



TITLE OF REPORT

Council Passenger Transport Services Including For Vulnerable Children and Adults

BUSINESS CASE

Key Decision No. CACH Q30

CPC MEETING DATE (2019/20)

11th March 2020

CLASSIFICATION:

Open with EXEMPT APPENDIX 1

By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendix 1 is exempt because they contain information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

WARD(S) AFFECTED

ALL

CABINET MEMBERS

Cllr Bramble - Deputy Mayor and Lead Member for Children and Families Services

Cllr Kennedy - Lead Member for Health, Adult Social Care and Leisure

KEY DECISION

Yes

REASON

Affects Two Or More Wards

GROUP DIRECTOR

Anne Canning

Children Adults and Community Health

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report provides a business case for the re-procurement of a Council wide range of Passenger Transport Services, specifically for vulnerable children and adults, including home to school SEND transport. This collaborative approach will promote the application of consistent standards across all areas and ensure that officers are in a position to confidently commission safe and cost efficient services.
- 1.2 The proposed re-procurement is directly aligned with the Mayor's manifesto commitment to provide '*an ambitious and well-run Council that delivers high quality services, financial stability,*' and '*first class-local facilities and connecting with Hackney's communities; a visible, engaging, and listening Council, working in partnership with local people to shape services, and promoting community cohesion.*'

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report requests approval to re-procure Council wide Passenger Transport Services, for Vulnerable Children and Adults at an approximate annual spend of £1.8 million. The new contract will commence in October 2020 with a recommended contract term of 3 years with an option to extend for 1 further year (4 years total).
- 2.2 Hackney Learning Trust (HLT) has a statutory obligation to provide home to school transport for eligible children, and transport services are provided to vulnerable children and young people in both the Children and Families Service (CFS) and Adult Social Care (ASC). Successful tendering of the Passenger Transport Services for all Council departments will ensure the continuation of a good quality and good value transport provision for eligible service users in the borough. The Council wide tender will be a more efficient way of procuring the contract as it avoids each department commissioning separate contracts for passenger transport services, ensuring consistency across the Council and value for money.
- 2.3 The Risk Assessment Tool completed for this contract by the Business Development and Support Manager defined the risk level as medium, which would require approval by Hackney Procurement Board. However, it was agreed that due to the essential nature of the services provided and the client groups involved, that Cabinet Procurement Committee should be asked to consider and approve this procurement at both Business Case as well as Contract Award Stage.

3. RECOMMENDATION(S)

- 3.1 Cabinet Procurement Committee is recommended to:

Approve the procurement of a dynamic purchasing system for provision of Passenger Transport Services, for a contract term of three years with an option to extend for a further year, up to a maximum of four years, commencing in October 2020. The potential contract value is £5.4 million, up to £7.2 million if the extension is utilised.

4. RELATED DECISIONS

- 4.1 In 2015, following a competitive tender process, Cabinet Procurement Committee approved the award of a 4 year framework contract at the approximate annual value of £1.8 million per annum.

5. OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)

- 5.1.1 HLT, CFS and ASC are seeking a Council wide Corporate Contract to continue the amalgamation of the use of passenger transport and taxi services across all Council departments to continue to realise the main objectives of the passenger transport services which are:

- To provide a safe service to all users
- To provide a passenger assistant when required
- To provide a punctual and timely service
- To provide vehicles that are safe, legal, secure, clean and in good condition
- Ensure all contractors are correctly licensed
- Deliver value for money

- 5.1.2 The Council provides SEND transport via 22 'O-Licensed' buses to approximately 260 children or young people which equates to approximately 45% of the service demand. This procurement will ensure the service demands of the remaining 55% continue to be provided. More information in relation to the Council's in-house provision is available in Appendix 1.

- 5.1.3 The current passenger transport service includes the use of vehicles, ranging from standard taxi vehicles to multi-purpose vehicles, wheelchair accessible vehicles, minibuses and up to 32 seater wheelchair accessible buses.

