



Report of the Strategic Director Place to the meeting of Overview and Scrutiny Committee to be held on 25 January 2018.

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Subject: Provision of a corporate contract for the provision of Taxi Services

Summary statement:

The council utilises taxi services for the transport of vulnerable children and adults, and other service areas that have a need to draw off taxi services as part of their operational needs.

Currently Fleet and Transport Services (FTS) manages a Dynamic Purchasing System (DPS) which has worked successfully for the last 4 years and is due to expire end March 2018. FTS is now seeking to re-tender this contract for a further 4 years (2 + 2 years) or in accordance with procurement regulations.

To meet its obligations under Standing Orders details of all contracts in excess of £2 million should be reported to the appropriate Overview and Scrutiny Committee to afford Members opportunity to engage in the process.

Steve Hartley
Strategic Director of Place

Portfolio:

Department of Place

Report Contact: Geoff Binnington
Phone: (01274) 437442
E-mail: Geoff.binnington@bradford.gov.uk

Overview & Scrutiny Area: Corporate



1. SUMMARY

- 1.1. The council utilises taxi services for the transport of vulnerable children and adults, and other service areas that have a need to draw off taxi services as part of their operational needs.
- 1.2. Currently Fleet and Transport Services (FTS) manages a Dynamic Purchasing System (DPS) which has worked successfully for the last 4 years and is due to expire end March 2018. FTS is now seeking to re-tender this contract for a further 4 years (2 + 2 years) or in accordance with procurement regulations.
- 1.3. To meet its obligations under Standing Orders details of all contracts in excess of £2 million should be reported to the appropriate Overview and Scrutiny Committee to afford Members opportunity to engage in the process.

2. BACKGROUND

- 2.1. Fleet and Transport Services currently administers a Dynamic Purchasing System (DPS) for the provision of taxi services for transportation of vulnerable children and adults across the District. This DPS commenced in 2014 and achieved initial first year savings of £572.5k when retendering runs on a like for like basis. It continues to provide a cost efficient means of procuring transport.
- 2.2. The DPS allows FTS to address transport needs for both regular home to school transport services on a daily basis throughout the academic year for c850 school students with special education needs or attending Pupil Referral Units.
- 2.3. The department also provides a responsive service which meets the needs of ad-hoc service users (adults, children and staff) across the District, currently addressing transport needs for c. 51 looked after children, c30 post 16 college students and c.175 vulnerable adults attending day care.
- 2.4. The contract has an annual spend of £6M, and is funded by Children and Adult Services with the control of spend following a control process administered by FTS planning routes to meet client needs with approval being sought from the relevant service prior to implementation.
- 2.5. The DPS provides a call off framework, and is open to suppliers to enter at anytime (providing they meet minimum entry criteria) and lasts for a maximum of 4 years. Each of the council's requirements for taxi services would then be bought through mini competition via the DPS which would be open to the widest possible market securing competitive process and value for money.

3. OTHER CONSIDERATIONS

- 3.1. Taxi requirements for vulnerable client groups requires a high quality service that responds to and provides suitable transport for individual needs whilst covering the geographical extent of the District.
- 3.2. Children's services and Adult Services are currently reviewing transport requirements, and it is likely there will be changes to the demand for taxi services in the future which will require a highly flexible contracting system that is responsive to changing client needs and, or funding arrangements, whilst maintaining specified levels of service quality.



- 3.3. Both Children's Services and Adult Services transport needs can be subject to frequent variation as new clients "enter the system", move house or move into/leave the district or their needs change.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1. Current contract spend providing taxi services to vulnerable people totals £6m p.a. However, it is acknowledged that future levels of spend may change. The DPS will continue to provide a flexible contract for the delivery of the taxi services that has no liability for the council to suppliers should the level of spend change.
- 4.2. Whilst transport requirements continue to be reviewed the level of spend in this area requires the Council to comply with European Procurement Directives for the purchase of goods, services or works.
- 4.3. Due to the proposed contract value there is also need to follow the Council's Standing Orders for contracts in excess of £2m in value.
- 4.4. FTS manages the Council's taxi service contract on behalf of service areas with requirements to transport vulnerable children or adults: the contract also provides a corporate resource for other service areas with need to draw off taxi services as part of their operational needs. Approvals and cost for provision of taxi services would be met by the relevant budget holding service area.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

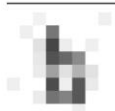
- 5.1. There are no significant risks arising out of the implementation of the proposed recommendation. Furthermore, it is proposed that taxi services will continue to be provided through a DPS on a call off arrangement making no guarantee of a minimum or maximum value of work for suppliers, placing no liability on the Council should the demand for services increase or decrease.
- 5.2. Procuring taxi services through the DPS requires the tendering process to be administered electronically and a bespoke system is already in place for this and has worked successfully for the last 4 years.

