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Tender

Debt Collection Agencies

THAMES WATER UTILITIES LIMITED

F05: Contract notice – utilities

Notice identifier: 2023/S 000-017705

Procurement identifier (OCID): ocds-h6vhtk-03d858

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Section I: Contracting entity

I.1) Name and addresses

THAMES WATER UTILITIES LIMITED

Reading

RG1 8DB

Contact

Thames Water Utilities Limited

Email

procurement.supportcentre@thameswater.co.uk

Country

United Kingdom

Region code

UKJ11 - Berkshire

Companies House

02366661

Internet address(es)

Main address

<https://www.thameswater.co.uk/>

I.2) Information about joint procurement

The contract is awarded by a central purchasing body

I.3) Communication

Access to the procurement documents is restricted. Further information can be obtained at

<https://www.thameswater.co.uk/about-us/our-suppliers/procurement>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://www.thameswater.co.uk/about-us/our-suppliers/procurement>

I.6) Main activity

Water

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Debt Collection Agencies

Reference number

FA2017

II.1.2) Main CPV code

- 79940000 - Collection agency services

II.1.3) Type of contract

Services

II.1.4) Short description

As part of our commitment to collecting unrecovered debt, we have redesigned our customer debt journey focusing on delivering "right customer, right treatment path" and ensuring our financially vulnerable customers are supported at all stages of the journey.

We intend to outsource our unrecovered water debt, provided mainly on a commission basis with some specific customer outcomes chargeable on a fee structure. Both collect and trace solutions are required within various parts of the portfolio.

Litigation and field services will also be required at the later stages of the process, where any unrecovered debts will be assessed and selected depending on their suitability.

With the cost of living rising, we recognise the importance of collecting debt in a socially responsible manner and as result we are seeking partners who are committed in supporting our customers on this journey while helping Thames Water achieve our goals.

We are offering a 3-year contract with the ability to extend up to an additional 2. Field service will be offered at an initial 1-year contract. After year 1 there's a potential for this to be brought inline with the with other contracts mimicking their contract terms.

II.1.5) Estimated total value

Value excluding VAT: £17,500,000

II.1.6) Information about lots

This contract is divided into lots: Yes

Tenders may be submitted for all lots

Maximum number of lots that may be awarded to one tenderer: 4

The contracting authority reserves the right to award contracts combining the following lots or groups of lots:

Thames Water reserves the right to award a single or multiple lots to the most suitable provider(s).

II.2) Description

II.2.1) Title

Placement 1 - Active and Final including trace and collect

Lot No

1

II.2.2) Additional CPV code(s)

- 79940000 - Collection agency services

II.2.3) Place of performance

NUTS codes

- UKI - London
- UKJ - South East (England)

Main site or place of performance

Whole of Thames Water region.

II.2.4) Description of the procurement

Lot 1 will see circa 218 thousand active customer accounts and circa 54 thousand closed customer accounts placed annually, spread across 8 segments. 6 of these segments relate to the active customers and are allocated to the segment based on Equifax scoring.

2 of the segments relate to the closed customer accounts and are split by the accounts that have a forward address and require a collect solution and those that have no forward address and require a trace and collect solution. The successful supplier will be required to move the accounts with no customer contact from the collect strategy to the trace and collect strategy within their own system after the placement period has expired.

Cases in all segments will be placed to the successful supplier daily along with account updates, closures and any new debts that are now at the recoveries stage for customers previously placed.

Performance scorecards will determine the allocation % throughout the contract to award the higher performing suppliers with higher allocations.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

60

This contract is subject to renewal

Yes

Description of renewals

This contract will be for 36 months with a further two 12 months optional extension(s).

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged number of candidates: 10

II.2.10) Information about variants

Variants will be accepted: Yes

II.2.11) Information about options

Options: Yes

Description of options

This contract will be for 36 months with a further two 12 months optional extension(s).

II.2) Description

II.2.1) Title

Placement 2 - Active and Final

Lot No

2

II.2.2) Additional CPV code(s)

- 79940000 - Collection agency services

II.2.3) Place of performance

NUTS codes

- UKI - London
- UKJ - South East (England)

Main site or place of performance

Whole of Thames Water region.

II.2.4) Description of the procurement

Lot 2 will see circa 156 thousand active customer accounts and circa 47 thousand closed customer accounts placed annually, spread across 5 segments. These accounts have been returned as uncollected from Lot 1. 4 of these segments relate to the active customers and are allocated to the segment based on Equifax scoring.

The other segment relate to the closed customer accounts and require a trace and collect solution.

Cases in all segments will be placed to the successful supplier daily along with account updates, closures and any new debts that are now at the recoveries stage for customers previously placed.

Performance scorecards will determine the allocation % throughout the contract to award the higher performing suppliers with higher allocations.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

60

This contract is subject to renewal

Yes

Description of renewals

This contract will be for 36 months with a further two 12 months optional extension(s).

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged number of candidates: 10

II.2.10) Information about variants

Variants will be accepted: Yes

II.2.11) Information about options

Options: Yes

Description of options

This contract will be for 36 months with a further two 12 months optional extension(s).

II.2) Description

II.2.1) Title

Placement 3 - Litigation - Active and Final

Lot No

3

II.2.2) Additional CPV code(s)

- 79940000 - Collection agency services

II.2.3) Place of performance

NUTS codes

- UKI - London
- UKJ - South East (England)

Main site or place of performance

Whole of Thames Water region.

