****

****

**TENDER FOR THE PROVISION OF BANKING SERVICES**

**PART 1 - INFORMATION, INSTRUCTIONS AND SPECIFICATION**

**PART ONE**

**INFORMATION, INSTRUCTIONS AND SPECIFICATION**

1. INSTRUCTIONS TO BIDDERS 3

1.1. How This Tender is Structured 3

1.2. Contract Length 3

1.3. Instructions on Responding to This Tender 3

1.4. Submission of Tender 4

1.5. Questions 4

1.6. Post Tender Clarification 4

1.7. Procurement Timetable 5

1.8. Tender Evaluation 5

1.9. Scoring Methodology - Price 6

1.10. Scoring Methodology - Quality 6

1.11. Award of Contract 6

1.12. Freedom of Information Act 6

1.13. Bidders Warranties 7

1.14. Contract Conditions 8

2. SERVICE SPECIFICATION 9

2.1. Transaction Volumes and Charges 9

2.2. Bank Accounts 10

2.3. Bank Account Structure 10

2.4. Bulk Deposits/Withdrawals 11

2.5. Branch Deposits and Withdrawals 11

2.6. Cheque and Credit Books 11

2.7. Statements/ Return of Vouchers 11

2.8. Internet Banking 12

2.9. Credit Facilities 12

2.10. BACS 13

2.11. Relationship Management, Query Handling and Fraud Management 13

2.12. Implementation 14

#  INSTRUCTIONS TO BIDDERS

##  How This Tender is Structured

###  This tender is arranged in two sections:

**Part One**, this document, contains instructions on how to respond to the Invitation to Tender; gives an indication of the timetable being followed; provides bidders with details of the scoring, criteria and weightings which will be used to evaluate bids, and provides details of how and when to return the Tender Response Document (Part Two). It also contains the detailed Specification for the services required.

**Part Two** is the Tender Response Document which has to be completed according to the instructions and returned as instructed by no later than the due date and time.

##  Contract Length

 The Council’s current banking contract will expire on 31st March 2018. The Council is therefore undertaking a tender exercise to award a new banking services contract which will start on 1st April 2018 and run for a period of 5 years. The Council will require the option to extend the contract for a further 2 years (i.e. making a total possible contract length of 7 years).

##  Instructions on Responding to This Tender

 Bidders shall treat the details of the tender document as private and confidential. However such information may be disclosed as necessary for the purpose of obtaining quotations or insurance quotes.

 All costs associated with the preparation and submission of the response to this Invitation to Tender shall be borne in full by the Bidders. The Council will not be liable, under any circumstances, for any costs or charges incurred in submitting a tender or for the preparation of the Contract with the successful Bidder.

 No unauthorised alterations or additions should be made to the Form of Tender, or to any other component of the tender document.

 Tenders must not be qualified but must be submitted strictly in accordance with the tender documents. Bidders must not make unauthorised changes to tender documents.

 The tender submission should include all the information which the Bidder feels necessary for an accurate and equitable evaluation of their proposal. Reference should not be made to previously submitted information and all questions within the response document are to be addressed. The Bidder should not rely on the Council’s past experience as tender evaluations will be based only on the information contained within the submission.

 Bidders will not be allowed to alter their tenders after the closing date, except that arithmetical errors may be corrected.

 Tenders and supporting documents must be written in English. Any mistakes or alterations should be initialled by the Bidder.

##  Submission of Tender

 The whole response document (Part Two) including Appendices 1, 2 and 3 should be completed and returned to the address provided at 1.4.2

 One hard copy of the tender should be sent to:

### The Chief Executive

### Rutland County Council

### Catmose

### Oakham

### Rutland LE15 6HP

 Tenders must arrive by 12 noon 28 July 2017. Late tenders will not be considered. The envelope should not bear any indication of the identity of the Bidder either on the envelope or in the franking.

 Once hard copy tenders have been opened, the Council will request electronic copies of tender submissions to be sent by e-mail. Please do not send electronic copies by e-mail until they are requested.

 Bidders must hold their tender open for acceptance for a minimum of ninety (90) days from the date of opening.

 The Council does not bind itself to accept the lowest or any tender.

