

Report of: Executive Member for Environment and Transport

Meeting of:	Date	Ward(s)
Executive	12 February 2015	All Wards

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SUBJECT: Approval of the Procurement Strategy for Taxi and Passenger Attendant Contract
1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the Taxi and Passenger Attendant Contract in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The contract will provide taxis, attendants and accessible vehicles for children requiring home to school taxi provision, transport for vulnerable adult clients attending medical appointments, respite centres and day centres. It will also provide taxi services for the Council's on-line booking system.

All local authorities have a statutory duty to enable children with special educational needs (SEN) and adults with disabilities to access various locations in and outside the borough to access learning and to deliver their support plans. In order to meet this duty, the Council employs direct transport provision using its in-house fleet of vehicles and staff as well as by commissioning private hire vehicles to deliver services.

2. Recommendations

- 2.1 To approve the procurement strategy for the Council's Taxi and Attendant Contract as outlined at paragraph 3.9.

- 2.2 To agree to delegate the key decision of the award of the contract to the Corporate Director of Environment and Regeneration in consultation with the Executive Member for Environment and Transport.
- 2.3 The note that the contract will be administered by the Accessible Community Transport Service in partnership with the London Borough of Camden and possibly other local authorities.

3. Background

3.1 Nature of the service

This procurement is for the provision of taxis and passenger attendants for children requiring home to school taxi provision, transport for adult clients attending medical appointments, respite centres and day centres, and for emergency rehousing. It will also provide taxi services for the Council's on-line booking system.

The present contracts for this provision expire on 31st August 2015. Provisional meetings have been conducted with the London Borough of Camden and other local authorities looking at possible joint procurement and frameworks for the next contract.

3.2 Estimated Value

The expenditure on taxi and attendant services for the financial year 2013/14 was £805k across the Council with approximately £700k of this being for the provision of home to school transport for children in special schools within Islington and out of borough. The remaining expenditure was for the transportation of Housing and Adult Social Services clients and all other Council services through the Council's on-line taxi booking system. These costs may increase over the four year (three plus one) lifespan of the contract due to the increasing local population and increasing numbers of school age children with statements requiring transport.

The total value of the contract will not exceed £4 million over the lifetime of the contract including the one year extension period. Negotiations are presently underway with the London Borough of Camden for joint procurement. The London Borough of Camden currently spends in the region of £2 million per annum.

A fixed percentage reduction in this area of expenditure cannot be implemented. Prior to the allocation of taxi services being agreed for clients, alternative options are investigated, either through the Accessible Community Transport Service in-house provision, use of passenger attendants to support children on public transport and travel training or the allocation of Personal Travel Budgets for client families. Savings have already been made in using the online taxi booking system which ensures that only approved contractors at fixed rates are used.

3.3 Timetable

The new Framework will be advertised in April 2015, with new contract arrangements commencing on 1 September 2015. The current contract arrangements have operated since 2011 and will expire on 31 August 2015.

Parents and service users have been consulted through recent user surveys. The main concerns have been that service standards are maintained, that any changes are notified in sufficient time to allow parents to speak to their children, and in ensuring that any change in contractors is managed smoothly. To this end, all parents will be kept fully informed and written to at least twice before any changes are

implemented. Introductory meetings will also be offered with any new drivers and/or attendants before the commencement of a regular journey. It is hoped that this will provide reassurance and facilitate a smooth transition for service users. Any issues or complaints will be dealt with sensitively and professionally by the Accessible Community Transport Manager.

Meetings are also being arranged with the Centre 404 Parents Forum and the Elfrida Society for adult users. The Council will involve both organisation fully in the pre-tendering and tendering process and ensure that service users needs are fully considered in the final specifications prior to the award of the contracts.

3.4 Options appraisal.

The Council are currently negotiating arrangements for a joint contract with Camden Council and other neighbouring boroughs for the four year period commencing in September 2015.

The outsourced work will mainly consist of home to school routes that cannot be provided on a cost effective basis by the Council's in-house Accessible Community Transport Service. These routes will need to be serviced by mini buses and accessible vehicles and saloon cars with drivers and passenger attendants.

