

Report To: Policy & Resources Committee **Date:** 24 May 2011
Report By: Chief Financial Officer **Report No:** FIN/55/11/AP/GJ
Contact Officer: Alan Puckrin **Contact No:** 01475 712223
Subject: Request to Proceed to Tender – Banking Services

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval to issue tenders for its Banking Services as the current contract is due to expire on 31 March 2012.

2.0 SUMMARY

- 2.1 The Council's Banking Services are due for re-tender as the current contract is due to expire on 31 March 2012.
- 2.2 The estimated value of the contract over the potential contract period is in excess of £250,000 which in terms of the Standing Orders requires Committee approval before tenders are issued.
- 2.3 The Committee should note that within the tender documents the cost of changing banks will be taken into account when assessing submitted tenders.
- 2.4 Due to the value of the contract OJEU contract procedures will be applied.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approve the issuing of tenders in respect of the Council's Banking Services for an initial period of five years followed by a further option to extend for three years.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council's current Banking Services Contract is due to expire on 31 March 2012. The annual value of this contract is between £30,000 to £40,000.
- 4.2 As the estimated value of the new proposed contract is expected to be in excess of £250,000 then Committee approval is required prior to issuing tenders. In addition as the tender value exceeds European Procurement Thresholds the contract will be subject to European Procurement Legislation.

5.0 CURRENT POSITION

- 5.1 It is proposed that the new contract be for an initial period of five years followed by an option to extend for a further three years. A contract of this length allows the Council to develop a strategic relationship with the Bank and minimises the potential disruption caused by changing bankers.
- 5.2 The Committee is asked to note in that assessing the tender returns the estimated cost to the Council of changing banks will be taken into account. This figure is currently being calculated and will be built in to the tender documents prior to their issue.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
Treasury	Bank Charges	1/4/12	Up to £40,000	-	Contain in existing budgets.

The overall costs of this contract will be contained within existing Treasury Management and Banking Budgets.

7.0 LEGAL IMPLICATIONS

- 7.1 Finance will liaise with Legal and Procurement with regard to the Tendering Procedure to be adopted as per standing order 5.1.