**Brent FastTrack Guidance Note**

February 2020

Brent FastTrack

1. General
	1. A key feature of the Brent FastTrack programme (as described in the ITT document[[1]](#footnote-1)) is the early payment of invoices. Payments are made early are subject to a rebate, on a sliding scale basis, which is taken from the invoice value by the way of issuing a debit note.
	2. All prices in the **Pricing Schedule** (and invoices) should still be submitted at full value and any rebate will be determined according the actual number of days earlier that the payment is made (ahead of contracted terms).
	3. Rebates are calculated from Brent’s underlying standard payment terms of 30 days from date of receipt of invoice and the payment instruction being issued 10 days after receipt of invoice. A range of the daily schedules and rates of rebate is shown below.
	4. Tenderers should note:
		1. all prices in the Tender should be shown exclusive of the Brent FastTrack rebate; and
		2. Tenderers should indicate in the **Pricing Schedule** whether they choose to opt in to the Brent FastTrack programme and the rate that they select for the Tender (see paragraph 1.12 above).
	5. Improvements in the P2P processes allow the Council to pay suppliers invoices earlier than the Council’s standard 30 days. In return for paying ahead of the standard 30-day period, a rebate is deducted from the payment.
	6. The rebate is calculated by reference to the number of days by which the Council accelerates the supplier’s payment – Tenderers should see below examples of the profile of payments made under Brent FastTrack over the period from the day of receipt by the Council to the standard payment after 30 days.
	7. The rebate is only applied if payment is made ahead of the standard 30-day period.
	8. For this purpose, the payment date is the date the Council’s bank account is debited in favour of the supplier.
	9. Participation by suppliers in Brent FastTrack is voluntary. However, as explained below, participation will have an impact on how a tender is evaluated and the final price of the contract. The Council envisages that key suppliers will wish to participate.
	10. Each Tenderer should indicate its willingness to participate or decline participation in the Brent FastTrack service in the Pricing Document.
	11. If a Tenderer agrees to participate in Brent FastTrack, the evaluation of its Tender will be carried out on the assumption that the Council will pay supplier invoices early, the percentage rebate offered by the supplier will therefore, be deducted from the aggregate pricing proposal. Tenderers should see the full evaluation methodology in the ITT.
	12. Suppliers should determine whether their invoices should be paid early in exchange for a rebate on the invoice (*i.e.*, participate in Brent FastTrack) and specify the percentage rebate. The minimum rebate percentage that the Council will accept is 0.5%.
	13. The default rebate percentage for existing suppliers who sign up for Brent FastTrack is a 1.25% for invoice payment on Day 10. Tenderers may propose a higher or lower rate for Brent FastTrack and should indicate that rate in the **Pricing Submission**.
	14. Participants in Brent FastTrack should expect to benefit from the Council’s target 10 days’ turnaround to payment. However, the Council may pay an invoice earlier (or later) and the rebate will be calculated in accordance with:
		1. the rate selected by the supplier; and
		2. the elapsed days between Brent’s receipt of a supplier’s invoice and the payment day (see the sample calculations below).
	15. Evaluation of Tenderers’ pricing submissions:
		1. for Tenderers participating in Brent Fasttrack, price after adjustment for Brent FastTrack, assuming that Brent pays on day 10 after receipt of invoice and using the rebate percentage indicated by the supplier; and
		2. Tenderers that do no opt into Brent FastTrack will be evaluated at the (unadjusted) pricing submitted.
	16. A successful Tenderer who offers to join Brent FastTrack will be required to sign a Participation Agreement on award.
	17. The Council reserves the right to refine or remove individual features or benefits of the Brent FastTrack scheme in consultation with the supplier.

**Sample Daily Rebate Schedules**

1.25% rebate (this is the default rate)