- 5.1.3 The types of journeys required fall into three main categories:

Accompanied Journeys:

Occur when:

- A social worker, or other person carrying out the role of passenger assistant, is required to accompany an eligible adult, child or young person to assessment meetings, day services, schools, colleges, placements, court etc
- A child or young person's EHC plan (Education, Health and Care Plan) determines that they require a passenger assistant to accompany them on their home to school transport journey or a passenger assistant is required for the safety of the child, other passengers or the driver; or
- When a bus is used to transport multiple children or young people to school, college or placements.

NB Passenger assistants supervise and assist clients with special requirements or behavioural / medical needs).

Unaccompanied Journeys

Occur when:

- Children, young people or adult service users go to appointments but they do not require a passenger assistant
- There is assessed need for day time transport for Adult Service Users with disabilities

- There are Social Care Department family moves to new accommodation
- Children and Young People are eligible for home to school transport, but they do not require a passenger assistant
- There are some Service User ad-hoc journeys, including to and from respite care, (in/out of Borough)
- There are school trips or group trips for vulnerable service users (which are attended and supervised independently)

Ad-hoc / Non Client Journeys

- Staff or carers/family members when authorised by a senior manager to meet the needs of a service user
 - Courier services
 - Ad-hoc journeys for LBH employees

5.1.4 Under the current taxi and passenger transport frameworks, to ensure the safety of service users on all accompanied/unaccompanied journeys, transport providers are required to ensure all passenger assistants and drivers assigned to Hackney Council bookings have Enhanced Disclosure and Barring Service (DBS) checks. Providers will also be expected to have comprehensive safeguarding policies and processes in place and training for staff, including Contextual Safeguarding training. This will be an ongoing requirement under the new contract.

5.1.5 In order to cover the full requirements of the contract, the tender is proposed to remain consistent with the lots of the current contract and be divided into four areas:

- Category 1: Home to school transport for SEND children and young people (with and without the passenger assistant requirement) - Minibuses, People Carriers and/ or Taxis
- Category 2: Ad-hoc journeys (may include some repeat bookings) for service users to meet assessed need (with and without the passenger assistant requirement)
- Category 3: Minibus and Coach hire services for ad-hoc journeys as and when required for e.g. school trips, Young Hackney service user trips
- Category 4: Ad-hoc journeys for LBH employees as and when required or Courier Services as and when required

Operators will be given the option of applying for any or all categories, and in any combination of Categories 1-4. It is intended that there will be at least four providers for each of Categories 1,2,3 and 4.

5.1.6 **BENEFITS REALISATION / LESSONS LEARNED**

5.1.7 Eight providers have been contracted through the framework agreement to provide services to support passenger transport services since August 2015.

5.1.8 The objective of the current and proposed future contract is to support the local authority in delivering its statutory duty to provide a safe and efficient passenger transport service to all users.

- 5.1.9 The contract has been managed by the CFS Strategic Business Lead, HLT Head of Transport Solutions and both the HCS Head of Integrated Learning Disability Services (ILDS) and the Service Manager for ILDS. Multiple contract managers in separate departments has resulted in a mixed approach to contract management and oversight. Under the new DPS it is recommended that contract management is centralised with one department (CFS) lead. This will ensure improved contract management and performance oversight.
- 5.1.10 While user feedback on the existing providers has been positive, regular and quarterly review meetings have taken place sporadically and written performance data is not easily accessible.

