

Scotland Excel

To: Executive Sub Committee

On: 25 October 2019

**Report
by
Director Scotland Excel**

Tender: Provision of Debt Recovery and Sheriff Officer Services

Schedule: 0619

Period: 1st December 2019 until 30th November 2022, with the option to extend for up to an additional 12-month period until 30th November 2023.

1. Introduction and Background

This recommendation is for the award of a new framework for the Provision of Debt Recovery and Sheriff Officer Services, which will operate from 1st December 2019 until 30th November 2022, with the option to extend for up to an additional 12-month period until 30th November 2023.

The requirement for this framework has arisen due to the upcoming expiration of a regional contract led by Comhairle nan Eilean Siar to procure these requirements, with Clackmannanshire Council, East Dunbartonshire Council and Highland Council acting as collaborative partners. It presents an opportunity for Scotland Excel to provide a national collaborative solution that will drive value through consolidation of the spend. Scotland Excel has engaged with these members, with the intention of using this agreement as a model from which to establish a national framework.

The framework was advertised at a value of £4.4 million over the four-year period, and this report summarises the outcome of the procurement process.

2. Scope, Participation and Spend

As part of the strategy development and through consultation with a number of User Intelligence Groups (UIGs), the inclusion of a multi-lot framework was endorsed as summarised in Figure 1.

This framework will provide a mechanism for local authorities so that they can procure a range of debt recovery and sheriff officer services, that includes, but is not limited to, debt collection services for council tax (including water and wastewater charges), non-domestic rates, housing benefit overpayments,

enforcement and diligence in relation to current and former tenant arrears, service of a variety of statutory notices, post decree services including the service of charges, service court documents sales ledger debt collection, sundry debt collection, sales ledger diligence and penalty charge notices.

It is anticipated that these services will be predominately utilised by revenue and budget departments within local authorities who do not have the capacity to retrieve outstanding debt in-house.

Figure1: Lot Structure

Lot Number	Lot Name	Framework Spend
1	Provision of Sheriff Officer Services	50%
2	Provision of Debt Recovery Services	50%

3. Procurement Process

A Prior Information Notice (PIN) was published on 6 May 2019 with 12 companies expressing an interest in the opportunity. Market engagement was conducted, resulting in 7 supplier meetings that helped to provide an understanding of the marketplace as well as current service requirements.

As a matter of best practice and to ensure that the framework aligned with local authority requirements, consultation was also conducted with local authorities to understand their service requirements and current practices surrounding the provision of these services.

To ensure maximum competition, an open tender process was used, and this was advertised on the Official Journal of the European Union and the Public Contracts Scotland portal on 9 August 2019. The tender process was conducted using the Public Contracts Scotland Tender (PCS-T) system.

The procurement process followed a two-stage tendering procedure. Stage one, Qualification, was conducted using the European Single Procurement Document (ESPD). Within the ESPD, service providers were required to answer a set of exclusionary questions along with providing details and/or acknowledgement of insurance, financial standing, quality management and health and safety policies and/or procedures.

At the second stage of the process, offers were evaluated against the undernoted criteria and weightings set against each framework lot independently:

Lot 1 – Provision of Sheriff Officer Services:

Technical	90%
Commercial	10%

Lot 2 – Provision of Debt Recovery Services:

Technical	80%
Commercial	20%

Service providers were required to indicate which local authorities they had an ability to service.

Service providers were invited to bid on the following basis;

- In the master technical section, as outlined in Figure 2, service providers were asked to evidence their knowledge and experience by responding to unscored questions on their ability to transact and vehicle environmental standards. Service providers were also asked to complete scored method statements on community benefits, contract management & customer service, fair work practices, sustainability, innovation and added value, resources and conduct, training and legislation, continuous improvement and implementation activities.
- In the lot specific technical sections, as outlined in Figure 2 below, service providers were asked to complete scored method statements on charges and enforcement, diligence for those bidding for lot 1, and scored method statements on remittance and reconciliation and debt collection for those providers bidding for lot 2 of the framework.
- In the commercial section for lot 1, service providers were asked to confirm they will abide by the statutory rate outlined within the 'table of fees' for sheriff officers, set by the Scottish Government;
- In the commercial section for lot 2, service providers were asked for a single blended percentage rate of commission covering all available debt streams that a local authority would recoup outstanding debt.

Figure 2: Scoring Breakdown

Figure 2 follows on the next page.

