

To: Finance, Resources and Customer Service Policy Board

On: 23 November 2023

Report by: The Director of Finance and Resources

Heading: Contract Authorisation Report for Online payments and cashless catering RC-CPU-23-008

1. **Summary**

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a contract for online payments and cashless catering ("the Contract").
 - 1.2 The recommendation to award the Contract follows a procurement exercise conducted using the above Government Procurement Agreement (GPA) Threshold Open Procedure.
 - 1.3 A Contract Strategy was approved by the Head of Facilities and Property Services on 18 July 2023, the Head of Digital, Transformation and Customer Services and the Head of Service (Early Years & Broad General Education) on 19 July 2023 and the Corporate Procurement Manager on 13 July 2023.
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2. **Recommendations**

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board:
 - i) Authorises the Head of Corporate Governance to award the Contract for Online payments and cashless catering (reference RC-CPU-23-008) to ParentPay Limited.

- ii) Notes that the Contract is for a period up to 10 years with the inclusion of a Break Clause which the Council reserves the right to exercise after Contract Review. It is anticipated that the Contract Start Date will be 8 January 2024. However, the actual Contract Start Date will be confirmed in the Letter of Acceptance.
 - iii) Notes the Contract value for the 10 year period is £1,239,726.78 excluding VAT and a 5% contingency for any additions.
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3. Background

- 3.1 The Council has an ongoing requirement for an experienced Service Provider to provide a single integrated online payments and cashless catering solution, which includes school fund management to support the Council's objective to eliminate cash from all schools. This system will also support the Council's processes, which have recently been implemented across all schools providing an audit trail, better control and visibility of debt, and flexibility, and provide real-time reporting and a consistent experience for parents/guardians and Council staff.
- 3.2 The procurement exercise for this Contract was conducted using the above Government Procurement Agreement (GPA) Threshold Open Procedure under the Public Contracts (Scotland) Regulations 2015, as amended and the Council's Standing Orders Relating to Contracts. A contract notice was despatched to the Find a Tender Service via the Public Contracts Scotland portal on 16 August 2023 and published on the same date.
- 3.3 During the tender live period for this Contract, 16 organisations expressed an interest in the tender opportunity. By the tender deadline of 19 September 2023, 2 companies submitted a tender submission and 14 failed to respond. The Council contacted those organisations who did not respond to ask their reasons for not participating. Responses ranged from lack of internal resource to complete the bid, the opportunity not being commercially viable for them, or not being able to fulfil all the requirements contained in the Requirements document.
- 3.4 One of the tenderers who submitted a response failed to submit a completed Pricing Schedule in accordance with the requirements of the Invitation to Tender, and were deemed non-compliant and their tender submission was rejected.

3.5 The remaining tender submission was evaluated against a pre-determined set of criteria in the form of the Single Procurement Document (Scotland) (SPD (Scotland)) by representatives from ICT Services, Environment, Housing and infrastructure, Children Services, Corporate Procurement Unit, Corporate Risk and Corporate Health and Safety. The Tenderer met the selection criteria set within the SPD (Scotland). The Tender Submission was then evaluated against the published set of award criteria of 80% Quality and 20% Price.

3.6 The scores relative to the Award Criteria for the Tenderer are noted below:

Tenderers Name	Quality Score (80%)	Price Score (20%)	Total Score (100%)
ParentPay Limited	68.50%	20.00%	88.50%

ParentPay Limited was the only compliant tenderer and was deemed to have met all requirements.

3.7 Three Council Services share ownership of this Contract. However, costs under this Contract will be funded by a single budget held by Finance and Resources.

3.8 ParentPay Limited has committed to deliver the following Community Benefits as part of this Contract:

Community Benefit	No of People/ Activity
Job for an unemployed individual from a Priority Group	1
Modern Apprenticeship	2
Work Experience Placement for an individual 16+ years of age	1
Work Experience Placement for an individual aged 14+ years of age	1
Industry Awareness Events	1
Business advice/support to an SME /Social Enterprise/ Voluntary organisation	2
Event to promote supply chain opportunities	1
Non-financial support for a Community Project/Group	1

Implications of the Report

1. **Financial** - The financial status of ParentPay Limited was assessed, which confirmed that the organisation satisfied the Council's requirements in relation to financial stability. The cost of the contract for the 10-year period is £1,239,726.78, excluding VAT and a 5% contingency for any additions. This will require to be met from revenue budgets within Finance and Resources.
2. **HR & Organisational Development** – None arising directly from this report.
3. **Community/Council Planning** – This Contract will support this Council objective of 'Living our values – making a difference together' as it ensures the Council is keeping pace with new and emerging technology, and that it understands the benefits this can bring to the Council and its citizens.
4. **Legal** - The procurement exercise for this contract was conducted as an above Government Procurement Agreement (GPA) Threshold Open Procedure under the Public Contracts (Scotland) Regulations 2015, as amended and the Council's Standing Orders Relating to Contracts.
5. **Property/Assets** – the Council's existing hardware, such as Electronic Point of Sale tills, will be refreshed as part of this Contract.
6. **Information Technology** – this Contract will provide the necessary software and hardware for the delivery of an integrated online payments and cashless catering solution.
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – ParentPay Limited's health and safety credentials were evaluated by Corporate Health and Safety and met the Council's requirements regarding health and safety.
9. **Procurement** – The procurement exercise for this contract was conducted as an above Government Procurement Agreement (GPA) Threshold Open Procedure under the Public Contracts (Scotland) Regulations 2015, as amended and the Council's Standing Orders Relating to Contracts.

10. **Risk** - ParentPay Limited's insurance cover was assessed by Corporate Risk and met the Council's minimum requirements for insurable risk.
11. **Privacy Impact** - None arising directly from this report.
12. **Cosla Policy Position** - None arising directly from this report.
13. **Climate Risk** – The environmental impact associated with provision of this service was assessed using the Scottish Government Sustainability Test. Due to the reliance on cloud and mobile infrastructure powered by data centres, which are incredibly energy intensive to run, a sustainability question was included as part of the technical evaluation in the tender documents. ParentPay Limited responded to this question advising how they would deliver the Contract in a way that will minimise environmental impact and reduce carbon emissions throughout their supply chain.

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