

The Vale of Glamorgan Council

Cabinet Meeting: 25 April, 2016

Report of the Leader

Introduction of a Procurement Framework for the Provision of Ad Hoc Transport Services

Purpose of the Report

1. To seek approval for the introduction of a single electronic procurement framework for the provision of ad-hoc taxi transport.

Recommendation

1. THAT Cabinet approve the introduction of a single electronic procurement framework for the provision of ad-hoc taxi arrangements.

Reason for the Recommendation

1. To secure best value taxi services whilst ensuring a safe and responsive transport service that promotes the use of local suppliers as well as enabling a framework to further control transport costs.

Background

2. In 2014, the Welsh Government commissioned KPMG to undertake reviews ("Fitness Checks") of the procurement functions within public sector organisations in Wales. The fitness checks identified areas of good practice in addition to providing a series of recommendations for development. One opportunity for development for this Council was in the further use of electronic procurement processes and practices.
3. The Welsh Government has published a series of procurement principles which the Council has indicated its commitment to work towards. One of these principles is that procurement processes should be open and transparent and therefore based on standard approaches and use of common systems that appropriately minimise complexity, cost timescales and requirements for suppliers, including making best use of available procurement tools. Electronic procurement contributes to achieving this principle. The European Commission have also committed into legislation the requirement for public sector organisations to use electronic procurement practices by mid-2016.
4. Utilising the support of Value Wales (a division of Welsh Government responsible for developing procurement practice in the Welsh public sector), the Council's

Passenger Transport section has piloted the use of e-tender software to manage the contracting of School Transports routes. Feedback from staff and suppliers received by the Passenger Transport Officer was favourable regarding the increased efficiency achieved by using the software to manage the tender process.

5. A recent review of transport arrangements by the Passenger Transport team confirmed that the management and arrangement of social services transport was fragmented within multiple small teams, with little uniformity regarding the arrangements of ad hoc taxi arrangements for service users. A requirement for a centrally maintained electronic supplier framework for the provision of passenger transport arrangements was also identified on the basis that this would actively encourage competition at a local level, with a view to simplifying the contracting process for potential suppliers and ensuring compliance of allocation of contracts and aggregated spend.
6. In line with the recommendations of the Transport Savings review, the proposed setup of an integrated transport unit would include the arrangement of long term (i.e. contracted) and short-term (i.e. ad hoc) transport arrangements by a centralised Transport team on behalf of Social Services teams, managed via the implementation of a single electronic procurement framework and communicated via the E-Bravo procurement system (eTender Wales).

Relevant Issues and Options

7. As part of the continued rollout of e-procurement processes across Council departments, the Passenger Transport section are preparing the implementation of a dynamic purchasing system (DPS), in order to further streamline the tendering of transport contracts.
8. A DPS is an electronic system which is used to purchase goods, works or services, normally grouped into separate lots with each lot having a separate specification. It differs from a standard procurement framework agreement in that it must be open throughout its duration for the admission of any supplier which has satisfied the selection criteria. Once the DPS is established and awarded for a set period of time, new Small/Medium Enterprises (SMEs) would receive notification of biddable tenders via Sell2Wales (and therefore OJEU) and would be eligible to join the DPS at regular intervals which will potentially encourage a widening of the supply base. A variety of current transport routes would be tendered via mini-competitions, commencing with those contracts that are shortly due to expire.
9. A key lot of the proposed DPS would be for the supply of the short term and one off taxi arrangements for service users. Introduction of a framework for the supply of ad-hoc transportation routes would assist in ensuring that Council departments are able to access reliable and approved sources of transportation for service users. Use of a DPS arrangement is advantageous due to the fluid nature of supply in the market, ensuring that the Council is able to replace suppliers that may have exited the market place over the duration of the tender without impacting upon service provision and cost.
10. In order to join the DPS, suppliers must provide evidence in two stages. Stage 1 consists of mandatory requirements, which all operators wishing to join the DPS must meet. Stage 2 requires operators to meet a pre-set threshold score based on qualitative criteria.
11. Suppliers who are accepted onto the DPS and wish to tender for ad hoc taxi provision would be required to provide a price per mile tendered for set mileage

amounts, for the provision of unsupervised, supervised and wheelchair accessible transport. The Council would aggregate the cost of each mile to get a total cost and the lowest tenderer for each of the three types of service would be awarded the tender as preferred supplier. All other operators are then ranked on the framework, based on a total price per mile. If the preferred supplier on the framework is unable to undertake the work it is then offered to the next lowest and so on. The mini-competition for the lot will be re-run on an annual basis.

12. The expected outcome of this procurement route is the establishment of a multi provider framework agreement that will provide a joined up approach to the provision of ad hoc transport services for both all council departments, whilst simultaneously contributing to the nurturing of SMEs within the sector.

Resource Implications (Financial and Employment)

13. A short term increase in the workload of the Passenger Transport team is expected in order to establish the initial framework. With the exception of the provision of several supplier awareness workshops (to be provided by Business Wales), all additional work will be carried out within existing staffing budgets.
14. It is expected that financial savings will be achieved via the competitive nature of the framework; however the level of savings to be generated will not be accurately quantified until after the setup of the framework.
15. It is expected that all departments that have requirements to access ad hoc transport arrangements would have access to the framework.
16. The framework agreement in no way commits the Council to any expenditure with any individual provider.

Sustainability and Climate Change Implications

17. Any attempts to improve the efficiency of current transport procurements arrangements will have a positive effect on the Council's ability to reduce future carbon emissions.
18. Further implementation of electronic procurement will assist to reduce the Council's carbon footprint. For example, electronic procurement reduces the need for printed documentation which leads to a reduction in paper and printer usage along with a reduction in resourcing.

Legal Implications (to Include Human Rights Implications)

19. None directly attributable to the report.

Crime and Disorder Implications

20. There are no specific crime and disorder implications associated with this report.

Equal Opportunities Implications (to include Welsh Language issues)

21. Under the Education Act 1996, the Authority is required to make suitable home to school travel arrangements for eligible children of compulsory school age, including children who live beyond walking distance from school, and children with special educational needs, disabilities and mobility problems who live within walking distance but cannot reasonably be expected to walk to school. The Chronically Sick and Disabled Persons Act 1970 requires local authorities in certain circumstances to provide access to services for prescribed groups of disabled people.

22. The Head of Visible and Transport Services will be required to assess any possible impacts on equality prior to the implementation of the framework.

Corporate/Service Objectives

23. This project will contribute towards the achievement of the Well Being Outcome 2: 'An environmentally responsible and prosperous Vale; and specifically Objection 4; Promoting sustainable development and protecting our environment.
24. It also links directly to the requirement to make financial savings towards the Visible Services and Transport Savings Targets for 2016 / 2017 of £2.62m.

Policy Framework and Budget

25. This is a matter for Executive decision.

Consultation (including Ward Member Consultation)

26. No, individual Ward Members have not been consulted, as the report affects all wards.

Relevant Scrutiny Committee

27. Corporate Resources.

Background Papers

None.

Contact Officer

Kyle Phillips - Senior Transportation Officer

Officers Consulted

Head of Visible Services and Transport
Accountant - Visible Services and Transport
Director of Social Services
Acting Operational Manager (Learning Disabilities)
Head of Finance
Head of Business Management and Innovation

Responsible Officer:

Miles Punter - Director of Environment and Housing Services