| **No. of days elapsed between calculation Trigger Date (*i.e.*, invoice receipt date) and invoice payment date** | **% of the amount owed that may be deducted by Council as rebate** | **Illustration based on a £1,000 invoice** |  |
| --- | --- | --- | --- |
| **1.25%** | **Rebate retained by the Council** | **Net to supplier** |
| 1 | 1.81% | £18.13 | £981.88 |
| 2 | 1.75% | £17.50 | £982.50 |
| 3 | 1.69% | £16.88 | £983.13 |
| 4 | 1.63% | £16.25 | £983.75 |
| 5 | 1.56% | £15.63 | £984.38 |
| 6 | 1.50% | £15.00 | £985.00 |
| 7 | 1.44% | £14.38 | £985.63 |
| 8 | 1.38% | £13.75 | £986.25 |
| 9 | 1.31% | £13.13 | £986.88 |
| **10 - Target** | **1.25%** | **£12.50** | **£987.50** |
| 11 | 1.19% | £11.88 | £988.13 |
| 12 | 1.13% | £11.25 | £988.75 |
| 13 | 1.06% | £10.63 | £989.38 |
| 14 | 1.00% | £10.00 | £990.00 |
| 15 | 0.94% | £9.38 | £990.63 |
| 16 | 0.88% | £8.75 | £991.25 |
| 17 | 0.81% | £8.13 | £991.88 |
| 18 | 0.75% | £7.50 | £992.50 |
| 19 | 0.69% | £6.88 | £993.13 |
| 20 | 0.63% | £6.25 | £993.75 |
| 21 | 0.56% | £5.63 | £994.38 |
| 22 | 0.50% | £5.00 | £995.00 |
| 23 | 0.44% | £4.38 | £995.63 |
| 24 | 0.38% | £3.75 | £996.25 |
| 25 | 0.31% | £3.13 | £996.88 |
| 26 | 0.25% | £2.50 | £997.50 |
| 27 | 0.19% | £1.88 | £998.13 |
| 28 | 0.13% | £1.25 | £998.75 |
| 29 | 0.06% | £0.63 | £999.38 |
| 30 | 0.00% | £0.00 | £1,000.00 |

1.5% rebate

| **No. of days elapsed between calculation Trigger Date (*i.e.*, invoice receipt date) and invoice payment date** | **% of the amount owed that may be deducted by Council as rebate** | **Illustration based on a £1,000 invoice** |  |
| --- | --- | --- | --- |
| **1.50%** | **Rebate retained by the Council** | **Net to supplier** |
| 1 | 2.18% | £21.75 | £978.25 |
| 2 | 2.10% | £21.00 | £979.00 |
| 3 | 2.03% | £20.25 | £979.75 |
| 4 | 1.95% | £19.50 | £980.50 |
| 5 | 1.88% | £18.75 | £981.25 |
| 6 | 1.80% | £18.00 | £982.00 |
| 7 | 1.73% | £17.25 | £982.75 |
| 8 | 1.65% | £16.50 | £983.50 |
| 9 | 1.58% | £15.75 | £984.25 |
| **10 - Target** | **1.50%** | **£15.00** | **£985.00** |
| 11 | 1.43% | £14.25 | £985.75 |
| 12 | 1.35% | £13.50 | £986.50 |
| 13 | 1.28% | £12.75 | £987.25 |
| 14 | 1.20% | £12.00 | £988.00 |
| 15 | 1.13% | £11.25 | £988.75 |
| 16 | 1.05% | £10.50 | £989.50 |
| 17 | 0.98% | £9.75 | £990.25 |
| 18 | 0.90% | £9.00 | £991.00 |
| 19 | 0.83% | £8.25 | £991.75 |
| 20 | 0.75% | £7.50 | £992.50 |
| 21 | 0.68% | £6.75 | £993.25 |
| 22 | 0.60% | £6.00 | £994.00 |
| 23 | 0.53% | £5.25 | £994.75 |
| 24 | 0.45% | £4.50 | £995.50 |
| 25 | 0.38% | £3.75 | £996.25 |
| 26 | 0.30% | £3.00 | £997.00 |
| 27 | 0.23% | £2.25 | £997.75 |
| 28 | 0.15% | £1.50 | £998.50 |
| 29 | 0.08% | £0.75 | £999.25 |
| 30 | 0.00% | £0.00 | £1,000.00 |

