

**Cabinet Member delegated decision****Decision Due:** 06 January 2015**Report title** Passenger Transport Services – tender award recommendation**Wards:** All**Report Authorised by:** Strategic Director, Commissioning Helen Charlesworth-May**Portfolio:** Cabinet Member for Children and Families, Councillor Jane Pickard and Cabinet Member for Adult Social Care, Councillor Jackie Meldrum**Contact for enquiries:**[vgudra@lambeth.gov.uk](mailto:vgudra@lambeth.gov.uk)

Vikram Singh Gudra, Procurement Officer, 0207 926 5495

**Report summary**

It is proposed that leading on from a competitive procurement process, the following Suppliers be awarded a place on the Passenger Transport Services Framework, which will run from September 2015 to May 2019:

| <b>Supplier</b>                |
|--------------------------------|
| Access Mobility                |
| A Star                         |
| CT Plus                        |
| LaSCot                         |
| London Hire Community Services |
| Olympic South (HATS)           |
| TKH Ltd (t/a The Keen Group)   |
| Croydon Circuit                |
| Station Cars                   |
| Kelly Executive                |

**Finance summary**

This framework agreement does not guarantee any work to the providers. Our current annual spend of £1.84m has fallen over the last 3 years.

There is work underway in Children's Services and Adult Services 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 Services.

| Team                   | Taxi Spend 2013/14  | Taxi Spend 2012/13  | Taxi Spend 2011/12  |
|------------------------|---------------------|---------------------|---------------------|
| Social Care (children) | 295,874.00          | 243,482.00          | 405,292.00          |
| Social Care (Adults)   | £217,944            | £279,145            | £363,944            |
| SEN                    | £1,331,026          | £1,424,851          | £1,393,328          |
| <b>Total</b>           | <b>1,844,844.00</b> | <b>1,947,478.00</b> | <b>2,162,564.00</b> |

- The current budget of £217,000 for Adults social care is held within Integrated Disabilities, across CCs D12223, D12233 & D12234.
- The current budget of £389,000 for Children and Young People social care is held across various cost centres in Childrens Social care, however the majority of the allocation totalling £334,000 is held CCs D13054 and D13056
- The current budget of £789,817 for SEN is held within CC D13156.

## Recommendations

- (1) Proceed to award a place on the framework to the ten (10) Suppliers, as identified above, to commence from October 2015 for 4 years. The contract will have an estimated value of £7.36m.

## 1. Context

1.1 The framework will allow a flexible approach in meeting the transport needs of SEN and Children & Young People (C&YP). Routes will be offered for quotation and Supplier will submit proposals via the CarePlace portal.

1.2 This service has been developed to support the aims of the Cooperative Council and the service has been co-designed with providers and users. It is outcome focused and links to two key outcomes on the Community Plan (2013-16) which are 'Older, disabled and vulnerable people can live independently and have control over their lives' and 'Vulnerable children and adults get support and protection'. The specification stresses the importance of social value, and asks that providers that tender for the service also have due regard to the Council's other community outcomes and how they can help to meet these (Social Value Act 2012). This requirement formed part of the evaluation.

The service has a low impact on equalities, and has a positive impact on people with a disability, as it helps them to live at home and have some independence (Equality Act 2010). Providers are expected to meet our commitment to paying the London Living Wage, this has been clearly communicated at the Provider event, and will be part of the tender evaluation.

All providers will need to be licensed with TfL to provide taxi and private hire services. This provides additional protection to our users, and reduces the work required by the council to monitor this aspect of the service.

This service is commissioned and has been procured with due diligence to EU rules, and in line with the Health and Social Care Act 2012, Community Care (Direct Payments) Act 1996, and the Children's Act 2004.

1.3 This is a Procurement Gateway 3 Report.

## 2. Proposal and Reasons

2.1 It is proposed that the ten (10) Suppliers identified at the beginning of this report be awarded a place on the Passenger Transport Services Framework.

A competitive procurement process was followed, which involved a Supplier Engagement Event, an Invitation to Tender stage and a full Evaluation of all proposals received (26 in total).

