

LONDON BOROUGH OF CROYDON

To: Croydon Council website
Access Croydon & Town Hall Reception

STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR FINANCE AND TREASURY ON 21 MARCH 2016

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

The following apply to the decisions listed below:

Reasons for these decisions: are contained in the **attached** Part A report

Other options considered and rejected: are contained in the **attached** Part A report

Details of conflicts of Interest declared by the Cabinet Member: none

Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Member: none

The Leader of the Council has delegated to the Cabinet Member the power to make the executive decisions set out below:

CABINET MEMBER'S DECISION REFERENCE NO. 13.16.FT

Decision title: Provision of Electronic Payment Services

Having carefully read and considered the Part A report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the report, the Cabinet Member for Finance and Treasury in consultation with the Leader of the Council:

RESOLVED to approve the award of the contract for the Provision of Electronic Payment Services, called off from the Procurement for Housing (PfH) Framework Agreement, to Allpay Ltd, for an initial term of two years with the option to extend up to two years at a contract value of £154,888 per annum.

Note, the maximum contract value over the full term of the contract may vary in the event that the transaction volumes/values increase. The maximum contract value over the contract term is estimated to be £630k based on current transaction volumes.

Date: 6 April 2016

REPORT TO:	Cabinet Member for Finance & Treasury
AGENDA ITEM:	Background paper to agenda item 13.1 – Cabinet 21/03/16
SUBJECT:	Provision of Electronic Payment Services
LEAD OFFICER:	Richard Simpson Assistant Chief Executive, Corporate Resources and s151 Officer
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT Delivering high quality public services and improving value for money	
AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS: The provision of payment channels is vital to the Council as it enables residents to make payments to the Council via PayPoint and Post Office Counters (PayPoint).	
FINANCIAL IMPACT: The financial impact under the proposed contract is £629,898 including set up costs for an initial two years with the option to extend up to two years for which there is budget provision. By accessing the Procurement for Housing (PfH) framework, for electronic payment services, the Council will benefit from fixed transaction pricing. This will provide cost transparency and a projected saving of £4085.63 per annum (2.57%) based on the 2014/15 transaction volume.	
KEY DECISION REFERENCE NO.: N/A	

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

The Cabinet Member for Finance and Treasury, in consultation with the Leader of the Council, is recommended to:

Approve the award of contract for the Provision of Electronic Payment Services, called off from the Procurement for Housing (PfH) Framework Agreement, to Allpay Ltd, for an initial term of two years with the option to extend up to two years at a contract value of £154,888 per annum.

Note, the maximum contract value over the full term of the contract may vary in the event that the transaction volumes / values increase. The maximum contract value over the contract term is estimated to be £630k based on current transaction volumes.

2. EXECUTIVE SUMMARY

- 2.1 This report seeks agreement to recommending acceptance of the tender received from Allpay Limited for the provision of electronic payment services via Pay Point Agents and Post Office Counters.
- 2.2 Allpay's tender submission has been subject to an evaluation process consistent with the methodology described in the invitation to tender documentation and the tendered prices represent value for money.
- 2.3 This proposed contract is a result of a Further Competition (call-off) under the Procurement for Housing (PfH) Framework Agreement
- 2.4 To establish the original framework, PfH conducted an open procedure procurement exercise in line with the Public Contracts Regulations 2015 and Allpay Ltd were awarded to the single provider framework commencing 2nd September 2015
- 2.5 The procurement strategy report which detailed the procurement approach to call off from PfH framework was approved by the Contracts and Commissioning Board on 30/12/15 CCB1073/15-16
- 2.6 The content of this award report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
04/02/2016	CCB1091/15-16

3. DETAIL

- 3.1 There is a corporate requirement for electronic payment services for the primary reason to enable residents of the borough to make payments to the council via Pay Point Agents and Post Office Counters.

The Procurement approach

- 3.3 PfH framework for electronic payment services is a sole provider framework which was awarded to Allpay Ltd in September 2015.
- 3.4 The Council issued a request for services to Allpay, under the PfH Electronic Payment Services Framework, via the Council's e-tendering portal and the deadline for tender submission was 27/01/16.
- 3.5 The tender evaluation was based on a combination of Quality and Price.
- 3.6 An evaluation panel consisting of the following officers evaluated the quality/price aspects of the submission (Table 1) to ensure the proposal was fully aligned to the Council's requirements and offered value for money.
 - Cash & Control Manager
 - Transactional Finance Manager

Table 1: The Council core requirements

Quality Requirement	Detail
1	Access to both of the main cash collection networks in the UK (Post office and PayPoint)
2	Funds held in an account in the name of Croydon Council
3	Cleared funds available in our account within a maximum of four working days after the day of the transaction
4	High transactions limits
5	Transaction data available via web based on line banking solution including the transfer of funds
6	Provide dedicated Account Management
7	Add value (e.g through enhance information and/or innovation)
Price Requirement	Detail
8	Competitive fixed pricing structure
9	One consolidated daily payment file for all networks
10	Fully automated payment process with guaranteed payment

3.7 The tender proposal was appraised on the basis show below and the Provider was advised that their proposal must rank 'Good' or 'Excellent'.

