

THE PROCESS of tendering for bailiff services seems to vary significantly from one local authority to the next, with each using its own distinct selection and evaluation criteria.

Factors considered by local authorities include local politics, anti-poverty, social inclusion and demographics. One council may consider health & safety to have the highest impact while for another it could be collection rates.

There is a general trend for a large proportion of tender documents to focus on guiding principles such as equal opportunities, environmental sustainability and other similar 'soft' issues. This appears to be taking priority over actual enforcement methodology and perceived collection rates. It also means that councils are not paying enough attention to client guidelines or ensuring sufficient resources to successfully support an enforcement contract.

I was disturbed, when, a short time ago I was given the criteria of a contract evaluation where performance monitoring and relationship management were weighted least important while health & safety and revenue share were ranked second highest, with the code of conduct was somewhere in the middle. It would be more encouraging if those involved in the evaluation process placed at least an equal weighting on what should be the more critical qualities of an enforcement supplier!

Often, there is an inadequate search of credentials conducted, to ensure that the choice of partner is the right one. For example, too few site visits are made, and many contracts are awarded purely on a correspondence exercise. A visit to the supplier's office will go a long way to visibly seeing and validating the resources, processes and support teams that are essential to the successful operation of any enforcement agency. This type of measurement and quality control should continue well into the life of the contract. At Bristow & Sutor we welcome ongoing external audits carried out by our clients. This includes a full audit of our performance and

adherence to client guidelines and contract terms and conditions. After all, councils don't invest in a back office computer system based on a correspondence exercise — so why invest in a business partner who represents you in the public eye, without carrying out a similar assessment?

Some councils place varying degrees of importance to the information requested, and declared, at pre-qualification stage. I can cite a recent example where a client's questionnaire requested four references, but these were not

followed up. Yet, in the tender instructions provided, this section accounted for 60% of the assessment. A number of firms missed the opportunity to submit a full tender, which could well have been different had the references been contacted. The importance of following up references cannot be stressed enough, but contacting a few handpicked referrals may not always be a true reflection. An enforcement agency that is confident in its ability, performance and level of complaints, would have little hesitation in providing a

complete list of clients for you to contact at random.

Quite rightly, often the evaluation of tenders takes into consideration the charges to a debtor. This is welcome, and a necessary measure to ensure proportionality of debt versus fees. I have been concerned to note that several recent tenders have included the request to a profit share, or, a percentage rebate of bailiff fees collected. In one case respondents were asked to declare a percentage of profit share based on two scenarios: a sole appointment and a shared contract award. To the cynic, this suggests that contracts are placed on an 'auction style' basis to the highest bidder.

Through pressures driven from within the industry, enforcement agencies have campaigned for the regulation of bailiffs. Paramount to this is the application of bailiff fees. With a 'no fee, no cost' service to councils,

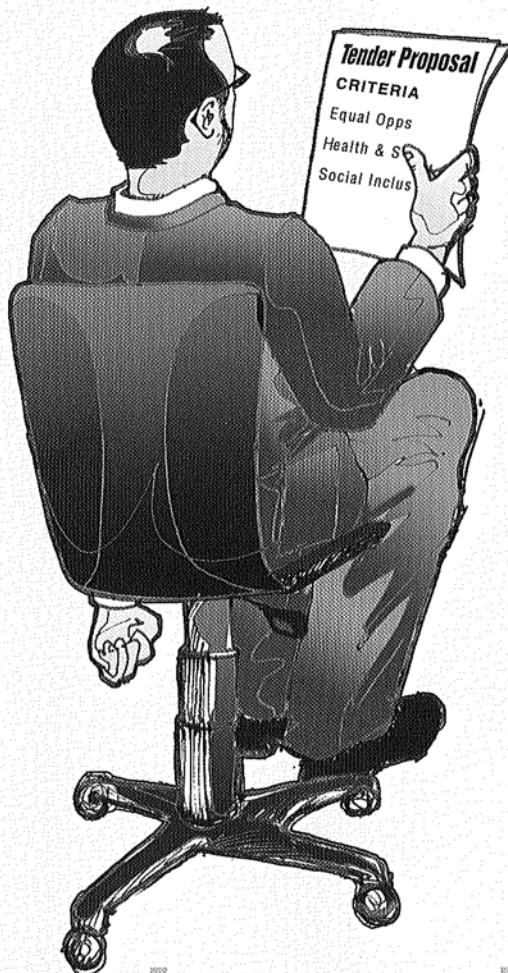
bailiff companies recoup their costs from applying legislative fees to the debtor. Arguably, the mechanism of profit sharing and/or the rebate of fees could put bailiffs under greater pressure. It may even result in debtors being charged higher fees, which ultimately will

be to the financial benefit of the council.

In addition, we now have the uncertainty of the new Tribunals, Courts and Enforcement Act 2007. This is an enabling piece of legislation from which many future regulations will be determined. The Act addresses, among other things, the regulation of bailiffs, the upfront bailiff fee, a single piece of bailiff law and a single scale of fees. It will be interesting to see what effect future regulations will have in the evaluation of tender processes to ensure councils give themselves the best opportunity of genuinely selecting the right enforcement partner.

Andy Rose is managing director at Bristow & Sutor Civil Enforcement Agents

Performance Collection References Rates



Tough tenders