

**FRAMEWORK FOR THE PROVISION OF
PREPAID CARD ACCOUNTS**

NEPO505

USER GUIDE

Version 3.0

15.03.17

Framework for the Provision of Prepaid Card Accounts

Key Facts

NEPO Reference number:	NEPO505
Start Date:	09th January 2017
End Date:	08th January 2021
OJEU Contract Notice number:	2016/S 166-298870
OJEU Contract Award Notice number:	2016/S 233-424604
NEPO Contracts Register Link:	https://procontract.due-north.com/ContractsRegister/ViewContractDetails?contractId=30b043ae-a03e-e611-8114-000c29c9ba21&p=1c9e782c-541e-e611-8114-000c29c9ba21
Available for use by:	NEPO Member and NEPO Associate Member Contracting Authorities

SOLUTION SCOPE

Prepaid Card Accounts which allow Contracting Authorities an alternative method for managing their cash disbursements and budget monitoring. Prepaid Card Accounts operate similar to a standard UK Bank Account, including the option to withdraw cash from an ATM, make regular payments, pay vendors and receive regular statements. Prepaid Card Accounts do not have an accessible overdraft facility.



The Prepaid Cards operate much in the same way as a standard debit card whereby funds are preloaded by Contracting Authorities and used by the cardholder until the balance is exhausted.

Primarily the Prepaid Card Accounts are utilised for Social/Health Care related Direct Payments and Appointee programmes. This is not exhaustive however and Contracting Authorities may require the Prepaid Card Accounts for additional related services such as Corporate Expenses.

BENEFITS OF PREPAID CARDS

- Reduced costs compared to traditional methods
- Income generation through reclaiming of unspent funds (typically understood to be 10% of original budget)
- Streamlining of operations and resources
- Improved customer service
- Increased control, transparency and analysis
- Improved security
- Faster responsiveness in the distribution of funds
- Supporting the Personalisation Agenda

BENEFITS OF THE SOLUTION

- Solution compliant with UK/EU procurement legislation
- Solution a 'refresh' of NEPO's already established Prepaid Cards Solution, updated in line with stakeholder requirements as captured from the engagement stage
- Contractors listed on the Solution have been assessed during the procurement process for their track record, experience and technical ability, professional ability and system offerings
- Pre-agreed terms & conditions to underpin all Call-Off Agreements
- Suite of user documentation available as well guidance from NEPO, existing users of the Solution and the National Prepaid Network to support your process.



WHO CAN USE THE SOLUTION?

The solution has been made available for use by all Contracting Authorities throughout all administrative regions of the UK (as defined by the Public Contracts Regulations 2006) including but not limited to...

- Government Departments and their Agencies
- Non-Departmental Public Bodies
- Central Government
- NHS Bodies
- Local Authorities
- Emergency Services
- Coastguard Emergency Services
- Educational Establishments
- Registered Social Landlords
- Registered Charities

A list of member organisations is available at:

www.nepoportal.org

A list of current NEPO Associate Members is available at:

<https://www.nepo.org/associate-membership/list>

CONTACT DETAILS FOR FURTHER ASSISTANCE

Should you have any queries relating to the Solution please contact the following Officer and quote the NEPO reference number:-

Contract Manager:

Adam Smith - Regional Procurement Officer (Professional Services)

T: 07976 775015 / 0191 261 3916

E: adam.smith@nepo.org



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INTRODUCTION

This User Guide has been developed to help users of the NEPO505 Prepaid Card Accounts Solution to:

- Identify the participating Contractors.
- Access and make the most of the benefits and savings associated with the Solution.
- Know who to contact for help and information.

This Solution has been arranged in accordance with the Public Contracts Regulations 2015.

Introduction to NEPO

Since 1976, NEPO has worked in partnership with North East local authorities on the strategic procurement of high value goods and services in order to deliver savings, maximise efficiencies and promote best practice. We also work closely with the region's supply base to boost competitive skills, signpost tendering opportunities and improve procurement processes.

