

REPORT TO: Cabinet Member – Environmental Cabinet

DATE: 6th April 2011
14th April 2011

SUBJECT: Bus / Taxi Framework Agreement

WARDS AFFECTED: All

REPORT OF: J G Black
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EXEMPT/ CONFIDENTIAL: No

PURPOSE/SUMMARY:

Members considered an original report on 10th June 2010 seeking to obtain approval to extend the current Bus Route Framework Agreement for an additional 12 months to September 2011 to coincide with the expiry of the Taxi Framework Agreement. A procurement process has now been undertaken via OJEU to obtain proposed bus and taxi costs to the Council with effect from September 2011.

REASON WHY DECISION REQUIRED:

To provide an ongoing service for the transportation of vulnerable residents by external bus and taxi companies and to be able to effectively budget for such expenditure over the coming two years.

RECOMMENDATION(S):

That Cabinet Member notes the pricing framework procured through the tendering process and recommends that Cabinet approves the future use of this pricing framework.

That Cabinet:

1. approves the pricing framework procured through the tendering process; and
2. gives approval for the Specialist Transport Unit to plan and award routes accordingly in the most financially advantageous manner to the Council

using the new pricing framework, with effect from September 1st 2011.

KEY DECISION: Yes

FORWARD PLAN: Yes

IMPLEMENTATION DATE: With effect from 1st September 2011.

ALTERNATIVE OPTIONS: None

IMPLICATIONS:

Budget/Policy Framework: Adoption of the proposed Framework Agreement will assist in reducing overall transport related expenditure by commissioning bodies within Sefton Council.

Financial: Whilst it is expected that substantial savings will result from the acceptance of this Framework Agreement, it is not yet possible to quantify these savings. This can only be done after completion of the route optimisation, staffing and operational reviews currently being undertaken within the Specialist Transport Unit. A further financial report will be presented in September/October 2011.

<u>CAPITAL EXPENDITURE</u>	2007/ 2008 £	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: An OJEU tendering process has been undertaken with all appropriate legislative requirements followed. This has resulted in a framework of prices for both bus and taxi hire which is presented within this report. LD95/11

Risk Assessment: The procurement, in advance, of fixed prices for bus and taxi hire through a competitive process both reduces the potential spend by the Council and protects the Council from the effects of increasing costs for the duration of the framework agreement.

Asset Management: Not Applicable.

CONSULTATION UNDERTAKEN/VIEWS

The Head of Corporate Finance and ICT (FD732/2011) and the Acting Head of Corporate Legal Services (LD 45/11) have been consulted and their comments are included in the report

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity	√		
4	Improving Health and Well-Being	√		
5	Environmental Sustainability	√		
6	Creating Inclusive Communities	√		
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People	√		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Bus/Taxi Framework Agreement Report – Cabinet July 2010

Background

1. During 2010/11 the Specialist Transport Unit (STU) utilised 32 in-house vehicles of varying sizes and ages. These covered 30 routes on a daily basis, utilising 45 drivers and 220 passenger assistants. The STU also subcontracted 91 buses and between 175 and 190 taxi and Private Hire vehicles due to the changing requirements of users. In addition, the external contractors also supplied some 40 passenger assistants.
2. Within Sefton there have previously been separate framework agreements in place for busses and taxis. The current Bus Route Framework Agreement was set up in 2005 and is scheduled to end on August 31st 2011. The current Taxi Framework Agreement was set up in 2009 and is also scheduled to end on August 31st 2011.
3. The annual expenditure for hired taxis is circa £1.25 million, and for hired buses circa £2.75 million, equating to a total annual expenditure of almost £4 million. This level of expenditure required that an OJEU competitive tender process was undertaken to allow potential contractors to offer transport prices for the range of vehicles necessary to meet the specialist transport requirements in Sefton.

