

SURREY COUNTY COUNCIL**CABINET MEMBER FOR BUSINESS SERVICES AND
RESIDENT EXPERIENCE****DATE: 14 MARCH 2016****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS
SERVICES AND RESIDENT EXPERIENCE****LEAD OFFICER: LAURA LANGSTAFF, HEAD OF PROCUREMENT****SUBJECT: TO AWARD A FRAMEWORK AGREEMENT FOR THE
PROVISION OF CASH COLLECTION SERVICES****SUMMARY OF ISSUE:**

The report seeks approval from the Cabinet Member for Business Services and Resident Experience to award a framework agreement to the recommended tenderer for the provision of Cash Collection Services to commence on 1 May 2016. These services ensure a safe and secure way of collecting cash from the premises and car parks of the County Council and the 11 Districts and Boroughs in the County.

The report provides details of the collaborative procurement exercise, including the results of the evaluation process, Surrey local authorities engagement and consultation and demonstrates why the recommended contract award delivers best value for money.

RECOMMENDATIONS:

It is recommended that the Cabinet Member for Business Services and Resident Experience agrees to:

1. award a framework agreement to enable Surrey County Council and the 11 Boroughs & Districts the ability to utilise Contract Security Services Ltd for cash collection services for an initial period of two years with an option to extend for two further year-long extensions.
2. call off from the framework agreement for an initial period of two years with an option to extend for two further year-long extensions.

REASON FOR RECOMMENDATIONS:

A full tender process, in compliance with the requirements of Public Contracts Regulations 2015 and the Council's Procurement Standing Orders has been completed.

The offers received as part of the tender have been rigorously evaluated and the best overall solution has been identified.

This report recommends that a framework agreement for the provision of Cash Collection Services to commence on 1 May 2016 is awarded to Contract Security Services Ltd, with an estimated value of £588,000 for Surrey County Council and

£2,340,000 for Schools and the Boroughs & Districts over the four-year contract term.

DETAILS:

Background

1. Surrey County Council (SCC) and the 11 Boroughs & Districts have identified a need for a framework for the provision of cash collection services from their administrative areas. All members have agreed to enter into a collaborative procurement exercise to achieve the best value for money solution for all authorities. Surrey County Council has been appointed the "Lead Authority", to manage the procurement and will be the owner of the framework agreement. The framework agreement will be open to all Surrey Boroughs & Districts for the collection of unprocessed and processed cash from council premises, schools, libraries, registration offices, adult learning centres, collection from on and off-street car park ticket machines etc and delivery to banks. Each authorised council may enter into an individual call off contract with the successful tenderer on the terms of and subject to the conditions set out in the framework agreement.

Procurement Strategy

The Surrey Procurement Group identified a collaborative opportunity for cash collection services. The benefits of collaboration include greater leverage to achieve a competitive schedule of rates. The following options were considered;

- Carry out a mini-competition within an existing framework – rejected because analysis of the three available frameworks demonstrated specifications were not suitable for the requirement.
- Carry out a tender process to award a framework agreement that delivers a bespoke solution to the 12 Surrey authorities.

A full tender process, compliant with the European Public Procurement Regulations and Procurement Standing Orders, has been carried out following the receipt of authority from Procurement Review Group (PRG) on 21 July 2015. This included advertising the contract opportunity in the Official Journal of the European Union (OJEU) on 9 August 2015.

Key Implications

2. By awarding a framework agreement for the provision of Cash Collection Services to Contract Security Services Ltd, to commence on 1 May 2016, The Council will be meeting its duties and ensuring regular and ad-hoc collections from the Authorities premises and car parks that will preserve continuity of service.

There are four key performance indicators (KPI) that will be monitored at regular contract meetings. These are:

- KPI-1 - % of collections made on specified date or agreed amended date (97% on rolling three month target per Participating Authority).
- KPI-2 - % of machines emptied on schedule (97% on rolling three month target per Participating Authority).