5.2 Strategic Context

- 5.2.1 The Council has a statutory obligation to provide, free of charge, home to school transport for a child or young person who is eligible. The taxi service for vulnerable children and adults is a key service provided by the Council. The implementation of a corporate taxi and passenger services contract underlines commitment to achieving best value for the Council.
- 5.2.2 Passenger transport services are required for vulnerable children and young people and eligible adults to provide safe and secure transportation. Hackney currently has approximately 260 children and young people for which it provides home to school transport via third party contractors. The majority of journeys are daily, although some occur weekly or termly and they are primarily to out-of-borough schools and colleges. In CFS the main client group are Looked After Children (LAC) being transported to and from school, hospital, as well as contact arrangements with parents. In ASC, taxi services are primarily used by Learning Disabilities Service for clients being transported to and from day activities.
- 5.2.3 CFS and ASC always encourages service users to use public transport where appropriate. However, the age, health, ability and individual family/carer circumstances of a child or adult at risk can often mean that a taxi is the only transport option. Nevertheless, efforts have been successfully made across CFS to ensure that taxi provision is a last resort and over the last four years, there has been an overall reduction in spend on this provision.
- 5.2.4 Within education, a family applies to HLT for home to school transport to be provided by HLT and the requirement is matched against the eligibility criteria. Where it is safe and practicable, alternative transport options that will foster independence are considered, or if not then HLT provides home to school transport, either via the in-house fleet of busses, or with third party transport providers.
- 5.2.5 The Children and Families Act, which sets out the reforms to special educational needs was implemented in September 2014, and this had a significant impact on the demand for and provision of home to school transport for children with a statement or an education, health and care plan.
- 5.2.6 The reforms provided families with children with special educational needs and disabilities (SEND) more control over the services they use. All local authorities publish a 'Local Offer' which outlines the services available to families with children with special educational needs and disabilities, and how they can use their personal budget.

5.2.7 The main objectives of the passenger transport service are to:

- Provide a safe service to all users
- Provide a passenger assistant when required
- Provide a punctual and timely service
- Provide vehicles that are safe, legal, secure, clean and in good condition
- Ensure all contractors are correctly licensed
- Deliver value for money

5.2.8 Since the start of the current framework, CFS and ASC have successfully implemented a booking process for sending out requests for quotes to all taxi providers on the framework and therefore continuously benefiting from securing the most competitive prices. Additionally, the ongoing use of Government Purchase Cards (GPC) has continued to make efficiency savings in terms of processing time. GPC are held by permanent members of Business Support staff within CFS.

5.2.9 Between 2014/15 and 2018/19 CACH has maintained an average overall spend on transport of £1.8M per annum, despite year on year, increased demand for services. In CACH this has been achieved in part through the implementation of Quality Assurance (QA) procedures for Taxi bookings. This includes the requirement of receiving competitive quotes, regular audit and necessary sign-off by officers on or at least Service Manager Level - which has ensured spending has not increased despite increased demand for services.

5.2.10 It is intended that the Dynamic Purchasing System (DPS) will continue to enable departments to streamline passenger transport booking arrangements and continue to lead to service efficiencies. This will be achieved within the DPS through a competitive system of sending requests for quotes, and a mini-competition being carried every summer by HLT for approved providers to bid for scheduled home-to-school journeys.

5.3 Preferred Option: *Create a new Dynamic Purchasing System (DPS)*

5.3.1 A Dynamic Purchasing System allows suppliers to apply to join throughout the life of the contract period. This offers flexibility for suppliers and gives the Council the option to add further providers onto the DPS to ensure an adequate number of suppliers is available, giving both continuity of provision and encouraging ongoing testing of value for money.

5.3.2 Advantages

- The DPS would be specific to the Council and therefore continue to meet all user requirements, including the need for a safe and timely service for vulnerable users.
- A DPS would allow suppliers to be added to the framework throughout the duration of the contract thus improving capacity of approved providers and potentially realising increased value for money.
- DPS also allows suppliers which fail to be accepted to apply repeatedly. This gives suppliers an opportunity to absorb feedback and develop and improve their bids and offer to the Council
- Will continue to provide greater efficiency of purchasing, with a one-stop shop allowing directorates to purchase all required services from the one framework.
- Continue to allow for greater control of spend on taxi services across the Council.
- The competitive process of developing the DPS will ensure that the Council is receiving 'value for money' from the suppliers.

- A list of approved taxi suppliers allows for greater ease of expenditure tracking.
- Based on the positive feedback from the current contract, this option is likely to have broad user acceptance.
- Saving on resources required to tender and implement separate taxi frameworks across each directorate / department.
- No additional cost to existing budgets for monitoring the framework.

5.3.3 Disadvantages / Risks

- Continued engagement with suppliers is critical to ensure a sufficient number of providers are signed up to the DPS. This will improve capacity, competition and value for money.
- Prices for taxi services reflect a highly competitive UK market.
- Monitoring and oversight of a DPS will require additional resources throughout the duration of the contract.
- Initially a DPS will be time consuming to implement.

