

REPORT TO:	Procurement Board and Executive Mayor 18 th August 2022
SUBJECT:	St Giles and Rutherfords SEND Bus Contract Award Report
LEAD OFFICER:	Nick Hibberd, Corporate Director Sustainable Communities, Regeneration and Economic Recovery Steve Iles, Director of Sustainable Communities
CABINET MEMBER:	Cllr Maria Gatland, Cabinet Member for Children and Young People
WARDS:	All

SUMMARY OF REPORT:

The recommendation is to award a contract to Tenderer A to deliver minibuss services for children/young people with Special Educational Needs/Disabilities and vulnerable adults attending St Giles and Rutherfords.

The tender evaluation was carried out using the most economically advantageous tender as set out in the ITT and their combined quality:price score came out with the highest weighted percentage.

Tenderer A technical response was the strongest, compared to the unsuccessful bidder (Tenderer B).

Tenderer A provided good assurance that they would carry out a reliable, safe and secure service and also included reassurance that the London Borough of Croydon's principles would be followed in regard to London Living Wage, Social Value and Equalities.

COUNCIL PRIORITIES 2020-2024

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

The above points all align with the top corporate priorities for Sustainable Communities, Regeneration and Economic Recovery:

- Prioritise resident safety and ensure our community safety partnership tackles crime and violence to protect residents.
- We will make Croydon cleaner, greener and safer, a place of opportunity and economic recovery for all who live, work and visit.

FINANCIAL IMPACT:

See section 11 below.

KEY DECISION REFERENCE NO: 3022EM

RECOMMENDATIONS:

1. The Contracts and Commissioning Board is requested to recommend to the Executive Mayor to approve the award of a contract for the delivery of minibus services for children/young people with Special Educational Needs/Disabilities and vulnerable adults attending St Giles and Rutherfords, for 3 years, plus 1 extension period of 1 year (3+1) to the provider and for the contract value stated in the part B report.

1. Background and Strategic Context

- 1.2 The Council want to fulfil their statutory responsibility to provide free travel assistance for all eligible pupils of compulsory school age and make transport arrangements for children with special educational needs. The current Passenger Transport framework is coming to an end in August 2022 and a new service needs to be procured before the new academic year 2022/2023.
- 1.3 The procurement strategy for Passenger Transport Services was approved by the Contracts & Commissioning Board on 10th February 2022 (ref: CCB1725/21-22 22.02.2022). The Council's requirements for minibuses formed part of this strategy.
- 1.4 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.
- 1.5 The purpose of this report is to advise the Contracts & Commissioning Board to recommend to the Executive Mayor the tenders received, and the evaluation undertaken, further to which the recommendation is made for Minibus Contract for the delivery of passenger transport services for children/young people with Special Educational Needs/Disabilities and vulnerable adults (the services).

1.6 Procurement Approach

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The procurement was an OJEU compliant open tender procedure issued via the Council's e-tendering portal and advertised in industry publications. A market engagement event was held before the tender went live and was open to all providers in the market to encourage a good response.

1.7 Evaluation Stage

All suppliers who expressed an interest were invited to submit responses to the ITT by a closing date of 18th July 2022. We received a total of 2 tender submissions and these were evaluated in accordance with the published ITT documentation.

1.8 The Evaluation Panel

The evaluation and due diligence was undertaken by two representatives from Croydon Transport Services and one representative from the Procurement Team. The evaluation was carried out Independently without collaboration. The evaluated submissions were moderated by the Council's Procurement team.

1.9 Tender Evaluation

The total weighted score was split 60 Price/40 Quality.

The breakdown of weightings in the Quality section was as follows:

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Question Number	Title	Weighting (out of 40%)
9.1	General Requirements	4%
9.2	Staff Employment & Vetting	4%
9.3	Risk Assessment Management	4%
9.4	Safeguarding	3%
9.5	Continuity of Staff Provision	2%
9.6	Staff Competence	5%
9.7	Vehicle Requirements	2%
49.8	Service Delivery – Operating Requirements	4%
9.9	Social Value	10%
9.10	Premier Supplier Programme (PSP)	2%

Final Score table:

	Tenderer A	Tenderer B
QUALITY	(See Part B)	(See Part B)
PRICE	(See Part B)	(See Part B)
Ranking	1	2

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Tenderer A provided a detailed submission in which they were able to demonstrate to the evaluation team that they could satisfy the qualitative aspects of delivering the contract to a high standard. They also receive the full 60% weighting for price aspect of the tender. Tenderer A also accepted the opportunity to be part of the Premier Supplier Programme (PSP).

Using the information provided by the supplier in their response to the Tender Response Document, the Council undertook a financial appraisal. The Council use Company Watch to provide an overall financial "Health Score (HScore) for each provider. Tenderer A passed the financial appraisal.

Tenderers were asked to provide a Social Value proposal to include details how they will mobilise and deliver the Contract prioritising operating in a way that commits to addressing the Council's declared Climate Emergency including commitments to minimise vehicle emissions and carbon impact; whilst still delivering value for money for the Council.

Tenderer A provided good evidence of a Social value commitment, both to their own organisation as well as social value initiatives and undertaking they can provide to Croydon Council. These included:

- *Apprenticeship schemes*
- *Fundraising activities*
- *Complimentary training opportunities*
- *Commitment to reducing emissions and is aligned with the Councils aim to make the London Borough of Croydon carbon neutral by 2030.*

1.10 London Living Wage

London Living wage was a requirement of this tender. It is considered that London Living Wage will promote social wellbeing of employees improving the social value of procurement overall in accordance with objectives of the Public Services Social Value Act 2012. Any contractor is required to ensure all staff employed are paid in line with the London Living Wage as a minimum. Contractors may be subject to a London Living Wage audit at any point throughout the duration of the contract.

