



INVITATION TO TENDER

Cash Management Services

Contract Reference: RBGKEW/295

Part Two: Specification

(This document is for information)

1. INTRODUCTION

RBG Kew is a Non-Departmental Public Body with exempt charitable status.

The Board of Trustees of the Royal Botanic Gardens, Kew was established under the National Heritage Act 1983 and came into existence on 8 August 1983.

From 1 April 1984 responsibility for the Royal Botanic Gardens, Kew (RBG Kew) was transferred from the Minister of Agriculture, Fisheries and Food (now Secretary of State for Environment, Food and Rural Affairs) to the Board of Trustees.

The Board of Trustees of the Royal Botanic Gardens, Kew is a statutory incorporation incorporated under the National Heritage Act 1983, see s23 – 29 and Part IV of Schedule 1:

<http://www.legislation.gov.uk/ukpga/1983/47>

RBG Kew has one trading subsidiary Kew Enterprises Limited which is fully consolidated into the accounts of the group RBG Kew.

In this document the term 'Kew' refers to both RBG Kew and Kew Enterprises Limited.

Kew operates on two sites at Kew and Wakehurst, West Sussex.

The Foundation and Friends of RBG Kew is a registered charity which is independently administered. It is a distinct entity, not consolidated into the RBG Kew accounts, with completely separate banking arrangements. The tender process does not include the Foundation and Friends of RBG Kew.

2. OBJECTIVE

Kew is reviewing its cash management banking services with the aim of maintaining security of funds, efficient processes and competitive pricing. It is expected that one bank will be selected for all of Kew's cash management requirements for an initial term of 3 years with the potential to extend to 5 years.

3. EXISTING BANKING ARRANGEMENTS AND SCOPE OF THE REQUIREMENTS

3.1 Bank Accounts

Kew operates the following accounts:

- Current account for Kew
- Current account for Kew Enterprises
- Interest bearing deposit account for Kew
- Interest bearing deposit account for Kew Enterprises

There is an automatic sweep from the current accounts to the deposit accounts. Total cash held fluctuates between approximately £8m - £10m.

3.2 Transaction volumes and values for both Kew and Kew Enterprises

| | Annual volume | Amount |
|--|-----------------------|-------------|
| BACS Payments to suppliers (excluding payroll) | 26,000 | |
| BACS Supplier files | 200 | £2m maximum |
| BACS file referrals | 6 | |
| BACS payroll transactions (via payroll Bureau) | N/a direct by bureau | N/a |
| Urgent same day value payments (CHAPs) | 70 | |
| ACH (not BACs) | 210 | |
| Payments by printed cheque | 0 | |
| Payments by manual cheque | 20 | |
| International payments (see below) | - | |
| Direct debit payments / standing orders | 760 | |
| Manual credits | 2,350 | |
| Automated credits | 5,430 | |
| Cheques paid in | 925 | |
| Cheques returned inwards | 15 | |
| Cash banked (notes) | | £5,000,000 |
| Cash banked (coins) | | £63,000 |
| Cash withdrawn | | £245,000 |
| Account maintenance and internet banking | 2 current + 2 deposit | |
| Daily sweep from each current account to deposit account | | |

Volumes and values fluctuate during the year and are estimates only based on recent monthly volumes.

3.3 Banking of cash

Kew has two visitor sites at Kew and Wakehurst. Cash receipts, primarily ticket admissions income and retail income is counted on site, collected by G4S and banked.

3.4 Floats

Floats are delivered to Kew and Wakehurst on a weekly basis by G4S.

3.5 Cash and Branch access

Kew does not need access to a branch network. The G4S security company manages cash movements from Kew through the current bank provider's Cash Handling Centre.

3.6 Cheque and credit books

Cheque books will be required for the current accounts for occasional use. Kew will require credit /paying in books for its current accounts.

3.7 Statements

Paper statements will not be required.

3.8 Internet banking

Kew requires secure internet banking functionality including:

- Real time balance and transaction reporting for all bank accounts from 8am each working day.
- Ability to initiate single ACH (BACs) and inter account transfers.
- Ability to initiate sterling (CHAPs) urgent payments
- Ability to initiate international payments from the GBP current accounts (Kew currently uses an agent for international transactions other than low value (< £1000))

The service must allow systems administrators to set different user access rights and approval levels.

3.9 BACs

One service user number (SUN) is currently maintained. We envisage increasing this to two for each of the two current accounts. Kew will require 5 user cards. Two BACs transfers to pay suppliers (one for Kew and one for Kew Enterprises) are made each week.

A BACs helpdesk service should be made available to provide technical assistance via telephone and email.

3.10 Payroll

Payroll is run monthly via a payroll bureau which sends two files directly from its bank. Kew reimburses the bureau by direct debit.

3.11 Foreign banking arrangements

Kew does not currently require foreign currency bank accounts. We currently use an agent for foreign currency payments. In the future Kew may need to open Euro or US\$ accounts to support specific projects.

3.12 Term deposit accounts

Kew deposits cash with other banks as appropriate. Term deposit accounts will be considered based on Kew's internal needs and interest rates compared to leaving the cash on call. Kew does not have any term deposit accounts at present.

3.13 Relationship management

Kew should be allocated a named account manager, with appropriate cover, to deal with queries including day to day transactions and mandate changes. Service level agreements should be established.

Face to face account management meetings are expected to be six monthly (or more frequently if required).

3.14 Implementation

There should be a clear implementation plan (if required) outlined in the tender including training provision.

3.15 Out of scope requirements

The following are currently out of scope:

- Foreign payments which are managed through an on line foreign payments company.
- Corporate credit cards
- Overdraft facilities

3.16 Accounting system

Kew's accounting system is Unit 4 Agresso, which is externally hosted.

4. TENDER EVALUATION CRITERIA

Kew's main bank will be selected on the basis of the responses to the questions in Appendix A using the following criteria:

- Institution with a long term credit rating of at least A- or equivalent from Fitch, Moody's or Standard & Poor
- Competitive interest rates and bank charges
- Active account management arrangements
- Transition plan if required
- Two appropriate reference customers should be provided with contact details.

5. OUTLINE PROCUREMENT TIMETABLE

The draft procurement timetable is as follows:

| Action | Date |
|---|--|
| Invitation to Tender issued | 24 nd August 2016 |
| Deadline for clarification questions from suppliers | 2:00pm on 1 st September 2016 |
| Deadline for submission of Tenders | Noon on 23 rd September 2016 |
| Tender clarification period | 26 th - 30 th September 2016 |
| Presentations | w/c 20 th October 2016 |
| Tender Evaluation concludes | 21 st October 2016 |
| Contract drafting and signing | tbc |
| New contract goes live | w/c 9 th January 2017 |

6. **CONTRACT**

The contract for Cash Management Services will be awarded in January 2017 for a period of 3 years with the possibility of an extension in defined periods up to a maximum of 2 further years.

The contract terms and conditions are to be provided by the supplier.

7. **PAYMENT PROFILE**

Bank charges and fees to be paid on a monthly basis. Interest to be received on a monthly basis.

8. **CONTRACT MANAGEMENT**

The Finance Director is responsible for managing the contract.