

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE	Subject: APPOINTMENT OF CONSULTANTS: LEASING ADVISORY SERVICE
From: HEAD OF FINANCIAL SERVICES	
Date: 27 February 2008	Ref: JQ/LM

### 1. Introduction

- 1.1 The purpose of this report is to seek approval to award the Council's Lease Advisory Service Contract from 1 April 2008 to 31 March 2011 with an option to exercise a one year extension at the end of this period.

### 2. Background

- 2.1 North Lanarkshire Council presently has a Leasing Advisory agreement with Sector, who assumed the role under a deed of novation in January 2007 from The Leasing Partnership Limited. The Leasing Partnership Limited had been appointed by the Council for a two year period commencing on 1 April 2006 and therefore this contract is due to expire on 31 March 2008. Committee agreed at its meeting on 16 January 2008 that it was appropriate to re-tender this contract from 1 April 2008.

### 3. Process

- 3.1 A full tender exercise was undertaken in line with the Council's Corporate Procurement policy.
- 3.2 Three companies expressed interest in providing the Leasing Advisory Service and were invited to complete the tender documentation by the return date of 7 February 2008.
- 3.3 The following companies submitted tender responses:
- Sector Treasury Services Ltd
  - Chrystal Consulting
- 3.4 In accordance with the requirements of the Council's Contract Standing Orders, each company's tender response was evaluated against the cost/quality evaluation model specified within the tender documentation. Interviews were held giving both tenderers the opportunity to demonstrate how their approach would assist the Council in achieving best value from future leasing arrangements. Once this process was completed the tender panel finalised its cost/quality scores and to reflect the key importance of quality advice, 70% of the total score for each adviser was awarded for quality and 30% of the total score was awarded on price.

<u>Evaluation Criteria</u>	<u>Maximum Points Available</u>	<u>Sector Treasury Services Ltd</u>	<u>Chrystal Consulting</u>
<b>Price Score</b>	<b>30.00</b>	<b>30.00</b>	<b>21.27</b>
<b>Total Score</b>	<b>100.00</b>	<b>93.35</b>	<b>80.07</b>

3.6 The company with the highest tender evaluation score was Sector Treasury Services Ltd with a score of 93.35. The full evaluation model, together with details of the tender prices submitted by the advisers, is attached in Appendix 1.

#### **4. Financial Considerations**

4.1 The tender process highlights that the Leasing Advisory Service will cost approximately £19,500 per annum as opposed to £23,600 per annum under the current arrangements. The costs of obtaining this advice will be met by council services using leasing as a method of funding assets.

#### **5. Recommendations**

5.1 Committee is asked to:

- (a) Approve the award of the contract for the Leasing Advisory Service to Sector Treasury Services Limited from 1 April 2008 to 31 March 2011 with an option to exercise a one year extension at the end of this period.



**Head of Financial Services**

*For further information please contact Mr Joseph Quinn, Treasury Manager - 01698 302061.*

**North Lanarkshire Council  
 Evaluation of Tender Responses  
 Treasury Management Consultancy Services Contract**

**Tender Evaluation Model:**

<u>Evaluation Criteria</u>	<u>Maximum Points Available</u>	<u>Sector Treasury Services Ltd</u>	<u>Chrystal Consulting</u>
<b>Quality Criteria :</b>			
Staff Resources Experience & Competencies	35.00	31.73	29.63
Approach & Methodology	28.00	24.62	22.17
Credentials	7.00	7.00	7.00
<b>Total Quality Score</b>	<b>70.00</b>	<b>63.35</b>	<b>58.80</b>
Tender Price(£)		39,000	55,000
<b>Price Score</b>	<b>30.00</b>	<b>30.00</b>	<b>21.79</b>
<b>Total Score</b>	<b>100.00</b>	<b>93.35</b>	<b>80.59</b>

**Tender Price Submissions:**

	<b>Final/Revised Price</b> (3 years +1 year option)	<b>Final/Revised Price</b> (Annual Value)
Sector Treasury Services Ltd	£78,000	£19,500
Chrystal Consulting	£110,000	£27,500