the response provides details of a particularly effective approach.
2	The response provides sufficient detail to adequately approach all four requirements. For one of the requirements the response provides details of a particularly effective approach.
1	The response provides sufficient detail to adequately undertake all four requirements.
0	All four requirements have not been addressed.

**Response a) max 500 words:**

**Response b) max 500 words:**

**Response c) max 500 words:**

**Response d) max 500 words:**