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**UK-Salford: collection agency services**

**2011/S 19-030619**

**CONTRACT NOTICE**

**Services**

**SECTION I: CONTRACTING AUTHORITY**

**I.1) NAME, ADDRESSES AND CONTACT POINT(S)**

HM Revenue & Customs  
Commercial Directorate, 5W Ralli Quays, 3 Stanley Street  
Contact: Lesley Bond  
Attn: Ken Webster  
M60 9LA Salford  
UNITED KINGDOM  
Tel. +44 1618270898  
E-mail: [OperationsSupportTeam@hmrc.gsi.gov.uk](mailto:OperationsSupportTeam@hmrc.gsi.gov.uk)  
Fax +44 1618270270

**Internet address(es)**

Address of the buyer profile [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

**Further information can be obtained at:** As in above-mentioned contact point(s)

**Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained at:** As in above-mentioned contact point(s)

**Tenders or requests to participate must be sent to:** As in above-mentioned contact point(s)

**I.2) TYPE OF THE CONTRACTING AUTHORITY AND MAIN ACTIVITY OR ACTIVITIES**

Ministry or any other national or federal authority, including their regional or local sub-divisions  
General public services  
Other Direct and indirect taxes  
The contracting authority is purchasing on behalf of other contracting authorities Yes

**SECTION II: OBJECT OF THE CONTRACT**

**II.1) DESCRIPTION**

**II.1.1) Title attributed to the contract by the contracting authority**

Debt collection agency services.

**II.1.2) Type of contract and location of works, place of delivery or of performance**

Services  
Service category: No 27  
NUTS code UK

**II.1.3) The notice involves**

The establishment of a framework agreement

**II.1.4) Information on framework agreement**

Framework agreement with several operators  
maximum number of participants to the framework agreement envisaged 10

Duration of the framework agreement: Duration in year(s): 2

Estimated total value of purchases for the entire duration of the framework agreement  
estimated cost excluding VAT

Range: between 30 000 000 and 70 000 000 GBP

**II.1.5) Short description of the contract or purchase(s)**

Collection agency services. Legal services. HM Revenue & Customs (HMRC) has identified a requirement for debt recovery type services and specifically for this competitive procurement exercise, debt collection agency services. Prior information notice (PIN) reference [2010/S 235-358718](#) relates to this contract notice. The PIN indicated that HMRC was considering the use of lots as part of this competitive procurement exercise. Interested parties should be aware that the separate "allied debt collection services" lot is no longer a requirement for this framework agreement but will now instead be the subject of a separate tender exercise, which is likely to commence following the award of this framework. The purpose of the "allied debt collection services" will be to assist the authority in obtaining the maximum recovery rates for debt collection. The "allied debt collection services" tender will have a "lot" which will provide the opportunity for the use of a "debt broker" to manage a panel of DCA's. Therefore a "debt broker" type service will not be considered for this framework to safeguard against possible conflicts of interest between tenderers awarded to this framework and also being part of a "debt broker" panel. The authority does not intend to use an e-auction as part of the framework award procedure, but the right is reserved for individual clients to use an e-auction as part of the evaluation at the call off stage.

**II.1.6) Common procurement vocabulary (CPV)**

79940000, 79100000

**II.1.7) Contract covered by the Government Procurement Agreement (GPA)**

Yes

**II.1.8) Division into lots**

No

**II.1.9) Variants will be accepted**

No

**II.2) QUANTITY OR SCOPE OF THE CONTRACT**

**II.2.1) Total quantity or scope**

HMRC has identified an immediate requirement for debt collection agency services for use by its debt management & banking directorate and potentially other government departments, agencies and non departmental public bodies, (collectively known as the client), for the collection of any debt owed to such client organisations. The following government departments and public sector bodies have indicated that they may have a requirement for the services within the framework in the future, but are under no obligation to make use of the services:

Department for Work and Pensions (DWP);

Driver and Vehicle Licensing Agency (DVLA);

The Commissioners of Northern Lighthouses operating as the Northern Lighthouse Board (NLB);

Vehicle Certification Agency (VCA);

The Student Loans Company (SLC);

Environment Agency; and

Department for Environment, Food and Rural Affairs (Defra) (or any other body established by the Crown, by a client or under statute in order substantially to perform any of the functions that had previously been performed by such clients).

