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DATE: 12 June 2017

## EXECUTIVE

**Tuesday 20 June 2017**

Please see the attached reports marked "to follow" on the agenda.

- 13 **CONTRACT AWARD FOR TRANSPORT SERVICES FRAMEWORK - PART 1**  
(Pages 3 - 8)
  
- 15 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

### Items of Business

- 21 **CONTRACT AWARD FOR TRANSPORT SERVICES FRAMEWORK - PART 2**  
(Pages 9 - 16)

### Schedule 12A Description

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

**Copies of the documents referred to above can be obtained from**  
<http://cds.bromley.gov.uk/>

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Report No.  
ED18004

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE  
FOR PREDECISION SCRUTINY BY EXECUTIVE &  
RESOURCES POLICY DEVELOPMENT AND SCRUTINY  
COMMITTEE

**Date:** 20 June 2017  
14<sup>th</sup> June 2017

**Decision Type:** Key Executive Non-Urgent

**Title:** CONTRACT AWARD FOR TRANSPORT SERVICES  
FRAMEWORK

**Contact Officer:** Julia Cavalli Head of SEN & Disability  
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**Chief Officer:** Jane Bailey, Director of Education  
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**Ward:** All Wards

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1. Reason for report

- 1.1 The Council currently operates a framework contract for the provision of transport services, mainly to meet its statutory duty to provide suitable transport support to children and young people with special educational needs to and from their place of learning
- 1.2 In November 2016, Executive approved proceeding to tender for a framework contract for transport services to operate in parallel to the existing framework (Report ED17022). The purpose of the parallel framework was to broaden the provider base to support increased capacity and competition.
- 1.3 This report sets out the outcome of the tendering process and seeks approval to award contracts to the successful providers.

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2. RECOMMENDATION(S)

2.1 Executive is recommended to:

- I. Award contracts to the providers specified in para 3.11, for a framework contract to commence from August / September 2017 for a period of two years , with an option to extend for a further period of up to, but not exceeding, two years ( to align with the existing framework);

- II. Delegate to the Executive Director of Education, Care & Health Services, in consultation with the Portfolio Holder for Education, the Director of Commissioning, the Director of Resources and the Director of Finance, the authorisation to extend the Contract for a period of up to, but not exceeding, two years.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The provision of SEN & Non SEN transport services supports access to services for vulnerable adults and children.
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### Corporate Policy

1. The service operates under an existing SEN Travel Assistance Policy agreed by Members and implemented in September 2015.
  2. BBB Priority: Children and Young People and Supporting Independence
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### Financial

1. Cost of proposal: £4,706K (contained within existing SEN Transport Budget, there is no additional cost to the proposal)
  2. Ongoing costs: £28,236K Whole life value for the six year period
  3. Budget head/performance centre: SEN Transport 136586, SEN Transport, 136587 DSG Schools Budget
  4. Total current budget for this head: £4,706K
  5. Source of funding: General fund £4,476 K and DSG £230K
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### Personnel

1. Number of staff (current and additional): 3.7 FTE
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
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### Procurement

Summary of Procurement Implications:

1. The Tender process has been undertaken in accordance with the Council's Financial Regulations, Contract Procedure Rules and following guidance from Corporate Procurement.
  2. A parallel framework operating concurrently with the existing framework was recommended to be the optimum option. Both frameworks do not guarantee any award of contracts.
  3. The OJEU Notice, Invitation to tender and Tender Documents issued, made provision for the approach to be used in the evaluation and selection process of providers, following the competitive tender exercise.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 855
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### **3 COMMENTARY**

#### **BACKGROUND**

- 3.1 The Council has a statutory duty, under the Education Act 1996 (as amended) and the Special Educational Needs and Disability Act 2001, to make suitable free home to school travel arrangements for eligible children to access their education. In response to this duty, the Council provides suitable specialist transport arrangements for eligible children and young people with special educational needs through a framework contract with transport providers. Other transport support arrangements are also in place.
- 3.2 The current transport provider framework commenced in September 2015, for a four year term with an option to extend for a further two years. Contract prices were fixed at the commencement of the contract. During the operation of this framework it has become apparent that call off and mini-tenders against the framework are not attracting sufficient response from the framework, leading to capacity and cost issues.
- 3.3 Following the Gateway report ED17022 dated 30<sup>th</sup> November 2016, Executive approved the procurement of a parallel framework contract, to address capacity and price competition.
- 3.4 Both frameworks will operate within the existing service budget, and contract terms. The additional framework is expected to improve the capacity and cost issues that have arisen and contribute to reducing cost pressures on the transport budget. However, as the primary cost pressure on the budget is volume of participation, other actions related to both policy and commissioning of transport services are currently under review for subsequent Member consideration.

