

TORBAY COUNCIL

Part 2 Specification

Contract Reference

TFS6721

Contract Title

Cash Collection Services 2021

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1. Overall Scope and Nature of the Requirement

This Contract is for the provision of a service for the collection of cash and cheque income for Torbay Council (including Torbay Economic Development Company Ltd (TEDC) and SWISCo Ltd) from the Torbay Council main offices at the Town Hall, Torquay. The monies collected are then to be transported in a safe and secure manner and banked with Torbay Council's bankers; who are currently The National Westminster Bank Plc. The process must be secure, with proper accounting records and a full audit trail kept and this must comply with requirements of Torbay Council's insurers and the Devon Audit Partnership.

The estimated value of cheques, for Torbay Council could be £4.5 million per year and for cash around £5.0 million per year, for the duration of the contract.

The Authority is conducting this Further Competition using ESPO's Framework Agreement 324F_20 – Cash Collection and Cash and Valuables in Transit (CVIT) Services (Lot 6: South West England).

The Contract is to commence 01 January 2022 and is to run for a period of 2 years, which following a review of the service provision, may be extended for a further one (1) year with the option for a further final one (1) year extension, making the potential total contract period: four (4) years.

Torbay Council's expectation is that prices offered by the successful contractor (including any fuel surcharges) are fixed at the Contract commencement date for the initial two (2) year period of Contract and (if the Contract is extended) are then reviewed annually in line with RPI, for the duration of the Contract.

2. Minimum Requirements

This Specification sets out the Authority's minimum and mandatory requirements in relation to the provision of Cash Collection Services. It is the Authority's expectation that all Applicants meet these minimum requirements and will demonstrate this in their responses to the Method Statements and Technical Questions within Part 3 Award Questionnaire.

The Authority has set out a number of Mandatory Requirements within this Specification, these are identified with the inclusion of the wording **(Mandatory Requirement)** against whole sections or individual requirements. Applicants will be required to confirm their compliance with these Mandatory Requirements within their Stage Two Tender Submission.

3. Specific Requirements

3.1 (*Mandatory Requirement*) Collection and Delivery

This Contract is for the provision of secure collection of cash and cheque income services, for Torbay Council, from the Town Hall, Torquay and the secure transit of these monies and which are then to be banked with the Council's current bankers, who are currently the National Westminster Bank Plc.

The Services required: Secure Cash in Transit.

Collection from: Torbay Council,
Town Hall,
Torquay.
TQ1 3DR

Delivery (currently) to:
NatWest Cash & Coin Operations,
Britannia House,
Britannia Road,
Patchway,
Bristol.
BS34 5TH

And Bulk Coin

Delivery (currently) to:
Camberley Cash Centre,
Raven House,
1 Trafalgar Way,
Yorktown Industrial Estate,
Surrey.
GU15 3BN

Collections are to be made: between 9.00am and 3.00pm, Monday to Friday.

Deliveries to be made by the next working day.

Collections of sealed containers to be a maximum of £100,000 per collection and no bag is to exceed £20,000.

The service must meet with any requirements prescribed by Torbay Council's insurers and the Devon Audit Partnership. The Authority will, where necessary, undertake to implement any reasonable security precautions agreed by both parties.

3.2 Service Requirements

3.2.1 Standards expected

(Mandatory Requirement) The successful contractor is expected to meet with the requirements specified in this Specification. It is important that the income is collected and transported and banked promptly, the next working day, as income collection is a vital source of funding of Council services. This service must be flexible and cost efficient and must seek to reduce cost in the current economic climate.

The successful contractor must conform to standards and policies prescribed by Torbay Council, its insurers and the Devon Audit Partnership where specified in this Contract.

- 3.2.1.1 **(Mandatory Requirement)** The successful contractor's organisation must conform to BS7872 - Manned security services. Cash and valuables in transit services (collection and delivery). Code of practice. (The Authority's Insurers require that money over £12,500 be transported by a security company which conforms to this British Standard).

