

**Decision Maker:** **EXECUTIVE**  
**WITH PRE-DECISION SCRUTINY FROM:**  
**ADULT CARE AND HEALTH PDS COMMITTEE ON 24<sup>TH</sup> MARCH 2020 AND**  
**CHILDREN EDUCATION AND FAMILIES PDS COMMITTEE ON 10<sup>TH</sup> MARCH 2020**

**Date:** **Wednesday 1 April 2020**

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

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

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**Chief Officer:** Kim Carey, Interim Director, Adult Social Care, People Service  
Jared Nehra , Director of Education , People Service

**Ward:** (All Wards);

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## 1. REASON FOR REPORT

- 1.1 In July 2019 (Report ECHS 19041), Executive agreed to proceed to procurement for a multi-provider framework contract for Passenger Transport Services for both children and adults.
  - 1.2 This report sets out the results of the tendering process and seeks approval to award framework contracts to multiple providers for the delivery of Transport Services, via call off contract and mini-tender arrangements from the framework.
  - 1.3 The proposed framework will commence from 1 September 2020 for a five year period with the option to extend for up to a further two years. The estimated annual value of the framework is £7m (whole life value £49m).
  - 1.4 The report should be read in conjunction with the corresponding Part Two report.
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## 2. RECOMMENDATION(S)

- 2.1 The Adult Care and Health and the Children, Education and Families PDS Committees are asked to consider the report for pre-decision scrutiny.
- 2.2 Executive is recommended to:

- i) Approve award of contracts to the Transport Services framework to the providers detailed in Appendix 1 of the Part Two report, for the purpose of call-off contracts and mini-tender arrangements from the framework. The framework will commence from 1 September 2020 for five years with the option to extend for up to a further two years at an estimated overall annual value of £7m (estimated whole life value £49m);
- ii) With reference to paragraph 4.10, grant delegated authority to the Chief Officers for Adult and Children's Services to secure additional capacity, as required, for transport provision through suitable compliant procurement routes, including refreshing the framework, subject to consultation with the relevant Portfolio Holders and Officers as determined by the Contract Procedure Rules;
- iii) Grant delegated authority to the Chief Officers for Adult and Children's Services to approve the two year extension option for the framework, subject to consultation with the relevant Portfolio Holders and Officers as determined by the Contract Procedure Rules;
- iv) Agree that the additional costs of £363k in 2020/21 for SEN Transport from the outcome of tendering is met from the Council's 2020/21 Central Contingency sum.
- v) Note that any further cost pressures will be reviewed, including the identification of any mitigating actions, as part of the Children, Education and Families Transformation programme.
- vi) Note that the Adults transports additional costs will be contained within existing budgets.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Transport services support access to education for eligible children and those with an Education, Health and Care plan and access to the community for vulnerable adults.
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### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Children and Young People Supporting Independence
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### Financial

1. Cost of proposal: £7m per annum estimated
  2. Ongoing costs: £7m per annum estimated
  3. Budget head/performance centre: Adult Social Care and SEN Education
  4. Total current budget for this head: Adults £1,105k; Children £5,153k
  5. Source of funding: Council's General Fund and Dedicated Schools Grant £230k
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### Personnel

1. Number of staff (current and additional): 7
  2. If from existing staff resources, number of staff hours:
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### Legal

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

1. Summary of Procurement Implications: This report proposes award of contracts, following a compliant tender process, to multiple providers for a 5+2 framework contract at an estimated value of £7m per annum
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 1250
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

3.1 The current Transport Services multi provider framework will expire on 31<sup>st</sup> August 2020. Following Executive approval in July 2019, (ECHS19041) a procurement exercise for a replacement framework has been undertaken during the past six months.

