

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Director – Transformation & Public Service Reform

Tendering Committee: 13 November 2019

Subject: Contract Authorisation Report – Provision of Purchasing Cards

1. Purpose

- 1.1** The purpose of this report is to seek the approval of the Tendering Committee to authorise the Strategic Lead - Regulatory to conclude the award of the contract for the Provision of Purchasing Cards.

2. Recommendations

- 2.1** It is recommended that the Tendering Committee:

- a) Authorise the Strategic Lead - Regulatory to conclude on behalf of West Dunbartonshire Council (the Council), the award of a contract for the Provision of Purchasing Cards to National Westminster Bank Public Limited Company (NatWest) - Royal Bank of Scotland (RBS).
- b) Note that the contract shall be for a period of three years from 2 December 2019 to 1 December 2022 with an option to extend up to an additional 12 month period until 1 December 2023.

3. Background

- 3.1** The purpose of the tender was to secure a fit for purpose Purchasing Card System. Purchase cards are an efficient and economical way of ordering and paying for goods and services. Using a Purchase Card eliminates the invoicing process as suppliers are paid direct by the bank. This is of a particular benefit when paying low value invoices or transactions which is more cost effective to the Council. As of October 2019; we have 607 cards for the Council. Purchases are made using the cards either in person, online or by telephone. The new contract requires to be in place for 2 December 2019.
- 3.2** This procurement exercise has been conducted in accordance with the Council's Standing Orders and Financial Regulations and the *Public Contracts (Scotland) Regulations 2015* for Services. A Contract Strategy document was also approved by the Business Partner - Strategic Procurement (Corporate Indirects) on 3 October 2019.

4. Main Issues

- 4.1** There are four providers on the Crown Commercial Services (CCS) framework

agreement (FA) (RM3828) for the Provision of Purchasing Cards. A desktop analysis was carried out on the providers' ability to provide mandatory requirements as well as maximising rebates, identifying NatWest - RBS as the most economically advantageous provider. A mini-competition would increase the timescales for award and may not deliver much additional rebate.

4.2 It is recommended that the Council awards the contract, via a Direct Award (a contract is awarded to a provider on a FA without further competition) to NatWest – RBS of Bishopsgate, London EC2M 4AA the incumbent provider. This will guarantee rebate security and continuity of service provision.

4.3 NatWest - RBS has committed to follow Fair Working Practices by paying above the Scottish Living Wage and they ensure that people performing the same roles are paid fairly and consistently.

4.4 NatWest – RBS decline to deliver any social benefits.

5. People Implications

5.1 There are no people implications.

6. Financial and Procurement Implications

6.1 There are no financial costs in respect of this contract for the Provision of Purchasing Cards as the revenue is generated by the services spend with a percentage based commission coming back to the Council. Based on 2018/19 spend of £15,459,325, the percentage rate on a seven day settlement agreement was 0.6625%, generating a rebate of £102,418. The percentage rate for 2019/20 is 0.704% based on 2018/19 spend; therefore the Council's estimated rebate will be £108,833. Estimated rebates are already assumed within budgets.

6.2 This procurement exercise was conducted in accordance with the agreed contract strategy produced by the Corporate Procurement Unit in close consultation with Resources and the provisions of Contract Standing Orders, the Financial Regulations and relevant procurement legislation.

7. Risk Analysis

7.1 The successful provider has no known links to Serious and Organised Crime which would have significant political and reputational ramifications for the Council.

7.2 Should the Tendering Committee decide not to proceed as recommended then this will delay the project, may have financial implications and may result in legal challenge.

8. Equalities Impact Assessment (EIA)

8.1 A screening was undertaken for this report to determine if there is an equalities impact. The results were that there is no equalities impact.

9. Consultation

9.1 The Council's Finance Service Centre has been consulted regarding the contents of this report.

10. Strategic Assessment

10.1 The Provision of Purchasing Cards will contribute to the delivery of the Council's strategic priorities by supporting; 'Strong financial governance and sustainable budget management'.

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Date: 30 October 2019

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Appendices: None

Background Papers: 1. The Contract Strategy]
2. EIA Screening]

Wards Affected: All