

Nottingham City Council Delegated Decision



Nottingham
City Council

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| Reference Number: | 1931 |
| Author: | Tom Straw |
| Department: | Resources |
| Contact: | Tom Straw (Job Title: Finance Manager - Capital, Email: thomas.straw@nottinghamcity.gov.uk, Phone: 01158763659) |
| Subject: | 3 year (+ optional 2 year extension) Corporate Procurement Card Contract |
| Total Value: | up to £160k income via card rebate. (Type: Capital and Revenue) |
| Decision Being Taken: | To enter into a call-off contract under an existing framework arrangement with The Royal Bank of Scotland for a 3 year period with an optional 1 or 2 year extension. |
| Reasons for the Decision(s) | <p>The City Council currently has circa 740 procurement cards in circulation. These cards allow staff to procure small items of expenditure in a efficient way as it removes the need to raise an order as per the requirements with the Councils Finance System.</p> <p>This call-off contract is at nil cost to the City Council, as the only expenditure linked to this contract is the Council repaying the Royal bank of Scotland for the Councils third party purchases. Under the contract the Council will receive a rebate which is anticipated to be up to £32k per annum.</p> |
| Other Options Considered: | <p>3.1 Remove the procurement card system, and re-introduce petty cash accounts / orders and invoices for all expenditure.</p> <p>The Oracle procurement route increases administration by requiring orders and invoices and will therefore delay the goods being received by service areas. Petty Cash accounts require additional administration compared to procurement cards. In addition this option would be less convenient for colleagues, as the Council is no longer able to use the Post Office network, so colleagues would need to use the nearest branch of the Council's Corporate Bank.</p> |
| Background Papers: | None |

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| Published Works: | None |
| Affected Wards: | Citywide |
| Colleague / Councillor Interests: | None |
| Consultations: | <p>Date: 20/03/2015</p> <p>Chief Finance Officer: Geoff Walker</p> <p>Framework agreement agreed by Geoff Walker</p> <p>Those not consulted are not directly affected by the decision.</p> |
| Crime and Disorder Implications: | N/A |
| Equality: | EIA not required. Reasons: Decision does not relate to new or changing policies, services or functions. |
| Social Value Considerations: | N/A |
| Decision Type: | Portfolio Holder |
| Subject to Call In: | <p>No</p> <p>The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.</p> <p>Person Consulted: Councillor Brian Parbutt</p> <p>Consultation Date: 31/03/2015</p> <p>Ensure no loss of Council rebate</p> |
| Advice Sought: | Legal, Finance, Procurement |
| Legal Advice: | <p>There are no legal implications with the proposed arrangement. The contract is to be entered into through a compliantly procured framework and upon the framework terms and conditions.</p> <p>Advice provided by Naomi Vass (Senior Solicitor) on 31/03/2015.</p> |

Finance Advice:

The proposal is to enter into a call-off contract under an existing framework arrangement with The Royal Bank of Scotland for a 3 year period with an optional 1 or 2 year extension.

This call-off contract is at nil cost to the City Council, as the only expenditure linked to this contract is the Council repaying the Royal bank of Scotland for the Councils third party purchases.

The use of Procurement cards also reduces the administration burden as opposed to the re-introduction of petty cash accounts / orders and invoices for all expenditure.

The Council will receive a rebate of £32k PA under this arrangement. £160k over the life of the contract including the option to extend.

The proposal is to enter into a 3 (+2) year contract via a compliant government framework. The framework offers the Council value for money and this has been assessed as part of the business case prior to taking up the contract.

The issue of these cards is strictly controlled and expenditure is checked and authorised and therefore the risk of inappropriate expenditure is minimised.

Advice provided by Steve Hales (Finance Analyst) on 01/04/2015.

Procurement Advice:

The proposal is to enter into a 3 (+2) year contract with RBS via a compliant government framework. The framework offers the Council value for money and this has been assessed as part of the business case prior to taking up the contract. As such there are no procurement concerns with this approach. Advice provided by Rosalie Parkin (Category Manager) on 27/03/2015.

Signatures

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| Graham Chapman (PH for Resources and Neighbourhood Regeneration) |
| SIGNED and Dated: 09/04/2015 |
| Glen O'Connell (Acting Corporate Director of Resources) |
| SIGNED and Dated: 02/04/2015 |