

Contract for the provision of a Debt Collection and Sheriff Officer Service - Ref: 2849/RTH

Period: 1st December 2008 – 31st March 2012 with a possible 1 year extension

Finance and Resource Committee

11th November 2008

1 Purpose of report

- 1.1 To request the Finance and Resource Committee to award contracts for the provision of Sheriff Officer and Debt Collection services as set out in this report.

2 Main report

- 2.1 There is a requirement for a corporate Sheriff Officer and Debt Collection contract encompassing the requirements of all departments with a responsibility for debt management and control.
- 2.2 This Contract is governed by the Public Contract (Scotland) Regulations 2006 and Annex 1 contains a summary of the relevant tendering processes that have been undertaken, as well as a summary of the contract award criteria that have been used in the contract award recommendation.
- 2.3 A focus group was established, under the guidance of the Head of Revenues and Benefits to investigate the parameters, create the tender specifications, discuss the evaluation and assist in the award of the contract. Members included Finance - Revenues and Benefits, Corporate Procurement, City Development – Parking Operations, Services for Communities – Housing and Corporate Services - Legal Services. The project was sponsored and led by the Revenues and Benefits division of the Department of Finance.
- 2.4 A Restricted Procedure was adopted which resulted in eleven expressions of interest being received in response to the OJEU advert. The tender was divided into Lots 1 - 8, each Lot being a portion of the overall service required, (see below). Following a Pre-Qualification Questionnaire nine firms received the tender for completion. From these five duly completed tenders were received, covering a variety of Lots all of which were subjected to a quality and price evaluation of 70% / 30% respectively.

2.5 The tender was split into 8 Lots including the following:

- Lot 1 – Council Tax Recovery
- Lot 2 – Recovery of Non-Domestic Rates
- Lot 3 – Debtors/Accounts Receivable
- Lot 4 – Housing Benefit Overpayments
- Lot 5 – Servicing of Court Documents
- Lot 6 – Current Tenancy Rent Arrears
- Lot 7 – Former Tenancy Arrears
- Lot 8 – Parking Penalty Change Notices

2.6 In order that certain offers received could be better understood a number of presentations were arranged. This enabled focus group members to better understand the intricacies of these offers and how the offers could improve their collective debt collection capability.

2.7 Due consideration was given to all firms' offers/presentations. As a result it is recommended that Lots 1, 2, 3, 5 & 8 are offered to Scott & Co, Lot 6 to Walker Love and Lot 4 to IQOR.

2.8 As it was concluded that the response to Lot 7 was not satisfactory this portion of the tender will not be awarded at this stage.

2.9 The response to the Secondary Agent role within Lots 1 and 2 was limited with only one submission for each Lot. As both submissions were submitted by Scott & Co and the recommendation in 2.7 is that they are awarded the Primary Agent role, further discussions/consideration re the Secondary Agent role for Lots 1 and 2 will be required.

3 Financial Implications

3.1 The estimated contract value of the combined Lots is £2.3m per annum, with a likely overall value for the 3 and one third years of approximately £7.5m. This value is estimated as it is dependant upon the actual debt collection requirements each year.

3.2 Some of the fees charged for these services are statutory allowing no room for negotiation, in these cases the service element of the tenders were critical. Where necessary a process of post tender clarification, allowable under the Public Contract (Scotland) Regulations 2006 was carried out in order that the firms' capability to manage the extra workload could be investigated. During this process further potential savings in certain areas of work were identified.

3.3 Potential savings from the tender exercise are estimated to be in the region of £205k over the contract period.

4 Environmental Impact

4.1 There are no adverse environmental impacts arising from the outcome of this report.

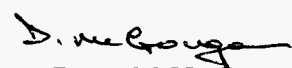
5 Recommendations

The Finance and Resources Committee is requested to :

5.1 Award the Contracts for the Provision of a Sheriff Officer and Debt Collection Service to the following suppliers: Scott & Co for Lots 1, 2, 3, 5 & 8, Walker Love for Lot 6 and IQOR for Lot 4, all for a period of 3 and one third years with a possible extension of 1 year.

5.2 Note that Lot 7 should be re-tendered in the near future.

5.3 Note that further discussions/consideration requires to be given to the Secondary Agent role within Lot 1 and Lot 2 and agree that the Director of Finance be delegated to conclude these discussions.


Donald McGougan
Director of Finance
31st October 2008

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| Appendices | 1 |
| Contact/tel/Email | Graeme Hastie, Procurement Manager, tel: 0131 469 3851 e-mail: Graeme.hastie@edinburgh.gov.uk |
| Wards affected | All Wards |
| Single Outcome Agreement | |
| Background Papers | |

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| Annex 1 | Summary of Tender and evaluation process |
| Contract | Contract for the provision of a Sheriff Officer and Debt Collection Service |
| Contract Value | |
| Standing Orders Observed | 86 (2) Selective Competitive Tendering 86 (3) More than 4 tenders invited 87 (1) Procurement Manager Received and opens tenders at Waverly Court 88 (1) Procurement Manager award of tenders |
| Governing UK Directives | The Public Contract (Scotland) Regulation |
| Governing EC Directives | 2004/18/EC part 3 section 16 Restricted |
| Pre-Qualification Questionnaires | 9 |
| Invitations to Tender | 9 |
| Tenders Returned | 5 |
| Tenders Fully Compliant | 5 |
| No of Recommended Suppliers | 3 |
| Primary Criterion | Most economically advantageous tender to have met the qualitative and technical specification of the client department |
| Secondary Criterion | |
| Evaluation Team | Finance – Revenues & Benefits, Corporate Procurement, Corporate Services – Legal Services, Services for the Communities – Housing and City Development – Parking Operations |