

LONDON BOROUGH OF CROYDON

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STATEMENT OF EXECUTIVE DECISIONS MADE BY THE LEADER OF THE COUNCIL ON 6 MAY 2015

This statement is produced in accordance with Regulation 12 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

The following apply to the decision listed below:

Reasons for these decisions: are contained in the **attached** Part A report **attached**

Other options considered and rejected: are contained in the **attached** Part A report **attached**

Details of conflicts of Interest declared by the Leader of the Council: none

Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by the Leader of the Council: none

CABINET MEMBER'S DECISION REFERENCE NO. 23/15/LR

Decision Title: Delegation of executive powers to the Executive Director – People to approve the award of call-off contracts from the Passenger Transport Services Framework Agreement

Having carefully read and considered the Part A and B reports and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Leader of the Council

RESOLVED

1. to delegate to the Executive Director – People the power to approve the award of call-off contracts from the Passenger Transport Services Framework Agreement where the value of such contracts would exceed £500,000. The overall financial impact of the call off process for the Passenger Transport framework will be reviewed in consultation with the Cabinet Member for Children, Families and Learning, Cabinet Member for People and Communities and the Cabinet Member for Finance and Treasury.

2. to note that details of any decisions taken under the delegation in 1 above will be presented to Cabinet for subsequent noting at the next available Cabinet meeting.

Contact Officer: jim.simpson@croydon.gov.uk

Democratic Services Manager

Date: 15 May 2015

For General Release

REPORT TO:	Cabinet Member for Children Families and Learning and Cabinet Member for People and Communities on or after 1 May 2015
AGENDA ITEM:	N/A
SUBJECT:	Award of Passenger Transport Services Framework
LEAD OFFICER:	Sarah Ireland, Director of Strategy Communities and Commissioning
CABINET MEMBER:	Councillor Alisa Flemming, Cabinet Member for Children, Families and Learning, Councillor Louisa Woodley, Cabinet Member for People and Communities and Councillor Tony Newman, Leader of the Council
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: The provision of quality contracted passenger transport services supports the Council's key aspirations of the Community Strategy 2013-15 to be a better borough, to protect vulnerable people and to encourage people to take responsibility.	
AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS: The award of a Passenger Transport Services Framework Agreement works towards Croydon being a better borough by enabling vulnerable children and adults to access the education and care services that they need through the provision of safe, secure, sensitive, suitable and reliable transport services.	
FINANCIAL IMPACT In the financial year 2014/15 the predicted spend on contracted passenger transport services (Coach, minibus, car and taxi) is £7.6m. The framework approach in this report anticipates a saving in the region of 9% to 15% annually.	
KEY DECISION REFERENCE NO.: 18/15/CFL: 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 & Strategic Overview Committee by the requisite number of Councillors.	

The Leader of the Council has delegated (Decision reference no. 16/15/LR) to the Cabinet Member for Children, Families and Learning and Cabinet Member for People and Communities, the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

The Cabinet Member for Children, Families and Learning and Cabinet Member for People and Communities, in consultation with the Leader of the Council is recommended to:

1.1 approve the establishment of a framework agreement ('Framework Agreement') and appointment of the providers to the Lots listed in paragraph 3.17 of this report for a term of four years to deliver passenger transport services for children/young people with Special Educational Needs/Disabilities and vulnerable adults, as detailed in the associated Part B report;

The Cabinet Member for Children, Families and Learning and Cabinet Member for People and Communities are recommended to:

1.2 note that the Leader of the Council has delegated to the Executive Director – People the power to approve the award of call-off contracts from the Passenger Transport Services Framework Agreement where the value of such contracts would exceed £500,000. The overall financial impact of the call off process for the Passenger Transport framework will be reviewed in consultation with the Cabinet Member for Children, Families and Learning, Cabinet Member for People and Communities and the Cabinet Member for Finance and Treasury.

2. EXECUTIVE SUMMARY

2.1 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 establishment of a Framework Agreement for the delivery of passenger transport services for children/young people with Special Educational Needs/Disabilities and vulnerable adults (the services). It should be noted that for the reasons detailed in paragraph 3.20, to ensure that transport service arrangements for service users can be put in place in a timely manner from September 2015 the Leader has delegated authority to award call off contracts of a value over £500,000 to the Executive Director - People. Awards made under this delegation will be reported to Cabinet, along with those of a value between £100k-£500k awarded by the Director of Strategy Communities and Commissioning (SCC), monthly report to Cabinet from the Director of SCC. The overall financial impact of the call off process for the framework will be reviewed in consultation with the Cabinet Member for Children, Families and Learning, Cabinet Member for People and Communities and the Cabinet Member for Finance and Treasury. This will take place on a monthly basis throughout the call off period (June – September 2015), through the production of regular reports and briefings.