NEPO's Member Authorities are as follows:

- Darlington Borough Council
- Durham County Council
- Gateshead Council
- Hartlepool Borough Council
- Middlesbrough Council
- Newcastle City Council
- North Tyneside Council
- Redcar & Cleveland Borough Council
- South Tyneside Council
- Stockton-on-Tees Borough Council
- Sunderland City Council

The NEPO governance structure ensures that collaborative procurement is visible at a senior level across North East local government and is reported to both the Regional Leaders & Elected Mayors and the Chief Executives Group.



In addition, an Elected Member from each member authority sits on the Collaborative Procurement Sub-Committee with the remit of providing strategic direction and advice. Directors of Resources advise the Collaborative Procurement Sub-Committee on the delivery of NEPO's work programme, performance management and future opportunities, and our Stakeholder Engagement Group (made up of representatives from the business community) focuses on maximising the economic and social benefits of our procurement practices and procedures.

Feedback

Your feedback is vital to the management and development of the Solution and will substantially inform any reviews NEPO conducts with the Contractors.

Please complete the attached monitoring form in Schedule G of this document once each project is completed and email to adam.smith@nepo.org

Please note the version number of this User Guide. A revised 'Issue' number is allocated to the Schedule each time an update is made (such as supplier changes or pricing information being updated). The Solution will be regularly reviewed, and therefore subsequent versions of the guide may replace this version during the lifetime of the Solution.

BACKGROUND TO THE SOLUTION

General

The procurement was conducted by the North East Procurement Organisation (NEPO) and has been established in accordance with the Public Contracts Regulations 2015. A Framework allows Contracting Authorities to order works or services under the terms and conditions specified in that Framework (i.e. it provides a mechanism for calling off orders as and when required).

This Solution can only be accessed by Direct Award to the first ranked supplier, or by mini competition to access all ranked suppliers. Please see Section 3.2 for the full Framework Operation details.

In establishing this Solution, default terms and conditions and call-off terms were included in the tender and are attached at Schedule D. These terms and conditions



will apply to any work undertaken under this Solution. The Contractors listed on the Solution have agreed to the the standard terms and conditions.

When a Contracting Authority places an order with the Contractor on the Solution, a contract is formed between the Contracting Authority and the Contractor. The contract will be based on the Terms and Conditions for this Solution.

NEPO reserves the right in exceptional circumstances to vary the composition of the Solution. For example, if a Contractor fails significantly to perform as required they may be removed.

It is anticipated that day to day transactions (including the appointment of Contractors to specific jobs, and delivery of and payment for services) will be conducted directly between the Contracting Authority and the Contractor, unless otherwise instructed by NEPO.

If you, or your procurement or legal advisors wish to see copies of any of the documentation used in setting up the Solution (such as the invitation to tender, etc) please contact NEPO and this can be arranged.

Please note any Contracting Authority in receipt of grant funding should seek its own legal advice pertaining to the obligations upon it in terms of procurement for goods, works and services required for the project activities it is bound to carry out. The link below provides advice on ERDF National Procurement Requirements.

<http://webarchive.nationalarchives.gov.uk/20120919132719/www.communities.gov.uk/documents/regeneration/doc/2118726.doc>

Further advice can be sought from www.gov.uk

Hub and Spoke

This solution has been developed using the NEPO Hub and Spoke model. Hub and Spoke are the definitions used to set out who is the Lead Authority when a solution which falls into the Collaborative Procurement Work Programme is led by the Hub (NEPO) or the Spoke (NEPO Member Authority).

The model is underpinned by NEPO Gateway Process which is designed to allow projects to be managed and approved at key points throughout the procurement



process, and ensures all key considerations have been made to a wide range of issues to ensure the end to end process is optimised. The process provides assurance for all Collaborative Solutions that a project can successfully move onto the next stage.