The successful contractor's organisation will preferably be a member of **British Security Industry Association (BSIA)** Registered Carriers (<https://www.bsia.co.uk/>).

3.2.2 Outcomes for service delivery

The objective is that cash and cheque income, which amount to a combined total of c £9.5 is collected annually, securely transported and banked with the Council's bankers.

3.2.3 Quantities – Cash and Cheque amounts from Torbay Council (within the last Financial Year 2020-2021).

Estimate Cash banked 01/04/2020 to 31/03/2021 £5.0m

Estimate Cheque's banked 01/04/2020 to 31/03/2021 £4.5m

3.2.4 Quality Control - Collections

- 3.2.4.1 **(Mandatory Requirement)** The Authority expects collections to be made as in C2.4.2. Where collections are not going to be made by the required time then Torbay Council must be advised and provided with reasons for the failure to meet the Council's requirements. The Council will notify the contractor where no collections are required, or where additional holiday or ad-hoc one-off collections are required.

- 3.2.4.2 The service is for collections to be made available on a basis of 52 weeks per year

Summer Programme (June to September inclusive): Wednesday / Thursday / Friday;

Winter Programme (October to May inclusive): Tuesday / Thursday.

This will include Bulk Coin collection as well as Container collection (cheque & loose coin).

Where additional charges are required this will be on the basis of the equivalent service charge per day, on days where service normally would be provided and twice the equivalent service charge per day, where a service would not normally be provided.

- 3.2.4.3 The Authority will provide four (4) weeks' notice of additional collections required on public holidays, e.g. the Christmas period.
- 3.2.4.4 Applicants will within their Invitation to Tender (ITT) submission, provide details of the cost of the service(s) net of VAT, within Part 4 - Pricing Schedule.

3.2.5 Procedures for all collections

- 3.2.5.1 **(Mandatory Requirement)** The successful contractor will be required to contact Torbay Council's Incomes Team, to advise that they are approaching the Town Hall building.
- 3.2.5.2 Torbay Council will ensure that the security team are aware of their imminent arrival and that CCTV cameras are then activated to cover the area where the collections are to be made.
- 3.2.5.3 **(Mandatory Requirement)** The successful contractor will have provided appropriate ID for their secure collectors who will provide service for this Contract, to allow them to access the Town Hall building.
- 3.2.5.4 On arrival, an Income Collector or Income Officer will collect the contractor's officer and take him to the strongroom to scan and sign for our mixed coin, notes and cheques and they will require the issue of a signed receipt.
- 3.2.5.5 At the point of signing the successful contractor will have assumed responsibility for the monies collected until the money is handed over at the correct delivery point. Therefore, the responsibility and risk falls upon the successful contractor, so it is essential that they are satisfied that what they collect and sign for matches with Torbay Council's records – for every collection.
- 3.2.5.6 The successful contractor will then be taken to the Income Collectors' Coin room, to collect the bulk coin bags which are recorded on a collection / delivery sheet which the Income Team hold.
- 3.2.5.7 **(Mandatory Requirement)** The successful contractor will have to count the bags back to the member of staff to check against the sheet then to be signed by both

sides to confirm what is going to the bank. The successful contractor will enter this amount in their system and issue another printed receipt.

