

**Part A - For General Release**

<b>REPORT TO:</b>	<b>Cabinet Member for Children, Young People and Learning</b>
<b>SUBJECT:</b>	<b>Award of Passenger Transport Minibus Contract</b>
<b>LEAD OFFICER:</b>	<b>Shifa Mustafa, Executive Director, Place Steve Iles, Public Realm, Director</b>
<b>CABINET MEMBER:</b>	<b>Cllr Alisa Flemming, Cabinet Member for Children, Young People and Learning Cllr Jane Avis, Cabinet Member for Families, Health and Social Care Cllr Simon Hall, Cabinet Member for Finance and Resources</b>
<b>WARDS:</b>	<b>All</b>
<p><b>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</b></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"> <li>• Growth: To enable people of all ages to reach their potential through access to quality schools and learning</li> </ul> <p>It also reflects the following priorities within the Community Strategy 2016-2021:</p> <ul style="list-style-type: none"> <li>• To support individuals and families with complex needs</li> </ul>	
<p><b>FINANCIAL IMPACT</b></p> <p>The financial impact of this report covers the Minibus Contract for the Passenger Transport service. The Minibus Contract is split into three Lots. The budget for the service is £2,192,356.68 annually.</p>	
<p><b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny &amp; Overview Committee by the requisite number of Councillors.</p> <p><b>The Key Decision reference are:</b></p> <p>Passenger Transport Minibus Contract – Lot 1 Bensham Manor &amp; St Nicholas School – 1219CYPL</p> <p>Passenger Transport Minibus Contract – Lot 2 – St Giles School and Rutherfords –</p>	

The Leader of the Council has delegated to the Cabinet Member for Children, Young People and Learning and Cabinet Member for Families, Health and Social Care the power to make the decisions set out in the recommendations below:

## **1. RECOMMENDATIONS**

- 1.1 The the Cabinet Member for Children, Young People and Learning in consultation with Cabinet Member for Families, Health and Social Care and Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of contract in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations for The Passenger Transport Minibus Contract Lot 1 Bensham Manor & St Nicholas School to the named supplier for the maximum contract value listed in Part B of this report for a contract term of one (1) year (with a one plus one year extension period).
- 1.2 The Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Families, Health and Social Care and Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of contract in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations for the Passenger Transport Minibus Contract Lot 2 St Giles School & Ruthefords to the named supplier for the maximum contract value listed in Part B of this report for a contract term of two (2) years (with a one plus one year extension period).
- 1.3 The Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Families, Health and Social Care and the Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of contract in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations for the Passenger Transport Minibus Lot 3 Various Schools to the named supplier and for the maximum contract value listed in Part B of this report for a contract term of four (4) years
- 1.4 To note that the name of the successful contractors and prices will be released once the contract award is agreed and implemented.

## **2. EXECUTIVE SUMMARY**

- 2.1 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 2019 and a new service needs to be procured before the new academic year 2019/20.

- 2.2 The procurement strategy for Passenger Transport Services was approved by Cabinet on 15th October 2018 (ref: 88/18) and updated on 16<sup>th</sup> January 2019 (ref: CCB1451/18-19). The Council's requirements for minibuses formed part of this strategy.
- 2.3 The content of this report has been endorsed by the Contracts and Commissioning Board.

<b>CCB ref. number</b>	<b>CCB Approval Date</b>
<b>CCB1479/18-19</b>	<b>18/04/2019</b>

### **3. DETAIL**

- 3.1 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

- 3.2 The purpose of this report is to advise the Cabinet Member of 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).

- 3.3 The services within the Minibus Contract have been decided into three Lots.
- Lot 1 – Bensham Manor and St Nicholas (1+1+1 year)
  - Lot 2 – St Giles and Rutherfords (2+1+1 years)
  - Lot 3 – Various Routes (4 years)

#### **3.4 Procurement Approach**

- 3.4.1 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

3.5 Suppliers were allowed to submit responses for more than one Lot of the tender but could only be awarded a maximum of two lots in accordance with the invitation to tender documentation (ITT).

3.6 Evaluation Stage

All suppliers who expressed an interest were invited to submit responses to the ITT by a closing date of 4<sup>th</sup> March 2019 We received a total of 6 tender submissions and these were evaluated in accordance with the published ITT documentation. The number of submissions per lot is listed below:

Lots		Bidders
1	Lot 1	3 Suppliers
2	Lot 2	5 Suppliers
3	Lot 3	6 Suppliers

3.7 The Evaluation Panel

The evaluation panel was made up of representatives from the Croydon Transport Service, the Health, Wellbeing and Adult's department.

