

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	6 December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Request for Authority to Procure the Provision of Banking Services
REPORT NUMBER:	CG/12/109

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### 1. PURPOSE OF REPORT

This report advises the Committee of the intention to conduct a collaborative tender exercise for the provision of Banking Services for a period of 5 years and seeks approval of the estimated expenditure as detailed in this report.

### 2. RECOMMENDATION(S)

It is recommended that the Committee approves:

- (i) the estimated expenditure of £35,000 per annum (which equates to a total expenditure of £175,000 over the proposed 5 year duration), in accordance with SO1(3) of the Council's Standing Orders Relating to Contracts and Procurement; and
- (ii) that a competitive tendering exercise for the provision of Banking Services is undertaken jointly with Aberdeenshire Council, in line with the Council's Standing Orders relating to Contracts and Procurement, Financial Regulations and relevant EU Legislation.

### 3. FINANCIAL IMPLICATIONS

The budget for banking services has reduced since the commencement of the current contract from approximately £70,000 per annum to £35,000. This saving can mainly be attributed to a significant reduction in cash handling volumes, since the closure of the Cash Office at St Nicholas House in May 2012.

### 4. OTHER IMPLICATIONS

Staff resources throughout Council services will be involved in implementing the new contract.

### 5. BACKGROUND/MAIN ISSUES

The Council has a contract in place to secure Best Value for its core banking services. The current contract, which expires on 30<sup>th</sup> September 2013, was let for a 5 year period.

The contract was tendered collaboratively with Aberdeenshire Council and given the success of the partnership working and scale economies; the Central Procurement Unit has ascertained that the parties are keen to collaborate once again.

Market engagement indicates that the Council will benefit from advances in technology introduced within the Banking Sector.

### 6. IMPACT

Should the outcome of the tender exercise result in a new supplier being appointed for the provision of Banking Services then the procurement timescales will allow for a lead-in period which should mitigate against any potential upheaval during the initial transition/implementation phase.

### 7. BACKGROUND PAPERS

None.

### 8. REPORT AUTHOR DETAILS

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