

**Cabinet Report**

Report of: Eugene Walker

Report to: Cabinet

Date: 9th March 2016

Subject: Special Educational Needs / Looked After Children / Vulnerable Adults Transport Framework

Author of Report: John Hudson 0114 2735039 &
Paul Rayton 0114 2737590

Key Decision: YES

Reason Key Decision: Expenditure/savings over £500,000

Summary:

Sheffield City Council currently provide minibus and taxi transport for Special Education Needs (SEN) children, Looked after Children (LAC) and vulnerable adults. This transport is provided by the Council's in-house fleet with additional capacity added via two frameworks - one for taxi provision (with or without escorts) and one for minibuses. Both of these frameworks were procured via open competitive tenders. Both frameworks expire on the 31 July 2016 and a successor framework is required. The combined value is in the region of £1.5 million per financial year and therefore the procurement must adhere to the Public Contracts Regulations 2015.

This report seeks Cabinet approval to replace the existing Framework Agreements with a Dynamic Purchasing System (DPS) combining both the taxi and minibus elements into one single overarching 'Transport' framework. The

DPS would contain individual Lots covering taxis; minibuses and with or without escorts etc.

Reasons for Recommendations:

The current contracts were advertised and let as 12 month contracts with an optional 12 month extension. There is no provision within the contracts for a further extension.

The Council has a statutory responsibility to provide travel assistance to children who have an entitlement because of their special educational needs and for Adult Care clients to meet their respite and other needs. Part of this assistance is met by the Council's in-house fleet. However as it is not possible for all provision to be met in-house and in order to complement the Council's in-house fleet and maintain an appropriate level of service support for end users further capacity is generated by utilising additional contractors. Contracts for these services are let through a competitive tendering process to ensure best value is achieved and in order to comply with legislative requirements.

Recommendations:

That Cabinet approves the establishment of a Dynamic Purchasing System (DPS) for taxi and minibus provision (with or without escorts) as outlined in this report, and that the DPS runs for a 24 month period with an option to extend for a further two 12 month periods, subject to satisfactory performance.

That Cabinet delegates authority to the Director of Commercial Services or her nominated representative to accept tenders and award Contracts for this project.

Background Papers: None

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Jayne Clarke
Legal Implications
YES Cleared by: Sarah Bennett
Equality of Opportunity Implications
YES
Tackling Health Inequalities Implications
NO Cleared by:
Human Rights Implications
NO Cleared by:
Environmental and Sustainability implications
YES
Economic Impact
NO Cleared by:
Community Safety Implications
NO Cleared by:
Human Resources Implications
NO Cleared by:
Property Implications
NO Cleared by:
Area(s) Affected
All Wards
Relevant Cabinet Portfolio Lead
Cllr Ben Curran
Relevant Scrutiny Committee
Overview and Scrutiny Management Committee
Is the item a matter which is reserved for approval by the City Council?
NO
Press Release
NO

REPORT TO CABINET

SPECIAL EDUCATIONAL NEEDS / LOOKED AFTER CHILDREN / VULNERABLE ADULTS TRANSPORT FRAMEWORK

1.0 SUMMARY

- 1.1 Sheffield City Council currently provide minibuss and taxi transport for Special Education Needs (SEN) children, Looked after Children (LAC) and vulnerable adults. This transport is provided by the Council's in-house fleet with additional capacity added via two frameworks - one for taxi provision (with or without escorts) and one for minibusses. Both of these frameworks were procured via open competitive tenders. Both frameworks expire on the 31 July 2016 and a successor framework is required. The combined value is in the region of £1.5 million per financial year and therefore the procurement must adhere to the Public Contracts Regulations 2015.
- 1.2 This report seeks Cabinet approval to replace the existing Framework Agreements with a Dynamic Purchasing System (DPS) combining both the taxi and minibuss elements into one single overarching 'Transport' framework. The DPS would contain individual Lots covering taxis, minibusses etc.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 In line with the Corporate Plan, this contract will support the following objectives:
- 2.2 **To support children and young people with special educational needs and disabilities to lead happy, healthy, fulfilled lives** – this contract combined with in house provision will give the Council access to a wide range of transport options. These options can then be used to ensure that the “family need” is met without causing unnecessary anxiety to the family.
- 2.3 **Make the best use of public money to have the greatest impact for Sheffield** – This contract will use market place competition to achieve a transport provision for the Council that is value for money
- 2.4 **Support up to 2,000 teenagers and young adults to access education, employment and training** – The contract will provide transport options that the Council can call upon to ensure teenagers and young adults can access education

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The key outcome of the report will be approval to proceed with the procurement of a taxi and minibuss framework to complement the Council's

existing fleet for the transportation of Special Educational Needs and Looked After Children and vulnerable adults via a Dynamic Purchasing System.