Gateway Approvers consist of one representative from Tees Valley, Tyne and Wear, NEPO, County plus one other representative nominated, the panel sign off all solutions at each stage of the Gateway process to ensure the end result is of the highest quality and meets the needs of NEPO's Full and Associate Members.

Evaluation of Tender submissions

Tenders submitted in response to this procurement were evaluated by officers from NEPO and NEPO Member Authorities against a set of pre-determined evaluation requirements covering Quality, Social Value and Pricing criteria, which are set out within Section 2.4.

Evaluation Criteria

The procurement process adopted was based on the Open Tender Procedure. Tenders were evaluated using the scoring criteria set out below to determine the most economically advantageous tender(s).

Weighting	Criteria
60.00%	Quality
12.00%	Project Management
10.00%	Performance Management
10.00%	Prepaid Card Functionality
08.00%	Business Continuity
10.00%	System Demonstration
PASS/FAIL	System Functionality (Essential)
05.00%	System Functionality (Desirable)
05.00%	Social Value (Economic/Social)

40.00%

Price

12.50%	Implementation Costs
10.00%	Prepaid Card Account Costs
05.00%	Prepaid Card Account Transactional Costs
07.50%	Limited-Use Prepaid Card Costs
02.50%	Limited-Use Prepaid Card Transactional Costs
02.50%	Additional Costs

Successful Contractors

Below is the list of Contractors appointed to this Solution. Contact details available in Schedule A.

- 1) Prepaid Financial Services Limited
- 2) Allpay Limited

Aquarium Software Limited, previously awarded to the Solution in third rank, has made the business decision to withdraw from the public sector, local authority marketplace. This is a strategic decision made by Aquarium Software Ltd to focus on their core services in the private sector market in which they are already established.

USING THE SOLUTION

Access Guidance

Step 1 - Access
Complete the Confidentiality Declaration (available upon request) and return to NEPO. The Confidentiality Declaration does not serve as formal commitment to access the Solution and simply grants access to the supporting documentation.
Step 2 - Route
Review user documentation and decide route (Direct Award or Mini-Competition). Details of the Call-Off Criteria which constitutes as the Framework Operation are included below and should be used to identify which route you take. If Direct Award please jump to Step 4.
Step 3 - Mini Competition
<p>Issue the mini competition invitation documents to all Contractors who have expressed an interest. Template mini competition documents are available in Schedule E. Please make sure to reference NEPO505 in all correspondence.</p> <p>Please be aware, to be compliant with procurement law your mini competition must be conducted in accordance with the following:</p> <ul style="list-style-type: none">- You must invite all suppliers party to the Solution- Your mini competition invitation documents must clearly describe your requirements and inform suppliers the basis on which you will evaluate their offers.- Public Contracts Regulations 2015 require mini competition tenders are evaluated in accordance with the terms of the framework agreement. Details of the evaluation criteria can be found below, which may be varied in accordance with your requirements.
Step 4 - Award

Place award with the successful Contractor, a template order form has been provided (Schedule F) for this purpose however your own standard award letters may also be used but must reference NEPO505 Prepaid Card Accounts.

Step 5 - Conclude

Contracting Authority notifies NEPO of appointment and commences the implementation with successful Contractor

Call-Off Criteria

The basis for award of specific streams of work(s) is via direct award to the first ranked Contractor on the Solution where the full requirements of the Contracting Authority are met.

Where it is not possible to determine the award via the direct award route above, then the Contracting Authorities shall undertake a mini competition involving all Contractors who are successful and ranked 1-3 on the Solution capable of performing the Call-Off Contract.

A mini competition invitation document has been developed to support Contracting Authorities with their mini competition processes. Please see schedule E (Appendix 4) for further details. The criterion for award of the mini competition is as follows:-

Criteria	Sub-Criteria	Percentage Weightings Range
Quality	To be determined by Contracting Authority	0% - 100%
Price	To be determined by Contracting Authority	0% - 100%

- You must allow suppliers sufficient time to prepare and submit their bids (three weeks is considered the minimum).
- Bids must be submitted in written hard copy format, or via an electronic portal, in order to adhere to the point below.
- You must inform suppliers of the closing time and date for submitting their bids.

