

West Dunbartonshire Council
Report by the Executive Director of Corporate Services
Tendering Committee – 19 January 2011

Subject: Provision of Banking Services: Renewal of Banking Contract

1. Purpose

- 1.1** The purpose of this report is to advise Members of the recent tendering process undertaken in respect of the new bank contract, which commences on 1 April 2011.

2. Background

- 2.1** The current banking contract with the Clydesdale Bank plc commenced on 1 April 2005. The contract was for three years with an extension re-negotiated for a further 2 years thereafter.
- 2.2** On 30 September 2009 approval was granted by the Corporate and Efficient Governance Committee to extend the contract for a further period of 1 year from 1 April 2010 to 31 March 2011.
- 2.3** On 20 October 2010 approval was granted by the Tendering Committee to commence the tendering process for the provision of banking services for the period 1 April 2011 to 31 March 2014, with an option to extend for a further two years to 31 March 2016.
- 2.4** The banking contract currently costs the Council approximately £28,000 per annum.

3. Main Issues

- 3.1** Officers of the Council drew up an Invitation to Tender document.
- 3.2** Seven banks registered an interest and received a copy of the tender document. Two tenders were submitted. These were from the Royal Bank of Scotland and the Clydesdale Bank.
- 3.3** Officers of the Council then evaluated each tender on both financial and non-financial issues. The financial and non-financial factors were weighted equally on a 50.50 basis. The Summary of Tender Scores is shown at appendix 1.

4. People Implications

- 4.1** There are no additional staffing requirements as a result of the provision of banking services.

5. Financial Implications

- 5.1** The selection of the most suitable provider of banking services may result in increased efficiencies in relation to day to day banking.
- 5.2** The evaluation of the tender in terms of financial cost to the Council showed that the Clydesdale Bank has provided the most competitive quote by a substantial margin. The costs over the 3 years are estimated at £77,570 for Clydesdale compared with £98,988 for the Royal Bank of Scotland.

6 Risk Analysis

- 6.1** There is a risk that, if the provision of banking services contract is not awarded, the Council will be unable to fulfil its financial obligations to various stakeholders.

7. Equalities Impact Assessment

- 7.1** No significant issues were identified.

8. Conclusions and Recommendations

- 8.1** Members are asked to note the tendering process for the new bank contract and approve acceptance of the tender submitted by Clydesdale Bank plc.

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Date: 12 January 2011

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Appendix:	Summary of Tender Scores
Background Papers:	Report by the Executive Director of Corporate Services to the Tendering Committee on 20 October 2010
Wards Affected:	None