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**Report to:** Cabinet

**Date of Meeting:** 12<sup>th</sup> September 2013

**Subject:** Specialist Transport Unit Passenger Transport Framework Agreement

**Report of:** Director of Street Scene    **Wards Affected:** All

**Is this a Key Decision?** Yes

**Is it included in the Forward Plan?** Yes

**Exempt/Confidential**    No

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### **Purpose/Summary**

In July 2013 permission was granted by the Cabinet Member – Transportation, to extend the current 'Bus & Taxi Framework Agreement' to 31<sup>st</sup> December 2013. This was to allow time for a procurement exercise to be undertaken via an open OJEU process. This procurement process has now been undertaken to obtain proposed bus and taxi costs to the Council with effect from 1<sup>st</sup> January 2014.

### **Recommendation(s)**

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 1<sup>st</sup> January 2014.

### **How does the decision contribute to the Council's Corporate Objectives?**

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

**Reasons for the Recommendation:**

To enable the Council to provide a service, to whatever level and volume it requires, 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.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

The revenue costs associated with transporting children and adults to and from specific destinations are met by the ‘Commissioning Departments’, namely Adult Social Care and Children’s Services. The costs of the services are in direct correlation with the numbers of clients commissioned via each Department. The transport is co-ordinated and sourced via the Specialist Transport Unit, based upon the requirements of the Commissioning Department. The Framework Agreement ensures that any transport provided on behalf of the Commissioning Department is done so at the best available rates.

**(B) Capital Costs**

There are no capital costs associated with this process.

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b>		
All legislative requirements in terms of transporting vulnerable clients, providing transport services, and the Safeguarding responsibilities of the Council, have been evaluated and addressed as part of this OJEU procurement exercise.		
<b>Human Resources</b>		
There are no HR issues associated with this procurement exercise.		
<b>Equality</b>		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

**Impact on Service Delivery:**

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance and ICT has been consulted and has no comments to add to the report (FD2518)

Head of Corporate Legal Services (LD1823) have been consulted and any comments have been incorporated into the report.

**Are there any other options available for consideration?**

No. Based upon the level of requests from Commissioning Departments and Sections there is currently an ongoing need for the Council to provide specialist transport to some residents. As such, this procurement exercise, and the subsequent production of a Framework Agreement, provides the Council with the opportunity to procure services at the most economically advantageous rates, whilst also meeting the stringent Health & Safety and Safeguarding issues associated with transporting vulnerable clients.

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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**Background Papers:**

None

## **Background**

1. During 2012/13, the Specialist Transport Unit (STU) utilised 19 in-house vehicles of varying sizes and ages. These covered 17 routes on a daily basis, utilising 21 drivers and 96 passenger assistants. The STU also subcontracted 96 buses and between 175 and 190 taxi and private hire vehicles per day within school term time, due to the changing requirements of users. In addition, the external contractors also supplied some 140 passenger assistants.
2. Within Sefton, there have previously been separate framework agreements in place for buses and taxis. The current 'Hired Passenger Transport Framework Contract' was set up in 2011 and is scheduled to end on December 31<sup>st</sup> 2013.
3. The annual expenditure for hired taxis is circa £1.3 million and for hired buses circa £2.75 million, equating to a total annual expenditure of over £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 the Corporate Purchasing Unit for prospective contractors to be issued with an Invitation to Tender (ITT). Tender submissions that were then received from companies within the necessary timescales were subsequently evaluated accordingly.
5. A total of 40 contractors registered an interest via the NWCE Chest Portal. Of these, some 33 contractors subsequently submitted documentation. 3 of these contractors were unable to pass the 'Mandatory Checks', and so 30 bids were evaluated. 19 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. Example workloads 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 a Passenger Assistant 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 the available points and the 'Cost' element representing 80% of the available points. All contractors awarded work within this framework agreement become 'Approved Suppliers' within the agreed and accepted Terms and 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.

#### **Lot 1 –**

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.

<b>TENDERER CODE</b>	<b>PRICE SCORE %</b>	<b>QUALITY SCORE %</b>	<b>OVERALL TOTAL %</b>
M	76.49	18.2	94.69
D	80.00	13	93.00
A	79.27	12.8	92.07
G	71.77	18.2	89.97
V	72.67	16.2	88.87
AB	75.17	13.2	88.37
R	75.83	12.4	88.23
L	72.67	11.2	83.87
F	69.21	14.6	83.81
T	68.66	14.4	83.06
U	65.07	16	81.07
B	64.59	14.4	78.99
AH	64.12	12.8	76.92
Q	59.77	16.6	76.37
K	60.14	8	68.14
AC	39.82	15.6	55.42
P	50.11	0	50.11
AG	16.89	15	31.89
Z	9.85	12.4	22.25

## Lot 2 –

Lot 2 required a price per mile for a vehicle licensed to carry up to 8 passengers. These vehicles would typically be ‘people carriers’.

TENDERER CODE	PRICE SCORE %	QUALITY SCORE %	OVERALL TOTAL %
D	80.00	13	93.00
C	76.37	16	92.37
A	78.99	12.8	91.79
R	76.90	12.4	89.30
V	70.68	16.2	86.88
AB	73.13	13.2	86.33
T	66.97	14.4	81.37
U	65.05	16	81.05
AH	65.54	12.8	78.34
B	47.90	14.4	62.30
AE	42.03	15.4	57.43
AC	38.27	15.6	53.87
K	45.44	8	53.44
AA	34.80	8.6	43.40
L	20.61	11.2	31.81
AG	10.72	15	25.72
AF	10.72	14.8	25.52
Y	10.33	13.2	23.53
Z	10.33	12.4	22.73
J	2.92	13	15.92

## Lot 3 – Licensed to carry up to 16 Passengers

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.

TENDERER CODE	PRICE SCORE %	QUALITY SCORE %	OVERALL TOTAL %
D	80.00	13	93.00
V	68.04	16.2	84.24
K	51.56	8	59.56
AE	43.23	15.4	58.63
L	43.11	11.2	54.31
AC	33.87	15.6	49.47
AA	29.44	8.6	38.04
X	18.49	15	33.49
AG	17.7	15	32.70

H	17.04	14.8	31.84
O	16.57	13.8	30.37
AF	10.32	14.8	25.12
I	11.32	12.4	23.72
Y	9.44	13.2	22.64
Z	7.52	12.4	19.92

#### **Lot 4 – Licensed to carry 17+ Passengers**

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.

TENDERER CODE	PRICE SCORE %	QUALITY SCORE %	OVERALL TOTAL %
D	80.00	13	93.00
V	66.33	16.2	82.53
AE	38.92	15.4	54.32
X	18.16	15	33.16
AG	17.94	15	32.94
AA	17.85	8.6	26.45
AF	8.84	14.8	23.64
Y	8.45	13.2	21.65
I	9.01	12.4	21.41

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 tender process methodology has provided a framework of proposed service costs, which are at least equal to those currently being operated. This means that despite increasing costs of fuel, insurance, etc, potential contractors have in general provided prices per mile which are equivalent to those enjoyed over the last two years. There will therefore continue to be savings generated by the adoption of this Framework Agreement. These savings will be further enhanced through the route optimisation process operated by the Specialist Transport Unit, following the implementation of the planning software known as ‘Cleric’.
13. The full extent of the savings to be generated via this tender process methodology will be calculated once routes are allocated based on the costs offered within the Framework Agreement on January 1<sup>st</sup> 2014. It is therefore proposed to present a full financial review and report for the Specialist Transport Unit to Cabinet Member – Transportation, in February/March 2014.