5.3.4 The following factors will be used to determine the success of the project:

- Competitive pricing
- Delivery of easy to use DPS; and
- Safe and timely service for all users

5.4 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

5.4.1 Insourcing - Deliver the provision in-house

This option would consider the possibility of employing personnel on a full-time basis, and leasing vehicles to provide all required in-house transport and taxi services. Please see Appendix 1 for a detailed breakdown.

5.4.2 Do nothing – Do not re-procure

This option was considered and rejected because, as previously noted the Council is under a statutory duty to provide transport for eligible service users. This includes particular responsibility to transport vulnerable children and young people with special educational needs (SEN).

Advantages

- None

Disadvantages / Risks

- Failure to re-procure would leave the local authority open to challenge by Government and could also leave the Council exposed to judicial review in relation to any failure to support young people with SEND.
- The Council would fail to realise savings through ad-hoc purchasing techniques that could be achieved through the use of a joint framework or DPS.
- Without a framework or DPS, expenditure tracking across a large range of taxi suppliers will be difficult.

- No competitive process would be held when hiring services.
- The Council would not be in a position to identify if they are receiving 'value for money'.
- The Council would be non-compliant under UK Government and EU procurement rules and violate Hackney's Contract Standing Orders.

5.4.3 **Tender the transport and taxi service to one lead provider**

This option was considered and rejected.

Advantages

- Saving on resources required to manage single supplier's performance for delivery of all taxi services
- Ease of booking taxi services with one approved supplier

Disadvantages / Risk

- Lack of multiple suppliers risks demand not being met at peak times. If the main provider could not meet all the requirements during this time, Council would have to use other unapproved providers.
- Lack of competitive booking process - the Council would not receive value for money
- High risk in the event of supplier going into administration. There have been instances of Local Authority provision being severely disrupted by providers collapsing.
- This option is likely to disadvantage smaller, local businesses that are well placed to provide a responsive service.

5.4.4 **Create a new Council wide framework**

This option was considered and rejected with the flexibility of a Dynamic Purchasing System being agreed as the preferred option.

Advantages

- None of the ongoing evaluation and administration, and associated resource implications, required by a DPS.
- The framework would be specific to the Council and therefore continue to meet all user requirements, including the need for a safe and timely service for vulnerable users.
- Will continue to provide greater efficiency of purchasing, with a one-stop shop allowing directorates to purchase all required services from the one framework.
- Continue to allow for greater control of spend on taxi services across the Council.
- The competitive process of developing the framework will ensure that the Council is receiving 'value for money' from the suppliers.
- A list of approved taxi suppliers allows for greater ease of expenditure tracking.
- Based on the positive feedback from the current contract, this option is likely to have broad user acceptance.
- Saving on resources required to tender and implement separate taxi frameworks across each directorate / department.
- No additional cost to existing budgets for monitoring the framework.

Disadvantages / Risks

- A lack of suppliers on the framework risks reduced competition and driving up prices.
- Prices for taxi services reflect a highly competitive UK market.
- Suppliers are unable to reapply to join the Framework; the market is limited and an opportunity to support suppliers, particularly smaller local businesses is lost.

5.5 Success Criteria/Key Drivers/Indicators:

5.5.1 Measures of success for this contract are as follows:

- That the Council meets its statutory duty to provide home-to-school transport for eligible children, and transport service is provided specifically to vulnerable children and young people in both Children and Families Service (CFS) and Adult Services (ASC).
- Meeting the Key Performance Indicators (KPIs) as listed within 7.5 below.