3.8 The evaluated submissions were moderated by the Council's Procurement team. The results of the evaluation for each lot is listed below and the name of the suppliers is disclosed in Part B of this report.

Please see scores below for each Lot:

The Providers who failed the evaluation process as received a score of 2 or below, therefore could not be successful for any Lot.

Lot 1	Tenderer A	Tenderer B	Tenderer C - Winner
QUALITY	33.4	N/A	32.2
PRICE LOT 1	57.8	N/A	45.7
TOTAL	91.2	Did not meet requirements	77.9

To note Tenderer A won both Lot 1 and 2, but as stated in the paperwork no provider could win both Lot 1 and 2. Although Tenderer B ranked second in Lot 1, they did not reach the minimum score of '3' on all questions, so Tenderer C won Lot 1.

Tenderer C 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

Lot 2	Tenderer A - Winner	Tenderer B	Tenderer C	Tenderer D
QUALITY	33.4	32.2	21.4	N/A
PRICE LOT 2	56.8	42.75	60	N/A
TOTAL	90.2	74.95	81.4	Did not meet requirements

Lot 3	Tenderer A	Tenderer B	Tenderer C	Tenderer D	Tenderer E - Winner	Tenderer F
QUALITY	N/A	33.4	N/A	32.2	21.4	N/A
PRICE LOT 3	N/A	43.41	N/A	31.01	60	N/A
TOTAL	Did not meet requirements	76.81	Did not meet requirements	63.21	81.4	Did not meet requirements

- 3.9 Tenderers had the opportunity to tender for any Lot but would only be awarded Lots in the following combinations: 1 and 3, 2 and 3 or 1 only, 2 only and 3 only.
- 3.10 Tenderers were asked for the preference between Lot 1 and Lot 2 during the tender process. If a tenderer wins Lot 1 and Lot 2 on a combined score (quality and price), they will automatically win their first preference, and the other Lot will be given to the tenderer with the second highest score for that Lot. As there are no restrictions over Lot 3, the tenderer with the highest score will be successful for this Lot.
- 3.11 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.
- 3.12 Tenderers were asked to provide a 1-4 year Social Value Plan (depending on which Lot/s they were tendering for), to include details how they will mobilise and deliver the Contract in a manner that aligns with the Council's social values requirements and aims to provide comprehensive long term economic and social benefits within Croydon.

3.13 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

#### 4. CONSULTATION

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

#### 5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1

##### 1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<b>Revenue Budget available</b>				
Expenditure		1,250	2,500	2,500
Income				
<b>Effect of decision from report</b>				
Expenditure		1,250	2,500	2,500
Income				
<b>Remaining budget</b>		0	0	0
<b>Capital Budget available</b>				
Expenditure				
<b>Effect of decision from report</b>				
Expenditure				
<b>Remaining budget</b>				

##### 2 The effect of the decision

The effect of the decision will cost the Council £10,133,609 across 4 years. 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**

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 one supplier only being able to win 2 out of the 3 Lots, to spread the risk. 3 suppliers have won 3 separate Lots.

### **4 Options**

The options around the service are detailed in Section 12. The service is statutory. The financial resources for this service are coming from the current and projected budget.

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

### **5 Future savings/efficiencies**

There are no savings or efficiencies associated with this service as it is having a phased insourced timetable.

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

7.2 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 Contractors will need to take into account the ULEZ standards which are being introduced by Transport For London (<https://tfl.gov.uk/modes/driving/ultra-low-emission-zone>) for diesel vehicles. These will come into effect for central London in April 2019, the area within the North and South Circular roads by October 2021, and potential to increase this area further. Contractors should also take note of Croydon Council's Air Quality Action Plan. All vehicles manufactured since 2016 will be minimum Euro VI emissions standard.

## **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 travel support for 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. Without the DPS and minibus contracts, these services would be unable to be provided to the clients.

## **12. OPTIONS CONSIDERED AND REJECTED**

- 12.1 The following options have been considered for the minibus service:
- All mini bus routes to be insourced – this option was considered but was not suitable at present time but is part of a phased insourcing. During the phased insourcing, the Council will continue to buy from the market in the interim
  - Establish an external contract(s) or framework potentially separating into Lots procurement. This does not align with Council's policy approach for Passenger Transport.

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**BACKGROUND DOCUMENTS:** None