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Tender

Banking Services

AWG GROUP LTD

F04: Periodic indicative notice – utilities

Call for competition

Notice identifier: 2022/S 000-009557

Procurement identifier (OCID): ocds-h6vhtk-032bf0

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Section I: Contracting entity

I.1) Name and addresses

AWG GROUP LTD

Lancaster House Lancaster Way, Ermine Business Park

HUNTINGDON

PE296XU

Contact

Alice Bradley

Email

abradley@anglianwater.co.uk

Country

United Kingdom

Region code

UKH12 - Cambridgeshire CC

Internet address(es)

Main address

<https://www.awg.com/>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://esourcing.scanmarket.com/publicevents/list?comId=3004&ccsum=57aa08f02740e2c172f509ae0fa4807a&type=all>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://esourcing.scanmarket.com/publicevents/list?comId=3004&ccsum=57aa08f02740e2c172f509ae0fa4807a&type=all>

I.6) Main activity

Water

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Banking Services

Reference number

2021 0274

II.1.2) Main CPV code

- 66110000 - Banking services

II.1.3) Type of contract

Services

II.1.4) Short description

As part of a wider review of cash management and treasury processes, and to ensure the group benefits from best practice in the banking industry, transactional banking is being tendered.

The aim of the tender is to retain a first class banking service, which would include the maintenance of bank accounts, handling of payments, cash processing and retaining current banking 'facilities' on behalf of Anglian Water at a benchmarked cost.

II.1.5) Estimated total value

Value excluding VAT: £3,750,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 66110000 - Banking services

II.2.3) Place of performance

NUTS codes

- UKH1 - East Anglia

II.2.4) Description of the procurement

Anglian Water relies upon its banking service providers to ensure the secure transmission of money through bank accounts. The contract is for banking services at Anglian Water Group level but the majority of the banking transactions, and therefore costs, are within Anglian Water Services.

It is important that Anglian Water Group maintains a seamless transition should the contract be moved. It's also extremely important that certain facilities that are available now with the incumbent bank, continue to be made available with any new supplier and they must be able to sign up to Common Term Agreements and be the Account Bank. Anglian Water must also ensure that the bank works closely with Stakeholders to ensure that payments are processed quickly, securely and competitively, and also to ensure that AW is kept up to speed with the ever changing technological enhancements.

Looking ahead to a new contract for banking services the successful bidder must be a UK clearing bank to ensure all transactions can be processed and consideration should be given to enhancements to the current service, for example the ability for same day customer refunds, API links for seamless data sharing and implementation of new initiatives regarding all aspects of cash management.

The successful bidder will also recognize the key role they play as a tier 1 bank and be able to provide other facilities, such as access to debt markets and other corporate banking services as required.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £3,750,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

180

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated procedure with prior call for competition

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

IV.2) Administrative information

IV.2.2) Time limit for the receipt of applications for an invitation to tender or to negotiate

Date

31 May 2022

Local time

11:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

Section VI. Complementary information

VI.3) Additional information

Anglian Water are using this section of the PIN as an opportunity to provide information to any potential bidders which we feel is important to this banking services tender process.

Scope:

AWG Group Ltd ("AWG") has a group-wide contract for the supply of banking services including providing and operating the necessary bank accounts within Anglian Water Services Ltd ("AWS"), the regulated water and waste-water company as well as other subsidiaries within the AWG Group. AWS is the group's principal business, and where the majority of the group's banking transactions occur, with its residential and wholesale customers.

AWG are now seeking interested parties to tender for the group-wide banking contract and to provide an efficient and reliable service-led banking offering. It needs to meet security requirements, be easy to use, and meet system interface and cost requirements, whilst able to accommodate a range of customer requirements and operate at the forefront of the changing payment landscape.

Whilst the greater part of the AWG bank accounts are in scope for this tender, there are a handful of entities, including some JV entities, which are not in scope and Merchant Acquiring and Credit Purchases Cards are both subject to separate contracts and are out of scope of this tender.