A minimum quality threshold of 60% was agreed, which all ten (10) of the recommended Suppliers met. It is worth noting that 16 Suppliers have been rejected as they failed to achieve this minimum quality threshold.

2.2 Tenders were open on 9 March. Twenty six (26) proposals were submitted and evaluated based on the criteria as detailed below:

|  | Question | Weighting |
|--|----------|-----------|
|--|----------|-----------|

|    |  |     |
|----|--|-----|
| 1  | Provide details of how you keep vulnerable adults and children safe. Please give examples of ways in which you prevent and respond to an incident.   | 30% |
| 2a | In reference to the service user categories that you are bidding for, provide details of how you support the individual needs of service users. In your answer please give examples of:-<br><br>- How you have understood and met the needs of a service user<br>· How you communicate with a service user effectively<br>· How you engage and involve the user and/or their family in the service | 20% |
| 2b | Please give one example of how you have worked cooperatively with a user, their family and another organisation to resolve a problem.  | 10% |
| 3a | Please explain and provide an example of how you provide quality assurance?  | 20% |
| 3b | Please explain how you could innovate your business to drive improvements and efficiencies.  | 10% |
| 3c | Relating to the Social Value Act 2012 and Lambeth Council's community plan 2013-16 (see the specification, Appendix B), how will your service provide additional social value to Lambeth?  | 10% |

### 3. Finance

3.1 Revenue budgets are held within both Adults & Childrens services for transportation of vulnerable adults & childrens with statutory assessments.

The current budget of £217,000 for Adults social care is held within Integrated Disabilities, across CCs D12223, D12233 & D12234. The current budget of £389,000 for Children and Young People social care is held across various cost centres in Childrens Social care, however the majority of the allocation totalling £334,000 is held CCs D13054 and D13056. The current budget of £789,817 for SEN is held within CC D13156.

3.2 There is an ongoing pressure with SEN to reduce transport costs as the actual costs, driven by statutory requirements exceeds budgetary provision and the competitive procurement will support effective use of the available budget.

### 4. Legal and Democracy

- 4.1 The authority to award contracts to the 10 suppliers on the proposed framework is vested in the Cabinet Member, who should exercise her power in consultation with the Leader, and on the recommendation of the Procurement Board.
- 4.2 The Council has a duty under s2 of the Chronically Sick and Disabled Persons Act 1970 (in respect of children) and a power under the Care Act 2014 (in respect of adults) to provide transport services to those assessed to be in need. Provision can be by way of taxi, and may include escorts.
- 4.3 The Public Contracts Regulations 2006 applied to this procurement, as it was commenced prior to the 2015 Regulations. In accordance with the 2006 Regulations, the Council placed an advertisement in the Official Journal of the European Union and invited bidders to tender through the Open Procedure.
- 4.4 The Public Services (Social Value) Act 2012 requires that authorities which are procuring services consider: i) how what is proposed to be procured might improve the economic, social and environmental well-being in its area, and ii) how, in conducting the process of procurement, it might act with a view to securing that improvement. The 2006 Regulations permit contracting authorities to stipulate social and environmental conditions relating to the performance of a contract, provided these were set out in the OJEU notice and contract documents provided that they comply with the general principles of EU law, including non-discrimination and transparency. The community benefits in question must be linked to the subject matter of the contract.
- 4.5 The 10 suppliers on the framework will enter into contracts with the Council with overarching terms and conditions but each package of work will be commissioned through mini-competition on price through an e-brokering online marketplace open to all suppliers on the framework. This electronic framework shares some of the features of a dynamic purchasing system, albeit that it is restricted to suppliers on the framework. No supplier will be guaranteed any work and each will have to compete on price.
- 4.6 Frameworks should typically not exceed 4 years and it is noted that the Council proposes to award 4 year contracts in compliance with this rule. The Council must adhere to the provisions of the framework in awarding contracts from it. Before awarding the contracts the Council should observe the prescribed standstill period, including the notification and debriefing requirements.
- 4.7 This proposed key decision was entered in the Forward Plan on 24.07.15 and the necessary 28 clear days notice has been given. In addition, the Council's Constitution 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 Following on initial consultations between Head of SEN Transport, Adult Commissioning, Children's Commissioning, Finance and the Cabinet Member for Children and Adult Services, a Project Group was established to deliver the framework that was made up of the Head of SEN Transport, the Children's Commissioner, a Commissioning Officer and Procurement.
- 5.2 In April 2014, a Market Engagement Event was held with all interested providers. The event also to develop a co-production approach with reference to the development of the service specification and tender process. The providers (in excess of 35) gave an insight into the existing Lambeth arrangements and best practice elsewhere. A draft specification was circulated in order for providers to continue to feed into the development of the specification.

