

Specification

BSOG Debt Recovery Services Department for Transport

Contract Reference: TLOT0015

Date: 14/11/2019

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1. PURPOSE

- 1.1 Bus Service Operators Grant (BSOG) is a grant paid by the Department for Transport to operators of eligible bus services and community transport organisations in England excluding London and the Greater Manchester area to help them recover some of their fuel costs. The amount each bus company receives is based on their annual fuel consumption.

We require a debt collection service for the recovery of payments made on estimate to operator's who have either not returned their certified claim form, or who fail to repay an overpayment following reconciliation. The contract would be for a period of two years with the option to extend to 3 years. The Department is currently looking to reform BSOG and this may impact on our requirements. On average approximately 30 cases a year may be referred but this can change.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

The Department for Transport works with its agencies and partners to support the transport network that helps the UK's businesses, and gets people and goods travelling around the country. The DfT plans and invests in transport infrastructure to keep the UK moving.

3. BACKGROUND TO REQUIREMENT / OVERVIEW OF REQUIREMENT

- 3.1 The Department for Transport is inviting bids for a debt collection service.
- 3.2 Process overview - At the beginning of their claim year, bus operators will submit an estimate of the kilometres (Kms) operated and fuel used during a given period (usually 12 months) on claim form PSV310. Payments are then made to the operator on a quarterly basis throughout the year. It is a condition of receiving the grant that a certified claim form PSV311E showing the actual kms operated and fuel used during that period, and certified by a recognised accountant/auditor, is submitted within three months of the end of the claim period. The Department then calculates the actual grant due. Where an underpayment has occurred, the Department pays the balance to the operator; where an overpayment has occurred, the operator is asked to repay the outstanding balance. Where operators continue to claim the grant on estimate any overpayment will be automatically deducted from the next quarterly payment. However, where no estimates are paid, operators are asked to repay the Department via BACS.
- 3.3 Where no estimate is in place and an operator fails to repay monies due then the teams' Debt Recovery Officer will pursue recovery of the debt with the operator (see section 6 for details). The Department requires a debt collection service to take further recovery action where operators fail to respond.

3.4 In addition, bus operators who have received payment on estimate but who fail to return the certified claim form PSV311E are pursued by the teams' Debt Recovery Officer to either supply the form or repay the whole amount paid on estimate (see section 6 for details). Again, the Department requires a debt collection service to take further recovery action where operators fail to respond.

4. DEFINITIONS

Expression or Acronym	Definition
Authority	Means Department for Transport
BSOG	means Bus Service Operators Grant
Department or DfT	means Department for Transport
GDPR	means General Data Protection Regulation

5. INDICATIVE PROCUREMENT TIMELINE

Description	Date
Publication of the ITT	14/11/2019
Clarification Period starts	14/11/2019
Clarification Period closes Tender Clarifications Deadline	28/11/2019 (12:00 Midday)
Deadline for the publication of responses to Tender Clarification questions	02/12/2019 (17:00)
Deadline for submission of Tenders Tender Submission Deadline	05/12/2019 (12:00 Midday)
Commencement of Evaluation Process	05/12/2019 (12:00 Midday)
Conclusion of Evaluation Process	19/12/2019

Potential Conclusion of Standstill Period	07/01/2020 (10 working days)
Potential Contract Award	12/01/2020
Potential Contract Signature	12/01/2020
Potential Contract Commencement	13/01/2020

6. SCOPE OF REQUIREMENT

With reference to section 3 the Department requires a debt collection service that covers the following points:

- 6.1 Bus operators are paid the grant based on an estimated claim form PSV310. At the end of the claim period (usually twelve months) the Department will send the operator an actual/certified claim form PSV311E for completion. Operators then have three months after the end of the claim period to return this form.
- 6.2 If an operator fails to supply the PSV311E the whole amount paid to them on estimate is deemed to be a debt. In such instances the BSOG teams' Debt Recovery Officer will:
 - a) send the operator a seven-day letter reminding them that the PSV311E is overdue and that future grant payments are being withheld. They are also informed that the Department is considering withdrawing their entitlement to future estimate payments and if no contact is made within seven days the case will be passed to the Departments' appointed debt recovery agents;
- 6.3 If an operator submits the PSV311E and reconciliation with the estimate results in an overpayment, then recovery would be made from the next quarterly estimate payment. Where no estimate is in place or the overpayment exceeds the value of the estimate the BSOG teams' Debt Recovery officer will:
 - b) send the operator a twenty-eight-day letter informing them that their entitlement to grant has been reconciled against estimate payments and that either there is no estimate to recover from or that the overpayment exceeds the value of the estimate. In either case the operator is asked to repay the debt within twenty-eight days or the case will be passed to the Departments' debt recovery agents.
- 6.4 Where operators have failed to comply with instructions in either paragraphs 5.3 or 5.4 above the BSOG teams' Debt Recovery Officer will pass the case to the Departments' debt recovery agents for enforcement action. The debt recovery agents will be passed case details in a spreadsheet format, together

with a one-page summary outlining how the debt arose together, plus other evidence to support the case if applicable.

- 6.5 The debt recovery agent will be required to take enforcement action through the use of tracing services, up to and including the threat of legal action which may involve court action and instruction of Counsel. The grant is paid to eligible bus operators in England (excluding London and Greater Manchester). We will therefore expect the potential provider to be able to deliver enforcement or recovery action at bus operator's locations within this area.
- 6.6 The Department will wish to see suggested template letters, proposed processes and enforcement actions that the debt recovery agent intends to use as part of the Proposal so that these can be discussed at the kick off meeting.