2.00% rebate

| **No. of days elapsed between calculation Trigger Date (*i.e.*, invoice receipt date) and invoice payment date** | **% of the amount owed that may be deducted by Council as rebate** | **Illustration based on a £1,000 invoice** |  |
| --- | --- | --- | --- |
| **2.00%** | **Rebate retained by the Council** | **Net to supplier** |
| 1 | 2.90% | £29.00 | £971.00 |
| 2 | 2.80% | £28.00 | £972.00 |
| 3 | 2.70% | £27.00 | £973.00 |
| 4 | 2.60% | £26.00 | £974.00 |
| 5 | 2.50% | £25.00 | £975.00 |
| 6 | 2.40% | £24.00 | £976.00 |
| 7 | 2.30% | £23.00 | £977.00 |
| 8 | 2.20% | £22.00 | £978.00 |
| 9 | 2.10% | £21.00 | £979.00 |
| **10 - Target** | **2.00%** | **£20.00** | **£980.00** |
| 11 | 1.90% | £19.00 | £981.00 |
| 12 | 1.80% | £18.00 | £982.00 |
| 13 | 1.70% | £17.00 | £983.00 |
| 14 | 1.60% | £16.00 | £984.00 |
| 15 | 1.50% | £15.00 | £985.00 |
| 16 | 1.40% | £14.00 | £986.00 |
| 17 | 1.30% | £13.00 | £987.00 |
| 18 | 1.20% | £12.00 | £988.00 |
| 19 | 1.10% | £11.00 | £989.00 |
| 20 | 1.00% | £10.00 | £990.00 |
| 21 | 0.90% | £9.00 | £991.00 |
| 22 | 0.80% | £8.00 | £992.00 |
| 23 | 0.70% | £7.00 | £993.00 |
| 24 | 0.60% | £6.00 | £994.00 |
| 25 | 0.50% | £5.00 | £995.00 |
| 26 | 0.40% | £4.00 | £996.00 |
| 27 | 0.30% | £3.00 | £997.00 |
| 28 | 0.20% | £2.00 | £998.00 |
| 29 | 0.10% | £1.00 | £999.00 |
| 30 | 0.00% | £0.00 | £1,000.00 |

0.5% rebate

| **No of days elapsed between calculation Trigger Date (i.e., Invoice Receipt Date) and Invoice Payment Date** | **% of the amount owed that may be deducted by the Council as rebate** | **Illustration based on a £1,000 invoice** |  |
| --- | --- | --- | --- |
|  | **0.50%** | **Rebate retained by the Council** | **Net to the supplier** |
| 0 | 0.75% | £7.50 | £992.50 |
| 1 | 0.73% | £7.25 | £992.75 |
| 2 | 0.70% | £7.00 | £993.00 |
| 3 | 0.68% | £6.75 | £993.25 |
| 4 | 0.65% | £6.50 | £993.50 |
| 5 | 0.63% | £6.25 | £993.75 |
| 6 | 0.60% | £6.00 | £994.00 |
| 7 | 0.58% | £5.75 | £994.25 |
| 8 | 0.55% | £5.50 | £994.50 |
| 9 | 0.53% | £5.25 | £994.75 |
| **10 TARGET** | **0.50%** | £5.00 | £995.00 |
| 11 | 0.48% | £4.75 | £995.25 |
| 12 | 0.45% | £4.50 | £995.50 |
| 13 | 0.43% | £4.25 | £995.75 |
| 14 | 0.40% | £4.00 | £996.00 |
| 15 | 0.38% | £3.75 | £996.25 |
| 16 | 0.35% | £3.50 | £996.50 |
| 17 | 0.33% | £3.25 | £996.75 |
| 18 | 0.30% | £3.00 | £997.00 |
| 19 | 0.28% | £2.75 | £997.25 |
| 20 | 0.25% | £2.50 | £997.50 |
| 21 | 0.23% | £2.25 | £997.75 |
| 22 | 0.20% | £2.00 | £998.00 |
| 23 | 0.18% | £1.75 | £998.25 |
| 24 | 0.15% | £1.50 | £998.50 |
| 25 | 0.13% | £1.25 | £998.75 |
| 26 | 0.10% | £1.00 | £999.00 |
| 27 | 0.07% | £0.75 | £999.25 |
| 28 | 0.05% | £0.50 | £999.50 |
| 29 | 0.02% | £0.25 | £999.75 |
| 30 | 0.00% | £0.00 | £1,000.00 |

1. Invoices and Brent FastTrack
	1. For information, Tenderers should note that all invoices from suppliers participating in Brent FastTrack should:
		1. be issued for the full amount (and, if appropriate, the Council will apply the rebate calculation immediately before payment of the invoice);
		2. bear the Council’s Purchase Order (PO) number for that service; and
		3. be sent to: fasttrack@brent.gov.uk
	2. Other invoices should be sent to: invoice.scan@brent.gov.uk
	3. The Council has a ‘No PO, No Pay’ Policy and invoices that do not bear the correct PO Number issued by the Council will be returned to the supplier unpaid.

Finis

1. Defined terms in the Invitation to Tender (‘ITT’) shall have the same meanings in this Guide. [↑](#footnote-ref-1)