

EXEMPTION FROM PROCUREMENT RULES

Cash Collection Contract

Background

The current cash collection contract expired at the end of November 2021 and in advance of that date, a tender exercise was undertaken with the intention of appointing a new contractor from 1 December 2021.

However, no bids were received by the closing date of the tender.

With the above in mind, the following 3 options have been explored:

- 1) Bring the cash collection contract in-house
- 2) Go back out to the market via a further tender process
- 3) Put in place the arrangements to stop accepting cash from the earliest possible date.

In respect option 1), although the Council would be able to collect cash from various sites across the district, the bank confirmed that it would not be willing to accept the delivery of cash at its 'warehouses' as they apply strict criteria to those organisations that they allow, which reflects an accreditation type approach. Therefore, this option has been ruled out.

In respect of option 3), given the tight timescales involved, the approach taken to date has been to avoid this option in the immediate term given the various arrangements that would need to be put in place.

In respect of option 2, there are only a very limited number of companies operating the required service, so going back out to market is unlikely to produce a different outcome from the first tender process. However, one company that already operates in the area was directly approached even though they originally decided not to submit a bid under the terms of the original tender. Following discussions with them, they have offered to undertake the cash collection service for a minimum period of 2 years and have provided an associated quotation.

The quotation is very favourable in terms of the prices paid to the previous provider under the contract that expired at the end of November 2021.

Current Position and Proposal

Based on the Council's current cash collection requirements, the total annual cost of the new contract is estimated to be £6,851 (compared with the annual cost of previous contract of £11,232. (the total annual cost is based on a price per collection at the various sites across the district)

Therefore based on the above financial position and taking into account the point made above regarding Option 3), it is proposed to award a contract for 2 years at an estimated total cost of £13,702, which can be accommodated within existing budgets.

To enable time for the company to make the necessary collection arrangements, they will not be able to start collections late January./ early February, in-house

arrangements have been put in place in the interim period, which has the short term support of our banker in terms of associated banking arrangements.

By accepting a relatively short contract period, the Council can use the time to make a more informed decision around future cash collection arrangements, which could include going cash-less across the various range of services provided. Having said that, such arrangements would only be where the Council directly accepts cash, such as at leisure centres and the theatre, so customers paying at venues such as supermarkets and post offices using the wider 'Allpay' arrangements would not be affected.

Recommended

Signed

Richard Barrett

If you concur with the above and an exemption from procurement rules is appropriate / justified, please confirm agreement below:

Signed

Cllr G Guglielmi

Portfolio Holder for Corporate Finance and Governance