However, the above list is not exhaustive and this framework agreement is intended to be enabled for use by central government departments, executive agencies and non-departmental public bodies. The following link provides a list of potential "clients" who may wish to use the framework agreement:

<http://www.direct.gov.uk/en/DI1/Directories/A-ZOfCentralGovernment/index.htm?indexChar=A>

The estimated total value range stated at II.1.4 above takes account of all potential spend from eligible users. This "open" competitive procurement exercise is intended to establish a framework with a maximum of ten service providers. The authority reserves the right to increase the number of service providers on an exceptional basis where the tender process identifies that such an increase is required to ensure that the framework has the capacity to cope with the volume of work required. No guarantees can be given regarding the value/volume of work to be placed using the framework agreements and any indicative figures may be subject to change, but it is intended that the framework agreements will have the capacity to accommodate debt placements between GBP 500 000 000 and GBP 1.5 billion per annum. Payment for the service will be calculated on a commission basis in relation to the amount of debt recovered by the service providers. Given the value quoted, it is likely the resultant volume of cases will be high, and it is a requirement that the service providers must have significant capacity for the following core services; customer contact by letter and telephone; debt collection utilising a variety of payment methods; and debt remittance processing facilities which provide expedient payment to the client. During the lifetime of the agreement individual clients may wish to expand on the core services and use supplementary services to ensure that debt recovery is maximised, including (but not necessarily limited to) tracing; early stage interventions; overseas tracing and collection capabilities; face to face contact; taking control of goods (part 3 TCEA 2007) and litigation. In providing such services the confidentiality of debtor information will be paramount. At the outset services will be required for debts that have initially been through the early stages of a client's debt collection process including the issue of the "final opportunity" letter to the debtor.

Excluding VAT

Range between 30 000 000 and 70 000 000 GBP

**II.2.2) Options**

Yes

description of these options: Possible 2 x 12 month extensions.

Number of possible renewals 2.

**II.3) DURATION OF THE CONTRACT OR TIME-LIMIT FOR COMPLETION**

Duration in months: 24 (from the award of the contract)

**SECTION III: LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION**

**III.1) CONDITIONS RELATING TO THE CONTRACT**

**III.1.1) Deposits and guarantees required**

Deposits and guarantees will not be required.

**III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them**

HMRC operates an enterprise resource planning (electronic trading/ordering) system and has a purchase order mandatory policy. Successful tenderers will be required to provide information so that they can be adopted onto the system. Payment will be made by BACS within 30 days of receipt of a valid invoice.

**III.1.3) Legal form to be taken by the group of economic operators to whom the contract is to be awarded**

Joint and several liability.

No special legal form is required, but each supplier will be required to become jointly and severally liable for the contract before acceptance.

**III.1.4) Other particular conditions to which the performance of the contract is subject**

Yes

Any contract/framework awarded will be subject to the authority's conditions of contract.

### III.2) **CONDITIONS FOR PARTICIPATION**

#### III.2.1) **Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers**

Information and formalities necessary for evaluating if requirements are met: As stated in VI.3, the authority is using an e-sourcing (e tendering) tool/application for this procurement. In order for their tender to be fully considered, tenderers will need to demonstrate that they have the necessary personal standing and are eligible and suitable to be awarded a public contract. Tenderers will therefore be required to provide a statement within the relevant online questionnaires as to whether any of the circumstances (relating to mandatory and discretionary grounds for exclusion) described in Regulation 23 of the Public Contracts Regulations 2006 apply. Revenue compliance checks will be undertaken using the information provided in the questionnaire response against HMRC's own records. UK applicants will be required to provide their tax reference numbers: i.e. Value Added Tax registration number, PAYE collection reference and corporation tax or self assessment reference, as applicable. Overseas or non-UK applicants will be required to submit a certificate of tax compliance obtained from the country in which they are resident for tax purposes. If a company is a subsidiary, or a member of a group, the above details may also be required in respect of the parent company, or other group members.

#### III.2.2) **Economic and financial capacity**

Information and formalities necessary for evaluating if requirements are met: As stated in VI.3, the authority is using an e-sourcing (eTendering) tool/application for this procurement. In order for their tender to be fully considered, tenderers will need to demonstrate that they have the necessary economic and financial capacity to support the contract. Applicants will therefore be required to complete a selection criteria, economical and financial capacity questionnaire within the e-sourcing event. This will (as a minimum) request the following information:

- 1) Company name, registration number, business and registered office address, telephone and facsimile numbers, email address and contact name;
- 2) Audited accounts for the last three years, to include balance sheet and statement of profit and loss, and/or similar financial statements or information;
- 3) Statement of turnover in respect of the required service only;
- 4) Details of relevant insurances held to include, as a minimum, and as applicable, public liability and employers liability insurance. If a company is a subsidiary, a member of a group or a consortium, the above details may also be required in respect of the parent company, other group members or each consortium member as appropriate.