7. KEY MILESTONES AND DELIVERABLES

- 7.1 The successful provider will supply the BSOG teams' Debt Recovery Officer with the following;
- 7.1.1 an initial 14-day report after the case has been referred;
 - 7.1.2 a further follow up report 1 month after the initial referral;
 - 7.1.3 after 1 month if the case has not been resolved there should be case by case discussions held as required.

8. MANAGEMENT INFORMATION/REPORTING

- 8.1 The Department to provide the information on a case by case basis to the successful provider and the successful provider will supply information in line with the condition outlined in **section 6** above.
- 8.2 The Department requires the successful provider to liaise with the BSOG teams' Debt Recovery Officer on an ad-hoc basis either by telephone or in writing should they require clarification on a case.
- 8.3 The Department will require monthly case meetings to be held between the BSOG Manager, the BSOG teams Debt Recovery Officer and an appointed representative of the debt recovery agent. This can either be via telephone conference or Skype.

9. VOLUMES

- 9.1 The Department is unable to confirm volumes as this will vary. To give an indication, in the three years up to 31 March 2018 (the end of the last debt contract) an average of 30 cases per annum were referred. At the time of writing there are currently 23 active debt cases.

10. CONTINUOUS IMPROVEMENT

- 10.1 The successful provider will provide a consistent and reliable service and will seek to assess, improve or streamline the required Services which are to be delivered throughout the duration of the contract.
- 10.2 The successful provider should present new ways of working to the Authority during quarterly contract review meetings.
- 10.3 Changes to the way in which the Services are to be delivered must be brought to the Department's attention via the Contract Manager and agreed prior to any changes being implemented.

11. SUSTAINABILITY

- 11.1 This is not applicable

12. QUALITY

- 12.1 Quality is addressed throughout sections 7-10 above.

13. PRICE

- 13.1 Details are requested based on the services to be provided by the Potential Provider including costs of Pre-Legal Action, Issued Claim, Entering Judgement, Enforcement Costs and any other costs relevant. Bidders should ensure that they are clear about the VAT treatment of costs.
- 13.2 Prices are to be submitted via the Award portal. Access to this system can be obtained by emailing carys.keeble@dft.gov.uk

14. STAFF AND CUSTOMER SERVICE

- 14.1 The Department requires the successful provider to provide a sufficient level of resource throughout the duration of the provision of the Debt Recovery Services contract in order to consistently deliver a quality service to all parties.
- 14.2 The successful provider's staff assigned to the provision of Debt Recovery Services contract shall have the relevant qualifications and a demonstrable level of historical experience to deliver the contract.
- 14.3 The successful provider shall ensure that its staff understand the Department's vision and objectives and will provide excellent customer service to the Department throughout the duration of the contract. For further information of the authorities' vision and objectives please click on the link below.

<https://www.gov.uk/government/organisations/department-for-transport/about>

15. SERVICE LEVELS AND PERFORMANCE

- 15.1 The Department will measure the quality of the successful provider's delivery through the criteria previously detailed in **section 6** above.

- 15.2 Where poor supplier performance exists the Department will arrange meetings at which the successful provider's presence is mandatory to discuss at risk work areas and work out key steps to improve the service.

16. SECURITY AND CONFIDENTIALITY REQUIREMENTS

- 16.1 Where specified by the Department the successful provider will be responsible for ensuring that all staff are security cleared to the level required. Sensitive information will never be shared with staff who do not have the relevant security clearance.
- 16.2 The successful provider will comply with any notification requirements under the GDPR.
- 16.3 Notwithstanding the general obligation under section 16.2, the successful provider will be processing personal data (as defined by the GDPR) as a data processor for the Department (as defined by the GDPR) the successful provider will ensure that it has in place appropriate technical and organisations measures to ensure the security of the personal data (and to guard against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to, the personal data) as required under the Seventh Data Protection Principle in Schedule 1 to the GDPR.

17. INTELLECTUAL PROPERTY RIGHTS (IPR)

- 17.1 The DfT will own all Intellectual Property Rights (IPR) for work generated under this contract.

18. EVALUATION CRITERIA

- 18.1 See Appendix B Response Guidance

19. ARRANGEMENTS FOR END OF CONTRACT

- 19.1 All documentation in relation to this contract, including emails, to be transferred to the DfT prior to the completion of this contract.

20. PAYMENT AND INVOICING

- 20.1 Invoices must be submitted to Avarto Shared Services on a monthly basis for payment, following discussion and agreement with the contract manager regarding overview of the work and associated costs per case (operator) for the last month.
- 20.2 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

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- 20.3 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.
- 20.4 Separate invoices detailing VAT and non-VAT services are to be sent by the Potential Provider.
- 20.5 Invoices should be submitted to:

Accounts Payable
DfT Shared Service Centre
5 Sandringham Park
Swansea Vale
Swansea
SA7 0EA

Or via email – to SSA.invoice@sharedservicesarvato.co.uk

21. CONTRACT MANAGEMENT

- 21.1 The DfT will expect the successful provider to arrange an inception meeting (face to face) with their Contract Manager, the BSOG Team Manager and the BSOG Debt Recovery Officer to agree on protocols.
- 21.2 DfT will also expect future contract review meetings to be held on a quarterly basis however these maybe conducted via video or audio as is practical.

22. LOCATION

- 22.1 BSOG is currently administered from Ashdown House, Sedlescombe Road North, St Leonards on Sea, East Sussex, TN37 7GA. Please note that the department is likely to be moving from this location to a new location (in the Hastings area) within the first year of this contract. DfT will keep the successful provider apprised of any changes to location.
- 22.2 Work should be carried out at the supplier's premises, but travel may be required to the BSOG office for some meetings. Wherever possible normal business will be conducted via conference/video calls.

23. POINTS OF CONTACT

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All queries/ questions should be sent to the procurement contact