

Report To:	Policy & Resources Committee	Date:	21 May 2019
Report By:	Chief Financial Officer	Report No:	FIN/55/19/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	TREASURY MANAGEMENT CONSULTANTS TENDER – VARIATION TO PRICE/QUALITY SPLIT		

1.0 PURPOSE

1.1 The purpose of this report is to seek approval for a variation to the standard price/quality split to be used in the tender process and evaluation for a proposed tender for Treasury Management Consultants.

2.0 SUMMARY

2.1 The Council last tendered for Treasury Management Consultants in 2004 and so proposes to put the contract out for tender.

2.2 The maximum quality weighting in the standard evaluation process for tenders is based on a price/quality split of 60/40 but this can be varied with Committee approval.

2.3 It is considered that, given the nature and importance of this service, quality is more important than price and so approval is being sought to vary the price/quality split to 40/60. Due to the importance of the advice that will be given by the consultant and the associated risks, additional quality questions will be used will assess added value, additional services and enhancements to the existing specification.

3.0 RECOMMENDATION

3.1 It is recommended that the Committee approves the use of a 60% Quality and 40% Cost of Service weighting in the forthcoming tender for the contract for Treasury Management Consultants and therefore suspend contract Standing Order 13.2.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council last tendered for its Treasury Management Consultants in 2004, having subsequently sought Committee approval for extensions and negotiations with the incumbent provider. It is, however, considered that, with the current contract ending on 30 June 2019 and with market changes since 2004, the Council should put the contract out for tender.
- 4.2 The standard evaluation process for tenders is based on a price/quality split of 60/40 but this can be varied with Committee approval.
- 4.3 The current annual price is less than £20,000 and is part of the Council's Loan Charges budget.
- 4.4 The Treasury Management Consultants service is required to provide the Council with advice and market and technical information in relation to its Treasury Management activities (borrowing, debt restructuring and investments). The consultants also provide occasional Member and Officer training on these issues.
- 4.5 The consultants provide support to Officers day-to-day and in their decisions on this complex area which require careful consideration given the financial implications and risks associated with Treasury Management. As a result, the Council requires a high quality service from a qualified provider.

5.0 PROPOSAL

- 5.1 To seek to ensure that the Council gets tenders for the quality of service that it requires for this important service, bidders will need to provide detailed responses on a number of technical areas in relation to their approach, staff and company experience, and debt and investment advice services on Treasury Management issues affecting local authorities.
- 5.2 The standard 60/40 price/quality split does not provide sufficient weight to the quality aspects or provide scope for the areas of the detailed responses and required service to be properly assessed in the tender evaluation. As a result, approval is being sought for Committee approval to vary the price/quality split from 60/40 to 40/60.

6.0 IMPLICATIONS

- 6.1 Legal
There are no legal implications arising from this report.
- 6.2 Financial
There are no One-Off Costs.

Annually Recurring Costs/(Savings):

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement from	Other Comments
Loan Charges	Loan Charges	2019/20 onwards	20		Contained in existing resource

- 6.3 Human Resources
There are no HR implications arising from this report.

6.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No

This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

7.0 **CONSULTATIONS**

7.1 The Procurement, Regeneration and Building Services Manager has been consulted on the contents of this report.

8.0 **LIST OF BACKGROUND PAPERS**

8.1 None.