

APPENDIX 1
EVALUATION METHODOLOGY AND SELECTION CRITERIA

Evaluation Methodology

The contract will be awarded to the most economically advantageous tender based on a combination of **Price** and **Quality**. This section is provided in the interests of transparency and fair competition and sets out and explains how that evaluation will be carried out.

Each bid must achieve a minimum level of acceptability as defined by the following compliance standards:

Compliance Hurdle	Rationale
Compliant and bona fide bid	Each bid shall be checked to ensure that there is no material breach of ITT conditions; that the Bid is complete; no collusion or corruption; no anti-competitive behaviour; all required information provided
Legal Acceptability	Each bid shall be checked to ensure that there is no legal impediment to the Council entering a contract with the Bidder. Each bid shall also be assessed as to whether any changes to terms and conditions are acceptable to the Council and to ensure that the proposals meet the Council's minimum requirements as attached.
Complete Bid	Each bid shall be assessed as to whether the Bidder has confirmed that it is able to deliver all services detailed within the specification.

The Council will reserve the right to reject without further discussion any Bid or Variant which does not meet these standards.

Selection Criteria

SELECTION CRITERIA	PASS	FAIL
ECONOMIC AND FINANCIAL STANDING		
Tenderers must meet the criteria for inclusion on the Council's counterparties list as regards medium and long term investments.		
TECHNICAL AND PROFESSIONAL ABILITY		
Tenderers must be authorised to act as a bank in the UK. The Council may seek documentary evidence of appropriate FSA (or equivalent) registration during the selection/evaluation process.		
Tenderers must provide access to the UK paper and electronic clearing systems. The Council may seek documentary evidence of appropriate clearing membership during the selection/evaluation process.		
Tenderers must have experience of providing banking services to local authorities or public bodies of a similar scale to the Council. Please therefore provide contact details of two local authorities/public sector bodies for whom you provide banking services.		
COMPLIANT AND BONA FIDE BID		

Evaluation Criteria/Weightings - Quality

Criteria Number	Description	Weighting
1	Bank accounts/account structures and cash management proposals/credit facilities	5%
2	Proposals for deposit of cash/cheques	5%
3	Cheque encashments	5%
4	Internet banking and reconciliation data	5%
5	Provision of paper statements/credit vouchers	5%
6	Implementation proposals	5%
	Total Service Requirements Score	30%
7	Total Service Quality	10%

Criteria for individual Questions

Summary	Criteria Number
Provision of accounts/HOCA's	1
Charge for opening/closing accounts	N/A (Price)
Will ID need to be provided to open accounts	1
Maintenance of mandates/signatories	1
Proposals for account structures	1
Automatic sweeps (from groups)	1
Charges to be fixed or inflationary increases	N/A (Price)

Can all charges be consolidated/debited to a single account?	1
Advice of charges 10 days prior to debit?	1
Discount/loyalty bonus	N/A (Price)
Pricing to be held beyond end of contract?	1
List of carriers with Bulk till arrangements	2
Proposed cash processing centres/authorised carriers	2
Proposed cheque processing centres/authorised carriers	2
Proposals for cheques from Vertex	2
Additional costs absorbed if branch/processing centres closes/relocates	2
Locations for branch deposits	2
Locations for cheque encashments	3
Inter bank agency fees to be absorbed	N/A (Price)
Additional charges for cheque encashment arrangements	N/A (Price)
HOCA counter fees to be waived	1
Contribution towards cheque stationery	N/A (Price)
Format/provision of standard cheque/credit books	1
Charges for statements	N/A (Price)
Provision of credit/HOCA vouchers	5
Assistance in relation to ceasing the return of vouchers	5
Provision of ad-hoc credit vouchers	5
Provision of ad-hoc cheques	5
Retention period of cheques	5
Procedure for stopping cheques	1
Value dating	N/A (Price)
Electronic/Internet Banking Service	4
Charges for Electronic/Internet Banking Service	N/A (Price)
Cut-off times for payments	4
Can individual HOCA transactions be viewed	4
Search capabilities	4
How robust is service	4
Security of proposed service	4
Back-up if service fails	4
Internet service to be launched	4
Single reconciliation data file	4
Proposal for delivery of data	4
Reconciliation data charges	N/A (Price)
Credit interest proposals	1
High interest deposit accounts	1
Auto-sweep to deposit account	1
Compliance with FSA regulations on recording phone treasury deals	1
Provision of BACS limits	1
Provision of overdraft facility	1
Excess fees/margins	1
Provision of Intra-day facility	1
Charges for appointeeship accounts	N/A (price)
Credit interest on appointeeship accounts	1
Internet banking service for appointeeship accounts	4

Procedure for opening appointeeship accounts	1
Charges if main contract transferred	N/A (price)
Contract transfer/implementation	6
SLA	7
Relationship management team	7
Key personnel involved in day to day management	7
Stability of branch network	7
Overseas call centres	7
Resolving transaction queries	7
Published response times	7
Statistics on bank errors	7
Quality programme	7
ISO accreditation	7
Compliance with Money Laundering , MiFid	7
Services outsourced	7
SAS 70 conducted	7
New developments brought to Council's attention	7
Examples of working in partnership with other public sector bodies	7

Each of the quality requirements will be scored as follows:

SCORE	RATING
0	totally unacceptable
1	below minimum acceptable standard with major concerns
2	below minimum acceptable standard but with no major concerns
3	minimum acceptable standard
4	good
5	excellent

The minimum acceptable standard (which in this system would receive a score of 3) is full compliance with the relevant legislation and full compliance with good industry practice.

Calculation of Quality Score

Responses to individual questions will be scored in accordance with the table above (i.e. scores of 0 to 5 applied).

The scores for all questions within each criteria will then be totalled and weighted accordingly.

For example:

Criteria 2 – Proposals for deposit of cash and cheques (5%)

- To be calculated to scores from 6 different questions
- Maximum score (30) will be given a total of 50 points

Other scores will be awarded points on a pro-rata basis in accordance with the following calculation:

Score

x 50 points

Maximum Score

- A score of 24 for criteria 2 would therefore be awarded 40 points

The threshold is 240 points out of a possible 400 points.

Evaluation Criteria/Weightings – Price

The price criterion is the annual price submitted by the tenderer for the provision of the services as set out in Part 3 of the Response Document. For evaluation purposes only where the tenderer has proposed inflationary increases, the annual price submitted will be inflated by 2% pa (the government's CPI target) to give a price for the 5 year period.

Price Scoring and Points

Each tender will be awarded points based on its relationship with the lowest priced tender. The tender with the lowest overall contract price, based on 5 years, will be awarded 600 points. Each of the remaining tenders will be awarded points on a pro-rata basis in accordance with the following calculation:

Lowest Tender for 5 years

x 600 points

Tender price for 5 years

For example

TENDERER	PRICE	POINTS AWARDED
A	£300k	600
B	£350k	480
C	£400k	400
D	£450k	343

The threshold is 300 points out of a possible 600 points.