

For General Release

REPORT TO:	CABINET 25th March 2019
SUBJECT:	Award of Passenger Transport Dynamic Purchasing System (DPS)
LEAD OFFICER:	Shifa Mustafa, Executive Director, Place Steve Iles, Public Realm, Director
CABINET MEMBER:	Councillor Alisa Flemming, Cabinet Member for Children, Young People and Learning Councillor Jane Avis, Cabinet Member for Families, Health and Social Care Councillor Simon Hall, Cabinet Member for Finance and Resources
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</p> <p>The delivery of a high quality Passenger Transport service has a positive impact on the outcomes of children, young people and vulnerable adults. It contributes to the following corporate objective:</p> <ul style="list-style-type: none"> • Growth: To enable people of all ages to reach their potential through access to quality schools and learning <p>It also reflects the following priorities within the Community Strategy 2016-2021:</p> <ul style="list-style-type: none"> • To support individuals and families with complex needs 	
<p>FINANCIAL IMPACT</p> <p>The financial impact of this report covers the DPS for taxis. The DPS agreement is for a term of four years, plus 2 extension periods of two years (4+2+2), to deliver taxi services to the total of £68 million (across 8 years).</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO.: . 0619CAB</p> <p>This is a Key Decision as defined in the Council’s Constitution. The decision may be implemented from 13.00 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.</p>	

The Cabinet is recommended to approve and note the recommendation that for the reasons contained within set out in paragraph 3 of this report, the Leader of the Council be requested to approve:

1. RECOMMENDATIONS

- 1.1 The establishment of a Passenger Transport Dynamic Purchasing System ('DPS') for the initial period of four years with options to extend for two subsequent periods each of two years with a total estimated value of £68,000,000, pursuant to the procurement strategy approved by Cabinet on 15th October 2018;
- 1.2 The initial appointment of suppliers listed in Part B of this report to join the DPS on the basis of contract terms issued as part of inviting tenders, such suppliers being those who have satisfied specified selection criteria;
- 1.3 That authority to approve the appointment of further suppliers who meet the specified selection criteria over the life of the DPS be delegated to the Council's Contracts and Commissioning Board (CCB);
- 1.4 That the award of contracts called off under the DPS shall be approved in accordance with Regulation 8 of the Council's Tender and Contracts Regulations and notified to Cabinet in accordance with paragraph 3.4 of this report.

2. EXECUTIVE SUMMARY

- 2.1 The Council provides home-to-school/college travel support for children and young people with Special Education Needs and/or Disabilities (SEND), and home-to care provision travel support for vulnerable adults, in accordance with its statutory obligations and published eligibility policies. Travel support takes many forms, including the provision of independent travel training to enable clients to travel independently on public transport, and personal travel budgets and direct payments to enable clients to make their own travel arrangements. Nevertheless, the direct provision of passenger transport is still the most common provision for eligible clients. The outcomes the service are trying to achieve are as follows:
 - A quality transport service for all clients
 - Transport which meet the clients' needs, no matter how complex
 - A service which works within the Council's budgetary restraints
 - An increase in clients becoming independent
- 2.2 The current Passenger Transport framework is coming to an end in August 2019 and a new service needs to be procured before the new academic year 2019/20.

- 2.3 The DPS is for a contract term of four (4) years (with a two plus two year extension period) for a maximum contract value of £68 million.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
05/03/2019	CCB1458/18-19

3. DETAIL

- 3.1 The purpose of this report is to advise the Cabinet of the tenders received and the evaluation undertaken, further to which the recommendation is made for establishment of a Dynamic Purchasing System (DPS) for the delivery of passenger transport services for children/young people with Special Educational Needs/Disabilities and vulnerable adults (the services).
- 3.2 The services within the DPS have been divided into 9 separate categories that are required either with a 'Driver Only' or with a 'Driver and Passenger Assistant'.
- 3.3 The new routes for 2019 will be identified from May onwards and through until the new academic year starts in September 2019. The service relies on the school placement timetables and placements can generally arise any time in the academic year for SEND children and young people. The statutory service needs to begin on 1st September.
- 3.4 Quarterly reports will be produced for Cabinet as part of the Investing in Our Borough (IIOB) report for the life of the DPS, detailing the call offs from the DPS and also the providers which have joined the system.
- 3.5 The overall financial impact of the call off process for the DPS will be reviewed in consultation with the Cabinet Member for Children, Families and Learning, Cabinet Member for Families, Health and Social Care and the Cabinet Member for Finance and Resources. This will take place on a monthly basis at the Travel Governance Board, through the production of regular reports and briefings.
- 3.6 The procurement strategy for Passenger Transport Services was approved by Cabinet on 15th October 2018 (ref: 88/18).
- 3.7 Procurement Approach
- 3.7.1 The DPS for taxis followed the rules of the restricted tender (reg 34 (5) PCR 2015), and advertised through OJEU on 20th November 2019 (Ref: 2018/S 226-517464), the eportal and industry publications. The Procurement Team spent time specifically engaging with sole traders in the taxi market, distributing leaflets and meeting with the providers. The team also held drop in sessions for all providers looking to tender on the DPS, which allowed them to discuss any issues one-to-one.

