

Chichester District Council

THE CABINET

9 July 2019

Award of Cash Collection, Processing and Banking Contract 2019 - 2022

1. Contacts

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2. Recommendation

- 2.1 **That the contract for collection, processing and banking of cash from Council facilities and locations around the District for the period 1 October 2019 to 30 September 2022 is awarded to Contractor B.**

3. Background

- 3.1 The objectives of this contract have not changed from the present contract (awarded in 2014) and are:

- Cash collection, reconciliation and banking from the District Councils off-street parking machines;
- Cash collection, reconciliation and banking from on-street parking machines operated by the District Council on an agency basis on behalf of West Sussex County Council; and,
- Cash and cheque collection, reconciliation and banking from Council buildings.

These services are referred to collectively in this report as 'cash collection services'.

- 3.1 The approximate totals of cash, cheques and coinage collected in 2018-19 was as follows:

- | | |
|--------------------|------------|
| • Cash | £256,000 |
| • Cheques | £4,400,000 |
| • Car park Coinage | £3,600,000 |

- 3.2 These totals are expected to decline by approximately 10% a year over the medium term as the popularity of non-cash payments, including pay by phone and contactless card payments, increases. To accommodate any changes to processes and systems

that may be necessary to respond to this, the contract period has been reduced from five years to three.

- 3.3 The contract was tendered under a competitive tender process advertised via the 'In-Tend' electronic e-tendering portal. The process involved submission of a response to the Council's invitation to tender (ITT) together with a schedule of prices and an overall expected annual cost for the services. This enabled a direct comparison to be made between the tenderers in terms of quality (against service specifications) and price.
- 3.4 The Council received three completed returns. The scoring scheme awarded the available points 60% on quality and 40% on price. The points awarded to each tender were as follows:

Contractor A	Contractor B	Contractor C
72.10 Points	75.40 Points	57.84 Points

- 3.5 Contractor B is therefore recommended as the preferred supplier.

4. Outcomes to be Achieved

- 4.1 The continuing secure and safe collection of cash collection services for a period of three years from 1 October 2019.

5. Proposal

- 5.1 The proposal is to award a contract to contractor B for cash collection services for a three-year period from October 2019 to September 2022

6. Alternatives Considered

- 6.1 The Council chose to move to a fully externalised cash collection services five years ago. At that stage, the Council's structures and processes were redesigned to accommodate this change. It is the view of officers that moving back to internal cash collection and banking would not be cost effective and would impose significant new security and safety risks that are presently professionally managed by the Council's external provider.

7. Resource and Legal Implications

- 7.1 The current annual charge for processing cash collections is approximately £66,000. Budget provision is presently split between Car Parking (for car park collections) and Finance (for cash collections from Council premises). Some of the cost of parking income is re-charged to WSCC for the on-street parking machine collections.
- 7.2 The proposed contract has an annual contract cost as set out in appendix 1. This price is based on a schedule of rates and the information provided in the ITT. The actual annual cost will vary slightly due to differences in processing charges and agreed variations to collection frequencies/ locations.

8. Consultation

8.1 None.

9. Community Impact and Corporate Risks

9.1 The contract award is intended to mitigate the corporate risk the significant income streams are not promptly collected and banked.

9.2 Each of the tenderers was required to explain its Health and Safety and risk mitigation processes within its submission. These statements were assessed as part of the overall quality score produced for each.

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change and Biodiversity		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		X
General Data Protection Regulations (GDPR)		X
Health and Wellbeing		X

11. Appendices

11.1 Tender Assessment [Exempt material: Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information))].

12. Background Papers

12.1 None.