##  Questions

 If after having read these tender details there are any questions that you need to raise regarding the tender documentation or process then you must do this by e-mail to:

 Steve Coe

 Corporate Accountant

 email: [scoe@rutland.gov.uk](file:///C%3A%5CUsers%5CPeter%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CINetCache%5CContent.Outlook%5C2GY81MTT%5Csdring%40rutland.gcsx.gov.uk)

 The closing date for the receipt of tender clarification questions is 17 July 2017. All clarification questions and responses may be made available to all Bidders if appropriate. The identity of the originator will not be disclosed.

 The Council will endeavour to answer all questions and requests for clarification as quickly as practicable, but cannot guarantee a minimum response time. Responses will be provided at least 7 days before the tender submission deadline.

##  Post Tender Clarification

 The Council will initially attempt clarify any issues in respect of tender submissions by e-mail.

 If the clarification process is relatively complex, Bidders may be invited to an interview in order to explain their proposals. Although post tender interviews will not be directly scored as part of the evaluation process the initial evaluation scores may be adjusted based on the clarifications sought at the interviews.

##  Procurement Timetable

 Please note that this timetable may be subject to alteration.

|  |  |
| --- | --- |
| Closing date for receipt of questions from Bidders | 17 July 2017 |
| Return of tenders (hard copy to be received by) | 12 Noon 28 July 2017 |
| Tender Evaluation completed by | 25 August 2017 |
| Award of contract  | 4 September 2017 |
| Implementation | September 2017 to March 2018 |
| Contract Start Date | 1 April 2018 |

##  Tender Evaluation

 **Stage 1**. Tenders will be evaluated on being able to meet all of the mandatory requirements detailed within the Selection Questionnaire. Tenders that fail to meet any of the mandatory requirements may be rejected at this stage and eliminated from the process.

 **Stage 2**. Tenders that pass the Stage 1 evaluation will progress to stage 2 and be assessed based on the following weightings/criteria:

|  |
| --- |
| **Price – 50%** |
| Estimated price over the 5 year contract period will be based on the proposed tariffs applied to the total indicative transaction volumes plus the Council’s estimated cost of moving bank (which will depend on the implementation proposals). It should be noted that, as the Council’s banking arrangements are relatively straightforward, the internal cost associated with moving bank are not expected to be significant. Responses provided to the pricing questionnaire will also be used to adjust the overall price for comparison purposes.  |
| **Quality - 50%****(broken down further into the following sub-criteria)**  |
| **Question Number** | **Title** |  |
| 2.2.1 | Branch Network | 3% |
| 2.2.2 | Debit Interest  | 2% |
| 2.2.3 | Credit Interest  | 5% |
| 2.2.4 | Relationship Management | 5% |
| 2.2.5 | Implementation  | 5% |
| 2.2.6 | Efficiency Improvements | 30% |
| **Total** | **50%** |

##  Scoring Methodology - Price

 The Bidder with the lowest submitted total price will receive the maximum price score of 50. Prices of the other Bidders will be scored based on the following formula:

|  |  |
| --- | --- |
| Lowest submitted total price | x 50 |
| Bidder’s submitted total price |

##  Scoring Methodology - Quality

 Responses to the questions within the Quality Questionnaire will be assessed on a scale of 0 to 5 points, as detailed in each individual question.

 The percentages allocated for each question will be used to calculate the quality scores. For example, if a score of 2 is awarded for a question which carries an allocation of 30% then the weighted score for that question will be 12 calculated as follows:

|  |  |
| --- | --- |
| 2 (allocated score) |  X 30 (Percentage allocation for question) |
| 5 (max score) |

 The weighted scores will then be totalled to provide the overall quality score.

##  Award of Contract

 Upon conclusion of the evaluation, the scores for price and quality will be combined to give a total score out of 100. The Bidder with the highest number of points will be awarded the contract.

 The Bidder to be offered the contract will be advised accordingly in writing. Such award, offered pursuant to this Invitation to Tender, will be on the basis of the most economically advantageous tender, based on the evaluation criteria described above.

 Bidders whom it is proposed will not be offered the contract will be advised of this in writing and will be entitled to receive feedback on the relative merits and characteristics of their tender submission compared with that of the accepted tender.