Furthermore, a series of telephone interviews and surveys were carried out with users, parents and schools on the current passenger transport service. This feedback was incorporated into the specification and formed the basis of the tender questions.

## 6. Risk management

### 6.1

| Key Risk   | Likelihood | Mitigation  |
|--|------------|---|
| Tender process is challenged   | Low        | This is a Part A OJEU tender and as such was tendered Europe-wide via the OJEU.   |
| Equalities Impact  | Low        | EIA carried out, no adverse impact to equalities was found  |
| No suitable tender received/not sufficient numbers of tender submissions     | Low        | The providers have been selected in a robust way and in accordance with Lambeth Procurement Protocols. The market was engaged via an event held in April 2014.  |
| Providers not being able to complete contractual obligations                 | Low        | Through the tender evaluation process, it has been ensured that potential providers can meet the standard requirements in terms of their technical and financial capacity   |
| Low levels of referrals received by provider                                 | Low        | Demand for this service is dependent on matching the need of the service user. Only quality providers will be accepted to be placed in this Framework.  |
| Safeguarding issues, risk of abuse by the provider or their members of staff | Low        | 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. |

|  |     |   |
|--|-----|---|
| Emergence of dominant relationships that may influence the market. | Low | Ensure that there is an adequate mix of service provision, successful organisations meet the outputs as set out in the specification and that there is strict monitoring of outcomes. |
|--|-----|---|

It is felt that by awarding to the ten (10) recommended Suppliers, a sufficient pool of suppliers to provide competition will be achieved.

Legal have been consulted regarding any TUPE implications. It was advised that this obligation would not apply.

Overall this contract is low risk, as the Framework does not guarantee any hours or work to providers.

Dunn & Bradstreet credit checks have been conducted on all providers. All awarded credit scores have been viewed as acceptable. Insurance cover has also be verified.

## 6.2 Equalities impact assessment

An EIA was conducted and found that this service will have a low impact on equalities in Lambeth and seeks to improve inequalities by supporting people with a disability to access the community.

This service will continue to provide transport for those with a disability assessed as requiring it. The new service will have more options for people to have control and choice over their service, including paying with a personal budge which will achieve more positive outcomes for those that want this control. There are very minor negative impacts identified in the new commissioning model.

Negative impacts that have been identified relate more to the broader societal inequalities of the client base that will use this service, rather than resulting in the service itself. The outcomes and objectives of the service specification take this into consideration and attempt to have a positive impact overall on the lives of its service users and Lambeth citizens who may deliver the service, in an effort to reduce societal inequalities.

## 7. Community safety

7.1 As per the EIA as above.

## 8. Organisational implications

None.

### 8.1 Environmental

The specification indicates that environmental awareness and impact will be monitored as part of the contract.

### 8.2 Staffing and accommodation

Not applicable.

### 8.3 Procurement

The Project Group recommend the use of the Framework Agreement as this will only involve the evaluation of bidder responses once at tender return stage. This will therefore reduce the need for resource compared to the DPS option. The method statements will be evaluated solely on quality at the tender stage (no price element) as Adults and Children's are transitioning over to using the CarePlace EBrokerage module for the individual care packages to allow for personalisation of service user budgets and to get value for money for each journey.

Therefore, a one stage procurement process was followed. The Invitation to Tender and evaluation criteria were developed in co-ordination with the Procurement Officer, Lead Commissioner, Head of SEN Transport and the Commissioning Officer.

