

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 10 February 2014

Portfolio:	Policy and Resources
Subject:	Cash Collection Service Tender
Report of:	Director of Finance and Resources
Strategy/Policy:	Procurement
Corporate Objective:	A dynamic, prudent, progressive and best value Council

Purpose:

This report considers the tenders received for the provision of Cash Collection Services for Fareham Borough Council and neighbouring Authorities under a collaborative framework contract. The report recommends an award of contract for the services.

Executive summary:

To put in place a new 4 year contract for the provision of cash collection services to replace the existing contract on its expiry in April 2014. Cash collections are required from diverse outlets including Council operated car parks, civic offices, Ferneham Hall and other buildings related to Council services. The service provider securely delivers the Councils cash to our banking partner.

This report provides the Executive with information regarding the tenders received for this agreement and seeks an award of contract.

Recommendation:

That the tender submitted by the supplier ranked in 1st position (as set out in the confidential appendix), being the most advantageous tender received, be accepted and the contract awarded to the company.

Reason:

To provide a secure and cost effective cash collection service for both Fareham Borough Council and the wider collaborative group of HIOW Authorities named as potential users of the framework contract.

To realise the commercial leverage of collaborative procurement for cost and operational improvement benefits for ALL HIOW that engage in the contract.

Cost of proposals:

The value of the Cash Collection contract tendered by the supplier ranked in 1st position to Fareham BC over the four year contract duration would be £217,853. This contract is to be funded from existing revenue budgets.

Appendix A: Executive Briefing Paper detailing Tender Prices and Evaluation Scores (*Exempt By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.*)

Background papers: N/A

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Executive Briefing Paper

Date: 10 February 2014

Subject: Cash Collection Service Tender

Briefing by: Director of Finance and Resources

Portfolio: Policy and Resources

INTRODUCTION

1. In April 2009, the Executive agreed to outsource Cash Collection Services (previously undertaken by FBC parking officers) to a specialist contractor regulated by the Security Industry Authority (SIA).
2. The contract was awarded on 1st June 2009 to G4S (the incumbent contractor) under a Hampshire County Council (HCC) framework agreement. The HCC agreement expires in April 2014 having already been extended by HCC by 24 months. As the main users of the contract are Borough and District Councils the Hampshire and IOW Procurement Partnership (HIOWPP) agreed that replacing the existing contract should be a collaborative procurement exercise to secure the benefit of our combined regional spend.
3. Fareham led the tender via the e-tendering portal, with other Councils as named parties to the contract. 8 of the 15 neighbouring authorities named in the contract notice have indicated at an early stage they would join the framework (subject to contract) and therefore supplied detailed content for tenderers to quote against during the tender process. All named HIOWPP neighbouring authorities are able to join the framework at any time during the 4 year contract term should they wish to do so.
4. The contract scope was subject to agreement by potential HIOWPP users and covers the collection of cash (notes / coins / cheques / other documents), counting and reconciliation of cash, through to banking to the Councils nominated banking partners.
5. The tender opportunity was advertised under Public Procurement Regulations via the Official Journal of the European Union (OJEU notice 2013/S094-160483 dated 16th May 2013).
6. The opportunity notice resulted in expressions of interest being received from six contractors who were subsequently invited to submit tenders by 2nd Dec 2013. Five tenders were received by the closing date.

PROPOSAL

7. On the 2nd December 2013, five tenders were received and opened by Democratic Services in the presence of Councillor S Woodward, Executive Leader. The tender price details are presented in the confidential appendix A.

EVALUATION PROCESS & AWARD RECOMMENDATION

8. The contract documents defined a pre-determined scoring mechanism whereby tenders are assessed on price, service and quality.
9. The evaluation panel consisted of the Head of Community Safety & Enforcement, the Management and Financial Accounting Manager, the Procurement Officer and HCC Procurement Partnership Manager. Test Valley Borough Council also contributed by scoring the Quality and Service submissions of ALL bidders.
10. Tenderers were required to complete a 'Tenderers Compliance and Response' pro-forma. This enabled officers to score the quality and service elements of their submission, assessing their method of approach to delivering the service.
11. The tender submissions were evaluated and the scores weighted as specified in the invitation to tender. The scores and ranking for all five tenders received are represented in the confidential appendix A.
12. Based on the evaluation of the tenders received, the five bids have been ranked in order of economic advantage to the Council. The most advantageous supplier, which achieved the highest overall combined score, is recommended for the award of the contract.
13. The outcome framework will be administered by Fareham Borough Council and be open to other named contracting parties who will be able to use the framework, should they wish to do so, by completing the call-off contract template set out in the framework.
14. The framework will have a four-year duration and enable contracting parties to call-off services under the arrangement at any time within the contract term (but not exceeding expiry of the framework). This will allow a staggered entry for those contracting parties with an existing contract.
15. Fareham Borough Council will retain overall contract management responsibility. The planned start date for the framework is April 2014. The Authorities that have indicated they will use the contract upon award are: Fareham BC, Eastleigh BC, Gosport BC, New Forest DC, Portsmouth CC, Southampton CC, Test Valley BC, Hampshire CC (HC3S Catering and Schools).

RISK ASSESSMENT

16. Many of the usual and identifiable risks initially present in this type of project have been negated through the council's rigorous and structured procurement process.

17. All suppliers invited to tender for this contract were required to be accredited by the Security Industry Authority (SIA) for the secure collection, transportation and handling of cash and valuables. <http://www.sia.homeoffice.gov.uk/Pages/about-us.aspx>
18. All suppliers invited to tender for this contract are required to be fully insured.
19. The awarded supplier will carry out a comprehensive implementation programme with each Authority that accesses the contract. This will include a full risk assessment of each cash collection location. Regular contract monitoring will take place and a series of project progress meetings will be held during the course of the implementation.

FINANCIAL IMPLICATIONS

20. The suppliers service charges associated with this contract will be financed from existing revenue budgets.

CONCLUSION

21. Five valid tenders were received for the provision of Cash Collection Services to Fareham BC and neighbouring authorities (HIOWPP) for a four year framework agreement term. It is recommended that the most advantageous tender received from the supplier ranked in 1st position (as set out in the confidential appendix) be accepted and a contract awarded.