 The award of the contract will be subject to a standstill period of at least 10 days between the notification of award decision and contract conclusion. If representations are received during the standstill period, the Council may have to suspend the making of the contract and extend the standstill period until any issues have been resolved.

##  Freedom of Information Act

 The Council is a “public authority” for the purposes of the Freedom of Information Act 2000(“FOIA”) and the Environmental Information Regulations 2004.

 Accordingly, certain elements of the information submitted to the Council by the Bidder may need to be disclosed in response to a request made by a third party under the Act. The Council may also decide to include certain information in the publication scheme which it is required to maintain under FOIA.

 If you consider that the disclosure of any of the information included in your tender would prejudice your legitimate commercial interests, or would result in the disclosure of any of your trade secrets, please identify such information in a separate schedule and explain (in broad terms together with a time period after which the information could be disclosed) what harm may result from any disclosure by us pursuant to the FOIA. Bidders must give a clear justification in writing why they prefer any information to be withheld.

 The Council will consider all parts of the tender outside of the separate schedule to be appropriate to place in the public domain at the end of the tendering procedure.

 Bidders should be aware that, even where information is included in the separate schedule, the Council may still be required to disclose it under the FOIA if the application of the statutory tests following receipt of a request for information under the FOIA requires this, or if there is a successful appeal to the Information Commissioner.

 The Council recognises legitimate commercial concerns of suppliers and when it considers it reasonably practicable to do so within the statutory timetable, will try to consult with the relevant Bidder before disclosing information in the separate schedule pursuant to the FOIA. Nonetheless the final decision will rest with the Council.

 Bidders should also note that the receipt by the Council of any material marked ‘confidential’ or equivalent wording shall not be taken to mean that the Council accept any duty of confidence by virtue of marking.

 If a request is received, the Council may also be required to disclose details of unsuccessful Tenders.

##  Bidders Warranties

###

 In submitting any Tender, the Bidder warrants, represents and undertakes to the Council that:

### It has in all respects complied with these instructions.

### All information, representations and other matters of fact communicated (whether in writing or otherwise) to the Council by the Bidder or its staff in connection with or arising out of the Tender are true, complete and accurate in all respects.

### It has carried out its own investigations and research, has satisfied itself in respect of all matters relating to the Tender documents and that it has not submitted the Tender and has not entered into the contract in reliance upon any information, representations or assumptions (whether made orally, in writing or otherwise) which may have been made by the Council.

### It has full power and authority to enter into the contract and carry out the Services and will if requested produce evidence of such to the Council.

### It is of sound financial standing and the Bidder and its directors, officers and employees are not aware of any circumstances (other than such circumstances that may be disclosed in the audited accounts or other financial statements of the Bidder) which may adversely affect such financial standing in the future.

### It has, and has made arrangements to ensure that it will continue to have, sufficient working capital, skilled staff, equipment, machinery, premises and other resources available to carry out the Services in accordance with the Contract and for the Contract Period.

###

##  Contract Conditions

 It is accepted that this is a specialist service and therefore the Council’s standard contract conditions are not appropriate.

 Therefore the successful Bidder shall be required to enter into a form of contract with the Council embodying all the conditions and terms contained in this Invitation to Tender, the Bidder’s submission on the response document and any other product specific terms and conditions reasonably required by the successful Bidder.

#  SERVICE SPECIFICATION

##  Transaction Volumes and Charges

 An estimate of annual transaction volumes across all accounts is provided below:

|  |  |
| --- | --- |
| **Transaction Type** | **Annual Volume/Value** |
| Cheques Paid |  417  |
| Other Manual Debits |  54  |
| Branch Counter Withdrawal |  199  |
| Direct Debits Unpaid |  696  |
| Direct Debits Paid |  302  |
|  |   |
| Branch Credits |  199  |
| Bulk Mixed Credit |  53  |
| Bulk Cash Credit |  720  |
| Bulk Cheque Credit |  600  |
| Other Manual Credits |  119  |
| Faster Payments Received |  8,708  |
| Automated Credits |  5,916  |
|  |   |
| Bulk Coin to Cash Centre | £396,325 |
| Bulk Notes to Cash Centre | £147,614 |
| Branch Cash In Notes  | £30,300 |
| Branch Cash In Coin  | £3,700 |
|  |   |
| Branch Cash Out Note  | £34,900 |
| Branch Cash Out Coin  | £3,700 |
|  |   |
| Branch Cheques Collected |  209  |
| Bulk Cheques Collected – to Processing Centre |  3,083  |
|  |   |
| BACS Items |  165,734  |
| BACS Files |  583  |
|  |   |
| Unpaid Cheques In |  26  |
| Stopped Cheques | 2 |
|  |   |
| **Internet Banking Service** |   |
| CHAPS Payments | 58 |
| BACS Payments | 93 |
| Immediate Faster Payment | 10 |
| International Payment | 2 |
| EEA EURO Payment | 3 |

