

**DECISION NO: PCCG-2014-060**

**OFFICE OF THE POLICE AND CRIME COMMISSIONER**

**LEAD CHIEF OFFICER:** Darren Garwood-Pask

**TITLE:** Provision of Banking Services

**DATE:** 28<sup>th</sup> July 2014

**TIMING:** Urgent

**PURPOSE:** For Approval

**1. RECOMMENDATION**

1.1 The provision of banking services is awarded to Tenderer C for three years, with an option to extend on an annual basis for an additional two years.

The contract is awarded in accordance with the Manual of Corporate Governance, Part 3e Standing Orders Relating to Contracts, paragraph 39.

**2. INTRODUCTION & BACKGROUND**

2.1 In July 2013, the Gwent Police Procurement Department issued letters of interest to 'high street' banks in the geographical location of Cwmbran, regarding the provision of banking services on behalf of the Commissioner. There was interest shown by two of the leading high street banks.

2.2 Subsequently, the Head of Procurement, Principal Financial Accountant and Assistant Financial Accountant (Treasury Management) visited both banks between the 11th July and 26th July 2013 to discuss the Commissioner's requirements for banking services. Following the meetings, both banks stated they would be interested in tendering for the provision.

**3. ISSUES FOR CONSIDERATION**

3.1 The advert and pre-qualification questionnaire were published on 'Sell to Wales' on 21<sup>st</sup> November 2013, with a return date of 16<sup>th</sup> December 2013. This enabled all banks the opportunity to respond. Three banks submitted responses which were evaluated by a panel comprised of the Head of Procurement, Principal Financial Accountant, Financial Accounting & Systems' Development Accountant and Assistant Financial Accountant (Treasury Management). The potential suppliers were required to provide information relating to their organisation's financial standing (including short and long term credit ratings), capacity, capability, equal opportunities, sustainability and health & safety.

3.2 The three banks were invited to tender with a return date of 10<sup>th</sup> April 2014.

3.3 Tender responses were evaluated by the above panel (with the exception of the Financial Accounting & Systems' Development Accountant) based on the Most Economically Advantageous Tender (MEAT) criteria of commercial 50%

	and technical 50%. During the evaluation of the responses, supplementary clarification questions were issued to the banks, with the responses being scrutinised and scored accordingly.																
3.4	The scores achieved by the three suppliers are presented below. They are based on price and service quality considerations:																
	<table border="1"> <thead> <tr> <th>Supplier</th> <th>Commercial</th> <th>Technical</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>22.12</td> <td>39.13</td> <td><b>61.25</b></td> </tr> <tr> <td>B</td> <td>43.73</td> <td>43.75</td> <td><b>87.48</b></td> </tr> <tr> <td>C</td> <td>50.00</td> <td>39.5</td> <td><b>89.50</b></td> </tr> </tbody> </table> <p>Tenderer C is the most economically advantageous tender.</p>	Supplier	Commercial	Technical	Total	A	22.12	39.13	<b>61.25</b>	B	43.73	43.75	<b>87.48</b>	C	50.00	39.5	<b>89.50</b>
Supplier	Commercial	Technical	Total														
A	22.12	39.13	<b>61.25</b>														
B	43.73	43.75	<b>87.48</b>														
C	50.00	39.5	<b>89.50</b>														
<b>4.</b>	<b><u>NEXT STEPS</u></b>																
4.1	On approval of the report the contract will be awarded to Tenderer C and an implementation meeting arranged.																
4.2	Tenderer C's response regarding the capability to manage the switch from our current suppliers (Co-Operative Bank) presents a potential risk which is being mitigated through the development of a detailed timeline for implementation.																
4.3	Tenderer C will request details of the Commissioner's existing Direct Debits and Standing Orders from the Co-Operative Bank. When received, Tenderer C will advise the amendment of bank details to all recipients, at which point the existing instructions held with the Co-Operative Bank will be cancelled.																
4.4	Standing Order credits into the Commissioner's existing bank accounts will be redirected to Tenderer C's account(s), using the Standing Order File Amendment Scheme (SOFA).																
4.5	A request to VocaLink, who have responsibility for the BACS system in the UK, will be made to request other SOFA member banks to amend lodged standing order instructions so that they are directed to Tenderer C's accounts in the future.																
<b>5.</b>	<b><u>FINANCIAL CONSIDERATIONS</u></b>																
5.1	The annual cost of the service will be £4,391; this figure is based on current annual usage provided to the tenderers in the invitation to tender. The current Co-operative Bank's arrangements are free of charge, so this presents a small increase in cost due to banks removing free services from the market. Budgetary provision exists for this new contract.																
<b>6.</b>	<b><u>PERSONNEL CONSIDERATIONS</u></b>																
6.1	There are no personnel considerations.																
<b>7.</b>	<b><u>LEGAL IMPLICATIONS</u></b>																
7.1	There are no legal implications. This report has been submitted in accordance with the Manual of Governance in relation to the Scheme of Consent and																

	Delegation (paragraph 5.6) and also Standing Orders in Relation to Contracts.
<b>8.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
8.1	This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
<b>9.</b>	<b><u>RISK</u></b>
9.1	The Co-Operative Bank contract expired on the 31 <sup>st</sup> May 2014. The Bank agreed to extend provision until the 1 <sup>st</sup> September 2014; so the new service is being planned for delivery from this date.
<b>10.</b>	<b><u>PUBLIC INTEREST</u></b>
10.1	This report can be made available to the public.
<b>11.</b>	<b><u>CONTACT OFFICER</u></b>
11.1	Paula Corfield, Head of Procurement.
<b>12.</b>	<b><u>ANNEXES</u></b>
12.1	None.

	Tick to confirm (if applicable)
<b>Financial</b> The Chief Finance Officer has been consulted on this proposal.	✓
<b>OPCC (insert name)</b> The Chief Executive has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	✓
<b>Legal</b> The legal team have been consulted on this proposal.	N/A
<b>Equalities</b> The Equalities Officer has been consulted on this proposal.	N/A

**Chief Executive/ Deputy Chief Executive:**

I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.

**Signature:**

*S A Bossa*

**Date: 07/08/14**

**Police and Crime Commissioner for Gwent**

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

**Signature:**

*D.G. Garwood - PCC*

**Date: 07/08/14**

This report has been signed by the Chief Finance Officer on behalf of the Police and Crime Commissioner for Gwent as per Part 3c, Scheme of Consent and Delegation, Paragraph 9 of the Manual of Corporate Governance.