

<b>TENDER EVALUATION REPORT</b>	<b>CATEGORY:</b>	Corporate / Professional Services
	<b>INITIATIVE NUMBER &amp; TITLE:</b>	21-278 Provision of Banking Services
	<b>YORtender REF:</b>	74463
	<b>CATEGORY MANAGER:</b>	Emma Fairclough, Senior Procurement Category Manger (Corporate)
	<b>SERVICE LEAD:</b>	Ian Bagshaw, Finance Manager (Financial Accounting)

## 1. PURPOSE

The purpose of this tender evaluation report is to provide Rob Mahon, Assistant Director Financial Services with a summary of the procurement process undertaken, the outcomes achieved along with any potential issues and risks in order to seek approval to move to contract award.

## 2. OBJECTIVES OF RESULTANT AGREEMENT

As detailed in the Procurement Business case approved by Rob Mahon (Assistant Director, Financial Services) on 8<sup>th</sup> June 2023, the Council has sought to identify a provider for the provision of banking services. The contract will include the maintenance of bank accounts, cash and cheque handling, BACS, CHAPS and Faster Payments processing and other money transmission services associated with local authority banking arrangements. It will also include an internet banking service for balance/transaction reporting and payment initiation.

## 3. KEY FACTS

<b>3.1</b>	Estimated Contract Value:	£500k
<b>3.2</b>	Initial Contract Term (months):	60 months
<b>3.3</b>	Extension Options (months):	60 months
<b>3.4</b>	Route to Market:	Above Threshold Open Tender
<b>3.5</b>	Contract Notice Reference Number:	<a href="#">2023-016635</a>

<b>3.6</b>	Tender Closing Date:	13/07/2023
<b>3.7</b>	Number of Expressions of Interest Received:	6
<b>3.8</b>	Number of Tenders Received:	2
<b>3.9</b>	Details of Formal Opt Outs:	No formal opt outs received

<b>4. EVALUATION</b>			
<b>4.1</b>	<b>Evaluation Panel Members</b>		
Facilitator:	Emma Fairclough (Senior Procurement Category Manager (Corporate))		
Compliance Checks:	Emma Fairclough (Senior Procurement Category Manager (Corporate))		
Selection Criteria:	Emma Fairclough (Senior Procurement Category Manager (Corporate))		
Award Criteria: Quality:	Ian Bagshaw (Finance Manager (Financial Accounting)) Owen Campbell (Head of Corporate Finance) Peter Waite (Focus on Banking (external consultant))		
Award Criteria: Social Value	The Social Value Portal verified by Emma Fairclough (Senior Procurement Category Manager (Corporate)).		
Award Criteria: Price:	Emma Fairclough (Senior Procurement Category Manager (Corporate))  Peter Waite (Focus on Banking (external consultant)) requested pricing clarifications that was overseen by Emma Fairclough (Senior Procurement Category Manager (Corporate)).		
<b>4.2</b>	<b>Dates</b>		
Individual Evaluation:	13/07/2023	to	19/07/2023
Moderation:	20/07/2023	to	20/07/2023

### 4.3 Summary Scores

National Westminster Bank PLC's social value response fails entirely to demonstrate an ability to meet any of the requirements.

Bidders Name	Compliance	Selection Criteria	Award Criteria				Total Score
			Mandatory Criteria	Quality Score (out of 40.00)	Social Value Score (out of 20.00)	Price Score (out of 40.00)	
Lloyds Bank PLC	Pass	Pass	Pass	26.80	12.50	40.00	79.30
National Westminster Bank PLC	Pass	Pass	Pass	30.80	0.11	34.96	65.86

### 4.4 Successful Bid(s) Details

Bidders Name:	Lloyds Bank PLC
Proposed Contract Value:	£473,801.00

### 4.5 Due Diligence

Clarifications were sought on both bidders pricing submissions until there was a clear and unambiguous understanding of what the annual costs would be. Pricing clarifications took place from 21<sup>st</sup> July to 1<sup>st</sup> August.

## 5 OUTCOMES ACHIEVED

The winning bidder has reduced their year-one fees to mitigate the cost of change. The annual cost to the council is £52,089, which is £9,811 less than the incumbent provider, offering a saving of £98,811 over the life of the contract (£49,055 for the initial 5 year term). The social value offering from the winning bidder equates to £6,432.70 proxy value, which equates to a 2.57% social value return against the contract value over the initial term; and includes:

NT11 – Supporting young people into work x 10 hours

NT7 – Supporting unemployed people into work x 20 hours

NT15 – Provision of expert business advice to voluntary or community organisations x 40 hours

The proxy values are all generated nationally and updated annually using the Office of National Statistics (ONS) and Green Book data.

After the bids were submitted Lloyds Bank PLC offered a £10k payment to the council if day-to-day banking was transferred to them and all external invoices related to the cost of switching are submitted to them. Whilst this offer is still on the table it has not formed part of the evaluation and therefore has not impacted the scores.

## 6 RISKS / ISSUES

There are no high-risk entries on the risk log. There are also no significant risks identified as a result of the recommendation proposed, however, the Service needs to closely manage the relationship with National Westminster Bank PLC during the remainder of the contract term to ensure a successful migration to the new contract.

## 7 FINANCIAL AND OVERALL PROJECT COST IMPLICATIONS

The budget for banking services is part of the Treasury Management budget. The cost of the new contract can be met within the existing budget provision, noting this is based on estimated transaction volumes which will vary year to year (although no significant change in the volume and type of transactions is anticipated).

## 8 RECOMMENDATION

Following the evaluation for this tender, it is the recommendation of the project team that the Council progress to issue an intent to award to Lloyds Bank PLC.

## 9 NEXT STEPS

Once formal approval has been granted, the intent to award letters will be issued and a formal standstill period will be entered into for 10 calendar days. Providing no challenges are made the contract will be issued for signatures and the contract will begin mobilising. The contract is expected to start on 1<sup>st</sup> October 2023.


## 10 REPORT AUTHOR AND APPROVER

### 10.4 Report Author

Name: Emma Fairclough

Date: 10/08/2023

### 10.5 Reviewed by Head of Procurement (or deputy)

Name:	Karen Middlebrook
Date:	10/08/2023
<b>10.6</b>	<b>Reviewed by Head of Finance (or deputy)</b>
Name:	Owen Campbell
Date:	11/08/2023
<b>10.7</b>	<b>Approver (approval obtained electronically)</b>
Name:	Rob Mahon
Evidence:	
Date:	15/08/2023