

DMPC Decision – PCD 937**Title Banking Services Re-tender****Executive Summary:**

This decision seeks approval to initiate procurement for the supply of banking services and to delegate the contract award to the MPS Director of Commercial Services. The services covered include the provision and management of circa 70 live bank accounts and third party monies. The proposed contract term is for an initial five year period with option to extend by 2 years. The estimated 7 year contract value is £2,450,000.

Recommendation:

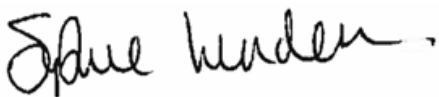
The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the request to run a procurement exercise to re-new the Banking contract provision as the current Framework expires on 28th February 2022.
2. Approve that the contract should be awarded on the basis of a 5+2 year term to a maximum contract value of £2,450,000 over the 7 year term. Funding will be provided from existing budgets.
3. Approve that delegated authority to award the contract is passed down to the Director of Commercial Services.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature**Date 12/4/2021**

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. The current banking service contract with RBS expires on 28 February 2022. This paper seeks approval to initiate procurement and award a contract for the provision of these services from 1 March 2022.

2. Issues for consideration

- 2.1. The provision of banking services enables the administration and infrastructure of cash management and accounting to be in place to support the Police and Crime Plan.

3. Financial Comments

- 3.1. The estimated seven year value of the procurement is £2,450,000. The Metropolitan Police Service (MPS) confirm that funding is available from within existing budgets.

4. Legal Comments

- 4.1. The MPS assure that the proposed routes to market are compliant the Public Contract Regulations.
- 4.2. Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above.
- 4.4. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve the procurement strategy for all revenue and capital contracts of a total value of £500,000 or above, such determination to include decisions on the criteria an methodology to be adopted in the tendering process, any exemptions from procurement requirements, and any necessary contract extensions
- 4.5. Paragraph 4.14 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to reserve the right to call in any MPS proposal to award a contract for £500,000 or above.
- 4.6. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure.

5. Commercial Issues

- 5.1. This paper seeks approval for the supply of banking services. Collaboration opportunities have been considered but have not been pursued as economies of scale would only be achieved by reducing volumes of accounts or transactions and neither of these reductions would be achieved by collaboration. The proposed contract term is for an initial period of 5 years with an option to extend by a further 2 years to balance continuity and value for money.
- 5.2. Subject to further market engagement the proposed procurement route is either by way of an OJEU restricted route or an open procedure. Both routes are compliant with Public Contract Regulations.

6. GDPR and Data Privacy

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS confirm that the procurement does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

7. Equality Comments

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The MPS confirm that there are no issues of concern in relation to equality arising from this procurement.

8. Background/supporting papers

Appendix 1 MPS Report Banking Contract re-tender.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date: n/a

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – NO

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

Commercial issues are covered in the body of the report.

✓

GDPR/Data Privacy

GDPR compliance issues are covered in the body of the report.

✓

Director/Head of Service:

The MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 9/3/2021



MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

Banking Contract re-tender

MOPAC Investment Advisory & Monitoring Meeting – 5th March 2021

Report by Carolyn White, AP & AR Process Lead

Part 1 - This section of the report will be published by MOPAC.
It is classified as OFFICIAL - PUBLIC

EXECUTIVE SUMMARY

The MPS requires a banking provider to look after all its banking needs, this includes management of the 70+ live bank accounts and third party monies.

The existing banking contract provided by RBS and managed by Commercial and Finance, expires on 28th February 2022. This has reached its full extension capacity and now requires a re-tender.

The current paper requests approval to a procurement to continue the banking provision to a maximum value of an estimated £2,450,000. This equates to an annual cost of £340,000 over a maximum period of 7 years from 1 March 2022 to 28 February 2029. This value includes an estimation of £70,000 for the mobilisation fees. The funding will be provided from existing budgets.

Recommendations:

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

- 1. Approve the request to run a procurement exercise to re-new the Banking contract provision as the current Framework expires on 28th February 2022.**
- 2. Approve that the contract should be awarded on the basis of a 5+2 year term to a maximum contract value of £2,450,000 over the 7 year term. Funding will be provided from existing budgets.**
- 3. Approve that delegated authority to award the contract is passed down to the Director of Commercial Services.**

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

1. Introduction and Background

Banking providers must be authorised to act as a bank in the UK and hold the appropriate FCA and PRA registration.