- 3.2.5.8 **(Mandatory Requirement)** Once the money (mixed coins, notes and cheques) has been signed for, within the Authority's offices it will be the successful contractor's officer's responsibility.
- 3.2.5.9 **(Mandatory Requirement)** The security arrangements should include that the successful contractors employee cannot scan any bags without the appropriate scanning machine: - authentication codes having been entered.
- 3.2.5.10 **(Mandatory Requirement)** The bulk coin must be transported by an electric trolley out to the collection point by Torbay Council staff. The trolley must not be taken outside the back door of the Town Hall. There is a notice to that effect as part of the Authority's Security/Health and Safety instructions
- 3.2.5.11 **(Mandatory Requirement)** The successful contractor must unload the trolley and place the bags on their vehicle, a member of the Council's Coin Collector's or Income Team will be present at this time. At this point there is a final opportunity to re-check what has been accounted and signed for. The collection should not exceed the agreed limit of £100,000.
- 3.2.5.12 **(Mandatory Requirement)** The electronic trolley must not be overload and should not exceed approximately fifty (50) bags, for health and safety reasons, including the need to ascend the metal ramp – this will be operated by Torbay Council staff
- 3.2.5.13 Currently the collection bags hold £20,000 in the large bags and £10,000 in the small bags.
- 3.2.5.14 The Authority, when the banking is prepared will ensure that the bags will be locked in the wallet cage in the strong room. The current indemnity is for FIVE (5) bags of notes only.
- 3.2.5.15 Where this figure of five (5) bags of notes is exceeded the Authority will contact the successful contractor, to arrange an extra collection.
- 3.2.5.16 The successful contractor's collector(s) will be escorted by an Income Collector or staff member of the Income Team on each trip, to ensure they can access or leave the building.
- 3.2.5.17 The successful contractor's collector, when issuing the receipt for these bags, will be required to enter on the receipt their initials for each bag on this receipt. The successful contractor will supply bags for mixed coin and the Authority will ensure bags are not overfilled, or are filled in accordance with agreed limits.
- 3.2.5.18 The mixed coin will be held in the strong room wallet cage in the strong room, with the notes.

- 3.2.5.19 **(Mandatory Requirement)** Each bag must be listed on the receipt issued by the successful contractor's collector and each bag number must be initialled against by the successful contractor's collector. Alternatively, records may be kept by electronic scanning of bags.
- 3.2.5.20 Once the successful contractor has confirmed the amount of bags they have counted into the trolley the Council will record this in its records and initial that this has been collected.
- 3.2.5.21 **(Mandatory Requirement)** At this point, the successful contractor's collector will enter the information on to their system, and the Torbay Council Income Collector or Incomes Team Member will check that they have signed and dated the coin sheet for all of the collection. All signed paperwork must be returned to the Incomes team so that this information can be forwarded to the Council's bankers.
- 3.2.5.22 **(Mandatory Requirement)** Once the money is signed for the successful contractor will have assumed responsibility for resolving any discrepancies.

3.3 Service Development

The Authority would expect the successful contractor to seek to provide Torbay Council with improvements to the service, (technological or procedural); which if agreed by both parties and signed off would lead to a more cost-efficient provision of the service. *Please also refer to sections 4 and 7 below.*

3.4 Management of Contract – expectations from relationship

- 3.4.1 The Authority will require nominated points of contact to be specified and agreed with the successful Contractor upon Contract Award and the Authority to be informed of any changes, for the overall management of the contract and the day-to-day management of the contract, for example, empowered to deal with issues such as failure to collect by a specified time on the day.
- 3.4.2 The Torbay Council nominated contacts would be the Services Manager Finance - Systems & Information, for the overall management of the Contract and for day-to-day issues, the Income Lead Officer. A list of other Torbay Council Officers who may act in the absence of one of the above, will be supplied.
- 3.4.3 **(Mandatory Requirement)** The Authority would expect container audit trails to be kept of monies transported and banked on its behalf. It would expect full access to records be provided to the Devon Audit Partnership to investigate any discrepancies. There would need to be full processes agreed and detailed before the contract commences of how discrepancies will be investigated. The Council would expect the contractor to have Employer's Liability insurance cover to the value of £10m, Public Liability insurance cover to the value of £5m and Professional Indemnity insurance of £1m and to comply with Torbay Council insurer's requirements or raised by Devon Audit Partnership.

