

	<h2>Policy and Resources Committee</h2> <h3>21 March 2017</h3>
<p style="text-align: right;"><b>Title</b></p>	<p>Authorisation to commence procurement of hired transport services for children and adults.</p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Commissioning Director, Children and Young People</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>No</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>None</p>
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## Summary

This report seeks authority to commission Cambridge Education to commence the procurement of hired transport services for children and adults on the council's behalf, in accordance with the strategic partnership contract between the council and Cambridge Education.

## Recommendations

**That the Policy and Resources Committee approve the commissioning of Cambridge Education to commence the procurement of hired transport services for children and adults on the council's behalf, in accordance with the strategic partnership contract between the council and Cambridge Education.**

## 1 WHY THIS REPORT IS NEEDED

- 1.1 The council has contracts with a number of transport providers for hired taxi and bus services. The vast majority of the provision is for home to school transport for children with special educational needs; there is also a very small amount of provision for clients of Adult and Community Services and Family Services. These external contracts are in addition to the transport service provided in-house by the Passenger Transport Service in the council's Streetscene service. The council currently spends between £1.6m and £2m a year on external transport services.
- 1.2 In 2013, the London Borough of Harrow and London Borough of Barnet commenced a joint (passenger transport service) taxi framework agreement involving an Electronic 'E' Auction. The framework ended on 31<sup>st</sup> December 2016 and the services begun under the framework will continue to be provided until August 2017. The annual contract values were as follows:

Year	Value
2013/2014	£2,469,000
2014/2015	£2,498,000
2015/2016	£2,023,390
2016/2017	£1,606,105 (approx.)

- 1.3 It is necessary to procure new contracts for passenger transport to take effect from September 2017. In April 2016 the council began a seven-year contract with Mott MacDonald, trading as Cambridge Education, for the provision of education services, including all the services previously delivered by the Education and Skills Delivery Unit. Among the functions contracted to Cambridge Education was the brokering of transport for pupils with SEN, Family Services and Adult Services and the commissioning and contract management of operational delivery on an agency basis on behalf of the council. The contracts with the providers will be with the council but Cambridge Education will manage the contracts as the council's agent.
- 1.4 Cambridge Education has reviewed the options for procuring the external transport services and proposes to use a Dynamic Purchasing System as the best way to secure cost effective, competitive services. The Dynamic Purchasing System (DPS) is a procedure available for contracts for works, services and goods commonly available on the market. The Boroughs of Haringey, Merton and Waltham Forest already use a DPS for the purchase of SEN transport. As a procurement tool, it has some aspects that are similar to an electronic framework agreement, but where new suppliers can join at any time. However, it has its own specific set of requirements. It has to be run as a completely electronic process, and should be set up using the restricted procedure and some other conditions (as set out in Regulation 34 of the Public Contracts Regulations 2015).
- 1.5 The proposal is to procure services through a DPS contract for Hired Transport, which will be for a set period of 4 years. Under this approach, eligibility criteria are set and any provider that meets the criteria will be approved as a

prospective provider and is then eligible to bid for individual contracts through the Dynamic Purchasing System. Once the DPS is set up, an authority may award specific contracts by inviting all suppliers admitted to the relevant category to bid. The total value of services under the DPS is estimated to be between £1.6 million and £2 million per year.

## **2 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

The council's Contract Procedure Rules require that authorisation is sought for to commence the procurement of these services. Non-commencement of the procurement would result in the inability of the council to offer transport services on the expiry of the current arrangements.

## **3 POST DECISION IMPLEMENTATION**

The procurement process will commence, following which acceptance of the procurement would be authorised by full officer DPR in consultation with the relevant Theme Committee Chairman in line with contract procedure rules Appendix 1 Table A.

## **4 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

5.1.1 The council, working with local, regional and national partners, will strive to ensure that Barnet is a place:

- of opportunity where people can further their quality of life
- where people are helped to help themselves, recognising that prevention is better than cure
- where responsibility is shared, fairly
- where services are delivered efficiently to get value for money for the taxpayer.

5.1.2 The Authority is a signatory to London Council's Procurement Pledge "to create jobs and training through its supply chain." Typically this will include a requirement of suppliers to:

- Recruit a percentage of the workforce locally, for example by advertising with local Jobcentre Plus.
- Create apprenticeships
- Offer a number of work placements to young people, graduates, or workless people.
- Offer additional training and qualifications opportunities to a percentage of their existing workforce.
- Work with their own supply chains to create additional opportunities

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 Savings of up to 8% are believed to be possible based on the experience of other London Boroughs in using a Dynamic Purchasing System for SEN

transport. With expected expenditure of £1.6m, that saving would equate to £128,000 per year. The saving would be achieved through a combination of factors:

- standard accreditation against objective criteria removes the need to review Selection Questionnaire submissions and indicative tenders, encouraging more suppliers to register;
- automatic distribution of route opportunities to registered suppliers simplifies the bidding process and encourages competition;
- multiple stages and price revisions are allowed, creating real term savings through price competition;
- finally, service receipting and performance logging enables closer control and correct invoicing.

5.2.2 Revenue savings of £1.855m per year by 2020 have already been factored into the pricing of the council's contract with Cambridge Education as part of the council's medium term financial planning. Any savings arising from this procurement will contribute towards the £1.885m target.

### 5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2012 requires that consideration is given for above threshold (£164,176) service contracts to secure benefits for the community, environment and value for money for the London Borough of Barnet as follows:

- a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

5.3.2 The Council has extended the Social Value Act's requirements in its social value and sustainability policies to cover all procurement at the council, not just above threshold services contracts.

5.3.3 Consequently delivery units will be asked to confirm that the development of specifications for all proposed procurements have taken these requirements into consideration. It should be noted that such considerations could compromise the Council's ability to maximise the value for money it can achieve, so a balance will be sought wherever possible.

### 5.4 Legal and Constitutional References

5.4.1 Constitution Responsibilities for Functions Annex A sets out the terms of reference of the Policy and Resources Committee including 'to be responsible for the overall strategic direction of the Council including Corporate Procurement'.

5.4.2 The Council's Constitution (Contract Procedure Rules) sets out the authorisation process for entering contractual commitments. "Authorisation" is the approval required before quotations or tenders for supplies, services or works may be sought in accordance with Appendix 1 Table A which outlines Authorisation and Acceptance Procedures, including that authorisation to commence procurements of £164,176 and over requires approval of the

relevant Theme committee or via inclusion on the approved Procurement Forward Plan.

## 5.5 Risk Management

- 5.5.1 If the Council does not re-procure the transport services effectively and efficiently it could lead to a detrimental impact on value for money and the likelihood of delivering procurement savings.

## 5.6 Equalities and Diversity

- 5.6.1 The Council has a duty contained in section 149 of the Equality Act to have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The protected characteristics are:

- age
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

All organisations that submit tenders for Council business are required to submit their Policy Statement regarding how they manage compliance with the Equality Act, or equivalent legislation.

## 5.7 Consultation and Engagement

- 5.7.1 Consultation and engagement will take place as appropriate to the product(s) or service(s) required.

## 5.8 Insight

- 5.8.1 Data on patterns of transport use across children and adult services will be used to support the procurement process

## 6 BACKGROUND PAPERS

Delegated Powers Report 1912 Award of Contracts for SEN and Passenger Transport; March 2013

<https://barnet.moderngov.co.uk/documents/s7977/1912%20-%20Award%20of%20Contracts%20for%20SEN%20and%20Passenger%20Transport%20Public.pdf>