II.2.4) Description of the procurement

Lot 3 will see circa 73 thousand active customer accounts and circa 40 thousand closed customer accounts placed annually for assessment of litigation potential. Accounts that are unsuitable for a litigation process will be closed and returned at no cost to Thames Water, and those selected to move into strategy will be initially placed through a pre-litigation strategy before moving into a formal litigation process. We expect a 3 staged approach and the customers to be reassessed before moving onto each stage and those not suitable to move to be closed and returned at no cost to Thames Water:

Pre-Litigation = Contact attempts to resolve the debt with the customer before legal processes begin
Litigation = Formal LBA/PAP and the issuing of the claim and judgement
Enforcement = Enforcement end to end process.

Closed customer accounts may require a trace solution in addition. All customer contact, plan management and payment processing to be handled by the supplier.

Cases will be placed to the successful supplier once per month with daily account updates, closures and any new debts that are now at the recoveries stage for customers previously placed.

This lot will be awarded on a commission basis, with alternative arrangements for defended cases which will be agreed and charged on a case by case basis.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

60

This contract is subject to renewal

Yes

Description of renewals

This contract will be for 36 months with a further two 12 months optional extension(s).

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged number of candidates: 5

II.2.10) Information about variants

Variants will be accepted: Yes

II.2.11) Information about options

Options: Yes

Description of options

This contract will be for 36 months with a further two 12 months optional extension(s).

II.2) Description

II.2.1) Title

Placement 4 - Field Services - Visit and Call Handling

Lot No

4

II.2.2) Additional CPV code(s)

- 79940000 - Collection agency services

II.2.3) Place of performance

NUTS codes

- UKI - London

- UKJ - South East (England)

Main site or place of performance

Whole of Thames Water region.

II.2.4) Description of the procurement

Lot 4 will receive active customer accounts only that are unsuitable for a litigation process and or that have been closed and returned throughout the litigation process with an unsuccessful outcome. Placements will be made monthly and accounts should be assessed for suitability for a field visit. The volume of accounts passing through into the field strategy should be a joint decision between the supplier and Thames Water each month.

Performance will be managed via KPIs assessing the positive outcomes of visits with a strong focus on governance and oversight to ensure the right customer outcomes. All customer contact, plan management and payment processing to be handled by the supplier.

The commercial structure is expected to encourage a culture of fair customer outcomes and value for Thames Water.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

60

This contract is subject to renewal

Yes

Description of renewals

This contract will be for 12 months and if successful, the contract will continue for an additional 24 months with a further two 12 months optional extension(s).

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged number of candidates: 5

II.2.10) Information about variants

Variants will be accepted: Yes

II.2.11) Information about options

Options: Yes

Description of options

This contract will be for 12 months and if successful, the contract will continue for an additional 24 months with a further two 12 months optional extension(s).

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.1) Suitability to pursue the professional activity, including requirements relating to enrolment on professional or trade registers

List and brief description of conditions

As detailed in the PQQ.

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

III.1.4) Objective rules and criteria for participation

List and brief description of rules and criteria

As detailed in the PQQ.

III.1.6) Deposits and guarantees required

Bonds and/or parent company guarantees of performance and financial standing may be required.

III.1.7) Main financing conditions and payment arrangements and/or reference to the relevant provisions governing them

As detailed in the ITN.

III.1.8) Legal form to be taken by the group of economic operators to whom the contract is to be awarded

Consortia may be required to form a legal entity prior to any award.

III.2) Conditions related to the contract

III.2.2) Contract performance conditions

As detailed in the ITN.

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated procedure with prior call for competition

IV.1.3) Information about a framework agreement or a dynamic purchasing system

The procurement involves the establishment of a framework agreement

Framework agreement with several operators

IV.1.4) Information about reduction of the number of solutions or tenders during negotiation or dialogue

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

6 July 2023

Local time

12:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Duration in months: 9 (from the date stated for receipt of tender)

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: Yes

Estimated timing for further notices to be published: Between 2 and 5 years

VI.2) Information about electronic workflows

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

VI.3) Additional information

All suppliers who wish to respond to this notice must request a pre-qualification questionnaire (PQQ) by using the link in Section I.3 of this notice, i.e.

<https://www.thameswater.co.uk/procurement>

All bidders will receive an email from procurement.supportcentre@thameswater.co.uk containing their log on details into our Smartsourcing Portal in order to access the PQQ documents.

Note that your client may be Thames Water Utilities Ltd or another company within the Kemble Water group structure.

VI.4) Procedures for review

VI.4.1) Review body

Thames Water Utilities Limited

Reading

RG1 8DB

Email

procurement.supportcentre@thameswater.co.uk

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

Thames Water Utilities Limited will incorporate a standstill period at the point information on the award of the contract is communicated to tenderers. That notification will provide full information on the award decision. The standstill period, which will be for a minimum of 10 calendar days, provides time for unsuccessful tenderers to challenge the award decision before the contract is entered into.

The Utilities Contracts Regulations 2016 (SI 2016 No 274) provide for aggrieved parties who have been harmed or are at risk of harm by a breach of the rules to take action in the High Court (England, Wales and Northern Ireland).