- 3.4.4 The Authority would expect any issues which arose with regards to collections, to be reported to the Torbay Council Lead Income Officer immediately.
- 3.4.5 Should Torbay Council change bankers from the National Westminster Bank Plc. During the life of this Contract, the Authority would expect the contractor to continue with the same service provision as laid out in this Specification – or to reach agreement with the Authority, on any required variations, caused from changing bankers.
- 3.4.6 The Council would require an annual review meeting to take place at the Torbay Council premises. If concerns arise over the performance of the contract and additional meetings may be required by Torbay Council. Where issues are raised and an additional meeting is required the performance would be reviewed over a three-month period. If the performance of the contact does not improve within that three-month period then Torbay Council may implement written notice of termination of the contract.
- 3.4.7 Termination of the contract is at the end of the Contract period, which includes break clauses at the end of two years, a further one year, plus one final year. Either party may terminate the Contract by the giving in writing of written notice which will be for a three-month period and must specify the end date for the Contract. The Contract may be ended by either party where the actions under the Contract may be illegal, or there is an act of bankruptcy or liquidation, appointment of receivers or administrators or deed of arrangement made for creditors.

3.5 Training

Torbay Council expects full details of training provided for the successful contractor's staff (working on this Contract) and policies and procedures, to which they are expected to adhere to when operating contracts similar to this one.

This is to include:-

- The number of persons used on the collections vehicle;
- Lone working training and policies;
- Health and Safety training and policies, e.g. manual lifting;
- Training for dealing with conflict and difficult persons;
- Cash handling policies for secure transit and banking of monies;
- The length of the induction process and what is covered in this training;
- What risk assessments are carried out for each contract and how and how often they are reviewed;
- What recognised national accreditations or British Standards the company currently hold;
- Torbay Council operates a no smoking policy on premises and in vehicles and it expects contractors to comply with this.

3.6 Warranty or Indemnity

- That the successful contractor will supply Torbay Council with details of the required Insurance certificates and bonds at least fourteen (14) days prior to the commencement of the Contract.
- The successful contractor must ensure that the income collected and signed for at the Town Hall, is correct, by signing-off the collection at the Authority's offices.
- The successful contractor will indemnify Torbay Council against all losses in relation to cash in transit and costs of rectifying the situation, e.g. to include (for example), costs of obtaining replacement cheques from customers.
- Death or personal injury caused by negligence on the part of the successful contractor, without limit.

As per the Call-Off Terms of the ESPO Framework Agreement 324F_20, Cash Collection and Cash and Valuables in Transit (CVIT) Services, at section 18.2.1 (within 18.2 Insurance): 'The Service Provider shall effect and maintain with a reputable insurance company a policy or policies of insurance providing which may be incurred by the Service Provider, arising out of the Service Provider's performance of its obligations under the Contract, including death or personal injury, loss of or damage to property or any other loss. Such insurance shall be maintained for the Contract period'.

3.7 **(Mandatory Requirement)** The Authority's relevant insurance indemnity requirements and minimum levels

The Authority's required insurances indemnities and their minimum levels for this Contract are as follows:

Employer's Liability - £10 Million

Public Liability - £5 Million

Professional Indemnity - £1 Million

3.8 Additional charges and fuel surcharges

- 3.8.1 To Torbay Council's expectation is that costs (including any fuel surcharges) are fixed at the Contract commencement date for the first twelve (12) months of the Contract and are then reviewed annually (on the anniversary of the Contract Award), in line with RPI, for the duration of the Contract.

4. Contract and Performance Review Requirements

- 4.1 Torbay Council does not anticipate holding set Contract and Performance Review meetings for this Call-Off Contract. But the Council will contact the successful contractor as and when any contract issues arise and will escalate any issues to the successful contractor's account manager if required. There will be an expectation that any issues will be dealt with appropriately, by the successful contractor, as soon as possible. The Council is prepared to assist with all resolutions required, as appropriate.

5. Health & Safety

- 5.1 Please also refer to section 3.5 (Training) above.
- 5.2 The Council will expect the successful Contractor's organisation to evidence their own Health & Safety protocols, whether or not this is specifically requested within Part 3 Award Questionnaire.
- 5.3 The Council's Health & Safety Policy Statement can be found at Appendix B