- 2.2 The services within the Framework Agreement have been divided into 22 separate lots representing 11 different vehicle categories that are required either with a 'Driver Only' or with a 'Driver and Passenger Assistant'.
- 2.3 The procurement strategy for Passenger Transport Services was approved by Cabinet on 20 October 2014 (ref: A92/14).

3. DETAIL

- 3.1 The overall procurement approach for this service recognises the importance of social value through enabling local SMEs to participate in the provision of transport services, thereby creating employment opportunities for local people; the provision of further staff training to improve and extend the support given to Service Users and the potential for employment of citizens with disabilities to support Service Users; and the payment of the London Living Wage – recognising that many workers in the transport sector are relatively poorly paid - and thereby enhancing social value by raising pay levels for many of those employed in servicing the Council's transport contracts.
- 3.2 The majority of SEN passenger transport services are currently provided by commercial transport providers under contractual arrangements that expire in 2015 (cars and taxis in February 2015 and coach and minibuses in April 2015). The contractual arrangements were extended to align to key milestones for the planned implementation of the new framework from autumn 2015. The re-procurement of services through the new framework is designed to be flexible enough to meet future changing service needs and to be able to adapt to the new requirements of any alternative travel and transport service delivery model that the Council may wish to adopt in future.
- 3.3 Current contracts have been extended until the end of August 2015 to fill the gap before the new school year starts. This allows children, young people and adults' continuity of service, pending the commencement of the new framework.
- 3.4 The statutory eligibility policy for travel assistance for children and young people is [found here](#). There are no changes to the policy for eligibility for the provision of travel/transport support associated with the procurement.
- 3.5 The future cost of provision of passenger transport services arising from this procurement will be met from existing transport budgets in the People department.
- 3.6 Procurement Approach**
- 3.7 The approach taken for this procurement was to advertise for providers to tender to join a single new Framework Agreement that will provide all of the car/taxi and minibus/coach transport service requirements in scope.

- 3.8 The tender required providers to submit a minimum charge and a price-per-mile in four mileage bands for each Lot that they wished to tender for. Tenderers have been recommended for appointment to the relevant Lots on the Framework, on the basis of their ability to satisfy the Council that they could meet the qualitative requirements of the Service Specification and on their pricing across a profile of journeys that is representative of the Council's requirements. Once the Framework Agreement is established and agreed by the Leader of the Council by delegation, journeys will be awarded to the provider offering the lowest price for the journey and vehicle required on the relevant Lot, or through the use of 'mini-competitions' amongst the Framework providers (on the relevant Lots) on a 'best price' basis, if it is anticipated that this method would offer better value for money. The procurement approach also provides flexibility to prioritise exceptional circumstances and particular requirements (at the Council's discretion) through 'mini-competitions' on a 'best-price' basis.
- 3.9 Under a Framework Agreement, there is no guarantee of the award of work. Contracts for work are awarded to providers on the framework following a call-off procedure and are subject to the terms and conditions under which appointments to the framework are made. The call offs under this framework, will last for a period of one year and include notice provisions so that all or some of the services that are provided can be terminated easily if no longer required. Therefore, this approach offers complete flexibility if the Council wishes to adopt a new service delivery approach for all or some of its transport services during the life of the Framework.

3.10 Evaluation

3.11 Qualitative Evaluation

Under the single-stage 'Open' procurement process 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, environment and so on (as stated above). 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 (as detailed in 3.14 below) 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.

3.12 The Evaluation Panel

The evaluation panel was made up of six people, two from within the Croydon Transport Service, one from the SEN Children's Team, one from the

Vulnerable Adults Team, and two service users (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. Of the two service users, one was a representative from the Parents in Partnership Forum and the other was the Chair of Croydon Disability Forum.

- 3.13 Each evaluator evaluated every qualitative submission independently and then the scores were brought together for a moderation panel. The moderation panel included the above six evaluators and representation from the Council’s Commissioning and Procurement Team.
- 3.14 Of the 22 tenders who chose the qualitative submission route, 11 were passed by the moderation panel to be recommended for appointment to the framework. One tender was unable to be reviewed as they did not provide three references or a quality submission. 11 tenders were failed on quality as they did not meet the Council’s minimum standards.
- 3.15 If the provider chose (and qualified for) the reference route, rather than qualitative submissions, the referee rated 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 27 providers who chose the reference route, 22 were passed by the referees and confirmed on the framework and 5 failed (the detail of this is picked up in Part B section of this report). 1 tender was unable to be checked as they did not provide references or a quality submission.