Minimum level(s) of standards possibly required Applicants whose turnover is judged to be insufficient to support the area of interest may be excluded from the award phase of the tendering exercise. At the onset, expected minimum Framework spend will be GBP 15 000 000 per annum and the likely maximum number of suppliers will be 10, giving a potential average spend with each supplier of GBP 1.5 million. Tenderers must be able to demonstrate that they have the economic and financial capacity to cope with potential revenue streams of this size and it's unlikely that any organisation with an annual turnover of below GBP 3 000 000 would be considered unless supported by parent company guarantees or similar.

#### III.2.3) **Technical capacity**

Information and formalities necessary for evaluating if requirements are met:

As stated in VI.3, the authority is using an e-sourcing (eTendering) tool/application for this procurement. In order for their tender to be fully considered, tenderers will need to demonstrate that they have the necessary technical capacity to meet the requirements and fulfill the contract. Applicants will be required to complete a selection

criteria, technical capacity or ability questionnaire within the e-sourcing event. This will (as a minimum) request the following information:

- 1) Details of the principal business areas(s) in which the company is engaged and its structure, site locations and facilities;
- 2) Evidence of previous relevant experience in the last 3 years, demonstrating capacity and ability to provide the required goods and/or services, inclusive of dates, size/value of contract and customer address/contact names for reference purposes;
- 3) Details of quality systems in place;
- 4) Information relating to compliance with health and safety, equalities and environmental legislation;
- 5) A list of professional associations or trade bodies to which your organisation or individuals in your organisation belong.

If a company is a subsidiary, a member of a group or consortia, the above details may also be required in respect of the parent company, other group members or each consortium member as appropriate.

Minimum level(s) of standards possibly required

At the outset the expected debt placement will be GBP 1 billion per annum and the maximum number of suppliers is likely to be 10, giving a potential average debt placement of GBP 100 000 000 with each supplier, which will result in approximately 100 000 cases. Therefore in respect of capacity for customer contact by letter and telephone, and the means to collect debt, organisations must be able to demonstrate that they have the current capacity to process approximately 200 000 cases per annum.

III.2.4) **Reserved contracts**

No

III.3) **CONDITIONS SPECIFIC TO SERVICES CONTRACTS**

III.3.1) **Execution of the service is reserved to a particular profession**

No

III.3.2) **Legal entities should indicate the names and professional qualifications of the staff responsible for the execution of the service**

No

**SECTION IV: PROCEDURE**

IV.1) **TYPE OF PROCEDURE**

IV.1.1) **Type of procedure**

Open

IV.1.2) **Limitations on the number of operators who will be invited to tender or to participate**

IV.1.3) **Reduction of the number of operators during the negotiation or dialogue**

IV.2) **AWARD CRITERIA**

IV.2.1) **Award criteria**

The most economically advantageous tender in terms of the criteria stated below

Technical merit - general requirements. Weighting 5

Technical merit - specific requirements. Weighting 20

Technical merit - security. Weighting 10

Quality. Weighting 30

Cost effectiveness. Weighting 35

IV.2.2) **An electronic auction will be used**

No

IV.3) **ADMINISTRATIVE INFORMATION**

IV.3.1) **File reference number attributed by the contracting authority**

PS-2011-Debt Collection Agency Services-Contract-88

IV.3.2) **Previous publication(s) concerning the same contract**

**Prior information notice**

Notice number in OJ: [2010/S 235-358718](#) of 3.12.2010

IV.3.3) **Conditions for obtaining specifications and additional documents**

Payable documents No

IV.3.4) **Time-limit for receipt of tenders or requests to participate**

3.3.2011 - 14:00

IV.3.5) **Date of dispatch of invitations to tender or to participate to selected candidates**

IV.3.6) **Language(s) in which tenders or requests to participate may be drawn up**

English.

