

To: Finance, Resources and Customer Services Policy Board

On: 13 June 2024

Report by: Director of Finance and Resources

Heading: Contract authorisation report for Procurement Cards (RC-CPU-23-329)

1. Summary

- 1.1 The purpose of this report is to seek approval of the Finance, Resources and Customer Services Policy Board to award a Contract (Call-Off Contract) for Procurement Cards to National Westminster Bank Public Limited Company.
- 1.2 The recommendation to award the Call-Off Contract follows a desk top analysis, which was conducted in accordance with the Call-Off Award Procedure under the Crown Commercial Services Payment Solutions 2 Framework Agreement (RM6248) (“Framework”) Lot 1 Procurement Cards by Scotland Excel on behalf of Scottish Councils and other Public Sector Bodies (known as the Cluster Members who are named in the Cluster Schedule) and Renfrewshire Council’s Standing Orders Relating to Contracts for a service contract above Threshold.
- 1.3 The Contract Strategy was approved and signed by the Head of Finance and Procurement and the Corporate Procurement Manager on 28 May 2024.
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2. **Recommendations**

It is recommended that the Finance, Resources and Customer Services Policy Board:

- 2.1 Authorises the Head of Corporate Governance to award the Call-Off Contract, being a Call-Off Contract made under Crown Commercial Services Payment Solutions 2 Framework Agreement (RM6248), Lot 1 Procurement Cards for the Provision of Procurement Cards (RC-CPU-23-329) to National Westminster Bank Public Limited Company, who have confirmed that they will be subcontracting the performance of this Service to The Royal Bank of Scotland Public Limited Company.
- 2.2 Authorises the Call-Off Contract for an initial period from 19 August 2024 until 30 October 2025 with the option to extend for a further two periods of 12 months. The actual start date will be confirmed in the Order Form issued following the Framework Call-Off Award Procedure.
- 2.3 Notes that the annual spend through the Call-off Contract is anticipated to be up to £5,000,000 excluding VAT, however Council spend via procurement cards will fluctuate during the contract term.
- 2.4 Notes that this is a collaborative procurement and the annual rebate available will be calculated based on collective spend of Cluster Members which anticipated to be in excess of £100million. It is therefore anticipated that the rebate to the Council will be up to £63,000 per annum. There is no contract cost to the Council, as the provider takes a transaction fee from the supplier of the goods being purchased via the card.
- 2.5 Authorises the Core Terms of the Framework Agreement aggregate liability cap for this Contract which will not exceed the greater of £5 million or 150% of the Estimated Yearly Charges.

3. **Background**

- 3.1 Renfrewshire Council requires a Supplier who can supply a procurement card solution that would facilitate payments made by Council employees via Card Present transactions and Card Not Present Transactions. The Procurement Cards will be used to facilitate low value purchases for goods and services with multiple suppliers. There is no obligation for a Council service to have a procurement card and these cards are utilised on an ad-hoc basis.

The Supplier is expected to provide an online management information system which will enable the Council to manage purchases and fund dispersal payments effectively and in real time.

- 3.2 The Council currently has a Call-Off contract in place with National Westminster Bank Public Limited Company who sub-contract performance of the procurement card solution to their group company, The Royal Bank of Scotland Public Limited Company. The current Call-Off contract will expire on 18 August 2024.
- 3.3 Scotland Excel Savings Team carried out a review on a collaborate approach for procurement cards for Scottish Councils and other Public Bodies. The review identified that savings could be made if a cluster arrangement was set up under the Framework.
- 3.4 Scotland Excel conducted a desk top analysis in line with the Call-Off Award Procedure across all four Suppliers under Lot 1 of the Framework. This was done to facilitate a collaborative procurement and have as many Council and public sector bodies as possible signed up to the one cluster agreement, which would increase the value of the purchasing card rebate % for all cluster members, and therefore achieve economies of scales for the public sector.
- 3.5 The Scotland Excel desktop analysis identified that National Westminster Bank Public Limited Company offered the highest percentage rebate % for the anticipated spend of £100million (based on previous annual spend by all Councils).
- 3.6 Further analysis of Scotland Excel's desktop exercise by the Council indicates that the Council will receive a rebate of up to £63,000 per annum.
- 3.7 National Westminster Bank Public Limited Company has confirmed that the performance of this Service will be sub-contracted to The Royal Bank of Scotland Public Limited Company.
- 3.8 Scotland Excel as the lead buyer will retain high level supplier relationship responsibilities with Crown Commercial Services, National Westminster Bank Public Limited Company and Royal Bank of Scotland Group Public Limited Company, however, in accordance with the Framework cluster agreement arrangements the Council will complete the Crown Commercial Services Payment Solution 2 pre-populated Order Form and relevant Schedules to create its own Call-Off Contract.

Implications of the Report

1. **Financial** - The annual spend through the Call-off Contract is anticipated to be £5,000,000 excluding VAT. As this is a collaborative procurement and the annual rebate available will be calculated based on collective spend of Cluster Members which anticipated to be in excess of £100m. It is therefore anticipated that the rebate to the Council will be up to £63,000 per annum. The anticipated contract start date is 19 August 2024. There is no contract cost to the Council, as the provider takes a transaction fee from the supplier of the goods being purchased via the card.
2. **HR & Organisational Development** - No HR and Organisation Development implications have arisen or are anticipated.
3. **Community/Council Planning –**
 - Working together to improve outcomes - aligns to the procurement card contract as the Council must work smarter and in fundamentally different ways, sharpening the focus of our organisation to meet the significant financial challenges the Council face and this can be done by collaborating with other Scottish Councils and other Public Bodies under the Cluster Agreement.
4. **Legal** - This Procurement was carried out in following a desktop analysis and accordance with the Call-Off Award Procedure under the Crown Commercial Services Payment Solutions 2 Framework Agreement (RM6248), Lot 1 Procurement Cards and Renfrewshire Council's Standing Orders Relating to Contracts for a service contract above Threshold.
5. **Property/Assets** - No property/assets implications have arisen or are anticipated.
6. **Information Technology** – National Westminster Bank Public Limited Company are required to have Cyber Essential Plus to be awarded a place on the Framework Agreement and will be required to confirm and agree to the ICT requirements as noted within the Order form and relevant schedule.
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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** - No Health and Safety implications have arisen or are anticipated.

9. **Procurement** – The procurement exercise was conducted in accordance with the Call-Off Award Procedure as a direct award under the Crown Commercial Services Payment Solutions 2 Framework Agreement (RM6248), Lot 1 Procurement Cards and Renfrewshire Council's Standing Orders Relating to Contracts.

10. **Risk** - National Westminster Bank Public Limited Company insurance documentation was evaluated by Crown Commercial Service at the time of award onto the Framework and was deemed to meet the minimum requirements. The Council's Risk Manager has also confirmed that the levels of insurance are adequate for the requirements of the Framework Agreement and this Call-Off contract.

An aggregate liability cap which will not exceed the greater of £5 million or 150% of the Estimated Yearly Charges as per the conditions set out in the Core Terms of the Framework Agreement, applicable to both the Framework and any Call-Off Contract made under it.

11. **Privacy Impact** – A data processing impact assessment was completed by the Service and National Westminster Bank Public Limited Company will be required to confirm and agree to the Data Protection requirements as noted within the Order form and relevant schedule.

12. **Cosla Policy Position** – No Cosla policy position implications have arisen or are anticipated.

13. **Climate Risk** - The level of impact associated with provision of this service has been assessed using the Scottish Government Sustainability Test and is considered to be low risk.

List of Background Papers

(a) None

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