3.7.2 London Living wage was a requirement of this tender. Tenderers have to take this into account when submitting prices on the DPS for all routes tendered for. The successful Tenderer(s) are also obliged to provide management information to assist the Council with monitoring the impact of the LLW.

3.7.3 All providers on the DPS will be held accountable for their social value progress throughout the contract term. Once a provider gets £100,000 value of work on the DPS, the Contracts and Procurement Officer will contact the provider to set out a social value action plan for the next year (as contracts on the framework will last a year to fit in with school terms). The social value requirements will be embedded in the specification and Strategic Contract Management meetings. Social Value will be discussed twice yearly at Strategic Contract Meetings for the providers with the highest value work and then other providers with lower value contracts will be met once a year. There will be a proportionate approach to the contractors. The DPS will be an open and proactive engagement, which will create social value, by increasing the sole traders on the framework.

3.8 Evaluation Stage – ITT

3.8.1 Tenderers were required to submit responses to the standard suite of questions relating to matters such as company and financial information, insurance, equalities, health and safety, safeguarding and environment in the SSQ. Those tenders who passed the initial evaluation were then subject to a further qualitative evaluation of their ability to meet the Council's service requirements, also on a 'pass-fail' basis, in one of two ways. For those tenderers with recent experience of providing similar passenger transport services and confirmed to be currently licensed by the Public Carriage Office, the references provided as part of their tender response were taken up with referees by the Panel. Potential new entrants to the market, who were unable to provide directly relevant references, were invited in the tender to submit responses to a number of critical questions that were used in conjunction with interviews as necessary to determine whether they can meet the Council's requirements for the provision of services. This approach reflects DfT guidance (Tendering Road Passenger Contracts - Best Practice Guidance - dated October 2013) on the qualitative assessment of tenders for passenger transport services.

3.9 The Evaluation Panel

3.9.1 The evaluation panel was made up of three people, two from within the Croydon Transport Service and one service user (external evaluators). It was felt that the involvement of external service user representatives was very important in this process to ensure all voices were heard. The external service user is the Chair of Croydon Disability Forum.

- 3.9.2 Each evaluator evaluated every qualitative submission independently and then the scores were brought together for a moderation panel. The moderation panel included the above seven evaluators and representation from the Council's Commissioning and Procurement Team.
- 3.9.3 There were 29 tenders received in total. Of the 17 tenders who chose the qualitative submission route, 8 were passed by the moderation panel to be recommended for appointment to the framework.
- 3.9.4 If the provider chose (and qualified for) the reference route, rather than qualitative submissions, the referee evaluated them, and fed back to the Council, on the original marking scheme. The provider was required to give the Council three references from public bodies with which they are currently contracted to provide passenger transport services for children and young people with Special Educational Needs or disabilities and/or vulnerable adults, or with whom they have been contracted to provide these services within the last three years. Of the 12 providers who chose the reference route, 8 were passed by the referees and confirmed on the DPS and 4 failed.

