

BILL PAYMENT SERVICES CONTRACT 2015/16 TO 2020/21

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance IT and Customer

Wards(s) affected: All

Purpose of the Report

To seek approval to enter into a contract with allpay Limited for the Council's bill payment contract.

Recommendations

(a) That the contract for the Council's Bill Payment Service be awarded to allpay Limited for a 5 year period from 1st December 2015.

Reasons

To enable residents who currently make Council Tax payments to the Council via the payment card method to continue doing so in the most efficient and cost effective manner, whilst minimising disruption, once the current arrangements cease on 30th November 2015.

1. Background

- 1.1 The Council's current bill payment service via payment cards is provided by the Co-Operative Bank. This contract expires on 30th November 2015 following notice being given twelve months previous.
- 1.2 A limited number of residents utilise the payment card method in order to make payments to the Council in relation to their Council Tax. The number of payment card users across the Borough is circa 6,000, out of a total 53,000 residents.
- 1.3 Residents who make these payments are able to do so via either the Post Office or a Paypoint location. The Paypoint locations are available across the Borough through a convenient network of stores. For example these include local newsagents and convenience stores.
- 1.4 This payment method does attract a cost to the Council, based on the total number of transactions that the provider has enabled.
- 1.5 A tender exercise has been undertaken to identify best value within the marketplace, and analysis undertaken to establish best value for the Council.

2. Issues

- 2.1 Consideration was given towards utilising the Eastern Shires Purchasing Organisation (ESPO) framework. However it was established that the provision of Bill Payment Services through this framework was currently under review and the replacement framework would not be available until after the required implementation date. The current provider on this framework was allpay Limited via Lloyds Bank.

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- 2.2 Invitations to tender were therefore requested from the marketplace, with notices placed on mytenders.org. The invitation to tender requested options for both a three year and a five year contract.
- 2.3 Two potential suppliers submitted a tender and their submission analysed against a pre-determined evaluation criteria. In this instance the ratio between quality and price was 50% quality and 50% price.
- 2.4 The evaluation of the contracts required the submission by allpay Limited to be pro-rated to 2 years 4 months due to Company 'B' only being able to provide the service until March 2018.
- 2.5 The evaluation undertaken resulted in the recommendation to award the contract to allpay Limited, which scored full marks for quality and tendered the lowest price for the period of the contract. The overall score for both potential suppliers is shown in the table below:

Supplier	Cost	Quality Score	Cost Score	Total score
<i>allpay Limited</i> (5 years)	£65,405* (£141,349.54)	50	50	100
<i>allpay Limited</i> (3 years)	£66,905* (£85,562.51)	50	49	99
<i>Company 'B'</i>	£74,592	49	44	93

* Note, allpay Limited's prices are pro-rated to 2 years 4 months in order to compare with the contract length Company 'B' is able to provide for. In addition allpay Limited's prices include inflationary rises based on the higher of RPI and 2%. The 2% increase has been incorporated into this evaluation.

- 2.6 Included within the allpay Limited's tender is a provision for the production and delivery of 6,000 replacement payment cards to a list of residents who currently utilise this particular payment method. The Council will now receive its own Issue Identification Number (IIN) from allpay Limited. This will mean that cards will not need to be re-issued following the proposed contract with allpay Limited terminating in December 2020.

3. Proposal

- 3.1 That allpay Limited be awarded the contract for the Council's bill payment service for a 5 year period.

4. Reasons for the Preferred Solution

- 4.1 To enable the efficient continuation of the Council's bill payment service following the expiry of the current service on 30th November 2015.
- 4.2 To award the bill payment service contract to allpay Limited which has been evaluated as the most economically advantageous tender.

5. Financial and Resource Implications

- 5.1 The current expenditure in relation to the Bill Payment Services contract is £ £35,000 per annum, over a 5 year period this equates to £175,000.
- 5.2 At £141,349 over the five years of the contract, the award of the Bill Payment Services contract to allpay Limited would result in a saving. Over the 5 year period of the contract this would amount to £33,650 (£6,730 per annum).
- 5.3 It should be noted that the costs quoted are based on the number of transactions that are undertaken. Therefore these costs can fluctuate up and down. At the same time the savings made can also fluctuate.

6. Legal and Statutory Implications

- 6.1 The procurement of this contract complies with Public Procurement Regulations and the Council's own Contract Procedural Rules.

7. Major Risks

- 7.1 All risks associated with the procurement of this contract have been adequately managed

8. Key Decision Information

- 8.1 The Council's medium term financial strategy identifies that the Council will be required to make significant savings over the coming years.
- 8.2 This is a key decision; it has been included in the Forward Plan.

9. List of Appendices

- 9.1 None