5.6 Whole Life Costing/Budgets:

5.6.1 Taxi Spend Overview of Previous Contract (2014/2019)

Department Spend / Year	2015 / 2016	2016 / 2017	2017 / 2018	2018 / 2019	Total
CACH	£1,777,176	£1,863,693	£1,687,313	£1,819,311	£7,147,493
Neighbourhood and Housing	£13,118	£18,164	£13,829	£52,414	£97,525
Finance and Corporate Resources	£11,876	£29,502	£21,854	£57,335	£120,567
Chief Executive	£9,196	£26,936	£29,464	£97,339	£162,935
Total Council Spend	£1,811,366	£1,938,295	£1,752,460	£2,026,399	£7,528,520

5.6.2 Taxi Spend Projected / Budgeted Costs for Contract Duration (2020-24)

	Total Projected Spend 2020-21	Total Projected Spend 2020-24	Percentage
Total CACH (ASC, CFS and HLT)	1.793M	7.173M	>99%
Other Council Departments	6.8k	27k	<1%

Total Cost	1.8M	7.2M	100%
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5.6.3 Projected spend has been calculated using actual spend figures from the current contract (2014/19). Impacts on the market such as emission charges, transport technology and Brexit make further estimates on projected spend unlikely to be beneficial due to the uncertain nature of the market.

5.7 Policy Context:

5.7.1 Local authorities must ensure that suitable travel arrangements are made where necessary to facilitate an eligible child's attendance at school. Section 508B of the Education Act 1996 requires local authorities to make such school travel arrangements as they consider necessary for children within their area. Such arrangements must be provided free of charge. Section 508C of the Act gives local authorities discretionary powers to make school travel arrangements for other children not covered by section 508B. Such transport does not have to be provided free of charge.

5.7.2 Local authorities must publish a transport policy statement each year setting out the travel arrangements they will make to support young people aged 16-19 and learners with learning difficulties and/or disabilities (LLDD) aged up to 25, to access further education. This should include any arrangements for free or subsidised transport.

5.7.3 Adult Services has a legal duty to provide transport to service users who are eligible for social care support in certain circumstances, if they have no independent means of self-transporting.

5.7.4 Council priorities:

5.7.4.1 Promote health and well-being for all residents / raise educational aspirations

5.7.4.2 The provision of this service ensures suitable, safe home to school transport for eligible children to facilitate their attendance at school and support their learning. The new specification will be designed to enhance safeguarding and the overall positive experience of transport for Looked After Children, children with Special Education Needs and all other service users. The assisted transport service enables independence for older people thereby improving their health and wellbeing.

5.7.4.3 Hackney, as an accredited London Living Wage (LLW) Borough, will require tenderers to fully meet the requirements of LLW, and that all such costs are met and transparently declared, as required by the Council.

5.7.4.4 The successful bidders will support Council policies on procuring green and new policies as required. The specification will require suppliers to utilise vehicles which are low emission or alternative fuel based ie. hybrid-electric vehicles and well looked after. Better maintained vehicles cause less damage to the environment and give off lower emissions thus providing a cleaner environment.

5.7.4.5 Suppliers will be required to demonstrate their commitment to valuing diversity within their workforce through their recruitment strategy, ensuring accessibility of opportunity to all and encouraging recruitment from the local community.

5.8 Consultation/Stakeholders:

5.8.1 Officers across the service areas have worked together over the past few months to progress this project and consider the benefits of a new joint tender. All directorates are in agreement that a similar procurement process to the existing contract can be followed with only minor changes to the new contract required. HLT, CFS and AS will have a majority stake in the project

5.8.2 The Project Panel is also comprised of key users of the required services and as such continuous ongoing consultation will occur. CFS and AS have consulted with business support staff and practitioners for details of both their experience and any feedback they have received from service users. This has informed the final version of the specification.

5.8.3 In response to the Government's SEN reforms and the development of Hackney's Local Offer, HLT has established a SEN Transport task and finish workgroup that includes schools and the Hackney Independent Forum for Parents/Carers of Children with Disabilities (HIP).

5.8.4 Providers on the existing taxi framework have been informed about HLT, CFS and AS re-tendering a Council-wide passenger transport provision agreement together.

5.8.5 A Market Engagement Day was held with suppliers to update them on the re-tender. The suppliers provided feedback on the service specification and Key Performance Indicators (KPIs) which will inform the final version of the service specification.

