

Cabinet Member delegated decision

Decision Due: 29 October 2014

Passenger Transport Services: Contract Extension

Wards: All

Report Authorised by: Strategic Director Commissioning: Helen Charlesworth-May

Portfolio: Cabinet Member: Councillor Jackie Meldrum – Children and Adults Social Services

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Report summary

This report recommends a contract 9 month extension for passenger transport services (Taxi provision) in Lambeth, whilst a tender process takes place. Due to the contract expiring on 30 June 2014 this request is deemed to be a non compliant purchase and as such it can only be approved by the Strategic Director for Commissioning and falls within her area of responsibility. The report will subsequently be submitted to Strategic Procurement Board for noting. The Cabinet member is required to approve the report in accordance with the Scheme of Delegation (due to the value exceeding £500k).

Local authorities have a duty under the National Assistance Act 1948 to assist individuals to access services for clients with special needs using specialist accessible transport with appropriately trained drivers and staff. The Council competitively procured a panel of transport providers in 2007 and entered into 18 individual contracts for the period of January 2008 to December 2011. Upon expiry of this term, contract extensions until June 2013 were approved by the Strategic Procurement Board. This was extended until June 2014 whilst a transport strategy and procurement was carried out. Due to delays this report asks for a further extension from 1 July 2014 - 31 March 2015 to ensure enough time for a full OJEU tender exercise, which is underway, and a sufficient mobilisation period.

Finance summary

The cost of a nine month waiver (1 July 2014 to 31 March 2015) will be met from within existing revenue budgets to enable the continued provision of this service for vulnerable adults and children until the new contract is tendered to be fully compliant with EU regulations.

It is anticipated that the total spend during this period will be approximately £1,384k made up of approximately:-

87% CYPS (£1,204k)

13% ACS (£179k)

As a statutory requirement, the ACS and CYPS spend is classified as essential expenditure and therefore the Council is legally obligated to provide transportation for the adults and children that meet the eligibility criteria. The commissioning work to be done under the proposed new tender will include volume management with a view to reducing overall spend.

Recommendation

- (1) To agree an extension of the passenger transport contracts to the twelve providers as stated in paragraph 2.2 at an estimated total cost of £1,384k for the period of up to nine months from 1 July 2014 - 31 March 2015. This will facilitate time to complete the procurement exercise already underway. It is anticipated that this process will take less than the nine month extension requested, therefore a one month notice period will be included in the terms and conditions, enabling an early termination.

1. Context

1.1 Lambeth has a statutory obligation to provide transport services under section 2 of the Chronically Sick and Disabled Person Act 1970 for those assessed to be in need. This often takes the form of transportation via a taxi and can also include the services of an escort. This service is usually provided as part of a service user's care package. This service delivers the following outcomes on the Community Plan 2013-16:

- Vulnerable children and adults get support and protection
- Older disabled and vulnerable people can live independently and have control over their lives

1.2 A tendering exercise was carried out during 2007 with a four year contracts awarded to eighteen companies for the provision of private hire vehicles, taxis and mini buses. Whilst this tendering exercise was carried out jointly by Commissioners from Children & Young People (C&YP) and Adults Social Care (ASC) teams.

1.3 Originally, the contracts ran from January 2008 until December 2011; new contracts were awarded under waiver until June 2013. This was then extended again until 30 June 2014. This was to enable a Transport Strategy to be developed by ASC (attached) and prepare a new specification to meet the changing needs of service users in light of the personalisation agenda. This was delayed due to lack of resourcing in CYP and ASC Commissioning and Procurement and delays in consultation due to the Sheltered Housing work in ASC.

1.4 There has been a year on year reduction in the overall spend on taxis by ASC and a total saving of £300k of reduced usage of the service across CYP and ASC since 2011/12.

2. Proposal and Reasons

2.1 It is proposed to extend the contracts of twelve providers for a term of nine months from 1 July 2014 to 31 March 2015. The conditions of the contract will allow for early termination with a month's notice to be relied upon if the working group is able to tender the new provision quicker than expected. The previous extension was for thirteen providers, however Ruskin Cars has become bankrupt and is no longer trading.