 The volumes of transactions quoted are only indicative and are based on actual volumes seen over a recent 12 month period. The Council is actively working to minimise the volume of cash and cheques collected. The volume/value of these transactions is therefore likely to reduce during the contract period. The Council will also be introducing purchasing cards which will significantly reduce the need for pretty cash withdrawals.

 All tariffs must be fixed for the initial five year contract period. Proposals for annual increases based on RPI (or any other index) will not be considered.

 Transaction charges must be calculated based on an agreed tariff per transaction type. All charges must be debited to a single bank account nominated by the Council either monthly or quarterly in arrears.

 Should the Council decide to appoint a new bank following expiry of this contract, it is likely that there will be residual transactions posted to the old accounts for several months after the contract end date. Bidders must hold pricing at the agreed levels for all transactions handled post the contract end date for a minimum period of 6 months.

##  Bank Accounts

 The Council currently maintains the following main bank accounts:

1. Main Account
2. Payments Account
3. Car Park Account
4. Adult Learning Account
5. IRS Account
6. Social Services Pension Income Account
7. Hooby Lane Account

 It is likely that a similar suite of bank accounts will be required for the new contract although there may be opportunities for some rationalisation.

 The Council may require instant access deposit accounts depending on credit interest rates proposed for current account balances.

 Bidders must be capable of closing accounts/opening new bank accounts within 48 hours of receiving the appropriate instruction.

##  Bank Account Structure

 The bank account structure will be discussed and agreed during the implementation process. However Bidders must be able to:

a) Pool all bank accounts (i.e. within the same ownership) for interest calculation purposes.

b) Establish automatic transfers/sweeps (e.g. zero balancing sweeps) between specified accounts.

##  Bulk Deposits/Withdrawals

 The Council’s contracted security carrier, Kings Armoured Security Services Limited (Kings) collect cash/cheques from the Council’s main office on a weekly basis. Kings do not count/process this cash – they provide a ‘cash in transit’ service only.

 Kings also empty parking machines from 11 car parks and count/bag the coin collected before delivering to the current bank’s coin processing centre. Coin is currently bagged on a ‘shot’ basis (i.e. it is not placed in sachets within the larger coin bags).

 Bidders must make available appropriate cash/cheque processing centres that would handle bulk deposits from Kings or an appropriate BSIA accredited security carrier should the Council change provider during the period of the banking contract.

 Any differences identified in the bulk deposits (i.e. where the difference is above a minimum amount - figure to be agreed) must be notified to the Council within 1 (one) working day of receipt of the deposit.

 Cash deposits must be posted to the appropriate bank account on the day of delivery to the processing centre (assuming agreed cut-off times are met) and must be cleared for interest calculation purposes on the same day. Cheque deposits must be cleared for interest calculation purposes two working days after the delivery date (i.e. cheques delivered to the processing centre before the agreed cut-off time on Monday must be cleared on Wednesday).

##  Branch Deposits and Withdrawals

 A small number of Council locations (e.g. day centres etc) use the local branch of the current bank in Oakham to deposit cash/cheques. Cash withdrawals are also made although these will reduce upon the introduction of Purchasing Cards.

 Although the branch is currently used, access to branches is not a requirement for this contract as alternative arrangements can be made if necessary (e.g. extending the security carrier arrangements).

##  Cheque and Credit Books

 The Council will arrange printing of its own bespoke cheque stationery for the payment account. Standard sequentially numbered credit books will be required for the main account and car park account.

 Standard cheque and credit books may be required for other accounts but transaction volumes across these accounts will be minimal.

 Standard cheque and credit books must be delivered within 10 days of the order.