6. LEGAL APPRAISAL

- 6.1. Standing Orders (paragraph 5.3) state that before entering into a contract the appropriate officer must:

5.3.7 For contracts in excess of £2 million and where funding has been identified through the budget process or otherwise, report details to the appropriate Overview and Scrutiny Committee by using the pre-contract reporting process held by the Assistant Director Commissioning and Procurement.

The purpose for the pre-decision scrutiny for contract award is to afford the opportunity for the appropriate scrutiny committee to be engaged in the process, and although the decision to award is not taken by scrutiny, it is good practice to ensure that scrutiny is involved so they have opportunity to inform the process.



- 6.2 The Public Services (Social Value) Act 2012 came into effect on the 31st January 2013. This requires Local Authorities when procuring for services and framework contracts for services above the EU threshold of £173,949 to consider how:
- (a) What it is proposed to be procured might improve the economic, social and environmental well-being of the area
 - (b) In conducting the procurement process, it may act with a view to securing that improvement;
 - (c) Whether or not to consult on these matters
- 6.3. The taxi services contract inherently has the potential to promote the social well being of the area as it fundamentally provides transport services to vulnerable people within the District, improving their quality of life and life chances. Secondly requirements are locally driven (transport of citizens to destinations within the district); such requirements are likely to be best met by suppliers with strong local knowledge and presence, thereby promoting local employment and economic benefit. FTS facilitate the Private Hire Association meetings and regularly engage with suppliers and will continue to do this prior to the start of a formal tendering process.
- 6.4. The view is therefore that the Council should not seek to secure further social value from the Taxi Services DPS, nor that it should consult on this matter, However to ensure good practice, and that social, environmental and economic benefits continue to be maximised by pro-active contract management to monitor supplier performance in terms of; support for local businesses, reduced environmental impact in the delivery of services (particularly vehicle emissions) and promotion of local employment opportunities.
- 6.5. A DPS contract can last for a maximum of 4 years and whilst it makes no guarantee to award a contract to any supplier who has registered it is by its nature inherently flexible and thereby responsive to variations (through running mini competitions) for example to meet changes in client needs or reviews of transport funding. The DPS will also continue to promote competition amongst all eligible suppliers to secure value for money for the council.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Although the taxi service contract provides services to vulnerable children and adults there are no equality or human rights act implications to consider as part of this report.

7.2 SUSTAINABILITY IMPLICATIONS

There are no Sustainability implications to consider as part of this report

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Whilst the use of taxi services as a transport solution has greenhouse gas production implications FTS seeks to minimise its impact through efficient route planning, and promoting the use of alternative fuel vehicles through contract management.



7.4 COMMUNITY SAFETY IMPLICATIONS

There are no Community safety implications to consider as part of this report

7.5 HUMAN RIGHTS ACT

There are no Human Rights Act implications to consider as part of this report

7.6 TRADE UNION

There are no Trade Union implications to consider as part of this report

7.7 WARD IMPLICATIONS

There are no ward implications to consider as part of this report

7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS

There are no Area Committee implications to consider as part of this report

8. NOT FOR PUBLICATION DOCUMENTS

There are no Not for Publication Documents to consider as part of this report

9. OPTIONS

- 9.1. Do nothing. This option would not allow the Council to meet its commitments to provide transport post March 31st 2018.
- 9.2. Externalise management and tendering of a taxi service. This approach has been used previously and found to be highly inefficient and costly, and also has potential TUPE implications.
- 9.3. Initiate a new type of contract. There is no evidence to suggest that there is any contract in the market place which could provide the flexibility and value for money to meet the Council's needs for the future.
- 9.4. Tender each taxi service requirement and variation individually. Such an approach would require extensive resources and could also be viewed as contravening procurement law as disaggregating demand.
- 9.5. Relet the DPS Contract for a further period of 4 years (2+2) or in accordance with procurement regulations. This would continue to deliver economic benefits for the Council and the local economy. Competition is open to all eligible suppliers and potential suppliers are able to apply for eligibility throughout the duration of contract.



10. RECOMMENDATIONS

10.1. To continue to procure taxi services through a Dynamic Purchasing System (DPS).

11. APPENDICES

There are no appendices

12. BACKGROUND DOCUMENTS

There are no background documents