2.2 The twelve companies are:-

A Star Transport Ltd	Access Mobility Transport Ltd
Beckett Corporation Ltd	Sherwood Cars
CCH Express (Car and Couriers) Ltd	CT Plus (Hackney)
Courier Cars	Galpins Services Ltd
Kelly Executive	Kendall Cars
Ladycars (UK) Ltd	Olympic South Ltd (T/A HATS)

- 2.3 All companies on the framework contract have been used, although some are used more than others due to their competitive prices, customer feedback and quality service. The 12 companies above have been checked in the last 12 months for contract compliance.
- 2.4 Most of the clients who would use this service do not respond well to change due the nature of their physical and/or mental frailty. It is therefore important that instances of change or disruption to a familiar service which meets assessed need be kept to minimum. Retaining the existing service until a re-tendering process has been completed and the new contract is in place will help maintain stability for service users.
- 2.5 Lambeth has a statutory obligation to provide transport services under section 2 of the Chronically Sick and Disabled Person Act 1970 for those assessed to be in need. Therefore there is not a 'do nothing' option. The procurement strategy for the new Passenger Transport Service Framework Agreement is also being presented to the Strategic Procurement Board, so this waiver would be for the interim period of a few months whilst the tender and mobilisation takes place. It is likely that the full nine months would not be required, and there is a one month notice period to terminate this contract and start the new one.

3. Finance

- 3.1 This framework agreement does not guarantee any work to the providers. The cost of a nine month waiver (1 July 2014 to 31 March 2015) will be met from within existing revenue budgets to enable the continued provision of this service for vulnerable adults and children until the new contract is tendered to be fully compliant with EU regulations.
- 3.2 It is anticipated that the total spend during the period of the extension will be approximately £1,384k made up of approximately:-
 - 87% CYPS (£1,204k)
 - 13% ACS (£179k)
- 3.3 As a statutory requirement, the ACS and CYPS spend is classified as essential expenditure. The commissioning work to be done under the proposed new tender will include volume management with a view to reducing overall spend.
- 3.4 Our current annual spend of £1.84m has fallen over the last 3 years by over £300k. All Providers have been informed that the Council seeks 10% cost reductions as part of the contract extension. However this has been rejected. The new tender and implementation of the e-brokerage tool (Dynamic Procurement System) will seek to secure cost and service efficiencies.
- 3.5 There is work underway in Children and Adults to further reduce expenditure on transport. Adult services has developed a transport strategy and eligibility criteria to support enablement and independence; reducing the reliance on passenger transport services. Similar work is underway in Children's.
- 3.6 The intention is to maximise economies of scale across the council by aligning contract management processes between Adult and Children's social care and SEN teams, this work is just starting and will be 'phase two' of the Taxi project, once the new Framework Agreement is tendered.

Taxi expenditure:

Team	Taxi Spend 2013/14	Taxi Spend 2012/13	Taxi Spend 2011/12
Social Care (children)	£295,874	£243,482	£405,292
Social Care (Adults)	£217,944	£279,145	£363,944
SEN	£1,331,026	£1,424,851	£1,393,328
Total	1,844,844.00	1,947,478.00	2,162,564.00

3.7 The Budget 2014/15

Service	
Adult Social Care (BU213)	£240,447
CYP Social Care (BU450/451)	£389,000
SEN (BU494)	£789,817
Total	£1,419,264

4. Legal and Democracy

4.1 The Council has delegated the authority to enact this report's recommendation to the Cabinet member holding the relevant portfolio.

4.2 The Contract Standing Orders contain provision allowing officers to waive the requirement to competitively tender contracts valued at £100k or more where it is demonstrably in the Council's best interests to do so.

4.3 Supporting and auxiliary transport services are categorised in Part B of Schedule 3 of the Public Contracts Regulations 2006 meaning the full rigour of the regulations does not apply and the Council is not required to follow the procedures set out therein. In such circumstances the duty on the Council is to act reasonably and transparently in its decision-making in respect of contract awards.

4.4 This proposed key decision is entered in the Forward Plan and the necessary 28 clear days notice has been given. In addition, the Council's Constitution

4.5 requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

5.1 Service users from ASC and CYP and their families were consulted about their current service in April 2014 and feedback was overwhelmingly positive about their current providers. Many regular users felt that continuity of staff was the most important part of the service. The contract extension would enable this whilst the tender takes place.