3.2 The Transport Services framework covers two statutory requirements:

#### 3.3 Children's Transport Services

- i) The Council has a statutory duty to provide services to meet access to education for eligible children and young people (CYP). Transport services enable this access to education.
- ii) The Council currently meets this need by providing a range of travel support options including specialist transport assistance. Where transport services are required, this is currently delivered through a multi vehicle framework contract with a number of transport providers offering a range of vehicles, drivers and passenger assistants to meet the needs of CYP with special educational needs and or disabilities (SEND), and adult learners in education settings. This is predominantly a daily service with the majority of travel aligned to the opening and closing times of educational settings during the academic year.
- iii) The central transport team also facilitates transport services across the People portfolio including CYP social care, the CYP disability service and mainstream education to meet their transport duties, and a number of ad hoc transport needs for adult social care as they arise.
- iv) The current framework contract commenced in 2015 (with an additional framework introduced in 2017) based on an agreed schedule of rates that have not been uplifted during the lifetime of the framework. There is good partnership working between the Council and the transport providers and the contracts deliver good performance. The frameworks offer general and specialist wheelchair accessible transport services.
- v) The volume of CYP with SEND and those with education, health and care (EHC) plans, informal support agreements, and the nature and location of their educational settings factor into the demand for SEN transport services. The education performance digest December 2019 details the increasing demand for EHC plans. There is an increase in the volume of children presenting with more complex needs.

3.4 The following table details pupils accessing transport services for the last two academic years and a snapshot of the current year and demonstrates the increasing trend.

<b>Academic year</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>
<b>Pupils on transport at</b>	<b>Jan-20</b>	<b>Jul-19</b>	<b>Jul-18</b>
EHC Plans	2,482	2,366	2,187
Total pupils	857	827	783
Increase on previous period	3%	6%	
Pupils on transport % of EHC plans	35%	35%	36%
Exceptional agreement due to other circumstances	96	94	85
Parental Mileage	34	31	26
Travelling Out of borough	198	192	188
Travelling In borough	659	635	595
New applications pending 22.1.2020	30		

The trajectory for children's transport services is increasing demand and complexity of need, requiring increased transport services.

### 3.5 Adult Transport Services

- i) The Adult transport service offers eligible adults and those with learning disabilities access to day care services.
- ii) Adult transport services were outsourced in 2015 to GS Plus Ltd as a managed service. The provider gave notice to terminate the contract as at 31<sup>st</sup> August 2019 and service delivery was absorbed into the existing Transport Services framework as agreed by Executive in July 2019 (report ECHS1904).
- iii) As a result, service management was brought back in house with two members of staff transferring to the Council under TUPE arrangements on expiry of the Adult Transport contract.
- iv) Both services work within a single management structure as a Central Transport Service.
- v) Whilst there are regular fluctuations, adult service volumes appear to have stabilised with minor changes as service needs change.
- vi) The new tender has been undertaken to provide an efficient and flexible transport service that is responsive to client and service needs and complements the Transforming Bromley agenda.

### 3.6 Market Considerations

- i) The passenger transport market is fragmented with a range of specialist and non-specialist providers and hire and reward minicab operators.

Much change has taken place in this market since the arrival of technology based providers. Many small minicab providers are consolidating within an umbrella structure, leading to an increase in competition and the tender attracted a good response from this type of provider.

- ii) However the specialist provider market has not seen equivalent growth or new entrants to the market. Provider feedback attributes the lack of growth to the increasing costs from the Transport for London (TFL), Public Carriage Office (PCO) regulations, and challenges in driver recruitment. There is limited competition in this market and the tender did not attract a significant number of specialist providers.
- iii) The charitable and voluntary sector is not formally engaged with the Council for the provision of transport services and no tenders were received from this type of organisation. It is believed this is due to the lack of expertise, the increasing cost of regulations and it is unlikely that services supported solely by volunteers would be suitable to meet the Councils transport needs.
- iv) The current framework has been in place since 2015 based on a fixed schedule of rates that have not been uplifted for the lifetime of the framework. As a result, it was anticipated that price submissions for the new framework would increase.

## 4. CONTRACT AWARD RECOMMENDATION

4.1 **Recommended Framework** – Council owned framework for Passenger Transport Services with award of contracts to the framework as detailed in Appendix 1 of the Part Two report.

4.2 **Estimated Contract Value (annual and whole life)** – £7m per annum (£49m whole life)

4.3 **Other Associated Costs** – N/A

4.4 **Proposed Contract Period** – Five years, commencing 1 September 2020, with an option to extend for up to a further two years.

