

REPORT TO: POLICY & RESOURCES COMMITTEE - 9 MAY 2011

REPORT ON: PROVISION OF BANKING SERVICES - TENDER REPORT

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 248-2011

1 PURPOSE OF REPORT

To seek Committee approval for acceptance of the recommended tender for provision of banking services.

2 RECOMMENDATIONS

The Committee is recommended to approve acceptance of the tender from Royal Bank of Scotland amounting to £147,108 over three years. This figure includes the cost of other bodies such as Tay Road Bridge Joint Board, Tayside Joint Police Board and Tayside Contracts which are administered as part of the contract.

3 FINANCIAL IMPLICATIONS

The full costs of each tender are shown at Appendix 1. The recommended tender leads to an estimated cost of £45,736 to Dundee City Council in a full financial year. This cost represents an estimated annual saving of £15,000 on the 2011/2012 to 2013/2014 Revenue Budgets for bank charges.

4 BACKGROUND

The Committee agreed on 11 May 2009 that the existing contract with Royal Bank of Scotland be extended for a further two years until 30 June 2011. A tender exercise has now been undertaken for the three years commencing on 1 July 2011, with an option to extend for a further two years.

Tenders were evaluated on both price and a wide range of quality criteria. Tender submissions were scored to assess how effectively they met the Council's quality requirements. Royal Bank of Scotland achieved the highest score with regard to meeting the quality criteria.

A full costing of the tenders is shown at Appendix 1. The costing submitted by Royal Bank of Scotland is marginally lower than that submitted by Clydesdale Bank.

It should be noted that much of the reduced cost has arisen from the City Council proactively moving towards more efficient and effective electronic transactions and reducing the volume of more expensive cheque payments.

5 CONCLUSION

The tender submission by Royal Bank of Scotland gives the most financially advantageous outcome for the Council over the period. Given its ability to also meet the quality criteria and the benefits of continuity of service, it is considered that the new contract should be awarded to them.

6 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

7 CONSULTATION

The Chief Executive and Depute Chief Executive (Support Services) have been consulted on this report.

8 BACKGROUND PAPERS

None

**MARJORY M STEWART
DIRECTOR OF FINANCE**

28 APRIL 2011

APPENDIX 1

	Clydesdale Bank Annual Charge £	Royal Bank of Scotland Annual Charge £
Year 1	49,606	49,036
Year 2	49,606	49,036
Year 3	49,606	49,036
Total	148,818	147,108

The above figures include the costs to other bodies.