

CYNGOR SIR CEREDIGION COUNTY COUNCIL

Report to: Cabinet

Date of meeting: 05/12/23

Title: Banking Contract

Purpose of the report: To provide an update on the outcome of the Council's Banking Contract tender

For: Information

Cabinet Portfolio and Cabinet Member:
Councillor Gareth Davies, Cabinet Member for Finance and Procurement

1. **Background**

The Council's banking contract provides for the transactional side of banking activity. This includes the provision of banking facilities (e.g. bank accounts and internet banking) to enable operational transactions for the Council's income and expenditure to be banked and accounted for.

The Council's wider investment approach (including counterparty considerations) are set by the annual Treasury Management Strategy which is considered by Full Council. The banking contract does not include Secure Collection services (e.g. cash / cheques) nor does it include Merchant services for online payment methods (e.g. debit / credit cards).

The current banking contract expires at the end of February 2024, therefore a procurement process for a new contract period has been undertaken.

2. **Procurement Process**

The Council advertised the tender opportunity openly through Sell2Wales, the Welsh Government procurement portal through which Welsh Public Services advertise contract opportunities. Etenderwales, an e-Tendering system provided under free licence by Welsh Government, was used to manage the tender process.

The tender was open for a period of 1 calendar month from 04/09/23 to 04/10/23 and a new contract was offered on a 7 year basis, with a further 2 year optional extension. There is a significant amount of operational work involved in changing banks, hence why there is a longer than average contract duration. The tender was evaluated on the basis of a 30% Price / 70% Quality split with 200 marks available in total.

15 different quality criteria were used in the tender evaluation and whilst the focus was predominantly on core operational requirements (including key matters such

as cyber security and anti-fraud measures), some weighting was also given to Community Benefits and Environmental, Social & Governance matters.

The quality criteria submissions were scored by a panel consisting of 3 officers from the Finance & Procurement service, who were assisted in evaluating the scoring for the questions on Community Benefits and Environmental, Social & Governance by officers from other Services with the relevant expertise. The panel meetings were also moderated by an officer from the Procurement team.

3. Outcome

The Council received 2 formal responses to the tender opportunity. Both Suppliers passed the qualification stage of the tender, which is a set of core questions to ensure bidders meet essential criteria and are evaluated on a pass/fail basis. Next, the submissions to the quality envelope were evaluated, before moving on to opening the commercial pricing. The results are summarised below and shown in more detail in Appendix 1:

	Supplier A	Supplier B
Quality Evaluation Score (Scored out of 140)	128.0	121.5
Commercial Price Score (Scored out of 60)	60.0	50.73
TOTAL Score - Points	188.0	172.23
TOTAL Score - %age	94.0%	86.1%
Position	1st	2nd

In conclusion – Supplier A has achieved the highest evaluation score overall and is therefore the winning bidder. Supplier A is Barclays Bank plc. The total contract price is estimated at £106,007.92 over the 7 year + 2 year optional extension period, and on an annual basis this is within the Budget available.

In accordance with the Council’s Contract Procedure Rules, due to there only being 2 responses, a Contract Exemption request was considered and approved by Leadership Group on 15/11/23.

In accordance with the Council’s Contract Procedure Rules, with the total estimated contract value (including any optional extension) falling within the £100k to £249k range, the authority to sign off the tender acceptance rests with ‘An Officer designated by the appropriate Service AND one of the following - Chief Executive / a Corporate Director / a Corporate Lead Officer’.

The Corporate Lead Officer: Finance & Procurement and the Corporate Manager: Core Finance therefore approved and signed off the tender acceptance on 15/11/23. An Intention to Award notice was subsequently published on 16/11/23, followed by the normal 10 day standstill period which expires at midnight on 27/11/23. The new contract period will then commence on 29/02/24.

Wellbeing of Future Generations:

Has an Integrated Impact Assessment been completed? If not, please state why.

No

Summary of Integrated Impact Assessment:

Long term: Not applicable

Collaboration: Not applicable

Involvement: Not applicable

Prevention: Not applicable

Integration: Not applicable

Recommendation(s):

To note the update provided on the Council's Banking contract.

Reasons for decision:

Not applicable

Overview and Scrutiny:

Corporate Resources Overview & Scrutiny Committee have previously received an update on this topic (19/09/23)

Policy Framework:

Not applicable

Corporate Well-being Objectives:

All

Finance and Procurement implications:

Noted within the report.

Legal Implications:

Not applicable

Staffing implications:

Not applicable

Property / asset implications:

Not applicable

Risk(s):

The Council needs to have a Banking supplier in order for its day-to-day operations to function.

Background Papers:

None

Appendices:

Appendix 1: Tender Evaluation

Corporate Lead Officer:

Duncan Hall - CLO: Finance & Procurement

Reporting Officer:

Duncan Hall and Justin Davies

Date:

16/11/23

APPENDIX 1 – Tender Evaluation

1. Quality Evaluation Score (Scored out of 140)

Quality Evaluation Criteria	Maximum Score	Supplier A Score	Supplier B Score
Q1 Internet Banking – Continuity of Service / System Administration	15	15	12
Q2 Internet Banking - Banking Data Access	10	10	10
Q3 Client Management / Helpdesk	10	10	8
Q4 Bulk Processing Centre Deposits	15	12	12
Q5 Branch Deposits From Council Establishments	10	10	6
Q6. Account Structure, Pooling of Balances, Cash Management and Credit Interest Arrangements.	10	10	10
Q7 Account Structure, Pooling of Balances, Cash Management and Credit Interest Payments	5	4.5	4.5
Q8 Stationery	5	5	5
Q9 Cyber Crime Prevention Measures	15	15	15
Q10 Cheque Fraud Prevention Measures	5	4	4.5
Q11 Value Dates / Settlement Timescales	5	5	5
Q12 Innovation	5	4	5
Q13 <i>Not used</i>	-	-	-
Q14 Community Benefits	5	4.5	4.5
Q15 Environmental, Social and Governance	15	9	12
Q16 Contract Transfer / Implementation Plan	10	10	8
TOTAL	140	128.0	121.50

2. Commercial Price Score (Scored out of 60)

The Commercial Price was scored using the following formula:

$$\text{Lowest Tender Price} / \text{Supplier Price} \times 60 \text{ marks}$$

Criteria	Maximum Score	Supplier A Score	Supplier B Score
Price	60	60	50.73
TOTAL	60	60	50.73