6. Invoicing

- 6.1 **(Mandatory Requirement)** The service is to be invoiced on a monthly basis, in arrears and will be paid in accordance with the Council's payments of Creditors terms. Additional service charges will be invoiced in arrears.
- 6.2 The successful Contractor must make all invoices payable by Torbay Council with Torbay Council's name and address and marked with senders name and address.
- 6.3 All Invoicing must contain a full breakdown of costs on each individual invoice submitted.
- 6.4 The Authority's settlement terms are 30 days from receipt of the goods and services or the invoice, whichever is the later.
- 6.5 The successful Tenderer must always obtain an official Torbay Council Purchase Order and quote the corresponding number on all invoices.
- 6.6 Invoices must be emailed to the Payments Section directly (Email: Invoices@torbay.gov.uk and also a copy must be emailed to: income@torbay.gov.uk
- 6.7 Disputed parts of invoices and invoices not bearing Torbay Council purchase order numbers will not be paid and a corrected invoice will be requested.
- 6.8 Payment will be by BACS and remittance advices will be transmitted to the successful Tenderer by email or fax if email addresses and/or fax numbers are provided.

7. Added Value

7.1 Further Services Offered

The Applicant will be expected to suggest as part of its response to the Evaluation Questions any additional products or services that they may be able to offer as part of this Contract or any other added value that their offer might be able to bring to the Authority. Applicants are expected to build any such offers into their submissions regardless of whether specific questions are asked along these lines or not.

As an example: During the life of this proposed Contract, Torbay Council may require daily coin collections from all of its one hundred and four (104) on-street Pay & Display Parking Meters and its eighty-nine (89) off street Pay & Display, plus 7 pay on exit Parking Meters within thirty-eight (38) Council Car Parks, located throughout the Torbay area. Collections would be required Monday to Friday and on Sundays, each week throughout the year.

For information purposes only: as an additional service within this Contract; please confirm (within Part 3 Award Questionnaire (question 4)) if your organisation would be able to provide all Parking Meter Collections – with (Bulk Coin) deliveries by the next working day, (currently), to:

Camberley Cash Centre,
Raven House,
1 Trafalgar Way,
Yorktown Industrial Estate,
Surrey, GU15 3BN.

Please submit your costs for this additional scheduled collection service from the Authority's on-street and off-street Parking Meters (with next working day deliveries to the locations above); within 'Additional Products or Services which could be offered within this Contract (for information purposes only)', within (Part 4) Pricing Schedule.

This will be a non-scoring part of this Further Competition process and will be for information purposes only. But it will provide the Council with an opportunity to assess the Applicant's business model and opportunities to provide additional services within a rapidly changing and challenging business climate, within which Torbay Council is required to work.

For information purposes only:

Applicants are required (in not more than one thousand (1000) words) to describe what additional services could be offered within this contract within Part 3 Award Questionnaire.

Additionally, Applicants will be required to detail the costs of any additional services to the Authority – and to indicate those which may be at no additional cost, within Part 4 Pricing Schedule.

7.2 **Social Value, Sustainability, Environmental Considerations**

7.2.1 The Authority is seeking a Provider who will add value to the Contract by providing additional community benefits which support the Council's ambitions for a prosperous and healthy Torbay, as identified in the Corporate Plan 2019 - 2023:

<http://www.torbay.gov.uk/council/policies/corporate/corporate-plan/>

7.2.2 Applicants should take into account the following key areas in formulating their response:

- (a) Jobs: Promote local skills and employment;
- (b) Growth: supporting growth of responsible regional business;
- (c) Social: Healthier, safer and more resilient communities;
- (d) Environment: protecting and improving our environment;
- (e) Innovation: promoting social innovation.

8. Scope and Nature of Possible Modifications or Options

The Authority is willing to consider future possible Modifications or Options, based on the following:

- 8.1 Any future changes to legislation or Health & Safety legislation;
- 8.2 New or potential improvements to the Services;
- 8.3 Changes in ways of working that would enable the Services to be delivered at lower costs and/or greater benefits to the Authority;
- 8.4 Factors that could not be reasonably foreseen by the Authority at the time of tender issue
- 8.5 Associated costs with any change will need to be agreed on a case-by-case basis

9. Awarding the Contract on Behalf of Other Contracting Authorities

9.1 The Authority is not purchasing on behalf of other contracting authorities.