

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 20 March 2019

- 1. HEADING Cash Collection and Cash Deliveries Contract**
- Submitted by: Joanne Halliday**
- Portfolio: Finance and Efficiency**
- Ward(s) affected: Town Centre**

Purpose of the Report

To outline the proposal to tender the cash collection and cash delivery services through one contract.

Recommendations

- **To approve the tendering of a contract for the cash collections and cash deliveries service.**
- **To authorise the Interim Director of Finance and Resource in consultation with the Portfolio Holder for Finance and Efficiency to assess the outcome of the tender evaluation and approve the award of a contract to the successful bidder.**

Reasons

In line with the Council governance procedures contracts over the value of £50,000 should be competitively procured through a compliant tender process. This report outlines what service is required, the approach to securing the most economically advantageous tender and the award of the contract.

1. Background

- 1.1 The Council has a number of services which members of the public purchase using cash payments. These are primarily at Jubilee 2 (J2), the Museum and Town Centre car parks.
- 1.2 Currently, the Council utilises external security companies to deliver and collect cash from a number of Council sites. Due to the potential security risks associated with moving cash it is considered appropriate that the approach of procuring experienced and qualified companies continues. At present there are two contracts operable provided by two separate companies, the first commissioned for collections to/from Council buildings, i.e. J2 and the Museum and the second to collect monies from the car parking ticket machines.
- 1.3 The only site receiving cash deliveries is J2 where they have a large number of customers paying to access the leisure services using cash.

2. Issues

- 2.1 The current providers have been in place for a number of years and the contracts have come to a natural end. Over these years officers have worked to reduce the number of cash collections from Council sites as the Council has increasingly moved to taking on-line and

telephone payments. It is therefore appropriate to review and re-align the service specification to seek new tenders and establish a new contract for the delivery of this service.

3. Proposal and Reasons for Preferred Solution

3.1 It is proposed to tender the cash deliveries and the cash collections in one contract to reduce the administrative costs associated with managing two separate contracts, and to achieve economies of scale. A specification has been produced which is available on request.

3.2 It is proposed that the new contract opportunity is advertised on the mytenders contract portal and that the current contractors are made aware of this. The tender outlines that the contract will be for 3 years with an option to extend for a further 2 years. This means that the total contract value will be above the £50,000 threshold for formal written tenders. The benefit to prospective tenderers is that they will have the certainty of a set contract for several years. Equally the Council will minimise the procurement costs by giving a three year contract with the option to extend. Officers will add a legal clause within the Contract to formalise annual reviews, allowing the contract arrangements to be reviewed and scope for efficiencies identified.

4.1. Legal and Statutory Implications

4.2 Undertaking a competitive tendering exercise is in line with the Council's financial regulations and contract procedural rules whereby any procurement over the value of £50,000 is required to seek 3 written tenders.

4.3 The contract opportunity will be published on the My Tenders website ensuring compliance with Public Contract regulations 2015.

5. Equality Impact Assessment

5.1 There are no equality issues.

6. Financial and Resource Implications

6.1 The two current contracts are within the Council's budget (circa, £20,500 p.a. based on 2017/18 spend), based on the re-alignment of the specification it anticipated that submissions received will be within the council's existing budget provision.

7. Major Risks

7.1 There is a major risk that without effective cash collections the Council's revenue income will be affected and that the Council would be placed at greater risk of theft.

8 Key Decision Information

8.1 The contract value of over £50,000 makes this a key decision item.

9. Earlier Cabinet/Committee Resolutions

9.1 None.

10. List of Appendices

10.1 None.

11. **Background Papers**

11.1 The procurement information including the service specification is available from Housing, Regeneration and Assets on request.