

<b>Report to:</b>	<b>Cabinet</b>
<b>Report of:</b>	<b>Strategic Director for People</b>
<b>Date of Decision:</b>	<b>21 March 2017</b>
<b>SUBJECT:</b>	<b>PROVISION OF TRANSPORT SERVICES CONTRACT EXTENSION (T23)</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 002301/2016</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s)</b>	<b>Councillor Brigid Jones – Children, Families and Schools</b> <b>Councillor Paulette Hamilton – Health &amp; Social Care</b> <b>Councillor Majid Mahmood - Value for Money and Efficiency</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Susan Barnett: Schools, Children and Families</b> <b>Councillor John Cotton – Health, Wellbeing and Environment</b> <b>Councillor Zafar Iqbal: Economy, Skills and Transport</b> <b>Councillor Mohammed Aikhlaq – Corporate Resources</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To provide details of the requirement to extend, via single contract negotiations, the current Transport Services Framework and all associated call off orders under the Framework with the current suppliers (listed in Appendix 1). The proposed extension is for a 17 month period, commencing 1<sup>st</sup> April 2017 for call off 3 and commencing 17<sup>th</sup> April 2017 for call offs 1,2,4,5,6, all expiring on 31<sup>st</sup> August 2018.</p> <p>1.2 The estimated annual value for the whole contract is £12.25m. Appendix 1 shows the number of suppliers currently used.</p> <p>1.3 It is proposed for the extension period that all terms and conditions remain the same as the previous extension approved by Cabinet on 29<sup>th</sup> June 2015.</p>

<b>2. Decisions ( recommended):</b>
That Cabinet;
<p>2.1 Approve the commencement of single contractor negotiations.</p> <p>2.2 Delegates authority to extend the contracts of the providers in Appendix 1 following successful single contractor negotiations by the Assistant Director, 14-19 Participation and Skills for the provision of all routes on the current T23 contract for a period of 17 months at an estimated annual cost of £12.25m, commencing 1<sup>st</sup> April 2017, to the Director of Commissioning and Procurement in conjunction with the Strategic Director – Finance and Legal (or their delegate) and the City Solicitor (or their delegate).</p>

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<b>Additional Contact Officers</b>	Richard Tibbatts, Head of Contract Management, Corporate Procurement Services 07827 367 245
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<b>3. Consultation</b>	
3.1	<u>Internal</u>
3.1.1	The Assistant Director, 14-19 Participation & Skills, People Directorate, the Travel Assist Manager, SENAR, the Funerals & Protection of Property / Transport Operations Service Manager, have been consulted and agree with the contents of this report.
3.1.2	Officers from Legal & Finance and Corporate Procurement have been involved in the preparation of this report.
3.2	<u>External</u>
	All current suppliers listed in Appendix 1.

<b>4. Compliance Issues:</b>	
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The recommended decisions are consistent with the Council policies, plans and strategies; including the Council Business Plan and Budget 2016+:</p> <p>Fairness</p> <ul style="list-style-type: none"> <li>• Safety – The Council has a duty to ensure transport arrangements are in place for Children with Special Educational Needs (SEN) and to provide free transport to eligible children based on safe walking routes and low income. Some children and adults have needs that require specialist vehicles and escorts; this can be provided under the proposed contract.</li> <li>• Children and young people – Having access to appropriate travel assistance ensures every child is supported to attend school. Regular reviews of travel plans will support the development of independence where appropriate.</li> <li>• Tackling poverty – Supporting educational attainment and independence helps to tackle the causes of deprivation and inequality through improving educational performance and confidence. Supporting families with caring responsibilities for vulnerable adults enables carers that are of working age to be in employment and have access to affordable day care for relatives.</li> </ul> <p>Prosperity</p> <ul style="list-style-type: none"> <li>• Learning, skills and local employment – A key focus of the transport provision is to ensure children have access to a full-time school placement and are attending school regularly.</li> <li>• Local employment – Due to the nature of the work, the suppliers are based locally.</li> </ul> <p>4.1.1 Birmingham Business Charter for Social Responsibility (BBC4SR)</p> <p>All the current providers under the Framework are accredited to the BBC4SR. Due to the value of spend for some suppliers being below £200,000, the Birmingham Business Charter for Social Responsibility will not apply to them.</p> <p>For those suppliers with whom we spend £200,000 or more per annum, their current Charter will be reviewed and a new action plan implemented.</p>

## 4.2. Financial Implications

- 4.2.1 The annual spend under this Framework for all 6 call offs is approximately £12.25m. This has taken into account a 2% uplift for 2017/18, should suppliers request an increase in RPIX. However there are requirements for the service to reduce the overall operating cost over the next two years (2017/18 and 2018/19) in line with the approved Council Budget.
- 4.2.2 Under the Terms & Conditions of the Framework, providers are entitled to an annual price increase. Prices are reviewed based upon any increases or decreases in RPIX published by the Office of National Statistics to achieve amended prices for each successive year.
- 4.2.3 The costs associated with these transport services for the extension period will be met from within the approved budgets of the service directorate's utilising the service.
- 4.2.4 The contract extension allows for the service to implement changes in travel plans that could reduce the use and therefore the cost of the contract.