5.9 Risk Assessment/Management:

5.9.1 There are no significant risks that have been identified that affect this contract. The likely risks from this procurement and the subsequent service is as set out in the table below:

Risk	Likelihood	Impact	Overall	Action to avoid or mitigate risk
	L – Low; M – Medium; H - High			
Procurement overruns and the new contract is not ready for 01/10/20	H	M	M	An updated project timetable has been established with sufficient resources allocated to the procurement.
Loss of suppliers throughout the duration of the contract	L	M	M	The DPS model allows suppliers to apply to join the DPS at any time, and to reapply if unsuccessful, so any loss of suppliers can be mitigated by other new providers joining throughout the contract term.
Parents / carers express concerns that change in transport provider may	L	L	L	This will be mitigated through clear

cause issues of trust and familiarisation for service users where continuity of driver / passenger assistant is important				communication with all stakeholders.
Changes in legislation reducing demand	L	L	L	The DPS will be clear that being an approved provider will not confer any guarantee of any volume of business

5.10 Market Testing (Lessons Learnt/Benchmarking):

5.10.1 Provision of transport services is a competitive market and there are a number of local and regional providers who have the ability to meet the Council's overall requirements. A market engagement day was carried out, with suppliers invited to comment on the proposed model and highlight any issues relevant to the service. The attendance at the event was lower than anticipated, and those that attended discussed the pressures affecting transport companies including changing legislative requirements, impact / uncertainty around Brexit, emission zone charges. This reinforced the rationale around using a Dynamic Purchasing System which would allow new suppliers to join as they come on to the market, and not cause the Council to be reliant on a limited number of providers.

5.11 Savings

5.11.1 A Council wide arrangement will lead to efficiencies of service and ensure value for money as departments will not be carrying out individual procurement processes, or competing for providers. A Dynamic Purchasing System (DPS) will ensure competition throughout the duration of the contract. Future savings will be dependent on service need. As the main stakeholder, CACH will have oversight of financial spend within the DPS throughout the contract.

6. SUSTAINABILITY ISSUES

6.1 Equality Impact Assessment and Equality Issues

6.1.1 Approved passenger transport providers are required to provide wheelchair accessible transport where necessary and passenger assistants who are trained to manage a range of disabilities and challenging behaviours of service users. Whilst most drivers are male, female drivers are available on request as are male or female passenger assistants as required.

6.2 Procuring Green

6.2.1 The main environmental issue with the provision of passenger transport services is the carbon emissions generated through the use of private vehicles. The use of public transport where possible will continue to be encouraged; however the specific requirements of the service are such that safety or security issues mean that a taxi or other motor vehicle can sometimes be the only safe form of transport for a vulnerable child, young person or adult.

- 6.2.2 Suppliers will be required to use low emission vehicles or alternative fuels in order to reduce environmental impact as part of the contract, and will be required to answer a weighted question regarding their environmental initiatives as part of the tender response form.

Staff requesting use of a taxi service for ad hoc journeys will be required to use public transport in the first instance, with taxi journeys only used with the authorisation of a line manager and where other methods are not possible.

6.3 Procuring for a Better Society:

- 6.3.1 Use of local taxi firms will provide local employment and business sustainability. With the re-tender the winners will require local drivers with local knowledge, therefore we do not anticipate any reduction in local employment.
- 6.3.2 Splitting the contract into 4 categories makes the contract more accessible to smaller and local suppliers without increasing costs or reducing quality control.
- 6.3.3 Suppliers will be expected to demonstrate how their selection process encourages local recruitment.
- 6.3.4 Suppliers will be required to offer at least one apprenticeship place, skills training, work placement or work experience within the local community.

6.4 Procuring Fair Delivery

- 6.4.1 The London Living Wage is required to be paid as a minimum to staff, including passenger assistants.
- 6.4.2 Suppliers will be expected to demonstrate how their selection process ensures a diverse workforce which reflects the local community.

7. PROPOSED PROCUREMENT ARRANGEMENTS

7.1 Procurement Route and EU Implications:

- 7.1.1 The procurement process will comply with EU procurement requirements for services as follows.
- 7.1.2 The Procurement team will support the relevant service managers across the three areas to develop the specification and agree the evaluation criteria and weightings.
- 7.1.3 OJEU and Contracts Finder Notices will be published, plus the opportunity will be advertised on the Hackney Council Tenders webpage. Information on the opportunity will be circulated to the industry including existing operators to generate sufficient response to fulfil the current service levels.
- 7.1.4 To encourage a good response that includes local business, the procurement process will be simplified as far as possible whilst maintaining principles of compliance, transparency and fairness.