All companies in scope benefit from bank account and cash management control from the centralised Treasury function. This includes all electronic banking administration, bank mandate control, bank contract management and bank account maintenance. In addition to the licenced group of companies which has a securitised business and account structure and is subject to specific responsibilities from the Banking provider, such as a physical cash sweep, there are two other notional pools within the AWG group and a number of stand-alone accounts.

Tender Stages :

This tender process has three stages, as per the below:

1. RFI
2. RFP
3. Presentations

Please note, there will be Pass/Fail questions at both the RFI & RFP stage. As a result, if you do not 'Pass' on these questions (which are scored first), then the rest of your bid will not be scored. This applies to both the RFI and the RFP stage.

The Pass/Fail questions at RFP stage will be related to key areas such as the obligations set out by the licenced entity's securitised structure within the Common Terms Agreement and, in order for the bidder to respond to the questions, they will need access to sensitive and confidential information. The relevant documents will only be released to those bidders AWG will be shortlisting, and they will be released no earlier than the closing of the RFI and no later than the closing of the RFP, although at AWG's discretion.

This also means that despite the RFP being open (yet read only) at the same time as the RFI, the sensitive documents will not be included until AWG deems necessary.

Tender Timings :

At the point of this PIN being published the number of days the RFI and RFP stage are open are as follows. Please bear these dates in mind if you wish to submit a tender.

RFI - 16 days - Closing 31st May 2022

RFP - 25 days - Closing 8th July 2022

The presentation dates are 6th & 9th September 2022. Any bidder assigned a presentation slot as part of the tendering process will need to have a relevant and sufficient team available on both days until the exact date and time are confirmed. The slot is not able to be moved or changed and will not be assigned until RFP shortlisting, which occurs in the days before RFP opening.

Please note, AWG reserve the right to amend the timeline and dates at any time during the process, as and when required.

Term :

The contract term will be between 10 - 15 years and will be decided during the procurement process at AWG's discretion. The breakdown of the term, i.e. the number of years confirmed as the initial term and those as discretionary extension years, will also be confirmed during the process and are open to change. The total term will be no less than 10 years and no more than 15 years.

Common Terms Agreements ("CTA") :

Within the AWG group there are two financing structures which include CTA agreements. The CTAs are part of the financial documentation setting out the securitisation structure of AWS, the licenced entity, and debt structure at Osprey Acquisitions Ltd. This structure carries the usual market requirements around cashflow waterfalls, bank account operation and counterparty ratings where participants are bound by this documentation which both contain a specific agreement in relation to banking services. The 'Banking Agreements' within the CTAs must be signed by the provider of banking services and is a non-negotiable agreement. No amends to these agreements will be entertained or agreed to by AWG. If a bidder is unable to agree to the Banking Agreement terms, they will not be awarded to.

The banking agreements, which forms part of the CTAs, and are directly relevant to this tender process, will be made available at AWG's discretion, as stated above.

Minimum Short-Term Rating:

To comply with the terms of the CTAs it is a requirement that the account bank holds a minimum short-term rating by any two of the rating agencies of at least in the case of

Moody's "Prime 1", in the case of S&P "A-1" and in the case of Fitch "F-1".

If a bidder is unable to comply with these rating requirements, they will not be awarded to.

Terms and Conditions :

AWG will request for the bidder's terms and conditions at RFI stage for information only. At RFP stage, you will be asked to re-confirm if the same terms and conditions apply and if not, to upload the up-to-date version. However, we trust the bidders will provide a genuine version of terms and conditions at RFI stage and any documents uploaded at RFP stage will just be updates to the original documents provided.

AWG will also include key principles at RFP stage which the bidders will need to confirm they will adhere to. There will be an opportunity to offer deviations if the bidder believes there should be amends to the key principles, however the bidder needs to be mindful that if the deviations are unworkable for AWG, and as a result are scored as 'Red' on a RAG basis, then the contract will not be awarded to the bidder.

Please note, AWG reserve the right to change the key principles up until the closing of the RFP event.

VI.4) Procedures for review

VI.4.1) Review body

Anglian Water Services

Huntingdon

Country

United Kingdom