

## London Borough of Hammersmith & Fulham

**Report to:** Emily Hill, Director of Finance in consultation with the relevant Cabinet Member

**Date:** 17 February 2021

**Subject:** Tender of Contract for Banking Services

**Report of:** Phil Triggs, Tri-borough Director of Treasury and Pensions

**Report author:** Mathew Dawson, Strategic Finance Manager

**Responsible Director:** Emily Hill, Director of Finance

---

### Summary

This report sets out the proposed award of the contract for banking services for the London Borough of Hammersmith and Fulham (LBHF) which is planned to commence on 1 August 2021 for an initial period of seven years, with an option to extend for up to three years. The report details the procurement process which included an OJEU tender exercise, the processes undertaken in the tender, and the subsequent recommendations made by officers.

---

### Recommendations

It is recommended that the Director for Finance in consultation with the Cabinet Member for Finance and Commercial Services:

1. Approves the award of the contract for banking services to the Royal Bank of Scotland PLC from 1 August 2021 to 31 July 2028 with the option to extend for a further three years. If the contract runs for the proposed initial term, the value will be £256,540. If the extension is used, the total value of the contract over ten years will be £366,485.
2. Note that the start date for this contract award differs from the start date provided by the procurement strategy for the services because the existing service (provided by National Westminster Bank which is part of the Royal Bank of Scotland Group) was extended until 31 July 2021. Therefore, instead of commencing on 1 April 2021, this service shall begin on 1 August 2021.

**Wards Affected:** None

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Being ruthlessly financially efficient	An open tender with costing schedules has ensured that banking charges

	remain accurate, affordable, and that the Council achieves the best possible pricing from the supplier.
--	---------------------------------------------------------------------------------------------------------

## **Financial Impact**

It is challenging to assess the exact charges over the life of the contract as many types of costs are transactional and cyclical and they will vary over time. The tender pricing as per the specification in the procurement plan amounted to circa £36,000 per annum.

However, as previously noted at the time of this strategy, the actual charges for the year 1 June 2019 to 31 May 2020 totalled approximately £26,000, so actual costs may be lower than the quoted tender prices.

The costs per transaction are broadly unchanged from the current contract. No transition costs.

*Finance Implications provided by Andrew Lord, Head of Strategic Planning and Monitoring 020 8753 2531,*

## **Legal Implications**

This report recommends that a contract is awarded to the Royal Bank of Scotland PLC for banking services for a period of 7 years with an option to extend for a further three terms of 1 year each so that the maximum contract value will be £366,485. The total value of the contract exceeds the EU threshold for services under the Public Contracts Regulations (“PCR”), which is currently £189,330. Therefore, the PCR applies in full.

The PCR requires the contract to be procured by either a new procurement competition or the use of a framework agreement. This is also the requirement under the Council’s CSOs for this high value contract (CSO 19.1). In accordance with the procurement strategy an EU compliant open procedure was used. Details of the procurement process followed is set out in this report.

The tender documentation included award criteria which were applied to determine the most economically advantageous tenderer. It is recommended that the Contract is awarded to the highest scoring tenderer in accordance with the tender documentation.

The decision maker needs to be satisfied that the recommended award of contract is to the tenderer submitting the most economically advantageous tender on the basis of the award criteria set out in the Council’s tender documentation. This will secure compliance with the PCR requirements and the Council’s Contract Standing Orders.

A contract award notice must be published in the Official Journal of the European Union and Find a Tender within 30 days of award of the contract and Contracts Finder 24 hours thereafter.

The Council's Legal Service will assist with preparing a formal contract. The tender was issued with a draft contract and will be entered into on those terms.

As the value of the call-contract is now above £300,000, the contract award is a Key decision and must be submitted to Committee Services for publication on the Council's website. The total contract value has increased from the proposed total contract value set down in the procurement strategy so that the decision will now be a Key Decision in terms of the Contract Standing Orders, and as such the decision has been added to the Key Decision list. In addition, a copy of the completed (dated) call-off contract must be uploaded to the Council's Contracts Register along with a copy of the award report.

*Legal Implications completed by Harry Forsythe, Solicitor, Sharpe Pritchard LLP, [hforsythe@sharpepritchard.co.uk](mailto:hforsythe@sharpepritchard.co.uk).*

**Contact Officer(s):**

Name: Mat Dawson  
Position: Strategic Finance Manager  
Telephone: 07890 380286  
Email: mdawson@westminster.gov.uk

Name: Phil Triggs  
Position: Tri-borough Director of Treasury and Pensions  
Telephone: 020 7641 4136  
Email: ptriggs@westminster.gov.uk  
Verified by Emily Hill

---

**Background Papers Used in Preparing This Report**

None.

---

## Reasons for Decision

1. A fully compliant OJEU tender has been undertaken. The opportunity listing was published in Tenders Electronics Daily and Contracts Finder.
2. A Tender Appraisal Panel ('TAP') was formed and the evaluation process was undertaken by the Tri-Borough Treasury team and external consultant, BRC Consulting Services Ltd. The process has been moderated by a member of the corporate procurement team.
3. Nine suppliers expressed an interest in the opportunity but only two bidders submitted a proposal: Royal Bank of Scotland PLC and Barclays Bank.
4. The evaluation has been conducted on a Quality-Price ratio of 60/40. Below is a summary of the final ranking.

Rank	Supplier	Technical Score	Technical Score (weighted)	Price Score	Price Score (weighted)	Total Score
1	The Royal Bank of Scotland plc	70.596	42.358	100	40	82.358
2	Barclays Bank	68.3	40.98	99.204	39.682	80.662

5. It is therefore recommended to award to the most economically advantageous supplier: Royal Bank of Scotland PLC.
6. The recommended supplier committed to the following social value deliverables during the lifetime of the contract:
  - 100 hours staff volunteering: MoneySense Initiative to schools, mentoring access, and early careers advice.
  - One week school engagement: will ensure that all schools within LBHF are made aware of our work placement programmes through the Education teams.
  - 50 hours to school age, college age and those above higher education age within LBHF for financial education and employability skills.
  - 20 expert hours for provision of business skills workshops and business start-up sessions (minimum).
  - 50 volunteering hours: staff involved in a large number of voluntary organisations within LBHF and also offer their time to deliver MoneySense sessions to schools.
  - 50 hours for Community Bankers who will continue to undertake initiatives to assist vulnerable members of society with their banking needs.

- 200 employees will be provided with assistance on Financial Wellbeing to all staff if they wish it.
  - 1000 hours available to all staff pass through Regular Reading, covering diversity and inclusion training and staff support networks.
7. The social value aspect will be managed by the Social Value Portal in line with the Council's Social Value policy.

### **Risk Management Implications**

8. The Council has been Ruthlessly Financially Efficient in undertaking a re-procurement of the banking services facility thus ensuring that a) continuity of service is maintained and b) value for money continues to be attained. Additional Social Value achieved from the re-procurement has been highlighted in section 6 of the report in accordance with Council's policy directives.

*Risk Implications verified by Michael Sloniowski, Risk Manager, tel 020 8753 2587*

### **Procurement (required for all contract awards)**

9. The results of the evaluation process have been verified against the e-tendering system on 26/11/2020.

*Procurement Implications completed by Andra Ulianov, Head of Procurement, 07776672876*