Section	Question	Maximum Score Available
Master Technical 70%	Community Benefits	6
	Contract Management & Customer Service	6
	Fair Work Practices	6
	Sustainability	6
	Innovation & Added Value	6
	Resources & Conduct	10
	Training & Legislation	10
	Continuous Improvement	10
	Implementation Activities	10
Lot 1 Technical 20%	Charges & Enforcement	10
	Diligence	10
Lot 1 Commercial 10%		10
Lot 2 Technical 10%	Remittance & Reconciliation	5
	Debt Collection	5
Lot 2 Commercial 20%		20

4. Report on Offers Received

The tender document was accessed by 14 organisations with 6 of those submitting an offer.

A summary of offers received from service providers and their SME status is outlined within Appendix 1 of the report.

Following a full evaluation, scoring was completed, and Appendix 2 confirms the scoring achieved by each service provider.

5. Recommendations

Based on the evaluation undertaken in line with the criteria and weightings outlined in section 3 above, it is recommended that a multi-supplier framework agreement is awarded to the service providers detailed in Appendix 2.

All of the six recommended service providers are Small / Medium Enterprises (SMEs). Appendix 1 outlines the location of the service providers, with all six of them being based in Scotland, supporting the Scottish economy.

All service providers meet the required technical specifications stipulated within the tender, as well as the ability to satisfy the broad range of services required by local authorities that are covered under this overarching framework.

6. Benefits

Savings

As this is a first-generation framework, we have been unable to benchmark against current arrangements within local authorities due to the structure of the Scotland Excel agreement.

Savings across the framework can be achieved through the blended percentage rate of commission that service providers set within lot 2 of the framework. Local

authorities will utilise this lot in order to recoup outstanding debt within their area. Historically, commission rates were set against multiple debt streams i.e. council tax, non-domestic rates, sundry debt collection etc. However, this framework has been set up as a single commission rate that encompasses all debt recovery actions across all potential debt streams, minimising the risk of fluctuating rates based on what type of 'debt' was being recovered.

During the market engagement meetings, it was raised that in previous years, commission rates were around 10-12% due to service providers taking a 10% levy when collecting council tax for local authorities. Due to the nature of the marketplace and the tight pool of competition, rates have since fallen year on year as providers vie for much sought-after business.

Price Stability

Lot 1, the provision of sheriff officer services, focusses on the citation element of the framework. i.e. serving of court documents, charges, warrants etc. Sheriff officers are bound by statutory rates set out within a fixed 'table of fees'. These rates are set by the Scottish Government and sheriff officers cannot charge higher or lower than the rate set for work within this lot. The rates are reviewed on an annual basis and changed accordingly.

In relation to Lot 2, all service providers have accepted, as part of the terms and conditions of the framework, that they will hold their percentage rates of commission firm for the duration of the framework.

Sustainable Procurement Benefits

Community Benefits

Service providers were asked to commit to the delivery of community benefit initiatives, per local authority, against pre-agreed spend threshold levels outlined within the community benefits method statement. The benefits aim to be reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals. Local authorities will accrue 'community benefit points' based on their level of spend with a supplier. These 'points' correlate to a negotiable benefit that the local authority can elect to receive at any given point throughout the lifetime of the framework. All service providers have committed to delivering these benefits.

Within the published tender documents, service providers were given a list of indicative community benefits that could be agreed with local authorities. Examples of the indicative benefits which were conveyed to providers were:

- Fundraising event for external charities / initiatives within the local authority;
- Work placements to school students from local authority;
- Offer training sessions to wider community within the local authority, offering debt advice are (non-employees / school children);

- Sponsorship of sports team or community event within the local authority to the value of £500;
- Recruit a modern (or other approved) apprentice from within the local authority; and
- Recruit one person from within the council area.

Scotland Excel will support delivery of these commitments during the lifetime of the framework and this will also be reported through ongoing contract management returns. Results reported on community benefits will be disseminated to councils on a bi-annual basis.

Fair Work Practices including the Scottish Living Wage

Service providers were also asked to confirm their approach to fair work practices and payment of the Scottish Living Wage – details of which can be found in Appendix 3. Of the six tenders received: -

- One is an accredited Living Wage employer;
- Two are not accredited Living Wage employers but commit to attaining accreditation over the initial three-year period of the framework;
- Two are not accredited Living Wage employers but pay the Living Wage to all employees (except volunteers, apprentices and interns); and
- One is not an accredited Living Wage employer and does not currently pay the Living Wage to all employees.