Results from the Evaluation Process

- 3.16 Tenders were received from a total of 50 suppliers for the Lots as follows, noting that tenderers may have submitted tenders for any number of Lots:

Lots – Driver Only		Bidders
1	Car	40
2	Estate Car	36
3	MPV small	39
4	MPV large	34
5	Minibus small	16
6	Minibus large	11
7	Midibus	4
8	Coach	3
9	Wheelchair accessible car/taxi	34
10	Wheelchair accessible small	12
11	Wheelchair accessible large	3

Lots – Driver and Passenger Assistant	Bidders
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12	Car	33
13	Estate Car	31
14	MPV small	33
15	MPV large	30
16	Minibus small	15
17	Minibus large	10
18	Midibus	4
19	Coach	3
20	Wheelchair accessible car/taxi	27
21	Wheelchair accessible small	12
22	Wheelchair accessible large	4

3.17 The outcome of the tender evaluation process has involved the selection of a total of 33 suppliers for the following Lots:

Lots – Driver Only		Successful Providers
1	Car	21
2	Estate Car	19
3	MPV small	22
4	MPV large	21
5	Minibus small	13
6	Minibus large	9
7	Midibus	4
8	Coach	3
9	Wheelchair accessible car/taxi	15
10	Wheelchair accessible small	10
11	Wheelchair accessible large	3

Lots – Driver and Passenger Assistant		Successful Providers
12	Car	18
13	Estate Car	17
14	MPV small	19
15	MPV large	19
16	Minibus small	13
17	Minibus large	9
18	Midibus	4
19	Coach	3
20	Wheelchair accessible car/taxi	15
21	Wheelchair accessible small	10
22	Wheelchair accessible large	3

Pricing Evaluation

3.18 All tenders that were deemed to have passed the qualitative evaluation were evaluated for price on a 'lot-by-lot' basis, as stated in the Invitation To Tender (ITT). This approach recognised that tenderers were not required to tender for all Lots and would not be discriminated against for not doing so.

- 3.19 Where the number of tenders that achieved a qualitative 'pass' for a particular Lot was less than the maximum number of providers required by the Council, as stated in the ITT, then all these tenders are recommended for award to the Framework Agreement for these lots without comparative price evaluation.
- 3.20 Where the number of tenders that achieved a qualitative 'pass' for a Lot was more than the maximum number of providers required by the Council as stated in the ITT, then all of these tenders were subject to a comparative evaluation of price for these lots using the methodology as described in detail in the ITT. In essence, the methodology took the pricing (minimum charge and priced mileage bands) submitted by the tenderers and applied this to a profile of journeys that is representative of the Council's anticipated requirements for that lot, to arrive at a 'score' that would be directly comparable with the scores obtained by the other tenderers for that lot. These scores were then ranked accordingly to determine which tenderers should be recommended for being consulted for each lot, up to the maximum number of providers required.

Delegation for Call Offs

- 3.21 When the framework is established, the next step will be to call off contracts from providers on the new framework for the regular routes that the Council have for children and adults across the borough. Individual routes should be treated as an individual contract to ensure the Council has the flexibility to vary and terminate individual routes within the constraints of the Contract. This also provides operational flexibility. The call-off contracts will last for a year, and may be awarded or terminated (with due notice) at any point during the year if required. Of course this does not mean that individual clients will stay with the same provider but where the commissioner requires that a client should stay with a particular provider for reasons of continuity – even if that provider is no longer the cheapest – then the route can be awarded to the same provider, by exception. Providers may submit new prices each year and there are specific provisions in the Framework (Section 14) for this.
- 3.22 The very limited time available in the Summer of 2015 between the award of a large number of call-off contracts from the new Transport Service Framework Agreement and the start of these services at the beginning of the new Academic Year in September, requires alternative decision making arrangements to be in place for approval to award these contracts very quickly to ensure that services can be provided without delay/disruption to service users.
- 3.23 The award of call-off contracts up to £500,000 can be made by the Director of Strategy, Communities and Commissioning under the existing scheme of financial delegations. For all call-off contracts valued at £500,000 to £5 million, it is recommended that the Leader delegates the power to approve awards to the Executive Director - People. All call off awards will then be reported to Cabinet in the monthly report of Contracts to be awarded from the Director of SCC.

3.24 The overall financial impact of the call off process for the Passenger Transport framework will be reviewed in consultation with the Cabinet Member for Children, Families and Learning, Cabinet Member for People and Communities and the Cabinet Member for Finance and Treasury. This will be done through the cumulative outcome for each provider across the framework. The aim is, throughout the call-off process, to provide regular financial reports to above three Cabinet Members and the Executive Director – People.