3.10 Results from the Evaluation Process

- 3.10.1 Tenders were received from a total of 29 suppliers for the Categories as follows, noting that tenderers may have submitted tenders for any number of Categories:

Categories		Bidders
1	Taxi	29
2	Taxi with PA	24
3	Wheelchair Accessible Taxi	27
4	Wheelchair Accessible Taxi with PA	24
5	Taxi with Digital Tracking	24
6	Taxi with Digital Tracking and PA	20
7	Wheelchair Accessible Taxi with Digital Tracking	22
8	Wheelchair Accessible Taxi with Digital Tracking and PA	20
9	Taxi Ad Hoc Routes	24
10	All of the Above Categories	19

- 3.10.2 The outcome of the tender evaluation process has involved the selection of a total of 16 suppliers for the following Categories:

Categories		Bidders
1	Taxi	16
2	Taxi with PA	13
3	Wheelchair Accessible Taxi	15
4	Wheelchair Accessible Taxi with PA	13
5	Taxi with Digital Tracking	13

6	Taxi with Digital Tracking and PA	10
7	Wheelchair Accessible Taxi with Digital Tracking	11
8	Wheelchair Accessible Taxi with Digital Tracking and PA	10
9	Taxi Ad Hoc Routes	11
10	All of the Above Categories	9

3.11 Call-off process

3.11.1 Following this stage of appointing suppliers to the DPS, any call off or mini competition from the DPS will comply with the Council's Tender and Contracts Regulations, adopting the standard 60 cost/40 quality weightings and all routes will be awarded accordingly. Quality will be assessed through service delivery, such as number of defaults and complaints. This information will be collected by the Contracts and Procurement Officer quarterly. Each supplier will be assessed against the contract KPIs and a percentage score based on contract performance calculated. This percentage score will be weighted at 40% and operate as the standard quality score for the supplier. The supplier's price submission will be assessed on the basis of lowest tendered price and weighted at 60%. These scores will be added together to identify the most economically advantageous tender.

4. CONSULTATION

4.1 There is no intended change in policy or entitlement associated procurement.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Revenue Budget available				
Expenditure				
Income				
Effect of decision from report	4,250	8,500	8,500	8,500
Expenditure				
Income				
Remaining budget	_____	_____	_____	_____

**Capital Budget
available**

Expenditure

**Effect of decision
from report**

Expenditure

Remaining budget

_____	_____	_____	_____
_____	_____	_____	_____

2 The effect of the decision

The effect of the decision will cost the Council £68 million across 8 years. This will be estimated to around £8 million a year. The service is statutory and over the last 5 years there has been a 5% increase in service users.

Growth is being added to the service's budget in 2019/20 to address anticipated demand pressure, and the appropriateness of the budget will continue to be reviewed via the Council's financial management processes.

3 Risks

The main risk of the DPS is the continually increasing value due to the increase in complex needs of service users and increase in service users in total. The other risk is suppliers going bust, but this is mitigated by DPS and the nature of suppliers being able to join during the life of the contract.

4 Options

The options around the service are detailed in Section 12. The service is statutory.

Service users have different travel assistance options, traditional transport, Independent Travel Training and Personal Transport Budgets.

5 Future savings/efficiencies

The DPS will always stay competitive as the market will always be open. Suppliers can join at any time throughout the DPS.

Approved by: Ian Geary, Head of Finance, Resources & Accountancy

6. LEGAL CONSIDERATIONS

6.1 The Director of Law and Governance comments that there are no additional legal considerations directly arising in respect of this report.

6.2 Approved by Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1 To confirm my authorisation and that there are no HR issues arising from the report for LBC employees.

7.2 Approved by: Gillian Bevan, Head of HR – Resources, on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

8.1 An initial EA has been completed. There are no changes to current service, for the service user, there will be no significant impact on protected groups compared to non-protected groups so a full EA is not required.

8.2 Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 Taxis must adhere to the Public Carriage Office's (PCO) stringent requirements when gaining/renewing a licence. These requirements come from the Mayor's Taxi and Private Hire Action Plan. Vehicles cannot be older than 15 years and new vehicles will no longer be granted a licence if they run on diesel (would have to Euro 6 at least).

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder reduction impacts arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The Council has a statutory requirement to provide home-to-school/college travel support for eligible children and young people with Special Education Needs and/or Disabilities (SEND). The Council, in accordance with its policy, needs to provide home-to care provision travel support for vulnerable adults.

12. OPTIONS CONSIDERED AND REJECTED

The following options have been considered for taxis:

- Bring routes in house, that cost the Council over £52,000 a year and deliver the remainder of the provision from an existing market through a DPS
- Set up a DPS to procure all taxi routes.

CONTACT OFFICER: Becky Saunders, Category Manager – Travel and Transport - x63263

BACKGROUND DOCUMENTS: None