

**WEST OXFORDSHIRE DISTRICT COUNCIL**  
**CABINET MEETING - WEDNESDAY, 15<sup>TH</sup> NOVEMBER 2017**  
**TREASURY MANAGEMENT ADVISORY SERVICES**  
**REPORT OF GROUP MANAGER GO SHARED SERVICES**  
**(Contact: Jenny Poole, Tel: (01285) 623313)**

(The Cabinet's decision on this matter will be a resolution)

**1. PURPOSE**

To consider the result of a tendering exercise for the Council's treasury management advisory services to be effective from 1<sup>st</sup> December 2017.

**2. RECOMMENDATION**

That the Council awards the treasury management advisory services contract to Company A for a 3 year period from 1 December 2017, on the terms indicated in the report and with options to extend the contract for a further two years.

**3. BACKGROUND**

3.1. The Council last tendered for its treasury management advice in 2012, entering into a 5-year contract. The Council's current contract ends on 30<sup>th</sup> November 2017.

3.2. During the last few months a tendering exercise has taken place as part of a combined contract with Cotswold District Council. The tender was advertised in accordance with the Council's Contract Rules.

3.3. The services covered by this contract in general terms are:-

- Provision of advice relating to cash management – including security, liquidity and yield and in particular counterparty risk advice;
- Provision of advice relating to accounting treatment of investments and debt products;
- Assisting with compliance with specific local authority codes of practice and prudential indicators;
- Provision of advice relating to longer investment and debt requirements and balance sheet optimisation;
- Provision of interest rate and economic forecasting.

**4. THE TENDER PROCESS**

4.1. Appendix A to this report shows details of the tenders submitted. Two bids were submitted. This level of response is not unexpected as the market for local authority treasury management advisers is specialised and has undergone rationalisation in recent years.

- 4.2. Based upon the bids received it is recommended that the contract is awarded to Bidder A. The contract sum for the initial three year period totals £45,000 (average £15,000 per annum).

## **5. ALTERNATIVES/OPTIONS**

The formal tendering process has been timetabled to put in place new contract arrangements from 1<sup>st</sup> December. If members do not accept the proposal, or cannot agree to the recommendation, alternative arrangements will need to be negotiated with the Council's current supplier, at a potentially increased price.

## **6. FINANCIAL IMPLICATIONS**

- 6.1. The tender price is within current budgetary provision and will provide a saving of £5,000 per annum.
- 6.2. Procuring the contract jointly has generated a saving over the contract period of £13,750.

## **7. RISKS**

A robust procurement process has been followed to minimise the risk to the Council of entering into the contract.

## **8. REASONS**

The recommendation reflects the Council's Aims and Objectives of being recognised as a leading Council that provides efficient, value for money services.

Jenny Poole  
Group Manager GO Shared Services

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Date: 31<sup>st</sup> October 2017

**Treasury Management Tenders Submitted**

**(3 +2 Agreement from 1 December 2017)**

**Tender Bids Submitted**

**Weighting 30% Price, 70% Quality Criteria**

		Company A		Company B	
		£	Weighted Score	£	Weighted Score
<b>Price</b>	Assuming 3 years + extension for 2 years	76,250	21	48,750	30
<b>Quality</b>	Experience and personnel	5	14	3	8.4
	Strategy & Policy, Code Compliance & Performance Review	5	14	4	11.2
	Investment Advice, Counterparty & Credit Worthiness	5	10.5	3	6.3
	Debt Management & Lease Portfolios, PFIs Management	4	8.4	4	8.4
	Interest Forecasting & Economic Advice	5	10.5	5	10.5
	Communication & Training	5	10.5	4	8.4
		<b>29</b>	<b>88.9</b>	<b>23</b>	<b>83.2</b>
	<b>Total Weighted Score</b>		<b>88.9</b>		<b>83.2</b>