- You must treat all suppliers equally and fairly, and evaluate all bids in the way you have described in your mini competition documents
- If you have decided to apply a standstill period then you must advise all suppliers of the outcome via email or by letter

Good Practice

Pre-market engagement prior to issuing the mini competition invitation documentation is permitted under the Solution and is welcomed by all Contractors. It is considered to be a useful tool for Contracting Authorities to determine the best route and seek support in developing specifications and refining requirements. Industry days, one to one meetings, group meetings and site visits are a good way to pre-engage with the Contractors.

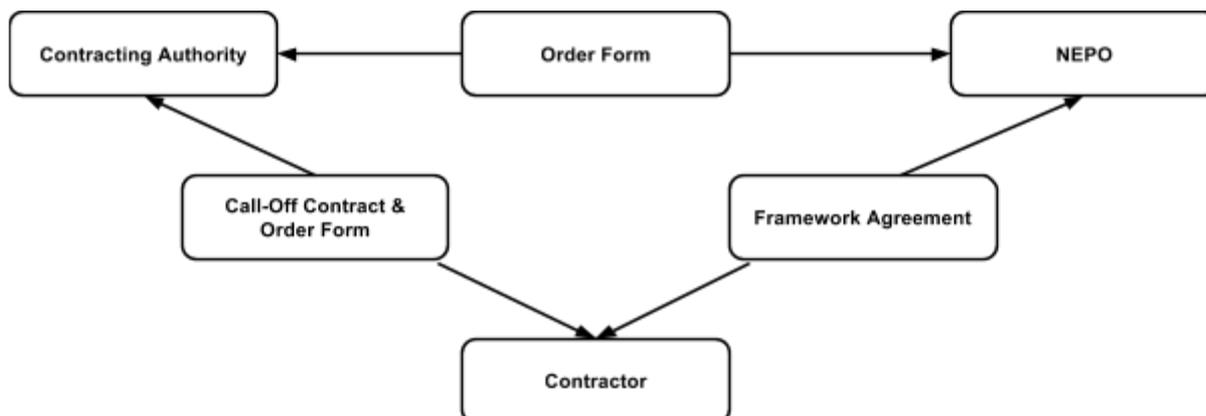
A good practice is to share with the Contractor's your timescales (if aware) so they are able to plan resources in advance. When engaging with the Contractors please ensure this is done on a fair, open and transparent basis (i.e. allow the opportunity for engagement with all Contractors on the Solution, and provide all with the same information during the pre-market engagement exercise). To engage with the Contractors you can simply contact via email using the contact details shown in Schedule A.

Contractual Structure

The Contracting Authority (you) will enter into a Call-Off Contract for the provision of Prepaid Card Accounts based on the pre-agreed terms and conditions of the contract. A copy of this documentation is available in Schedule D.

Whilst the pre-agreed terms and conditions may be amended by Contracting Authorities conducting a mini competition; any such amendments must not vary substantially from the original terms agreed and must be communication to suppliers at the start of the mini competition process (i.e. when the mini competition invitation is issued).

The Contract structure in the diagram below illustrates the relationship between all parties.



MONITORING AND MANAGING PERFORMANCE

Monitoring the Solution

As this is a Framework, from which Contracting Authorities can directly appoint and conduct mini-competitions, NEPO will not be involved in the day-to-day management of the Contractors and the services they provide. NEPO will however be closely monitoring the progress and performance of the arrangements throughout the entire duration of the Solution to ensure that requirements are being adequately met. Following each project feedback should be sent to NEPO by the Contracting Authority. The feedback should be provided using the template within this guide, see Schedule G.

Key Performance Indicator (KPI) Responsibilities

The establishment and management of Key Performance Indicators (“KPI’s”) is an essential tool for monitoring the performance of the NEPO Solution.