It is envisaged that by including other boroughs for fixed routes over an agreed period of time, the most competitive prices can be achieved from the largest number of contractors that are able to meet the requirements of the specification.

This tender will be conducted in two stages and as a Restricted Procedure, meaning that the tender is restricted to a limited number of organisations. The first stage involves selection criteria through a Pre-Qualification Questionnaire (PQQ) which will establish whether an organisation meets the financial requirements, is competent and capable, and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how organisations have performed to date, their financial standing, and information about their history and experience.

A limited number of these organisations meeting the PQQ requirements as specified in the advertisement are then invited to tender (ITT). The second stage ITT will be forwards looking using Award Criteria. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works or services as set out in the evaluation criteria in order to determine the most economically advantageous offer.

3.5 Key Considerations

The contractors currently being used are London based companies that employ local staff. Assuming agreement with partners and legally permitting, provision will be included in the final contract to ensure approved contactors will be pay the London Living Wage to their directly employed staff. As many of the contracted drivers are self-employed, it is not anticipated that the use of the London Living Wage will have a significant effect on the overall cost of the contract.

The existing contracts were allotted on a price/quality basis of 70/30. There are ongoing discussions with partners to ensure that best value can be achieved through a framework agreement with minimum risk to the Council.

3.6 Evaluation and Safeguarding

The contract is likely to be allocated on a price/quality basis of 70/30 but this is yet to be formally agreed with partners. Quality criteria will include the contractor's financial viability, indemnity levels, safeguarding procedures and quality of fleet.

Individual Contractors safeguarding procedures and systems will be fully reviewed at the Invitation To Tender stage and it is proposed that bespoke safeguarding training will be offered to all Council staff administering the contract, as well as to the successful contractors and their staff to ensure the safety of all users, children and vulnerable adults.

Full checks will be made that drivers directly employed by the contractor have Disclosure and Barring Service (DBS) enhanced clearance and that all self-employed drivers have a Public Carriage Office license (that includes DBS clearance). Additionally, all passenger attendants will be required to have enhanced DBS clearance.

3.7 Business Risks

The following risks have been identified:

- The lowest tendered rates being significantly higher than those currently being used.
- Bidders bid too low to enable them to win the contract and then fail to operate viably.
- Contractors withdrawing from the process after tendering.
- Tenderers not selected for award challenging the process and causing delays to contract start.
- Post award implementation actions fail to achieve a 1st September contract start.

These risks can be mitigated through the content of the specification, legal requirements and the implementation of quality assurance and auditing processes.

Business opportunities associated with this contract will be achieved through a larger number of contractors tendering for this work ensuring stronger competition and better value. Continuing low fuel prices should ensure lower costs. Partnership working with neighbouring boroughs would allow for shared routes and lower overall costs.

3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board

3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Provision of taxi and attendant services for stated children and adults requiring transport to respite centres, and health appointments See paragraph 1.2
2 Estimated value	The estimated value per year will be in the region of £900,000.

	The agreement is proposed to run for a period of 3 years with an optional extension of 1 year.
3 Timetable	Advert - April 2015 Consultation with service users, Centre 404 and Elfrida Society – April/May 2015 Shortlisting (and further consultation) - May/June 2015 Award - August 2015 Commencement of new arrangements 1 September 2015.
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Framework agreement in collaboration with the London Borough of Camden and potentially other neighbouring authorities.
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	Subject to agreement with partners and legally permitting, the specification will stipulate payment of the London Living Wage to staff.
6 Evaluation criteria	Subject to agreement with partners, 70/30 between price and quality of service.
7 Any business risks associated with entering the contract	See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	See paragraph 4.1 and 4.2

4. Implications

4.1 Financial implications:

The Accessible Transport Service is delivered within the Environment & Regeneration department with the costs of the service recharged to the relevant areas within Children's Services and Housing & Adult Social Services. Existing budgets within these areas are sufficient to cover the current level of spend detailed in paragraph 3.2.