4. CONSULTATION

4.1 There is no intended change in policy or entitlement associated with this framework agreement. The service specification has taken account of feedback received on the service from current service users. Informal discussions with current providers took place about the procurement approach, no negative issues were identified.

4.2 Further engagement with stakeholders has taken place, via parent and schools partnership meetings. A trade briefing event also took place, on 17th December 2014 for prospective tenderers. User representation has been included in the evaluation and moderation stage of the procurement process.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Revenue Budget available				
Expenditure	6,650	7,317	8,074	8,074
Income	(250)	(250)	(250)	(250)
Effect of decision from report				
Expenditure	6,916	7,583	7,673	7,673
Income	(250)	(250)	(250)	(250)
Remaining budget	<u>266</u>	<u>266</u>	<u>(401)</u>	<u>(401)</u>
Capital Budget available				
Expenditure				
Effect of decision from report				
Expenditure				
Remaining budget	<u> </u>	<u> </u>	<u> </u>	<u> </u>

- 5.1 **The effect of the decision** – This framework agreement with a number of service providers will enable the service to deliver the Council's requirements for passenger transport for the next four years at a lower cost than is currently paid.

Demand for this service is currently greater than the budget available and therefore the service is reporting an overspend in 2014/15.

The budget set for 2015/16, 2016/17 and 2017/18 includes annual growth, and 2015/16 includes a savings target for this procurement exercise, the net effect of this growth and savings is presented in the budget figures in the table above. It is predicted that there could be an over spend for 2015/16 and 2016/17 based on estimated pupil numbers and anticipated annual demand growth as described in the table above. The award of this framework will help to reduce the current overspend and work will continue to be undertaken to review the eligibility criteria to help enable the service to be delivered within the budget available.

- 5.2 **Risks** - There is a risk that eligibility and demand for the service will be above and beyond what is budgeted for. Children's services are working to manage this increase in demand through a range of initiatives which include, work to increase the number of young people who are able to travel to school independently and by implementing the SEN strategy which should increase the number of children who are able to be educated closer to home within Croydon.
- 5.3 **Options** – No other options are currently being considered, however the nature of a framework arrangement will allow the Council flexibility as to future service provision.
- 5.4 **Future savings/efficiencies** –The single framework will deliver for all services a targeted cost reduction of approximately 9% - 15% based upon current spend. This will help mitigate the increasing cost of these services as demand is projected to increase year on year.
- 5.5 **Assumptions** – the above figures on the effect of the decision include a 9% cost reduction against the current spend and assume that contract spend grows in line with the budgeted growth for the next two financial years.

(Approved by: Lisa Taylor – Head of Finance and Deputy S151 Officer for Richard Simpson - Assistant Chief Executive (Corporate Resources and Section 151 Officer)

6. COMMENTS OF THE BOROUGH SOLICITOR AND MONITORING OFFICER

- 6.1 The Borough Solicitor comments that the procurement process as detailed in this report is in accordance with the Council's Tenders and Contracts Regulations and seeks to support the Council's duty to achieve Best Value pursuant to the Local Government Act 1999.

(Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Borough Solicitor & Monitoring Officer)

7. HUMAN RESOURCES IMPACT

- 7.1 The consideration will be regarding TUPE in the event where Council staff originally transferred to contractors, are transferred from one provider to another. This needs to be made clear to the contractors that there will be no liability on the part of the Council in the event that the activities provided by the contractors change fundamentally, giving rise to a TUPE situation.

(Approved by Adrian Prescod, HR Business Partner, for and on behalf of Director of HR, Resources department).

8. EQUALITIES IMPACT

- 8.1 This report makes no recommendation to a change of entitlement to the provision of transportation or the type of transport being procured - only a potential change of providers of those transport services. An equalities analysis has been undertaken and a full equalities analysis is not required.

9. ENVIRONMENTAL IMPACT

- 9.1 All tenderers have been asked to describe the measures they have in place to minimise the impact of their business on the environment.
- 9.2 A number of the larger providers who have put forward a tender possess ISO 14001 "Environmental Management Standard". Those providers who do not have ISO and have been successfully awarded a place on the framework will be encouraged to pursue this standard.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no particular crime and disorder reduction impact issues.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The Council current contracted arrangements expire in 2015. There is a need to re-procure a number of services to ensure the Council is compliant with procurement legislation and to ensure the continuity of provision from September 2015.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Passenger transport services can be procured in a number of different ways and, although there are many variations and combinations of approaches that can be adopted. The main options are summarised in the Cabinet Paper, 20 October 2014. It was agreed to take the framework agreement forward through the procurement process as it is most appropriate approach for managing passenger transport and value for money.

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Background documents: None