The Tender Process

4. The NWCE Chest Portal was used by Corporate Purchasing Unit for prospective contractors to register their interest in the tender process, and then to undergo a Pre-Qualification Questionnaire (PQQ). Those contractors who were deemed to have the necessary abilities to meet the operational and financial requirements of the tender were then issued with an Invitation To Tender (ITT). Tenders submissions which were then received from companies within the necessary timescales were subsequently evaluated accordingly.
5. A total of 33 contractors registered an interest via the NWCE Chest Portal. 22 contractors were then successful at PQQ stage and subsequently submitted tender prices. 17 of the successful contractors who submitted prices are based in Sefton.
6. Contractors were invited to submit a price per mile for the provision of a range of vehicles. The tender document was therefore split into four areas or 'lots'.
 - Lot 1 required a price per mile for a vehicle licensed to carry up to 5 passengers. These vehicles would typically be saloon cars and hackney cabs.
 - Lot 2 required a price per mile for a vehicle licensed to carry up to 8 passengers. These vehicles would typically be 'people carriers'.

- Lot 3 required a price per mile for a vehicle licensed to carry up to 16. These vehicles would typically be the ‘ambulance’ type vehicles currently seen transporting passengers in Sefton.
 - Lot 4 required a price per mile for a vehicle licensed to carry 17+ passengers. These vehicles would typically be ‘coaches’ of varying sizes up to a capacity of 52 passengers.
7. An example workload of some 300 routes were created for inclusion within the tender documentation. This information contained a range of seating profiles and capacity splits across the full spectrum of potential requirements. Routes totalling 10 miles, 20 miles, 30 miles, and over 31 miles were also included across all seating and capacity splits. This enabled contractors to include all potential factors which may have affected their price proposals prior to arriving at their cost per mile bids.
 8. Contractors were also invited to submit a cost per hour for the provision of Passenger Assistants based on an example annual work load of 44,500 hours.
 9. The tenders have been evaluated based on a ‘Quality’ score for each contractor representing 20% of available points, and the ‘Cost’ element representing 80% of available points. All contractors awarded work within this framework agreement become ‘Approved Suppliers’ within the agreed and accepted Terms & Conditions. These include defined service level standards, and also specific policies relating to the safeguarding of any vulnerable adults and children transported.

Proposed Framework Agreement

10. The prices tendered by potential contractors are shown below. Additional information has been supplied including minimum charge rates, passenger assistant hourly rates and vehicle types which will be used to allocate routes accordingly.

CONTRACTOR	PRICE PER MILE Lot 1 – Vehicle up to 5 passengers	PRICE PER MILE Lot 2 – Vehicle up to 8 passengers	PRICE PER MILE Lot 3 – Vehicle up to 16 passengers	PRICE PER MILE Lot 4 – Vehicle 17+ passengers	Wheelchair Accessible Vehicles
A		£2.00			N
B	£1.77	£1.77	£1.99	£2.29	Y
C	£1.20	£1.50			Y
D	£1.45				Y
E	£1.40				N

F		£3.20	£3.40	£6.00	N
G	£1.45	£1.80	£2.50		Y
H	£1.73	£1.86	£2.16	£2.73	N
I	£2.00	£2.00	£2.00		N
J		£1.82	£1.96	£3.52	Y
K	£2.50	£2.75	£2.90		Y
L		£1.00	£1.25		Y
M	£1.20	£1.80			N
N	£4.00	£5.00	£6.00	£7.50	Y
O	£1.10	£1.14	£1.44	£1.84	Y
P	£1.50	£1.50			Y
Q	£1.35	£1.50			Y
R	£1.70	£2.00			Y
S	£1.94	£2.24	£2.74	£3.14	Y
T	£2.30	£2.30	£2.70		Y
U		£1.70	£1.90	£2.30	N
V		£2.00	£2.50	£3.50	Y

11. The acceptance of this framework agreement guarantees no specific volume of work to any individual contractor. It does however allow the Specialist Transport Unit to produce price-based tables for each specific mode of transport. The cheapest available contractor can then be selected for each individual journey irrespective of journey time, distance or type of vehicle.
12. This new tender process methodology has provided a framework of proposed service costs which are actually less than those currently being operated. There will therefore be substantial savings generated by the adoption of this framework agreement. These savings will be further enhanced through the route optimisation process currently being undertaken by the Specialist Transport Unit following the implementation of the new planning software known as 'Cleric'.
13. The full extent of the savings to be generated via this new tender process methodology, coupled with the route optimisation exercise, and an internal staffing, restructuring and operational review will be calculated prior to the implementation of this new framework agreement on September 1st 2011. It is therefore proposed to present a full financial review and report for the Specialist Transport Unit to Cabinet in September/October 2011.