4.0 REPORT BACKGROUND

- 4.1 Transport for children is to schools based in or out of the city. This is normally required twice a day during school the terms (approximately 190 days per year). Children are to be conveyed generally between the hours of 07:45 to 0900 in the mornings and 15.00 to 16:30 the afternoon, but specific times shall be dependent upon the start and finish times of the school day and the needs of individual children.
- 4.2 The transport of any vulnerable adults and looked after children, young people and people with disabilities to and from Social Care establishments and other care or respite settings, involves a 24 hour, 365 day a year service. Passengers are to be conveyed generally between the hours of 8am to 10pm but specific times are dependent upon the particular journey required.
- 4.3 There is also a requirement for cover during the Christmas and New Year holiday period and other Bank Holidays.
- 4.4 This requirement is met through a combination of utilising the Council's in-house fleet and competitively contracting out taxi and minibus provision (with or without escort provision) to complement this and add additional capacity.
- 4.5 Bookings are administered by the Council and routes will be allocated in order to achieve the maximum efficiency whilst maintaining continuity of care and service for the end user.
- 4.6 Previously, the contracted frameworks have been let via a fixed framework for a period of 12 months with an option to extend for a further 12 month period (this option to extend was taken up in relation to the current contracts).
- 4.7 The 2015 Public Contracts Regulations (PCR) allow for a fixed framework to be let (as previously) or alternatively the letting of a framework via a Dynamic Purchasing System (DPS). This latter option is now recommended as the DPS process has been refined and simplified under the new Regulations and is deemed to offer a better route to market.
- 4.8 The advantages of a DPS over a fixed framework include allowing the Council to respond more quickly to changes in the market. In a volatile economy, companies can merge, perform poorly and/or have sufficiently serious issues of concern that they may be suspended from a framework. This can be problematic under traditional framework arrangements since it reduces the level of competition for the remaining length of the agreement. This can mean either an earlier re-procurement or resignation

to the less competitive environment. There will be strict safeguarding criteria and DBS confirmation asked at the Pre-qualification stage, which assesses contractors' capability and suitability of becoming a Supplier to the Council. Failure to provide such assurances at PQQ stage will lead to rejection of the PQQ and mean them not being invited to submit a further bid to secure work.

- 4.9 Unlike a traditional framework, a DPS permits contractors to apply to join via submission of a Pre-qualification Questionnaire (PQQ) throughout its lifetime encouraging further competition and ensuring that new or emerging contractors are not locked out for the duration of a framework period.
- 4.10 The DPS is designed to streamline procurement for both contractors and public bodies; contractors do not need to demonstrate suitability and capability every time they wish to compete for a public sector contract as this is covered by the PQQ, and the award of individual tenders can be quicker than under other procedures.
- 4.11 Furthermore public procurement for SME's can sometimes be difficult. Some smaller companies perceive participation in tenders via framework agreements as risky, due to there being no guarantee of a return on the investment. This deprives the Council of a pipeline of contractors who may be able to offer high quality, innovative services. With a DPS, the risks are reduced dramatically. There is an easy exit strategy so contractors are able to remove themselves from the system if they find that the benefits of participation do not stack up
- 4.12 Savings opportunities, whilst difficult to forecast with accuracy, may arise by increasing the numbers of contractors. A DPS also allows for regular further competition among contractors to generate additional savings opportunities, plus an option of using e-auctions in the longer term. Contractor engagement and training will be required to develop and undertake e-auctions and is therefore a longer-term aim.
- 4.13 The framework will be structured to ensure best value for money and most efficient method of travel whilst taking into account the specific individual requirements of the client. Some clients will then be allocated to travel with or without an escort (such escorts either employed by SCC or via the contractor under the framework).
- 4.14 When services are required there will be a further competition exercise between the suppliers party to the relevant Lot at that time. The contractor offering the most-economically advantageous tender will usually be selected, unless specific care arrangements are required which can only be provided by a supplier with the requisite specialisms.
- 4.15 Services commissioned via the DPS will be contract managed and monitored for safeguarding and compliance