Score	Acceptability	Description
0	Unacceptable	The information is omitted/no details provided.
1	Poor	The response does not address the criterion, or the Evaluator is not confident that the applicant understands the contract requirements covered by this criterion and/or will be able to satisfactorily meet the criterion requirements.
2	Fair	The Evaluator has some reservations that the applicant understands the contract requirements covered by this criterion and/or will be able to satisfactorily meet the criterion requirements.
3	Satisfactory	The Evaluator is reasonably confident that the applicant understands the contract requirements covered by this criterion and/or will be able to satisfactorily complete the contract requirements covered by this criterion to a reasonable standard.
4	Good	The Evaluator is confident that the applicant understands the contract requirements covered by this criterion and/or will be able to satisfactorily complete the contract requirements covered by this criterion to a high standard.
5	Excellent	The Evaluator is completely confident that the applicant understands the contract requirements covered by this criterion and or will be able to satisfactorily complete the contract requirements covered by this criterion to a very high standard.

The results of the evaluation are as follows, and the result is an overall 'excellent' score.

Req.	Evaluator 1	Evaluator 2
1	5	5
2	5	5
3	5	5
4	5	5
5	5	5
6	5	5
7	4	4
8	5	5
9	5	5
10	5	5

Old Contract cost	New Contract cost
£158,974 per annum	£154,888 per annum

The new contract represents savings of 2.57 %

4. CONSULTATION

4.1 Consultation is not required as this contract is a continuation of existing services.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Revenue Budget available	159	159	159	159
Expenditure	159			
Income	0			
Effect of decision from report				
Expenditure		155	155	155
Income		0	0	0
Remaining budget	<u>0</u>	<u>4</u>	<u>4</u>	<u>4</u>

2 The effect of the decision

The effect of the decision will be to enter into a two year contract with an option to extend for two years with Allpay Limited.

The annual contract value based on current transaction levels is £154,888 per annum, in the event that the transaction levels increases the contract value may increase.

It is important to note that although the increase in transaction volume may increase the cost value this is counter balanced by the fact that any increase in transaction levels correlates with an increase in payments to the Council.

3 Risks

Meeting the timescales – this will be mitigated by a short term 6 month contract with the Co-Operative Bank Plc (current provider) to allow for the transfer of our bill payment services to the new provider. This ensures business continuity in collecting rent and other payments from residents.

4 Options

No other options are being considered.

5 Future savings/efficiencies

By accessing the PfH framework for electronic payment services the Council will benefit from fixed transaction pricing and this will provide cost transparency and a projected saving of £4085.63 per annum based on the 2014/15 transaction volume.

The monthly charges will be deducted from the funds transferred by the supplier and recharged to the relevant cost codes depending on usage. The Premier Supplier rebate would not be applicable as payment is at source not an invoiced service.

Approved by: Jabin Jiwa, on behalf of the Head of Finance and Deputy Section 151 Officer

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 The Council Solicitor comments that the procurement process as detailed in this report complies with the requirements of the Council's Tenders and Contracts Regulations and that the proposed award of the Contract demonstrate Best Value under the Local Government Act 1999.

6.2 Approved by: Gabriel MacGregor, Acting Council Solicitor and Acting Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1 There are no immediate Human Resources considerations arising from the procurement proposals in this report that would impact Croydon Council staff.

7.2 Approved by: Michael Pichamuthu on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

8.1 An initial EqIA has been carried out and no significant implications have been identified for people with protected equalities characteristics.

9. ENVIRONMENTAL IMPACT

9.1 There are no environment impacts arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder considerations arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The Council needs to be able to continue collecting payments from residents and requires a bill payment solution that offers a managed service providing access to more than one established payment network with outlets nationwide and a choice of payment outlets, (Paypoint and Post Office), with flexible methods of payment. Contracting with Allpay will provide residents with the flexibility and convenience of paying their bills at any time of day or night at any shop with a PayPoint facility.

12. OPTIONS CONSIDERED AND REJECTED

12.1 No other options are being considered.

CONTACT OFFICER:

Name:	Vicki Richardson
Post title:	Head of HR & Finance Service Centre
Telephone number:	62460