- KPI-3 - % of audit tickets delivered daily (98% on rolling three month target per Participating Authority).
 - KPI-4 - % of money paid into Council's bank account within next available working day (98% on rolling three month target per Participating Authority).
3. The management responsibility for the framework agreement lies with Surrey County Council and will be managed in line with the contract management strategy and plan as laid out in the access agreements between the participating authorities.
 4. The framework agreement has been tendered on the current combined volumes from all 12 authorities. The value will be dependant on the take up of the Boroughs & Districts and is anticipated to be in the range of £600,000 to £3,000,000 over the proposed term of four years.

Competitive Tendering Process

5. Using the OJEU Open Procedure the tender was divided into two lots:
 - Lot 1 Premises Collections -To cover all cash collection services from the authorities buildings.
 - Lot 2 On and Off Street Parking Collections - To cover all cash collection services from the pay and display machines from the authorities car parks.
6. Ten providers registered an interest with two providers submitting bids.
7. Representatives from key service areas were involved throughout the evaluation process to ensure that the proposed solution was fit for purpose for all areas of the organisation.
8. The initial tender response was evaluated against the criteria and weightings as shown below:
 - Quality Questions – 50%
 - Pricing Schedule – 50%

CONSULTATION:

9. Key stakeholders across the 12 authorities had been consulted and invited to be part of the procurement process;
 - Commercial Services
 - Boroughs and Districts personell

RISK MANAGEMENT AND IMPLICATIONS:

10. Table 1 – Risks and mitigating actions

Category	Risk Description	Mitigation Activity
Culture	Cultural and operational interoperability	Contractor's personnel will work to SCC Policies and Procedures.
Financial	Price increases	The contracted price will be for the duration of the full term of the framework agreement.
Service Provision	Maintaining the competence of Personnel	The framework agreement has incorporated through regular contract meetings that includes procedures to ensure the provider meets the respective standards. All personnel have gone through an approved vetting procedure in accordance with employment guidelines.
Reputational	Public and Staff perception	Relationships will be established over the the new framework agreement that will encourage partnership working. Full consultation with all representative bodies has been ongoing and will be re-discussed before the appointment of the new supplier. Protocols in place to communicate with all groups.

Financial and Value for Money Implications

11. The proposed framework should not cause an increase to the cost of the Council's cash collection service. Savings may be possible if the frequency of collections reduces. This will be continually reviewed .

Section 151 Officer Commentary

12. The Section 151 Officer confirms that the likely cost of the proposed contract is included within the council's current Medium Term Financial Plan (MTFP).

Legal Implications – Monitoring Officer

13. The Council has legal authority under Section 111 of the Local Government Act 1972 to carry out the cash collections. The procurement is legally compliant with the Public Contracts Regulations 2015 and with the Council's own Procurement Standing Orders. Legal is satisfied that the procurement has been done lawfully. The risk of a legal challenge is considered low.

Equalities and Diversity

14. The need for an Equality Impact Assessment (EIA) was considered, however, a conclusion was reached that as there were no implications for any public sector equalities duties due to the nature of the services being procured, an EIA was not

required. Despite this, the preferred supplier will be required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Human Rights Commission.

Other Implications:

15. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Safeguarding responsibilities for vulnerable children and adults	As part of the delivery of this contract all workers that will be assigned to work with or have exposure to vulnerable adults or children will be subject to an enhanced DBS check. The managed provider will have in place robust DBS procedures that are in keeping with the Council's policies and will be carried through to supporting agencies. The managed provider will monitor the expiry dates of workers requiring DBS clearance and no worker will be allowed to work without a valid and in date DBS clearance.

WHAT HAPPENS NEXT:

16. The timetable for implementation of the contract is as follows:

Action	Date
Cabinet decision to award	14 March 2016
Cabinet call in period	14 – 21 March 2016
Contract Signature	1 Apr 2016
Contract implementation	1 May 2016
Contract Commencement Date	1 May 2016

Contact Officer:

Jackie Knutton – Order to Cash Process Owner
 Robert Dean,
 Category Specialist – Procurement and Commissioning, Business Services,
 Tel: 020 8541 9476

Annexes:

Part 2 report with financial details attached

This page is intentionally left blank