

## **Qs and As – AOG banking contract**

### **1) Why did Government decide to re-tender the Banking Services contract?**

There has been considerable evolution in the banking and financial services sector in the 25 years since the tender was last put out.

Government banking services need to be fit for purpose and provide value for money. The new contracts are additionally flexible enough to accommodate government agencies' future requirements.

### **2) What's different about the new Banking Services solution?**

It will drive efficiencies and result in cost-savings and productivity gains for government agencies and all New Zealanders.

Lower fees have been negotiated along with fit-for-purpose service terms tailored to government needs.

### **3) What will provider commitments to innovation achieve?**

There has been a commitment in contracts to supporting innovation in service development and delivery, including the establishment of a \$10 million innovation fund.

These commitments will support using the banks' knowledge, systems and resources to help implement innovative banking services for the benefit of the New Zealand public and businesses.

### **4) Who will benefit from the new Banking Services solution?**

Government agencies, the New Zealand public, and the entire eco-system of banking services. It offers transparency in costs, legal terms, service terms, a consistent approach and clear incentives for further improvement of services.

### **5) How did the re-tendering process work?**

During 2013 and 2014, MBIE reviewed the supply of banking services to Government and placed a competitive tender for banking services into the market.

The contract negotiations with shortlisted providers commenced in April 2015.

### **6) How robust was the re-tendering process?**

An exercise of this magnitude required considerable planning and attention to detail. MBIE used a procurement process that is consistent with the Government Rules of Sourcing.

The process was also the subject of an independent probity audit. The probity auditor's report confirmed that the procurement processes met requirements and expectations in accordance with the Principles of Government Procurement, Government Rules of Sourcing,

and the Procurement Guidance for Public Entities published by the Office of the Auditor-General.

**7) How were the banks selected and evaluated?**

Submissions were evaluated based on their ability to meet the requirements of government as contained in the RFP.

The evaluation process included assessing the technical capabilities, relationship management, service delivery, innovation and commercial offerings of respondents.

**8) Who were the evaluators?**

25 evaluators were nominated by key government agencies based on their knowledge of banking requirements, ICT expertise and procurement skills.

**9) What are the timeframes for the new contracts under the Banking Services solution?**

- Crown Transactional Banking Services – eight years
- Foreign Exchange Transactions (low-value) – three-year initial term with two rights of renewal of three years and two years respectively (providing for a maximum contract term of up to eight years)
- Payment Services– three-year initial term with two rights of renewal of three years and two years respectively (providing for a maximum contract term of up to eight years)
- Card Services – three-year initial term with two rights of renewal of three years and two years respectively (providing for a maximum contract term of up to eight years)

**10) Can agencies outside of the 35 core government agencies use Westpac for their transactional banking needs?**

- Yes. Those agencies will however need to negotiate their own rates and Terms and Conditions separately with Westpac.

**11) How does the Banking Services solution contribute to Better Public Services?**

The two BPS results that are particularly relevant to the banking services RFP are:

- Result 9 – New Zealanders can easily access all government support and the advice they need to run and grow their business
- Result 10 – New Zealanders can complete their transactions easily with government in a digital environment