To ensure only high quality Suppliers would be awarded a place on the Framework, a minimum quality threshold for evaluations would included. This was set at 60% of the technical evaluation.

Once the framework has been implemented, the service will be brokered on an individual basis via an ebrokerage system called CarePlace, which the Council is using on other contracts. Therefore the tender stage exclusively tested the quality of providers; the pricing will come into brokering the service, as mini competitions are run on each route to ensure best value is achieved for the authority over the course of the contract period.

With regards to Responsible Procurement obligations the London Living Wage, Lambeth Social Value Framework and environmental impacts formed part of the tender evaluation.

For further details, see the approved Procurement Strategy dated 2 October 2014.

### 8.4 Health

Not applicable.

## 9. Timetable for implementation

### 9.1

| ACTIVITY                          | DATE              |
|-----------------------------------|-------------------|
| OJEU tender notice issued         | W/C 19th Jan 2014 |
| Tender issued                     | W/C 19th Jan      |
| Tender response date              | W/C 6th March     |
| Council – recommendation to award | Aug 2015          |

|  |                              |
|--|------------------------------|
| Intention to Award (10 day Standstill)               | September 2015               |
| Contract Award                                       | September 2015               |
| Brokerage of individual packages on CarePlace begins | 1 <sup>st</sup> October 2015 |
| Implementation Period                                | Oct – Dec 2015               |

| <b>Audit trail</b>                |  |                  |                      |                          |
|-----------------------------------|--|------------------|----------------------|--------------------------|
| <b>Consultation</b>               |  |                  |                      |                          |
| <b>Name/Position</b>              | <b>Lambeth cluster/division or partner</b> | <b>Date Sent</b> | <b>Date Received</b> | <b>Comments in para:</b> |
| Helen Charlesworth-May            | Strategic Director, Commissioning          | 28.04.15         | 17/12/15             |                          |
| Sue Foster                        | Strategic Director, Delivery               | 28.04.15         |                      |                          |
| Maria Millward                    | Commissioning Director                     | 28.04.15         | 19/11/15             |                          |
| Cathy Twist                       | Delivery Director                          | 28.04.15         |                      |                          |
| Michael Donkor                    | SEN Delivery Lead                          | 28.04.15         |                      |                          |
| Nilesh Jethwa- Head of Finance    | Financial Planning & Management            | 01.06.15         | 03.06.15             | 3                        |
| Legal Services                    | Enabling: Integrated Support               | 01.06.15         | 04.06.15             | 4.1 – 4.6                |
| Maria Burton, Democratic Services | Enabling: Corporate Affairs                | 29.07.15         | 29.07.15             | Throughout               |
|                                   |  |                  |                      |                          |
| Councillor Jane Pickard           | Cabinet Member:                            | 10.06.15         | 11.06.15             |                          |
| Councillor Jackie Meldrum         | cabinet Member                             | 10.06.15         | 24.07.15             |                          |
| <b>Internal Officer Board</b>     | <b>Date of meeting</b>                     |                  |                      |                          |
| Procurement Board                 | 27.08.15                                   |                  |                      |                          |
| <b>External</b>                   |  |                  |                      |                          |
|                                   |  |                  |                      |                          |

| <b>Report history</b>   |   |
|---|---|
| <b>Original discussion with Cabinet Member</b>                          | 12.04.14  |
| <b>Report deadline</b>  | N/A   |
| <b>Date final report sent</b>   | N/A   |
| <b>Report no.</b>   | N/A   |
| <b>Part II Exempt from Disclosure/confidential accompanying report?</b> | No  |
| <b>Key decision report</b>  | Yes   |
| <b>Date first appeared on forward plan</b>                              | 24.07.15  |
| <b>Key decision reasons</b>   | 2. Expenditure, income or savings in excess of £500,000 |
| <b>Background information</b>   | None  |
| <b>Appendices</b>   | None  |

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

**I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Post:** Vikram Gudra

Procurement Officer

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

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Post:** Cabinet Member for Children and Families, Councillor Jane Pickard

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Post:** Cabinet Member for Adult Social Care, Councillor Jackie Meldrum

**Any declarations of interest (or exemptions granted):**

**None**