



Glasgow City Council

Contract and Property Committee

Report by Director of Legal and Administration

Contact: Maureen Fitzpatrick Ext: 76406

**The Provision of Purchasing Card Services
Tender Reference : GCC006082CPU**

Purpose of Report:

To submit details of the direct award of contract for the provision of purchasing card services and recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The contracts and property committee is requested to approve the direct award of contract for the provision of purchasing card services to the supplier listed below.

National Westminster Bank Public Limited Company

Companies House Number - 00929027

Ward No(s): xxxxxxxx

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Background and Tender

- 1.1 Glasgow City Council's (the "council's") historical annual spend associated with the provision of purchasing cards services (service) is approximately £15,000,000. This is a commissioned based service whereby the council receives income, a percentage rebate based on the value of its spend, from the supplier and incurs no cost for the service.
- 1.2 The council, and the extended council family have utilised purchasing card technology/services for the last 14 years. This supports the purchase to pay process and removes some need for physical paper invoices, at the same time, generating an income stream through rebate on purchases made by the council.
- 1.3 The council utilises three types of purchasing cards, as set out below:
 - 1.3.1 Physical purchasing cards – these replace petty cash floats and accounts for the majority of all purchasing card spend. It includes around 600 cards in operation across the council family. This card provides a robust audit trail and affords relevant council employees the ability to procure required work related items in shops and online.
 - 1.3.2 Embedded/lodged cards - the supplier holds the card details and upon dispatch of goods, requested via a Purchase Order, charges the card held on file. Due to the council's existing attractive payment terms only a limited number of embedded card accounts are in operation.
 - 1.3.3 Virtual purchasing card – this generates a single use purchasing card number and allows employees to purchase items online/by phone. They can be used to settle invoices where there is an online functionality to do so
- 1.4 The Chief Executive Officers Management Group, which is made up of six local authorities (Glasgow, Renfrewshire, Aberdeen, Dundee, East Ayrshire and the Scottish Borders) requested Scotland Excel to identify potential Strategic National Saving opportunities which could be implemented throughout Local Authorities in Scotland. One of these opportunities was to aggregate the purchase of purchasing card services to deliver additional benefits, via leverage of spend, to councils and other public bodies.
- 1.5 SXL undertook a desktop evaluation and identified that the creation of a Cluster Agreement with National Westminster Bank (NatWest), under the terms of Crown Commercial Services' (CCS) Payment Solutions 2 framework, Lot 1 – Procurement Card, reference RM6248, would provide local authorities with a better rebate percentage rate. The rebate would increase for all bodies who agreed to be part of the cluster agreement as the rebate percentage rate applied would be calculated on the total cluster spend value per annum rather than the individual local authorities spend.
- 1.6 In line with the effective and efficient objective within the council's Sustainable Procurement Strategy 2023-2027, which can be located here, and to support the national agenda in utilising national collaborative frameworks, it was agreed

that a Direct award of contract via the cluster agreement, as set out in paragraph 1.5, would be the most appropriate method to deliver this contract. In line with terms of the framework, each local authority participating in the cluster agreement is required to contract directly with the supplier.

- 1.7 It was agreed that a direct award of contract process would be the most appropriate method to deliver this contract.
- 1.8 The duration of the contract is from 1st August 2024 to 31st July 2028.
- 1.9 The contract will be utilised across the council family.

2 Evaluation

- 2.1 All 4 suppliers from Lot 1 of the CCS framework were evaluated to determine which supplier would provide best value, based on the cluster agreement participants' projected annual spend. The suppliers framework evaluation results were used alongside the spend data benchmarking results to determine the successful supplier.
- 2.2 The CCS framework evaluation criteria was based on the following:

Lot	Price	Quality	Quality Sub Criteria
1	70%	30%	10% Social Value
			5% Fraud Prevention
			5% Online Management Tool
			5% Account Management
			5% On-Boarding, Implementation, Transition and Continuous Improvement

- 2.3 The evaluation of award scoring and award value of the supplier recommended for award is shown in the table below:-

Description	Supplier	Total Evaluation Score	Value (per annum)	Rank
Procurement Cards	National Westminster Bank Public Limited Company	92.29%	£0 cost to the Council	1

A summary of the unsuccessful tender evaluation results can be found at Appendix A.

3 Contract implementation and Supplier Management

- 3.1 There will be no transition/mobilisation time implications or costs as the supplier recommended for award is the council's incumbent supplier.
- 3.2 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as a medium. The supplier will be monitored in line with our contract and supplier management process which includes tracking the suppliers performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.

4 Policy and Resource Implications

Resource Implications:

Financial: The council will achieve an annual rebate from the estimated £15,000,000 spend, however the figure cannot be shared as this is commercially sensitive.

Legal: The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the contract.

Personnel: No direct personnel implications.

Procurement: A direct award of contract, as detailed in section 1.6.

Council Strategic Plan: The contract supports Grand Challenge 4, Mission 3.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25 Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

What are the potential equality impacts as a result of this report? An EQIA screening form was completed which confirmed that a full EQIA was not required for this contract as there is no impact.

Please highlight if the policy/proposal will help address socio economic disadvantage.

The continuous reduction in transportation costs for royal mail vehicles delivering paper invoices will have a beneficial impact on the environment over the duration of the contract.

The framework included a 10% social value element within the award criteria, however these did not include specific community benefits. It has been agreed that these will be discussed and approved upon award.

The supplier recommended for award, National Westminster Bank Public Limited Company, has confirmed the following with regards Fair Work Practices:

- It pays the real Living Wage;
- It provides appropriate channels for effective workers' voice, such as trade union recognition;
- It does not utilise zero-hour contracts inappropriately;
- It provides investment in workforce development;
- It has put in place actions to tackle the gender pay gap and create a more diverse and inclusive workplace;
- It opposes the use of fire and rehire practice

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

This contract recognises the Climate Plan actions and Net Zero commitments within the Strategic Plan that are underpinned by digital technology as priorities.

What are the potential climate impacts as a result of this proposal?

The contract will not in itself impact climate; however it will better enable the city, and the council family to make use of digital technology to impact climate change.

Will the proposal contribute to Glasgow's net zero carbon target?

No, due to the nature of the services.

Privacy and Data Protection impacts:

A Data Protection Impact Assessment(DPIA) was carried out at the beginning of the process. The supplier recommended for award will be required to sign up to a data sharing agreement.

5 Recommendations

The contracts and property committee is requested to approve the direct award of contract for the provision of purchasing cards to the supplier listed below.

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Appendix A – Unsuccessful Suppliers

Supplier	Evaluation Score	Rank
Lloyds Bank Plc	87.16	2
HSBC Bank Plc	84.76	3
Barclaycard Bank Plc	75.63	4