

19.2 DELEGATED AUTHORITY - PROVISION OF A PREFERRED SUPPLIER FOR BANKING AND BILL PAYMENT SERVICES

Objective Reference:

Authorising Officer: Deborah Corbett-Hall, Chief Financial Officer

Responsible Officer: Deborah Corbett-Hall, Chief Financial Officer

Report Author: Joy Manalo, Service Manager Corporate Finance

Attachments: Nil

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

(e) *contracts proposed to be made by it.*

PURPOSE

The purpose of this report is to seek Council resolution to delegate authority to the Chief Executive Officer (CEO), under section 257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary and discharge a contract over \$ [REDACTED] and enter into a contract for the provision of banking and bill payment services under Tender BT-1819-FNS.

BACKGROUND

The [REDACTED] currently provides banking and transactional services. The current contract with [REDACTED] is due to expire 30 November 2019.

ISSUES

The current banking and bill payment services contract provided by [REDACTED] commenced on 1 December 2014 and is due to expire on 30 November 2019. A new tender was released to the market on 19 June 2019 and closed on 10 July 2019.

Three (3) tenders were submitted and are currently being evaluated. A Council resolution to delegate authority to the CEO to accept the tender and discharge the corresponding contract will support maximising the efficiency of the tender process.

STRATEGIC IMPLICATIONS

Legislative Requirements

The development of the tender documents was based on the sound contracting principles as stipulated in the *Local Government Act 2009* for the purpose of obtaining tender submissions from appropriate financial institutions that are able to demonstrate capability to provide Council with value for money banking and transactional services.

Adherence to the relevant Council policies, guidelines and procedures in particular the policies on procurement, contract management, fraud control, information security, privacy and data protection, employee code of conduct and risk management is continuously being considered throughout the tender process.

Risk Management

A tender evaluation plan is in place to ensure that the evaluation panel is able to objectively assess the tender responses and recommend the most suitably qualified tenderer that is able to provide value for money banking and bill payment services within Council's required operational outcomes. The tender evaluation process covers the assessment of the submitted tenders based on financial and non-financial attributes. The financial attribute focuses on pricing while the non-financial attributes include product sophistication, level of relationship management, community commitment, ability to implement and degree of innovation.

Financial

Council has a budget allocation in 2019/20 for the current banking services in the order of \$ [REDACTED]. Some elements of the cost are based on volumes of transactions which vary from month to month. The current provider has held prices static in the main for the life of the contract so we anticipate increases for this new contract period. Of note, the tender process will consider value for money alongside other criteria and annual budgets will accommodate the outcome of the tender evaluation.

The intention of Council is that any contract resulting from this tender will be for a term of three (3) years with the option to extend for another two (2) one (1) year periods, not exceeding a maximum term of five (5) years. Therefore the total estimated value of the five year contract will be in excess of \$ [REDACTED] based on current information included in the tender evaluation process.

People

The tender evaluation panel is composed of Council officers from the Procurement Services, Information Management and Corporate Finance units. A third party independent consultant was engaged to assist with the review and interpretation of the tender responses.

Environmental

Nil impact is expected as the purpose of the report is to seek Council resolution to delegate authority to the CEO under section 257(1)(b) of the *Local Government Act 2009*.

Social

Nil impact is expected as the purpose of the report is to seek Council resolution to delegate authority to the CEO under section 257(1)(b) of the *Local Government Act 2009*.

Alignment with Council's Policy and Plans

The report has a relationship with the following items of Council's 2018-2023 Corporate Plan:

8. Inclusive and ethical governance

Deep engagement, quality leadership at all levels, transparent and accountable democratic processes and a spirit of partnership between the community and Council will enrich residents' participation in local decision making to achieve the community's Redlands 2030 vision and goals.

8.3 Implementation of the Corporate Plan is well coordinated across Council and through a delivery mechanism that provides clear line of sight, accountability and performance measurement for all employees; and

8.5 Council uses meaningful tools to engage with the community on diverse issues so that the community is well informed and can contribute to decision making.

CONSULTATION

Consulted	Consultation Date	Comments/Actions
Procurement Officer	10 June 2019; 26 July 2019; 20 August 2019	Provided advice on probity documents, tender process and required delegation authority for contracts over \$ [REDACTED] Reviewed the draft document and provided comments.

OPTIONS**Option One**

That Council resolves as follows:

1. To delegate authority to the Chief Executive Officer, under section 257(1)(b) of the *Local Government Act 2009*, to enter into a Provision of Banking and Bill Payment Services Contract over [REDACTED] with the preferred tenderer and to negotiate, make, vary and discharge the contract BT-1819-FNS in accordance with the agreed contract terms and conditions.
2. That this report remains confidential until a contract is executed, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.

Option Two

That Council resolves as follows:

1. To not delegate authority to the Chief Executive officer to enter into a Provision of Banking and Bill Payment Services Contract, and request that a tender report be presented at a future General Meeting following evaluation and selection of a preferred tenderer.
2. That this report remains confidential until a contract is executed, subject to maintaining the confidentiality of legally, privileged, private and commercial in confidence information.

OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. **To delegate authority to the Chief Executive Officer, under section 257(1)(b) of the *Local Government Act 2009*, to enter into a Provision of Banking and Bill Payment Services Contract over \$ [REDACTED] with the preferred tenderer and to negotiate, make, vary and discharge the contract BT-1819-FNS in accordance with the agreed contract terms and conditions.**
2. **That this report remains confidential until a contract is executed, subject to maintaining the confidentiality of legally privileged, private and commercial in confidence information.**