

Report

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Report to:	Housing and Technical Resources Committee
Date of Meeting:	2 March 2011
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Award of Debt Management Contract
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise on the outcome of the tendering process for the Debt Management Contract
- ◆ advise that authorisation was obtained on 18 January 2011 under Standing Orders on Contracts no 19.2 for the award of the contract to Scott & Company for the period covering 2011-2014

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the outcome of the tendering process for the Debt Management Contract be noted.

3. Background

3.1. The current Debt Collection and Sheriff Officer contracts expire on 31 March 2011.

3.2. In seeking operational and financial efficiencies from the new contract, a single supplier was sought to deliver both Debt Collection and Sherriff Officers services under a single Debt Management Contract.

3.3. This contract was previously tendered in financial year 2009/2010 and a report to recommend the award of a contact was presented to Committee on 17 February 2010. However, following a legal challenge by one of the tenderers this contract was never awarded and the existing contract was extended for a period of 1 year.

3.4. Due to the requirement to have the new method of operation in place by 1 April 2011, authorisation to award the contract was requested under Standing Orders on Contracts 19.2. On 18 January 2011, this authorisation was obtained from the Executive Director (Housing and Technical Resources), the Chair of the Housing and Technical Resources Committee and an ex officio member.

4. Tender Process

4.1. The tender process for the new Debt Management supplier commenced on 5 October 2010 with publication of the tender advert in the Official Journal of the European Union (OJEU).

- 4.2. Twenty three interested parties downloaded the tender documents from the web site and from this list five tender submissions were received on the closing date of 4 November 2010.

5. Tender Evaluation

- 5.1. An Assessment Panel of 3 officers from the Resource was established and was chaired by the Head of Support Services. The Panel carried out a detailed evaluation of the 5 tender bids.
- 5.2. Tenders were evaluated on the criteria of 60% cost and 40% quality with a maximum of 1000 points being available and allocated as follows, price 600, quality of submission document 320 and office visit and presentation 80.
- 5.3. A financial operational risk assessment on all 5 companies was undertaken and all 5 passed.
- 5.4. Initially tenders were scored on price and quality of the submission document. An initial scoring of cost and quality was then undertaken and the top 3 tenders were taken forward to the final stage which involved a visit to the premises of the contractors for a presentation by the prospective contractor.
- 5.5. The assessment of quality was based on a number of factors, including systems and telecomm functionality, areas of innovation and the recovery model proposed. The Assessment Panel examined the information provided both in the tender and during the site visits. In relation to systems and telecomm functionality, the Assessment Panel required tenderers to demonstrate that they had experience in this area and that they had systems and staffing structures currently in place and operational that would provide the Panel with confidence that they could undertake the contract with minimum risk to the Council. The assessment also took account of the tenderers proposed recovery model and the degree of certainty that the Council could place on this model in terms of delivering the required savings to the Council.
- 5.6. Following a full assessment of each tender based on cost and quality, the potential suppliers received the following weighted scores (maximum score 1000):

Tenderer	Score	Ranking
Scott & Company	1000	1
Tenderer (B)	817.87	2
Tenderer (C)	814.28	3
Tenderer (D)	738.95	4
Tenderer (E)	729.53	5

6. Tender Award

- 6.1. The Assessment Panel considers that Scott & Company best demonstrate the ability to deliver the Council's operational requirements and indeed they scored higher than other tenderers in all criteria.

7. Employee Implications

- 7.1. None.

8. Financial Implications

- 8.1. The total cost of the contract over three years is estimated at £2.020m. Full budgetary provision exists for this expenditure.

9. Other Implications

- 9.1. The risks associated with this report relate to the Council's requirement to maintain the targeted Council Tax and other debt collection targets and the associated financial implications of failure to do so. These risks have been assessed and added to the Resource Risk Register.

10. Equalities Impact Assessment and Consultation Arrangements

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 10.2. There is no requirement to undertake any consultation in relation to the content of this report.

Lindsay Freeland
Executive Director (Housing and Technical Resources)

31 January 2011

Link(s) to Council Values/Improvement Themes/Objectives

- ◆ Accountable, effective and efficient

Previous References

- ◆ Housing and Technical Resources Committee 17 February 2010

List of Background Papers

- ◆ Contract Documentation
- ◆ Scoring exercise details

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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