6. Risk management

6.1

Key Risk	Likelihood	Mitigation
Contract extension is challenged	Low	This is an interim measure whilst a Part A OJEU tender takes place. The procurement timetable aims to have the new Framework in place by November 2014. To delay or not to tender at all however could put the council at risk of challenge.
Equalities Impact	Low	EIA carried out, no adverse impact to equalities was found, this service has a positive impact on disability.
No suitable tender received/not sufficient numbers of tender submissions	Low	The providers will be selected in a robust way and in accordance with Lambeth Procurement Protocols. The market was engaged via an event held in April 2014 with over 35 providers attending.
Providers not being able to complete contractual obligations	Low	These providers have been successful in delivering this contract for many years. These providers will be contract monitored. If there are contractual problems then the Council will engage another provider from the 12 to take on the work.
High levels of referrals received by provider	Low	Demand for this service is dependent on eligibility of service users. ASC and C&YP have worked to reduce the need for this service. It is unlikely to increase significantly.
Safeguarding issues, risk of abuse by the provider or their members of staff	Low	Disclosure and Barring Service (DBS) completion is a prerequisite for approved Transport for London registration. Service providers will be required to evidence compliance for escorts and drivers under

		these rules. Contract monitoring will be in place.
Quality of Provision is poor	Low	<p>The Taxi Drivers are required to comply with the approval process of Transport for London which includes DBS clearance and Vehicle safety.</p> <p>Escort and Driver requirements are covered in Section 6 on the Service Specification.</p> <p>Any failing provider will not be utilised as the contracts are provided on a spot basis, with no contractual commitment regarding usage.</p>

7. Equalities impact assessment

7.1 It is anticipated this contract extension will have a low impact on inequalities as this service is not changing. This service has an overall positive impact on disability.

8. Community safety

8.1 There is no anticipated impact on crime and disorder.

9. Organisational implications

9.1 Procurement

A full tender will be undertaken (in September 2014) to procure a Framework Agreement of suitable taxi providers, which will be done via an open part A tender. This direct award will provide sufficient time to allow the tender to be completed. Once completed, the approved providers will compete on price for routes via the e-brokerage module of CarePlan.

The Council will have the flexibility to choose from all of the e-bidders, which could potentially be used to assist with the selection of providers that have demonstrated a commitment to Lambeth's Social Value agenda and demonstrate VFM.

10. Timetable for implementation of the new Passenger Transport (Taxi) Service

10.1

Activity	Proposed Date
OJEU Contract Notice despatched	September 2014
Advertisement published	September 2014

Issue Invitation to Tender (45 days)	September 2014
Tender return deadline	November 2014
Tender evaluation	November/December 2014
Strategic Procurement Board	January 2015
Standstill Period (10 days)	January 2015
Contract award	February 2015
Contract commencement	February/March 2015
OJEU Contract Award Notice despatch	February 2015

Audit trail				
Consultation				
Name/Position	Lambeth cluster/division or partner	Date Sent	Date Received	Comments in para:
Maria Millwood, Commissioning Cluster	Strategic Director	12.05.14	08.08.14	Final Signed version
Finance Clearance John Chance (CYP) Helen Bulger (Adults)	Business Partnering	12.05.14	23.05.2014	
Legal Services Michael O'hora	Enabling: Integrated Support	12.05.14	14.05.14	4
Tim Stephens, Democratic Services Manager	Enabling: Corporate Affairs	12.05.14	13.05.14	Throughout
Councillor Jackie Meldrum	Cabinet Member: Children & Families	16.06.14	10.09.14	throughout
Internal Officer Board	Date of meeting			
Taxi Contract Project Group: Chair: Kelly Renzullo (Commissioning) Georgie Jones-Conaghan (Commissioning) Michael Donkor and Kelly Avis – SEN Colin Blackwood – Procurement Adrian Johnson – Contract Monitoring Kumar Kathiramalai – Finance Monica Saunders – Head (Social Care) Ann Maculay – Adults Brokeridge	8/4/14			Report circulated to group and progress recorded on 8/4/14 further update recorded at the meeting on 17/6/14.
External				
Report history				
Original discussion with Cabinet Member		27.3.2014		
Report deadline		N/A		
Date final report sent		N/A		
Report no.		N/A		
Part II Exempt from Disclosure/confidential accompanying report?		No		
Key decision report		Yes		
Date first appeared on forward plan		17.04.14		
Key decision reasons		OR 2. Expenditure, income or savings in excess of £500,000		
Background information				
Appendices		None.		

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have been consulted on this report:

Signature _____ Date _____

Post: Maria Milwood – Director of Integrated Commissioning

Signature _____ Date _____

Post: Helen Charlesworth-May – Strategic Commissioning Director

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (as required) and approve the above recommendations:

Signature _____ Date _____

Post: Councillor Jackie Meldrum

Cabinet Member: Adults and Children’s Social Care

Any declarations of interest (or exemptions granted):

Issue	Interest declared
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NA	
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