

ITEM 4 TENDER T1000044 - BANKING SERVICES

This report recommends acceptance of a tender for Banking Services in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2021.

Although there is no requirement under the Local Government Act to invite tenders for Banking Services, it was considered a potentially valuable and prudent exercise to test the market as Council’s current banking contract relationship spanning 10 years, ends on 30 June 2022.

RECOMMENDATION

- 1 In accordance with Section 178(1)(a) of the Local Government (General) Regulation 2021, Council accept the tender of Commonwealth Bank of Australia for provision of Banking Services.
- 2 Award the contract for an initial term of five years, with 1 x 5 year optional extension, exercisable solely at the discretion of Council for a maximum term of 10 years.
- 3 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 4 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer
 Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

The current Banking Services contract spanning 10 years ends on 30 June 2022. The tender was commenced to engage a contractor for the provision of Banking Services to Council, including:

Bank Accounts	Internet Banking
Account Statements	Electronic Funds Transfers
Relationship Management	Security
Direct Credits	Bank Guarantees
Cheque Facilities	Overdraft Facility
Purchase Card Facilities	Offset of Accounts
Council Initiated Deposits	Account Enquiries
Direct Debit Facilities	Transaction Enquiries
Merchant EFTPOS Facilities	Internet Banking Helpdesk Facilities
BPAY	Miscellaneous Receipts
Internet Merchant Account	Monthly Subscriptions

The tender specifically excluded Investment products and associated advice; Telephone (IVR), Web Payment and Parking Payment Services. The term of the contract was tendered for a period of five years, with an option to extend for a further five years exercisable at the sole discretion of Council.

Tenders were invited for this project by the Open Tender method with a close of tenders of 10.00 am on 27 January 2022.

Two tenders were received by the close of tenders and all tenders have been scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council’s Procurement Policies and Procedures and comprising representatives of the Finance and Information Management and Technology Divisions in consultation with representatives from the Supply Chain & Logistics Management and Governance business units.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents.

Mandatory Criteria

- 1 Referees
- 2 Financial Capacity
- 3 Evidence of Australian Prudential Regulation Authority (APRA) authority to carry on a banking business in Australia in accordance with Section 9 of the Banking Act, 1959
- 4 Local LGA Presence: Must nominate a local branch in the Wollongong Local Government Area

Assessable Criteria

- 1 Cost to Council – 40%
- 2 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile, and capacity to provide banking services in accordance with this specification – 25%
- 3 Efficiencies and Innovation within system/ Product Development – 10%
- 4 Staff qualifications and experience of key personnel proposed to be engaged in relation to this contract – 5%
- 5 Implementation Plan and Project Schedule for Service Delivery for Banking Services – 10%
- 6 Demonstrated strengthening of local economic capacity – 10%

The mandatory assessment criteria have been met by the recommended tenderer.

The Tender Assessment Panel utilised a weighted scoring method for the assessment of tenders which allocates a numerical score out of five in relation to the level of compliance offered by the tenders to each of the assessment criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total score out of five to be calculated for each tender. The tender with the highest total score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council. Table 1 below summarises the results of the tender assessment and the ranking of tenderers.

TABLE 1 – SUMMARY OF TENDER ASSESSMENT

Name of Tenderer	Ranking
Commonwealth Bank of Australia	1
National Australia Bank	2

PROPOSAL

Council should authorise the engagement of Commonwealth Bank of Australia to carry out the Banking Services in accordance with the scope of works and technical specifications developed for the project.

The recommended tenderer has satisfied the Tender Assessment Panel that it is capable of undertaking the works to Council’s standards and in accordance with the technical specification.

Referees nominated by the recommended tenderer have been contacted by the Tender Assessment Panel and expressed satisfaction with the standard of work and methods of operation undertaken on their behalf.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Assessment Panel
- 2 Nominated Referees

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal “We are a connected and engaged community”.

It specifically delivers on core business activities as detailed in the Financial Services Service Plan 2021-2022.

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council’s Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works or services is considered low based upon Council’s risk assessment matrix as the recommended tenderer have undertaken the services for other local government councils in NSW.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the current operating budget.

CONCLUSION

Council should endorse the recommendations of this report.