#### **THE TENDER PROCESS**

- 3.5 The tender process followed the Council's financial and contractual requirements and was undertaken using the Council's Pro-Contract electronic e- tendering system. Corporate Procurement had advised this should be a 'quick turnaround tender'.
- 3.6 A parallel framework was the recommended approach and a single stage tender process, omitting the PQQ stage was undertaken. Existing specifications, terms and conditions, Invitation to Tender documentation and evaluation criteria were used. Providers tendered to join a framework with fixed prices for the term of the contract. Prices are quoted in a matrix in mileage bands for different vehicle types, with or without passenger assistant support. Routes over approximately 20 miles are offered under a mini tender process.
- 3.7 The tender evaluation team was comprised of staff familiar with the existing framework, knowledgeable about requirements of providers to deliver transport services for SEN, vulnerable persons and other service users.
- 3.8 A total of 17 providers expressed an interest in this tender, of which 8 providers submitted bids. Feedback was sought from the 9 providers who did not submit a bid but no responses have been received.
- 3.9 Tender evaluations were based on existing practice and process, incorporating the Council's 60/40 price quality ratio. The pricing schedule was based on the existing framework pricing methodology of matrix pricing within mileage bands for vehicle types with or without passenger assistant support. Providers were asked to quote minimum prices for each type of transport provided and cost per mile depending on the type of vehicle used, and the need for support of a passenger assistant. Providers also had the opportunity to offer additional discounts; e.g.

discounts based on volumes of routes, total value of contracts, destination or other discounts as they consider suitable.

3.10 Provider responses were evaluated on the basis of the award criteria detailed in the tender documents with the 40% quality scoring weighted as follows:

1. Operational Strategy	20%
2. Documentation & Logs	20%
3. Service Launch	5%
4. Staffing	20%
5. Vehicles & Fleet Management	20%
6. Quality Mechanisms / Innovation	15%

## **JUSTIFICATION FOR AWARD**

3.11 The details of compliant bids, evaluation process and scoring are shown in the Part 2 paper.

3.12 The recommendation is made to accept the providers detailed in the Part 2 report, to a new parallel framework contract.

3.13. The framework does not guarantee any work and provider performance is based on regular, safe and timely service delivery. Key service requirements are that passengers are transported safely and timely to their destinations with support where this is procured.

3.14 The service maintains good communications with schools, families and providers and any failure to deliver the service to this standard is picked up as soon as this occurs and appropriate remedial action taken. Regular and ongoing failure to deliver the service as detailed could result in routes being removed from a provider until they have demonstrated an improvement in their service delivery.

3.15 Contract monitoring is undertaken with an annual audit at provider premises with random file and vehicle checks, verifying details provided for each route. The audits are augmented by unannounced inspections at schools where staff credentials are checked and external vehicle inspections undertaken and action logs maintained.

## **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

4.1 The tendering and acceptance to this framework will add additional providers to deliver a statutory service that meets the needs of eligible children, young people and vulnerable adults to access their education and other services.

4.2 The framework acts as a central resource for a range of internal and external Council services to procure travel provision as required for their clients, through either planned or ad hoc arrangements. Route sharing with internal services and other Councils adds value to delivery of services, achieves efficiencies, maximises the economies of scale, and draws in recoupment income.

## 5 POLICY IMPLICATIONS

- 5.1 The service operates under the SEN Transport policy agreed by members and implemented in September 2015. The policy is kept under regular review
- 5.2 The frameworks do not guarantee passenger volumes or contracts and can accommodate future service needs and changes.

## 6 FINANCIAL IMPLICATIONS

- 6.1 There are no additional financial implications arising following the procurement of this framework. The framework will operate within the existing budget allocation and help to address the capacity issues and increase competition. The part 2 report provides further details.

## 7 LEGAL IMPLICATIONS

The service is a “light touch” services under the Public Contracts Regulations 2015 (Regulations). As the contract value is in excess of the relevant threshold it was procured in compliance with the Regulations and competitive tendering requirements under the Council’s Contract Procedure Rule 8.2.

If contract award is approved then Framework Agreements will need to be entered into with each successful provider.

## 8. PROCUREMENT IMPLICATIONS

The Tender process has been undertaken in accordance with the Council’s Financial Regulations and Contract Procedure Rules and followed guidance from the Council’s procurement team. Following the Council decision, the appropriate Award Notices will need to be issued, mandatory Standstill Period observed and an OJEU and Contract Finder Award Notice will need to be issued, as provided for in the Regulations.

<b>Non-Applicable Sections:</b>	There are no Personnel Implications
Background Documents: (Access via Contact Officer)	Executive award report March 2015 Gateway report ED17022 30 <sup>th</sup> November 2016

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

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