Scotland Excel will continue to monitor fair work practices including the Living Wage status as part of the contract management process.

Sustainability

Service providers were asked to detail their approach to sustainability and were asked how their organisation considered their environmental impact by means of reducing their carbon footprint. This can be done in many ways such as reduction in paper usage where possible, use of electronic tablets, energy efficiencies, route management planning and fuel emissions and fleet management.

The responses included a range of recycling initiatives / energy efficient schemes within offices and how service providers have worked within the current legislation to reduce paper usage. The use of electronic tablets to promote mobile working and document sharing. Office policies on recycling and energy consumption was also common across responses.

Service providers also advised that they utilised route planning technologies to set the most efficient route when carrying out visits to debtor premises, telemetry to access driving dynamics and behaviours i.e. average fuel consumption, points of rapid acceleration and excessive top speed. Responses highlighted the increased adoption of Euro 6 standard vehicles / Electric vehicles within their fleet for the delivery of services alongside ensuring they were routinely inspected.

Added Value

Within the tender, there was a scored method statement in relation to how providers could offer added value services to local authorities, in addition to those services commonly required under the framework. Responses included free debt advice to end users, translation services (written and spoken), and accompanied field visits to increase staff knowledge on the industry and strengthen communication between the local authority and the debtor.

7. Contract Mobilisation and Management

Both service providers and participating members will be issued with a mobilisation pack containing information relating to the operation of the framework, roles and responsibilities, management information requirements and community benefits commitments.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a level 3 arrangement in terms of both risk and spend. As such, Scotland Excel will review the framework with the service providers as appropriate, whilst monitoring management information and community benefits associated with this framework.

8. Summary

This framework for the Provision of Debt Recovery and Sheriff Officer Services aims to maximise collaboration, consolidate demand and deliver best value. A range of benefits can be reported in relation to price stability, community benefits, sustainability and added value.

The Executive Sub Committee is requested to approve the recommendation to award this framework to the recommended service providers as detailed within Appendix 2.

Appendix 1 – Offers Received & Status

SERVICE PROVIDER	STATUS	LOCATION	LOTS TENDERED
Alex M Adamson LLP	Medium	Falkirk	1 and 2
Michael Clark t/a Clarks Messengers-At-Arms and Sheriff Officers	Micro	Dumfries, Dumfries & Galloway	1
Alan Moulds t/a Killean & Co	Micro	Dundee City	1
Scott & Co (Scotland) LLP	Medium	City of Edinburgh	1 and 2
Stirling Park LLP	Medium	Glasgow City	1 and 2
George Walker & Co t/a Walker Love	Medium	Glasgow City	1 and 2

Appendix 2 - Scoring and Recommendations

Lot 1 – Provision of Sheriff Officer Services		
Service Provider	Score	Awarded to Lot
George Walker & Co t/a Walker Love	97.00	Yes
Scott & Co (Scotland) LLP	96.50	Yes
Alex M Adamson LLP	94.25	Yes
Stirling Park LLP	92.75	Yes
Michael Clark t/a Clarks Messengers-At-Arms and Sheriff Officers	70.00	Yes
Alan Moulds t/a Killean & Co	69.50	Yes

Lot 2 – Provision of Debt Recovery Services		
Service Provider	Score	Awarded to Lot
George Walker & Co t/a Walker Love	97.00	Yes
Alex M Adamson LLP	94.25	Yes
Stirling Park LLP	91.75	Yes
Scott & Co (Scotland) LLP	76.50	Yes

Appendix 3 – Recommended Service Providers with Scottish Living Wage Status

Service Provider	Accredited	Currently progressing through Scottish Living Wage accreditation process	Pay Scottish Living Wage to all employees, and committed to gaining accreditation over the initial 3 years of framework	Pay Scottish Living Wage to all employees, but not accredited	Neither accredited nor paying Scottish Living Wage, but do commit to pay the Scottish Living Wage to all employees over the initial 3 years of the framework	Neither accredited nor paying Scottish Living Wage
Alex M Adamson LLP	Yes					
Michael Clark t/a Clarks Messengers-At-Arms and Sheriff Officers						Yes
Alan Moulds t/a Killean & Co				Yes		
Scott & Co (Scotland) LLP			Yes			
Stirling Park LLP			Yes			
George Walker & Co t/a Walker Love				Yes		