Contracting Authorities using this Solution should implement performance management of their Contractor that covers at least the measures detailed below to help NEPO manage performance consistently across the Solution. Authorities should periodically copy performance reports to NEPO – not less than annually. The Authority’s own standard contract management reports will be acceptable for this purpose.



Ahead of each scheduled contract management meeting, the Contractor Manager will submit a management information report to NEPO which, as a minimum, will address the following areas:

- 99% Prepaid Cards being sent to the Cardholders address or to the Contracting Authority for collection within a maximum of 5 business days from request
- 99% Prepaid Cards reported as lost/stolen cancelled within one hour of notification
- 99% Prepaid Cards reported as lost/stolen replaced to the Cardholder within 5 business days
- 99% Prepaid Card Accounts requiring suspension/freezing done so within one hour of notification
- 99% of funds transferred to Prepaid Card Accounts to be available for use within one hour of notification to transfer
- Contractor Website downtime resolved and fixed within 3 hours of notification
- 99% Queries/Complaints sent via letter or email responded to within two business days upon receipt.
- 100% scheduled downtime for website maintenance work should be carried out during the hours of 22.00 – 06.00
- 99% of calls to be answered within first attempt of contact
- 99% of calls to the help desk to be answered by an operative within 3 minutes of being connected
- 90% of calls to be resolved within the same working day as the call was first raised
- 99% Queries/Complaints sent via letter or email responded to within two business days upon receipt and not by way of automated response.
- 99% of scheduled Management Information to be delivered to the Contracting Authority no later than the agreed deadline date
- 99% of ad-hoc Management Information to be delivered to the Contracting Authority within 48 hours of request



Further Guidance and Support

National Prepaid Cards Network

NEPO, as part of the re-establishment of the NEPO505 Solution, will be supporting and working closely with the National Prepaid Cards Network ran and chaired by Colin Whitehouse (contact details below). Colin, a former Senior Government Advisor with DCLG, has over 25 years experience delivering cost effective public sector improvements and has kindly agreed to support Authorities on their Prepaid journey.

The network was established in 2011 to discover, capture and disseminate best practice in the use of prepaid cards in the public sector. By having the supply side included in the network, prepaid cards have evolved to become a highly flexible way of delivering direct payments.

90+ councils are understood to be now actively using prepaid cards to deliver direct payments and around 15 CCGs and CSUs are piloting their use for the delivery of personal health budgets. DWP, HMRC and NHS England are also members of the network, DWP researching whether prepaid cards can be used to effectively deliver part of their Universal Credit initiative

Colin Whitehouse
National Prepaid Cards Network Chair
E: colin.whitehouse@prepaidnetwork.org.uk
W: <http://prepaidnetwork.org.uk/>

Gateshead Metropolitan Borough Council

Paul Stokes, Principal Benefits Officer at GMBC, has extensive experience of implementing Prepaid Cards across the council and its service groups. Paul, as part of his work with the National Prepaid Cards Network, already supports other Local Authorities wanting to understand more from an existing user perspective. This offer of support has been kindly extended to the NEPO505 Solution as a current Contracting Authority.

Contact details are included below for those wishing to learn more on how to maximise the service available.

Paul Stokes
Principal Benefits Officer (Development)
Email: paulstokes@gateshead.gov.uk

SCHEDULE A – Contractor Details

Contractor Manager(s)		
Prepaid Financial Services Limited	Head of Business Development	James.Schlieff@prepaidfinancialservices.com 0207 5346798 / 0745 4564650
Allpay Limited	Regional Sales Manager	john.rabin@allpay.net 0143 2852518

SCHEDULE B - Award Questionnaire (Upon Request)

SCHEDULE C - Framework Pricing (Upon Request)

SCHEDULE D - Terms and Conditions (Upon Request)

SCHEDULE E - Mini Competition Invitation (Upon Request)

SCHEDULE F - Order Form (Upon Request)

SCHEDULE G - Contractor Monitoring Form (Upon Request)



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