##  Statements/ Return of Vouchers

 Paper statements will not be required (i.e. assuming they can be downloaded using the proposed internet banking service).

 The routine return of paid cheques and credit vouchers is not required.

##  Internet Banking

 The Council will require a secure internet/browser based service that (as a minimum) provides the following functionality.

* Real time balance and transaction reporting (i.e. for all bank accounts maintained) from 8am each working day
* The ability to download statements (e.g. in a PDF format)
* The ability to initiate Sterling CHAPS payments up to 3.30pm each working day.
* The ability to initiate international payments
* The ability to initiate single BACS and/or Faster payments and inter-account transfers.
* The ability export transaction data in a CSV file for reconciliation purposes.

 The proposed service must allow service administrators to set different user access rights (e.g. to restrict access to specified bank accounts) and to configure different payment permissions (i.e. input, authorise, release). It must also allow payment limits to be set for each user.

 Secure access must be maintained through the use of security tokens/random code generators issued to users or smart cards/pins issued to users which are either inserted into remote random code generators or smart card readers connected to the PC via a standard USB port.

 The Council has 5 users that access the current service but the proposed solution must allow access for any reasonable number of users.

 An internet banking telephone helpdesk service must be made available each working day from 8am to 5pm.

 On-site training for the proposed internet banking service will need to be provided both at implementation stage and on an ongoing basis as/when required.

 Should the Council be unable to access the proposed internet banking service (i.e. through failure of the Council or bank's systems) the following contingency arrangements must be made available:

* Balance/transaction information to be provided to verified Council officers via phone, fax or e-mail within 1 hour of the request.
* CHAPS and Faster Payment instructions to be sent by fax, e-mail or delivered to a local branch. Payments must be initiated on the day of request assuming agreed cut-off times are met. Appropriate security procedures are to be followed by the bank to verify the payment instructions.

##  Credit Facilities

 The following credit facilities must initially be made available:

|  |  |
| --- | --- |
| **Limit Type** | **Amount** |
| Overdraft Facility | Nil  |
| BACS Limit | £3,000,000 |
| Daylight Exposure Limit | £5,000,000 |

 Appropriate Direct Debit sponsorship must also be provided.

 All limits will be reviewed periodically.

##  BACS

 1 BACS Service User Numbers (SUN) is maintained which will need to be transferred to the new service provider.

 6 BACS smart cards are currently provided.

 A BACS helpdesk service must be made available to provide technical assistance on all BACS related issues. The helpdesk team must be contactable by telephone and e-mail and be available to resolve issues between 9am and 5pm each working day.

##  Relationship Management, Query Handling and Fraud Management

 The Council must be allocated a suitably qualified and experienced relationship manager. The relationship manager must be a public sector specialist and have experience of managing organisations of a similar scale to the Council.

The proposed relationship manager must meet with the Council on a regular basis to discuss:

* Service issues
* New products/services being introduced that could benefit the Council
* General developments in the banking industry
* Developments in fraud trends that could impact the Council.

 Meetings must be held on at least a six monthly basis. More regular meetings may be required if circumstances dictate (e.g. during the implementation of new products/services).

 The Council must be provided with appropriate contact details (to include direct telephone numbers and e-mail addresses) of nominated staff that will deal with queries in relation to:

* Day to day transactions/ mis-posting errors etc
* BACS and Direct Debit processing
* Internet banking service
* Bulk cash and cheque deposits

 The Council may occasionally request copies of paid cheques or credit slips (e.g. to resolve transaction queries/disputes). Copies of cheques/credit vouchers processed within the previous six years must be made available.

 Copies of cheques/credit slips must be provided (by email or via the proposed internet banking service) within 5 working days of the request.

 Bidders must provide regular updates to the Council on fraud trends and new products/services being introduced to minimise fraud. These updates must be provided at regular meetings, by email or via appropriate fraud seminars.

##  Implementation

 The Council will look to transfer services across from the current provider, if applicable, in stages immediately following award of the contract.

 Bidders must allocate a suitably qualified and experienced implementation manager to the project. The implementation manager must have experience of implementing organisations of a similar scale to the Council. Specific experience of implementing other local authorities is preferred.

 The implementation project must be delivered free of charge.