



Report of: Executive Member for Environment and Transport

Meeting of:	Date:	Ward(s):
Executive	25.4.19	All

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SUBJECT: Procurement Strategy for Taxi and Passenger Attendant Service

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the Taxi and Passenger Attendant Service in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 The framework agreement will provide taxis, attendants and accessible vehicles for children requiring home to school taxi provision; and transport for vulnerable adult clients attending medical appointments, respite centres and day centres. It will also provide taxi services through the Council's on-line booking system for officer transport.

2. Recommendations

- 2.1 To approve the procurement strategy for the Council's Taxi and Passenger Attendant Service as outlined in this report.
- 2.2 To delegate authority to award the contract to the Corporate Director of Environment and Regeneration in consultation with the Executive Member for Environment and Regeneration.

3. Background.

3.1 Nature of the service

All local authorities have a statutory duty to enable children with special educational needs and disabilities (SEND), adults with learning disabilities and the elderly to travel to 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 commissioning private hire vehicles and drivers to deliver the services required.

The current contracts for this provision expire on 31 August 2019. Discussions with Camden Council have taken place to look at options for a collaborative procurement and increased joint working, with shared taxi rounds for both in borough and out-of-borough journeys. Another borough is also interested in joining the framework which may lead to more shared rounds and reduced costs.

The outsourced provision relating to the framework agreement will mainly consist of home to school routes that cannot be provided on a cost effective basis by the Council's in-house Community Transport Service. These routes will need to be serviced by mini buses, accessible vehicles and saloon cars with drivers and passenger attendants. A small element of the framework will support adults requiring ambulances to respite homes.

3.2 Estimated Value

The expenditure on taxi and attendant services for SEND children and young people aged five to 25 has increased significantly from £912,000 in 2015/16, to an estimated spend of £1,600,000 in 2018/19. This has been due to more individual taxis to schools within Islington, and also more individual taxis being required for children and young people to travel to schools outside of the borough, including Southampton, Hertfordshire and Kent.

The spend for transporting adults to Day Centres and respite centres is approximately £100,000 per annum. Expenditure for ad hoc bookings through the online booking system is approximately £70,000 per annum.

It is anticipated that there will be an increase in the rates that contractors will charge due to inflation and the Ultra-Low Emission Zone (ULEZ) and the Low Emission Zone (LEZ). It is envisaged that any increase in charges from the successful contractors will be reduced through shared taxi rounds between Islington and Camden.

The total value of the contract to the Council is estimated to be £7.2 million over the four year duration of the contract.

The largest element of the current expenditure is for home to school transport. As well as the proposed shared taxi rounds with Camden aimed at reducing expenditure, officers within the People Directorate are also reviewing transport eligibility for all students.

Parents are also able to request personal travel budgets, thus reducing the use of the Community Transport Service and the taxi framework. It is also proposed to increase independent travel training for those students able to learn to travel on their own to secondary schools and colleges, supported by Islington employed Passenger Assistants.

3.3 Timetable

It is anticipated that the new framework agreement will be advertised by Camden Council in April 2019, with new contract arrangements commencing on 1 September 2019. The current contract arrangements have operated since 2015 and will expire on 31 August 2019.

Consultation with parents and service users on the new framework will commence after Easter for all current users of the taxi framework. A meeting has also been arranged with the Centre 404 Parents Forum. Parents will be kept fully informed and written to before any potential changes as a result of the new framework are implemented.

Once new taxi rounds are allocated, introductory meetings with parents will also be offered with any new drivers and/or attendants before the commencement of a regular journey. This approach will provide reassurance and facilitate a smooth transition for service users. Any issues or complaints will be dealt with sensitively and professionally by the Community Transport Service.

Consultation meetings will also be arranged with organisations supporting adult users. The Council will involve these organisations in the procurement process, including ensuring that service-users' needs are fully considered in the final specifications.

3.4 Options appraisal

The option of setting up a dynamic purchasing system (DPS) has been considered. However, further evaluation of the validity of this option needs to be undertaken. During the lifetime of the framework agreement, Camden Council and Islington Council will continue to work together to ensure the framework is delivering value for money whilst also looking at future options for longer-term, or more innovative options that meet the evolving requirements for both Councils.

Increasing in-house provision is also being considered and the Council already provides part of the service in-house. However, meeting the compliance requirements, purchasing vehicles and employing suitable staff to deliver the service wholesale is not a viable option within the current contract end timescale.

The recommended option is to carry out a collaborative procurement with Camden Council (who will be leading on the procurement) to establish a framework agreement for a total period of up to four years commencing in September 2019. A six-month termination clause will be included in all contracts awarded using the framework agreement.

A framework agreement will be set up with a number of different lots to cover the requirements of this service. The proposed lots are:

- Lot 1 – Taxi and Attendant Services (including Saloon and Multi-purpose Vehicle (MPV))
- Lot 2 – Taxi and Attendant Services (including Saloon and MPV Wheelchair accessible)
- Lot 3 - Minibuses
- Lot 4 - Minibuses with attendant (Wheelchair accessible)

- Lot 5 - Ambulance Transportation
- Lot 6 - Saloon Car

Providers will be able to apply to be considered for one or more of the lots. It is anticipated that all organisations that meet the minimum requirements for a lot will be party to the framework agreement, and eligible to participate in any further competition relating to a call-off contract.

It is envisaged that by collaborating with 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. On the present home to school transport, one round is already shared with Hackney and one taxi round commenced in January 2019 which is shared with Camden.

3.5 Key Considerations

The contractors currently being used are London based companies that employ local staff. Where legally permitted, provision will be included in the final contracts to ensure contractors will be pay the London Living Wage to their directly employed staff.