4.2 Legal Implications:

In relation to legal powers:

- a) The Council has a duty in relation to children and young people with special educational needs (SEN) or disabilities to make arrangements for travel to and from schools and post-16 institutions and places at which relevant early years education is provided under the Children and Families Act 2014, section 30. Therefore the Council may provide taxi services for children with SEN as proposed in the report;
- b) The Council has a general duty in exercising its functions under part 1 of the Care Act 2014 to promote the 'well-being' of individuals. Well-being includes (a) physical and mental health emotional well-being and personal dignity (b) control by the individual over day to day life (c)

participation in work education, training or recreation (section 1). Section 45 of the Health Services and Public Health Act 1968 places a duty on local authorities to promote the welfare of older people "in order to prevent or postpone personal or social deterioration or breakdown". Therefore the Council may provide transport services for vulnerable adults attending medical appointments, respite centres and day centres as proposed in the report.

- c) The Council has power under section 111 of the Local Government Act 1972 to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Therefore the Council may procure taxi services that are used through the Council's on line taxi booking system for purposes associated with the carrying out of the Council's functions as proposed in the report.

The Council may enter into contracts for the provision of the above services under section 1 of the Local Government (Contracts) Act 1997.

The Council may undertake a joint procurement exercise with another local authority under section 111 of the Local Government Act 1972.

The Executive may provide Corporate Directors with responsibility to award contracts with a value over £500,000 (Procurement Rule 14.2).

The threshold for application of the Public Contracts Regulations 2006 (the Regulations) is currently £172,514. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to comply with the principles of equal treatment, non-discrimination and fair competition. The Council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender.

The proposed procurement strategy, to advertise a call for competition and procure the service using a competitive tender process, is in compliance with the principles underpinning the Regulations and the Council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the Council.

4.3 Environmental Implications:

An environmental impact assessment has been carried out as part of the tendering process and it is anticipated that the proposals in this report will have no additional adverse impacts on energy use and carbon emissions, use of natural resources, travel and transportation, waste and recycling, climate change adaptation, biodiversity or pollution

It is also envisaged that by providing fixed routes to successful tenderers for a three year period, it will allow them to invest in new and lower emission vehicles.

4.4 Resident Impact Assessment:

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due

regard to the need to tackle prejudice and promote understanding.

An RIA was completed in December 2014. In providing the taxi and attendant contract for children with Special Educational Needs statements and with physical and learning difficulties, and providing this service for elderly and vulnerable adults, it is crucial that the Council fulfills its statutory and safeguarding responsibilities properly. In line with the Equality Act 2010, this contract will ensure that residents with disabilities are able to participate in education they have a statutory right to receive in accordance with the 1996 Education Act. On a daily basis the present contract serves seventy children with some of the highest physical needs and severe learning difficulties.

In regard to safeguarding, all self-employed drivers used by the successful contractors will possess a valid and up to date Public Carriage Office licence which will include enhanced DBS (Disclosure and barring service) clearance. All staff, including drivers and passenger assistants, directly employed by the successful contractors will be required to have an enhanced DBS clearance, and this will be checked by the Council.

Regular monitoring of the successful contractors will be carried out by the Accessible Community Transport manager through regular quality assurance monitoring of individual routes, vehicles and staff and annual audits, which will be completed at the contractors offices either solely by Islington Council Officers or jointly with Camden Accessible Transport Officers and other partners.

Any complaints concerning taxi and attendant services involving Islington residents that include any safeguarding issues will be sensitively dealt with in accordance with Council procedures and will be referred to the Local Authority Designated Officer (LADO).

5. Conclusion and reasons for recommendations

- 5.1 This procurement is essential to continue to provide continuous and high quality taxi and attendant services for adults and statemented children requiring transport to respite centres, and health appointments.

Appendices: None

Background papers: None

Final report clearance:

Signed by:



29.1.15

Executive Member for Environment and Transport. Date

Received by:

Head of Democratic Services Date

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