## 4.3 Legal Implications

- 4.3.1 The Council has a duty under Section 508A Education Act 1996 to promote sustainable modes of travel.
- 4.3.2 The Council also has a duty under Section 508B Education Act 1996 to make suitable home to school travel arrangements for eligible children.

## 4.4 Public Sector Equality Duty

- 4.4.1 An initial screening was completed on 9th October 2015 for the proposed strategy for the new Framework and a full Equality Analysis was not required.

## 5. **Relevant background/chronology of key events:**

- 5.1 The T23 Transport Framework Agreement and 5 of the 6 call offs (call offs 1, 2, 4, 5, 6) (call off 3 expires 31st March 2017) were formally extended via single contract negotiations until 31st August 2016 by Cabinet on 29th June 2015; with instructions that the new Framework and call offs would be ready for mobilisation on 1st September 2016.
- 5.2 However, the home to school transport service for children with SEND and from low income families is the subject of an ongoing transformation project. As a result the commissioning approach to transport is still ongoing and a medium term solution needs to be procured for transport provision.
- 5.3 A Strategy report for re-procuring this requirement was agreed by Cabinet on the 17th November 2015 based on a period of 2 years with an option to extend for a further 1 year to accommodate changes arising initially from the Future Council programme, which has now been followed by a transformation project.
- 5.4 The new Transport Framework for the provision of the City's entire Special needs transport for adults, children and ad-hoc corporate taxi services was due to be awarded in July 2016 with a commencement date of 1st September 2016. However a delay occurred for the following reasons:
- 5.4.1 Firstly, during the tender process there were numerous clarifications that resulted in the closing date for suppliers to submit their bids having to be extended.

Furthermore the evaluation of the bids took longer than anticipated.

5.4.2 Secondly, the Travel Assist service was involved with the Future Council programme and a briefing paper was presented to Elected Members in July 2016 outlining the need to reduce the demands placed upon Travel Assist in commissioning specialised transport and explore alternative travel options; specifically through personalisation and independent travel solutions. The effect of this is that the numbers of students accessing transport routes to schools, due to commence on the 1st September 2016 for the new Transport Framework, will not be confirmed until the assessment process has progressed during the summer and autumn terms and the appeal process completed early 2017.

5.5 As a result, a request to extend via single contract negotiations 5 of the 6 current call offs under the T23 Framework for a 7.5 month period from 1st September to 16th April 2017 was obtained as part of the Planned Procurement Activities Report that was approved by Cabinet on 26th July 2016.

5.6 Just prior to Cabinet agreeing the extension request via single contract negotiations on the PPAR on 26th July 2016, the tender evaluations showed that the majority of the submissions scored under the 60% threshold for quality and those bids above the threshold made up a very small share of the market and was insufficient to meet the service requirements.

5.7 As a result, a decision was made to abort the tender process and bidders were informed on the 26th July 2016.

5.8 Once the decision to abort was made it was apparent that the current proposed extension approved by Cabinet for a period of 7.5 months was insufficient to enable a retender to be completed and a further extension period would need to be sought.

5.9 The suppliers were notified of the Council's intention to extend and all have indicated their intention to continue on this basis and under the existing conditions of contract. The single contractor negotiations will confirm this position and price.

5.10 A new strategy for delivery of the service will be completed by the People Directorate and Travel Assist in early 2017 following a review. This will allow the resulting commissioning and procurement activities to be completed in time for September 2018. This gives time for further market engagement to consider a number of issues that became evident during the previous procurement, including the prospective length of contract, environmental standards, pupil guides and whole school provision.

5.11 Throughout the Framework period the suppliers have performed to a satisfactory level and provided the service to the terms and conditions of Framework. Any performance issues are being managed, including enacting penalty clauses where appropriate.

## **6. Evaluation of alternative option(s):**

6.1 There are no alternative viable options to the recommended approach. There is insufficient time to procure a new framework that will be suitably effective in addressing any issues in the market to enable mobilisation to start before the 2017 school holidays. It is not considered possible for the service to change providers on designated routes during the school year due to the disruption this would cause to pupils and their families.

<b>7. Reasons for Decision(s):</b>
7.1 To enable time for a new strategy for the Travel Assist service to be put in place and the resulting procurement from the strategy to be completed.

<b>Signatures</b>	<b>Date</b>
Councillor Paulette Hamilton Cabinet Member for Health and Social Care .....	.....
Councillor Brigid Jones Cabinet Member for Children, Families & Schools .....	.....
Councillor Majid Mahmood Cabinet Member for Value for Money & Efficiency .....	.....
Peter Hay Strategic Director of People .....	.....

<b>List of Background Documents used to compile this Report:</b>
Travel Assist Strategy Report Delegated Award Report T0023 Transport Framework Extension 9 <sup>th</sup> September 2016
<b>List of Appendices accompanying this Report (if any):</b>
1. Appendix 1 - List of Suppliers

<b>Report Version</b>	<b><u>9</u></b>	<b>Dated</b>	<b><u>02.03.17</u></b>
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