- 7.1.5 A Restricted procedure will be utilised for this tender process, as the Public Contract Regulations 2015 require this process to be used for the establishment of a DPS. A Selection Questionnaire (SQ) will be issued, followed by an Invitation to Tender sent to all those suppliers meeting the defined requirements of the SQ.
- 7.1.6 The evaluation of tenders will be based on the clear criteria set out in the documentation, and will be carried out by representatives of the three areas, supported by Procurement.
- 7.1.7 Following this evaluation process, Officers will submit the report to CPC for contract award as the contract value will be above £2M.

7.2 Resources, Project Management and Key Milestones:

Key Milestones	
Report to CPC	11th March 2020
OJEU Advert placed	12th March
Closing date for Selection Questionnaire (SQ)	21st April
SQ Evaluation	23rd April - 7th May
Issue Invitation to Tender (ITT)	13th May
Closing Date for ITT	15th June
ITT Evaluation	17th June - 1st July
Contract Award Report Considered at CPC	Sept 2020*
Standstill Period	Sept 2020
Contract Start	1st Oct 2020

* Exact 2020/21 CPC Meeting dates to be confirmed by Governance

7.3 Contract Documents: Anticipated contract type

- 7.3.1 At the time of writing this report the Contract Documentation is still being prepared and will be completed in line with the procurement timetable above. Terms and Conditions for the overarching Dynamic Purchasing System will be produced, incorporating a contract / order form to be used for contracts awarded under the DPS.

7.4 Sub-division of contracts into Lots

- 7.4.1 The Dynamic Purchasing System will be formed of four categories encompassing the variety of journey types required by the client group. Bidders are open to bid for as many categories as they wish, and bids will be encouraged from smaller and local businesses and the third sector.

7.5 Contract Management:

- 7.5.1 The contract will be managed by the Business Development and Support Manager for CFS, supported by the CFS Contracts Team. Regular quarterly review meetings will be used to review service delivery and performance against required service levels and Key Performance Indicators listed below (7.6).

7.6 Key Performance Indicators:

7.6.1 Key Performance Indicators will be drawn up as part of the Contract Documentation and will ensure the following:

- The taxi contract provides safe service to all.
- Hackney Carriage Licences checked
- Drivers' Licences checked
- Valid Road Tax
- All drivers and passenger assistants to have enhanced DBS clearance (renewed every 3 years)
- MOTs and insurances in place
- Safety equipment in place and working (child locks, car seats, seatbelts, wheelchair clamps, RIP seats etc.)
- Passenger assistants provided when requested. Passenger assistants have in date enhanced DBS check (renewed every 3 years).
- Positive customer service feedback of the drivers and passenger assistants from service users
- Number and percentage of the Council's identified 'equality groups' employed on the contract
- Number and percentage of the Council's identified 'equality groups' using the services delivered under the contract
- Amount and percentage of spend with BME suppliers
- The taxi contract provides punctual service: taxis arrive at the pick-up point within 10 minutes of the specified time.
- Vehicles used for the provision of the service are in a good condition both inside and out.
- All drivers and passenger assistants are suitably attired.
- Monthly or quarterly journeys management information submitted to the Council in a timely manner.
- Provider's response to enquiries/ complaints in accordance with agreed timescales.
- Minimal number of complaints received from service users / staff.
- Vehicles used as part of the contract are low emissions compatible e.g. hybrid or electric cars etc.
- Minimal number of cancellations made by the supplier per month
- Drivers and passenger assistants have attended relevant Safeguarding training

These will also be measured using monthly contractor reports, quarterly contract monitoring meetings and service users' feedback.

7.6.2 KPIs will be managed as part of the regular contract monitoring process and via service user feedback. Monthly or quarterly journeys management information submitted to the Council in a timely manner. Providers response to enquiries and complaints will be in accordance with agreed timescales.