The contract requires the following areas to be covered:

- Two main bank accounts are required: 1) Funds Main Supply Account which is predominantly used to receive incoming payments and 2) Fund Drawing Account which is predominantly used to make outgoing payments.
- In addition to the main accounts approximately 100 bank accounts will be required by divisions and operational departments. Most of these accounts are operated on an imprest basis, i.e. they are used by business areas for small expenditure items and are funded periodically to a fixed amount.
- Bank accounts are also required for holding significant balances on behalf of third parties, such as confiscated monies covering the following areas: 1) Proceeds of Crime Act (POCA), held under other legislation deposited in the Detained Monies Account (DMA). 2) held under other legislation deposited in the Account Freezing Orders (AFO) account. 3) held under other legislation deposited in the Anti-Terrorism Crime and Security Act (ATCSA) and 4) other third party monies processed by police through the Divisional Account.

Issues for Consideration

2. Approval is required by mid-April to commence the procurement process to ensure continuity in the provision of banking services. The current contract ends on 28th February 2022. Due to the administration needs and volume of bank accounts the mobilisation period will need to be a minimum of 5 months, requiring the tender process to start end of March / early April 2021.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

3. By having the facility to manage banking and third party monies, the MPS are able to provide the administration and infrastructure to achieve the aims of the Police & Crime Plan to keep London safe.

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

Financial, Commercial and Procurement Comments

4. Financial

The MPS existing banking contract provided by RBS and managed by Commercial and Finance, expires on 28th February 2022. Approval is being sought to re-tender for a new contract in order to maintain services.

The estimated total value of the new contract based on annual costs of £350k over a 7 year contract period from 1st March 2022 to 28th February 2029 is £2.45m.

Funding will be provided from existing budgets.

5. Procurement

The procurement will be undertaken via the OJEU restricted or open procedure, in line with EU Directives and the Public Contract Regulations 2015, and be in place when the current framework expires in February 2022.

A Prior Information Notice (PIN) is being published w/c 22nd February 2021 to understand the potential market interest, since there are over 300 bank providers in the UK. This will help determine whether the procurement will be either a restricted or open process and will test the market for digital innovation.

Collaboration opportunities have been considered but have not been pursued as economies of scale of service don't exist as they are on the provider side. Benefits of collaboration would only be achieved by reducing volumes of accounts or transactions and neither of these reductions would be achieved by collaboration with another body as we have a statutory responsibility to safeguard our assets, which includes maintaining separate bank accounts.

6. Commercial

A 5 + 2 year term is recommended by Commercial Services as most appropriate, balancing continuity, value for money and the ability to lever solid commercial terms for a highly administrative contract.

The second motivation for publishing a PIN is to understand the likely costs for mobilising the contract, which is highly operational and administrative and to ascertain potential efficiencies. Discussions are currently happening with SSCL who manage all transactional finance requirements to ascertain the likely costs of changing provider and their responsibilities to assist with the mobilisation.

The £2,450,000 is a maximum value and we would expect to devise a model where these decline following market engagement. Banks deploy high levels of automation therefore after initial set up benefits should be realised.

7. Legal Comments (Provided by DLS)

The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £189,330 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.

Section 5 of this report confirms the MOPAC's route to market is compliant with the Regulations.

The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to:

Re recommendation 1

- i. Approve business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8);
- ii. Approve all requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13);

Re recommendation 2

- iii. Approve the procurement strategy for all revenue and capital contracts of a total value of £500,000 or above, such determination to include decisions on the criteria an methodology to be adopted in the tendering process, any exemptions from procurement requirements, and any necessary contract extensions (paragraph 4.13);

Re recommendation 3

- iv. Reserve the right to call in any MPS proposal to award a contract for £500,000 or above. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure.

Equality Comments

- 8. The Strategic Diversity and Inclusion Team have assessed this contract and have identified no issues of concern..

Privacy Comments

- 9. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to

safeguard the rights and freedoms of individuals.

Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.

The service does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

A DPIA will be completed for this procurement and form part of the contract mobilisation.

Real Estate Implications

10. There are no changes to the MPS estate associated with this report.

Environmental Implications

11. There is no impact on the Mayor's London Environment Strategy.

Background / Supporting Papers

12. N/A