5.0 LEGAL IMPLICATIONS

- 5.1 The service requirement is to provide taxi transport services for eligible Children and Young People, and adults. The passengers that use this service for example will be children with special education needs or children who are looked after by the authority or classed as vulnerable. The transport of these children is covered in the following legislation: Education and Inspections Act 2006, the Equality act 2010 and Children Act 1989 and 2004. The service is also required to transport vulnerable adults which are covered in Chronically Sick and Disabled Persons Act 1970. This framework will assist with meeting these statutory requirements.
- 5.2 The value of this contract means that a full competitive tender process in accordance with procurement legislation (including the Public Procurement Regulations 2015) must be followed. The proposed process is compliant with this and the procurement exercise will be conducted by Commercial Services with a dedicated procurement professional lead, with additional Legal consultation on tender and contractual documents undertaken as required.
- 5.3 TUPE implications are minimal; although there may be some TUPE implications for escorts employed by contractors should work be moved between contractors. This will most likely be contractor-to-contractor TUPE, although should work be brought back in-house there is a small chance there will be TUPE implications for the Council. This will become apparent during the tender process and as work is allocated.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The service that this contract provides for is demand led. Over the past two academic years the current contracts have a value of £1,348,835.00 (2013/14) and £1,447,455 (2014/15). The approximate breakdown of this spend is 55% on Special Educational Needs transport and 38% on looked after children and 7% on adult social care transport.
- 6.2 The transport requirements for eligible children and vulnerable adults are met by the Council's in-house fleet with additional capacity generated from private contractors via open competitive tender. It is anticipated that tendering in this way will produce further savings but this cannot be guaranteed and will only be tested when services are actually procured. In the short term this is more likely with the current low price of fuel. There is the risk that fuel prices will not remain low and will increase which could lead to contractors raising their prices and increasing the cost to the council. This is more a risk for future years of the framework and will be mitigated by further competition between contractors and continuing to ensure travel routes are optimised.
- 6.3 Short-term it is anticipated that there will not be any immediate significant increase in the number of children that are transported giving a further

level of stability. There will though be ongoing peaks and troughs in line with projections however, and as this is a needs-led service demand could further peak over the medium-term depending upon demographics and the needs of individual service users.

7.0 ENVIRONMENTAL AND SUSTAINABILITY IMPLICATIONS

- 7.1 Work will continue to optimise travel routes and where possible to increase occupancy, thereby minimising duplication and reduce the carbon footprint, including 'dead' mileage where vehicles are travelling with no passengers.
- 7.2 Contractor vehicles will be required to kept to a proper state of repair and good running order at all times thus reducing emissions

8.0 ECONOMIC IMPACT

- 8.1 As required by procurement legislation this framework will be open to any contractor to submit a bid against. However by the nature of the requirement most if not all contractors will be Sheffield or Rotherham based, as it is not economic for operators too far outside of Sheffield to journey in order to make a pick-up before they are able to begin charging. Therefore it is anticipated the vast majority of contractor's will be local to Sheffield or the immediate surrounding area.
- 8.2 There are a number of Sheffield / Rotherham based taxi and minibus providers ranging in size from contractors with a large fleet of cars and drivers at their disposal through medium-sized down to providers with a very small number of vehicles / drivers.
- 8.3 Some of these contractors are on the current frameworks, and all existing and potential suppliers will be notified of when the framework is about to be advertised and the procurement documentation released to the market.
- 8.4 Uber's recent entry into the local supply market adds a further potential supplier since the previous frameworks were let. An approach has been made to Uber enquiring as to whether it is their intention to bid, although a Public supplies tender with the required paperwork and post-award contract management requirements may not match with their business model.
- 8.5 The framework also supports children/young people and adults in attending educational establishments and other locations thereby increasing their opportunity for qualifications and employment

9.0 ALTERNATIVE OPTIONS CONSIDERED

- 9.1 There are a limited number of alternative options open. 'Do nothing' would leave the Council short on capacity to deliver the required services to vulnerable clients and risk a breach of statutory duty.

9.2 Entering into a collaborative framework with other public bodies has also been considered. However, the Council's requirements are large and complex and therefore its own bespoke framework is considered the most suitable option with the framework procured in such a way that other public bodies may also use it should it offer a suitable compliant route to market for them.

10.0 REASONS FOR RECOMMENDATIONS

10.1 The current contracts were advertised and let as 12 month contracts with an optional 12 month extension. There is no provision within the contracts for a further extension.

10.2 The Council has a statutory responsibility to provide travel assistance to children who have an entitlement because of their special educational needs and for adult care clients to meet their respite and other needs. Part of this assistance is met by the Council's in-house fleet. However, as it is not possible for all provision to be met in-house. In order to complement the Council's in-house fleet and maintain an appropriate level of service support for end users further capacity is generated by utilising additional contractors. Contracts for these services are let through a competitive tendering process to ensure best value is achieved and in order to comply with legislative requirements.

11.0 RECOMMENDATIONS

11.1 That Cabinet approves the establishment of a Dynamic Purchasing System (DPS) for taxi and minibus provision (with or without escorts) as outlined in this report, and that the DPS runs for 24 month period with an option to extend for a further two 12 month periods, subject to satisfactory performance.

11.2 That Cabinet delegates authority to the Director of Commercial Services or her nominated representative to accept tenders and award Contracts for this project.

Author: John Hudson
Job Title: Assistant Transport Manager
&
Author: Paul Rayton
Job Title: Interim Category Manager

Date: January 2016

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