8. COMMENTS OF THE GROUP DIRECTOR FINANCE AND CORPORATE RESOURCES

8.1 The recommendation of this report is to approve the procurement of a dynamic purchasing system (DPS) for the provision of Passenger Transport Services. The contract will be for three years with an option to extend for a further year (3+1). The contract value over the three year life of the contract is £5.4m. The new system will provide a competitive process which will ensure that the Council is receiving value for money from suppliers. Budgets are available across service areas in the Council to fund the new service, and any pressure that arises will need to be managed by service areas within the overall budgets.

- 8.2 Hackney Learning Trust (HLT) has a statutory obligation to provide home to school transport for eligible children, and transport services are also provided to vulnerable children and young people in both the Children and Families Service (CFS) and Adult Social Care (ASC). The bulk of the expenditure is from the HLT, and they are in favour of implementing the DPS. HLT Finance have confirmed that there is an identifiable budget for this purpose – which is used to pay for all SEND transport. In 2015 a procurement exercise was carried out which identified value for money suppliers that are currently being used. It is not anticipated that significant savings will be achieved through the implementation of the DPS as the market is currently very competitive.
- 8.3 Special Education Needs and Disability (SEND) transport is complex as transportation relates to pupils with special needs. The suppliers will need to know how to safely and correctly transport a child/ Young Person and may require safeguarding training and/or advice on how to do this. There will need to be a clear distinction between a non-SEND and SEND transport request as it may cost more to transport a child with special needs and the driver will need to have training.

9. VAT Implications on Land & Property Transactions

Not Applicable

10. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 10.1 The services which are proposed to be procured in this Business Case Report have been assessed as Medium Risk. Therefore under paragraph 2.7.7 of Contract Standing Orders the procurement should be managed by Hackney Procurement Board. However, under paragraph 2.7.10 of Contract Standing Orders the Chair of Hackney Procurement Board has discretion to refer any Gateway Business Case or Contract Award for decision by Cabinet Procurement Committee if she or he deems it appropriate. The Chair of Hackney Procurement Board has exercised this discretion and this Business Case Report is being submitted to Cabinet Procurement Committee for approval.
- 10.2 The estimated value of the services in this Report is a maximum of approximately £7.2m over four years so is above the current threshold for services under the Public Contracts Regulations 2015 of £181,302. Therefore it will be necessary to publish an OJEU Notice in respect of their procurement.
- 10.3 It is proposed to procure a Dynamic Purchasing System (DPS) in respect of the services in this Report. A Dynamic Purchasing System is permitted under Regulation 34 of the Public Contracts Regulations 2015 and contracting authorities are required to follow the rules of the restricted procedure in order to do this. Under a DPS all the candidates satisfying the selection criteria shall be admitted to the system and would therefore be potential providers of services to the Council. Furthermore, the system must be open throughout the period of validity of the DPS to any economic operator that satisfies the selection criteria and therefore further potential providers may be added during its term.

11. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 11.1 This report provides the CPC with the outcome of the options appraisal conducted by Procurement and the service area teams to identify the preferred route to market to source Passenger Transport Services.
- 11.2 The estimated contract value for the contract period of 3 years is £5.4m with an option to extend for a further 1 year, a potential total contract value of £7.2m.
- 11.3 The preferred and recommended route to market is to undertake a restricted procedure to establish a Dynamic Purchasing System (DPS).
- 11.4 This procurement is above the EU threshold for services. An OJEU and Contracts Finder notice would be published. In addition the opportunity will be advertised on the Hackney Council Tender webpage and the information on the opportunity circulated to the industry.
- 11.5 The tender process would be managed by the Council Procurement Team and be supported in the evaluation by experienced service area managers.
- 11.6 Given the estimated potential total contract value for the service provision is £7.2m, advertising the opportunity on OJEU & Contracts Finder and undertaking a restricted procedure ensures that the Council procures compliantly with both the Council Standing Orders and The Public Contracts Regulations 2015.

APPENDICES

Appendix 1 - Insourcing Considerations (Exempt)

EXEMPT

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Appendix 1 - Insourcing Considerations (Exempt)

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

None

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