1.11 Contract Management

Contract Management will be undertaken by the Service as per existing contract management arrangements of 3 times per year (termly) Strategic Contract meeting, Key Performance Indicators (existing) which cover complaints, on time performance, training and Disclosure and Barring Service Check audits.

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The contract monitoring officer will carry out an initial supplier set up meeting where the company contract management plan will be agreed upon.

1.12 Risks

There is a risk that a supplier going out of business could mean some of the service is unable to be performed but this is mitigated by the fact that the Council has its own in-house bus operation which could (with some notice) pick up in the event of supplier failure, and also has another external bus contractor with whom it could again allocate some work in these circumstances.

2. CONSULTATION

2.1 NOT APPLICABLE

3. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

The recommendation is to award a contract to Tenderer A to deliver minibus services for children/young people with Special Educational Needs/Disabilities and vulnerable adults attending St Giles and Rutherfords.

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Tenderer A technical response was the strongest, compared to the unsuccessful bidder (Tenderer B). Tenderer A provided good assurance that they would carry out a reliable, safe and secure service and also included reassurance that the London Borough of Croydon's principles would be followed in regard to London Living Wage, Social Value and Equalities.

4. OPTIONS CONSIDERED AND REJECTED

- Do not award the contract and re-tender (Not recommended) As the preferred tenderer submitted a strong bid with a price in line that allows it to deliver its savings target for the project this option is not recommended as this will lead to increased short term costs as the current contract is extended.
- Insourcing (Not recommended)
The depot is currently at capacity with regard to insourcing, and to do so would require substantial investment to lease additional vehicle parking

provision to service this contract. In addition to this, the current wait for vehicle supply in the world market would require a procurement duration of closer to 2 years to permit suppliers to acquire new vehicles to service the contract. This option is not recommended as it is likely to lead to increased costs, at least in the short term.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Revenue and Capital consequences of report recommendations

Details	Internal		Period of funding	External		Period of funding
	Capital	Revenue		Capital	Revenue	
St Giles and Rutherfords SEND Bus Contract Award Report		St Giles & Rutherfords School – (See St Giles & Rutherfords Award report Part B for financial figures).	3 years plus an extension of 1 year (3+1).			

The tendered price which it is recommended to agree represents an annual contract saving (See Part B) per year in line with both the Council's contract savings strategy and was also given as a Service MTFs Saving for the year 22/23 and 23/24 (financial years) PLA SAV 02- Bus Re-Tender Contract Savings). It should be noted that to encourage the contractors to offer value for money this contract shares any inflationary increases with the contractor. Given that the inflation risk is shared and that the current inflation rates are at historic high rates; caution is needed on these saving figures as the contract price is likely to increase significantly over time and reduce the stated savings if inflation remains high.

Essential spend criteria

The expenditure is essential to facilitate the provision of statutory services; as set out above.

This cost of the contract if awarded can be contained within existing budgets with the caveat of inflationary pressures under the current economic climate which may reduce the size of any savings that may be realised.

5.1 (Approved by: *Approved by Darrell Jones Acting Head of Finance SCRER on behalf of the Chief Finance Officer*)

6. LEGAL CONSIDERATIONS

There are no additional legal considerations arising from the report

Approved by Sonia Likhari, Corporate Solicitor, on behalf of the Director of Legal Services

7. HUMAN RESOURCES IMPACT

NOT APPLICABLE

8. EQUALITIES IMPACT

As set out in section 4 St Giles and Rutherfords SEND Bus Contract Strategy, the Council has a statutory duty, when exercising its functions, to comply with the provisions set out in the Sec 149 Equality Act 2010. Equality has been monitored in the procurement process by ensuring that suppliers have an Equality and Diversity Policy and that all staff receive training in Equality and Diversity training. This is particularly important where the supplier organisation have direct communication with parents, children, young people and other service users. These requirements extends beyond special educational needs and should encompass all protected characteristics. Complaints arising from service users will be monitored by equality characteristics.

Potential TUPE arrangements should again ensure compliance with Equality Act 2010 and ensure that any reasonable adjustments for staff are incorporated into their new employment.

Successful suppliers will be requested to comply with the Boroughs George Floyd Race Matters Pledge and Equalities Pledge, the Council standard for equality and diversity in the Borough.

Equalities will be monitored through the company contract management plan as set out in section 4.9 (St Giles and Rutherfords SEND Bus Contract Strategy).

9. ENVIRONMENTAL IMPACT

Electric Vehicle considerations

As part of the bidders response, they were required to submit a price for electric vehicles; these prices were not evaluated but included to allow the Council to assess the viability of utilising electric vehicles.

Switching to an electric fleet would lead to additional costs as set out in Part B. In addition, the depot does not currently support the charging of electric vehicles. Given the financial situation the Council is currently in, the uplift of switching to electric vehicles is not considered affordable at contract commencement. However, this will continue to be monitored throughout the duration of the contract in case the costs for moving over to an electric vehicle fleet reduces.

There still remains questions over whether electric vehicles can deliver both the payload and the range required for 16-seat vehicles. This is notwithstanding the issues over the high cost premium submitted by both contractors for supplying electric vehicles. This again reinforces the recommendation to commence the contract with ICE (Internal Combustion Engine). provision for the term, and future procurements will consider electric vehicles.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 NOT APPLICABLE

11. DATA PROTECTION IMPLICATIONS

11.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

YES

This contract includes sensitive data and therefore the Council will ensure the contract includes the appropriate provisions in relation to GDPR to ensure the Council is protected and indemnified.

11.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

YES

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APPENDICES TO THIS REPORT:
None

BACKGROUND DOCUMENTS – LOCAL GOVERNMENT ACT 1972
None