There are ongoing discussions to ensure that best value can be achieved through a framework agreement with minimum risk to the Council. Although there are higher numbers of children in single taxis at present, the increase in joint working and the other actions being taken should prevent a further escalation of costs.

In considering social value, environmental impacts will be addressed in the award criteria for environmental management. Contractors will need to procure newer, cleaner vehicles due to the introduction of the ULEZ in April 2019, the LEZ in 2020, and the extension of the ULEZ to the North and South Circular in 2021.

The re-tendering of this service will also give the opportunity to improve social value from an economic perspective. The nature of the service (local routes), and division into specific lots means that it is suitable for smaller, local organisations to apply. We will also set up an apprenticeship scheme for local young people to become passenger assistants.

TUPE will need to be considered as part of this procurement, and all current providers have been asked to provide relevant information.

3.6 Evaluation

This tender will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. The first stage is Selection Criteria through a Selection Questionnaire (SQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The SQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

A limited or 'restricted' number of these organisations meeting the SQ requirements as specified in the advertisement are then invited to tender (ITT). This second stage ITT is forwards-looking and uses set 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 award criteria in order to determine the most economically advantageous offer.

The proposed award criteria are 60% price and 40% quality.

The quality criteria will be made up of:

Work force management 10%

Health and Safety 10%

Customer Service 10%

Environmental Management 10%

Individual contractor's safeguarding procedures and systems will be fully reviewed at the ITT stage. To ensure the safety of all service users, it is proposed that bespoke safeguarding training will be offered to all Council staff administering the contract, as well as the successful contractors and their staff.

Full checks will be made for drivers directly employed by the contractor to ensure they have Disclosure and Barring Service (DBS) 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. This will be monitored further with the introduction of a management information system for Accessible Community Transport which will hold DBS expiry dates for Islington staff and contractors. Regular audits of taxi rounds and contractors, including staff, vehicles and other records, will also be conducted at schools, other centres, and the contractor's offices.

3.7 **Business Risks**

The following risks have been identified:

- The tendered rates being significantly higher than those currently being paid.
- Bidders bid too low (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 1 September 2019 contract start.

These risks will 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. Collaborative working with neighbouring boroughs will allow for shared routes and lower overall costs.

3.8 Employee Relations Act.

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 complete an 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.

3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.8 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 annual value will be in the region of £1.8 million. The agreement is proposed to run for a period of four years with a six month notice period available to all parties.
3 Timetable	Advert - spring 2019 Award - summer 2019 Commencement of new arrangements 1 September 2019.
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	Where legally permitted, the specification will stipulate payment of the London Living Wage to employed staff.
6 Award criteria	60% Price and 40% Quality (Workforce Management 10%, Health and Safety 10%, Customer Service 10%, Environmental Management 10%)

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, 4.2 and 4.3

4. Implications

4.1 Financial implications:

The provision of accessible transport for children is currently over budget, of which the provision of taxis is part. It is therefore essential that the procurement achieves best value for money. A joint project is underway between E&R and CES to reduce costs through more effective monitoring and control of cost including more rigorous assessment of need, more effective engagement of schools to manage demand and independent travel. In addition, work is being undertaken to redesign the service, including bringing Adult and SEN Transport together, reviewing staff terms and conditions, exploring options for the taxi service, and procuring new IT systems that would improve efficiency and access to management information.

4.2 Legal Implications:

The Council has a statutory duty under the Education Act 1996 to provide home to school transport service for pupils who cannot reasonably be expected to walk to school because of their mobility problems or because of associated health and safety issues related to their special educational needs or disability. The Council has powers to provide transport services for vulnerable adults attending medical appointments, respite centres and day centres under the National Assistance Act 1948, section 29 (as amended), the Care Act 2014, sections 18 and 19 and the Health Services and Public Health Act 1968, section 45 which 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". The Council may provide officer transport services under section 111 of the Local Government Act 1972 which enables the council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The section 111 power also enables the Council to undertake a joint procurement exercise with another local authority. The council may enter into contracts for such services under section 1 of the Local Government (Contracts) Act 1997.

The Executive may provide Corporate Directors with responsibility to award contracts with a value over £2 million using revenue money and over £5 million using capital money (Council's Procurement Rule 16.2).

The proposed procurement relates to services with an estimated value of £7.2 over the four-year duration of the contract. The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £181,302.00 for service contracts. The council's

Procurement Rules also require contracts over the value of £181,302.00 to be subject to competitive tender.

The proposed procurement strategy is to have access to a framework agreement that is procured by Camden Council with a call for competition and the use of a competitive tender process. This 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:

The main environmental impact of the Taxi and Passenger Attendant Service is the use of vehicles providing the service, which emit CO₂ and NO_x, adding to global warming and local air pollution. The vehicles also contribute to local congestion. As this is not a new service, these impacts have been in existence for some time.

Environmental Management is considered in the tender process and worth 10% of the score available. Under the new contract, the impacts will be mitigated by some of the existing contractors investing in new, cleaner vehicles to meet the ULEZ requirements, reducing their NO_x emissions. The increase in shared rounds will also lead to a decrease in the overall number of vehicles on the road and help reduce congestion.

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.

A full RIA has been completed and is attached at Appendix 1. 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 fulfils 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 that they have a statutory right to receive in accordance with the 1996 Education Act. On a daily basis, the present contract serves approximately one-hundred children with some of the highest physical needs and severe learning difficulties. Elderly adults are also transported to respite centres.

5. Reason for recommendations

5.1 This procurement is essential to continue to provide continuous and high quality taxi and attendant services for children with special educational needs and disabilities, and adults requiring transport to respite centres and for health appointments.

Appendices

Appendix 1 Resident Impact Assessment (RIA)

Signed by:

17 April 2019



Councillor Claudia Webbe
Executive Member for Environment and
Transport

Date

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