IV.3.7) **Minimum time frame during which the tenderer must maintain the tender**

Duration in month(s): 6 (from the date stated for receipt of tender)

IV.3.8) **Conditions for opening tenders**

Persons authorised to be present at the opening of tenders Yes

HMRC will be using an e-sourcing (e-tendering) tool/application for this procurement and this prevents any information provided by the applicant from being viewed until the event is closed. The e-sourcing (e-tendering) application will display the closing date and time for this particular tendering exercise or event. The close time will be the earliest point at which the HMRC nominated or event-defined tender evaluation team will be able to open and view tenderers responses. Therefore the opening time for tenders will coincide with the close date and time for the event and all tenders will become visible to the HMRC nominated or event-defined tender evaluation team in any place that provides access to the e-sourcing tool/application at that time.

**SECTION VI: COMPLEMENTARY INFORMATION**

VI.1) **THIS IS A RECURRENT PROCUREMENT**

No

VI.2) **CONTRACT RELATED TO A PROJECT AND/OR PROGRAMME FINANCED BY EU FUNDS**

No

VI.3) **ADDITIONAL INFORMATION**

The contracting authority considers that this contract may be suitable for economic operators that are small or medium enterprises (SMEs). However, any selection of tenderers will be based solely on the criteria set out for the procurement, and the contract will be awarded on the basis of the most economically advantageous tender. The contracting authority considers that this contract may be suitable for economic operators that are small or medium enterprises (SMEs). However, any selection of tenderers will be based solely on the criteria set out for the procurement, and the contract will be awarded on the basis of the most economically advantageous tender. HMRC is using an eSourcing (eTendering) tool/application for this procurement. Consequently, formal applications are to be submitted by completing online questionnaires. Information about the eSourcing tool/application can be obtained from the HMRC website:<http://www.hmrc.gov.uk/about/esourcing/index.htm>. Economic operators intending to submit a formal application and therefore requiring access to the tender documentation must send an email to "[OperationsSupportTeam@hmrc.gsi.gov.uk](mailto:OperationsSupportTeam@hmrc.gsi.gov.uk)" any time up to, but no later than 12:00 on Monday 28.2.2011. This email should be entitled collection agency services and contain the following details: contact email address; contact name; company name and contact telephone number.

Economic operators who have complied with the foregoing will receive details of how to access the online questionnaires. (If an email response from HMRC is not received within one working day of your request, please re-contact “ [OperationsSupportTeam@hmrc.gsi.gov.uk](mailto:OperationsSupportTeam@hmrc.gsi.gov.uk) “ notifying non-receipt and confirming when the request was first made). Online questionnaires must be fully completed (and any associated hard-copy documents received by HMRC) no later than the close time specified within the event. It is the responsibility of applicants to ensure that they access the tender documentation promptly in order to give themselves sufficient time to provide a full and accurate tender response. Applications not submitted in the required form (or containing the requested information) may be rejected. (When requesting access to the online questionnaires, please notify the authority if you have any accessibility issues (disabilities), which may prevent you from providing a high quality response using the e-sourcing tool/application. This will then allow HMRC to agree with you an appropriate format for you to view and respond to the requirements). All communications shall be in English. Tenders, when invited, and all supporting documentation must be priced in Sterling and all payments under the contract will be in sterling. Any contract or agreement resulting from the Invitation to Tender will be considered as a contract made in England according to English law and subject to the exclusive jurisdiction of the English courts. The contracting authority does not bind itself to accept any tender and reserves the right to accept any part of the tender unless the tenderer expressly stipulates to the contrary. The Race Relations Act 1976, as amended by the Race Relations (Amendment) Act 2000 (RRA), gives the authority a statutory duty to promote race equality. In order to fully comply with its duty under the RRA, the authority will take steps to ensure that its procurement activity and resulting contracts also promote race equality. GO reference: GO-2011126-PRO-2143090.

VI.4) **PROCEDURES FOR APPEAL**

VI.4.1) **Body responsible for appeal procedures**  
see VI.4.2

VI.4.2) **Lodging of appeals**

Precise information on deadline(s) for lodging appeals: Unsuccessful tenderers will be notified by letter containing detailed results of the tender exercise and reasons will be provided as to why their tender was unsuccessful. There will then be a mandatory 10 calendar day standstill period, in accordance with Regulation 32 of the Public Contracts Regulations, before the framework is concluded. During this period you may bring formal legal proceedings in the event that you believe there has been a breach, by HMRC, of the Public Contracts Regulations.

VI.4.3) **Service from which information about the lodging of appeals may be obtained**  
see VI.4.2

VI.5) **DATE OF DISPATCH OF THIS NOTICE:**  
26.1.2011