4.5 The contract specifications detailed the aims of the service and requirements of the providers. They highlighted the proposed client group and the Council's duties for the provision of a safe, sensitive, reliable and efficient transport service to meet the needs of a range of passengers. The quality questions were aligned to this requirement.

4.6 The tender process was undertaken electronically using ProContract on the London tenders Portal. Tenderers submitted both quality responses and pricing information. The tender evaluation team was comprised of the commissioner and managers from adult and childrens services together with technical expertise from transport operations.

4.7 The quality evaluation was broken down as follows and the successful providers accepted to the framework are detailed in Appendix 1 of the Part Two report.

Quality criteria	Weighting
1. Operational Strategy	10%
2. Documentation & record keeping	20%
3. Service Launch	15%
4. Staffing & training	20%
5. Vehicles & Fleet Management	15%
6. Quality Mechanisms / Innovation	10%
7. GDPR	5%
8. Financial sustainability	5%

4.8 Providers were required to complete a pricing matrix for the services to be provided. This matrix details the providers banded mileage rate for routes up to 15 miles, for different types of vehicles and the availability of a passenger assistant (PA).

4.9 The operation of the framework will be that providers are ranked in order of price based on the type of vehicle used, the availability of a PA where required and the route mileage. Passenger volumes are not guaranteed and routes are called off the framework and offered to the provider offering the lowest price for a specific service requirement.

(i) A route requiring a saloon car travelling 6.6 miles with no PA requirement will be awarded to the provider that offers this service at the lowest price.

(ii) Should the provider offering the lowest price for a particular service requirement reach their maximum capacity, a sliding scale of price and availability operates. The route offer is passed to the provider offering the next lowest price to meet the service requirement and so forth.

(iii) The majority of the routes operating within the borough are 15 miles or less. Therefore further competition is introduced through mini tenders for any routes over approximately 15 miles and/or where a more specialist requirement arises. All providers with capacity to deliver the service requirement are offered the opportunity to participate in the mini tender competitions.

(iv) The framework will operate across all client groups and some providers have offered discounts for `follow on routes`. This is where the provider delivers one service requirement which is followed by another service requirement using the same vehicle and staff resources.

This is particularly useful to maximise the use of large buses and skilled drivers for route operations between school and adult day activity routes and where the arrival and departure times allow.

4.10 The framework allows for a refresh of the framework during its lifetime to add additional providers to the framework as required. There is limited competition in the specialist provider market and the tender did not attract a significant number of specialist providers. Additional capacity may also be required for Transport Services in future that cannot be met through the framework. Therefore delegated authority to Chief Officers to both refresh the framework and to procure additional services through a compliant route has been requested to increase capacity as necessary to meet client needs.

4.11 The Framework allows for inflation increases as follows:

- The matrix prices will remain fixed until the second anniversary of the contract i.e. 31<sup>st</sup> August 2022
- Thereafter providers will have the option to review their matrix prices annually, with any increases limited to the percentage variation shown by the Consumer Price index (CPI) for the preceding month of June as published in July, to be applied on and after the anniversary date of the contract. The first increase would apply from September 2022.

4.12 This type of service requires ongoing contract performance monitoring to resolve issues as they arise. This monitoring will be supplemented by regular unannounced visual inspections outside education and day activity premises together with annual compliance monitoring visits at provider premises.

4.13 Subject to Executive approval the indicative timetable (subject to review) for contract mobilisation will be:

1/4/2020	Executive Report & Decision to Award
April 2020	Standstill period, notifications to suppliers, relevant notices
May – June 2020	Provider site visits, stakeholder communications,
May – August 2020	Contract signatures and Council seal
June – July 2020	Contract mobilisation meet and greet event: LBB staff, stakeholders and providers
July – August 2020	Route awards and mini tenders
1 <sup>st</sup> September 2020	Go live, commence service delivery
January 2021	Contract review report

## 5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

5.1 The provision of transport services enables adults to access community services and, support their social and economic wellbeing and children and young people to access their education.

5.2 The services provided by these contracts ensures the Council meets its statutory duties, follows best practice guidance and provides discretionary support where agreed under a defined process.

5.3 For adults, there is an implied duty to support access to assessed care needs, under the Care Act 2014.

5.4 Stakeholder engagement was undertaken to receive feedback from service users and families.

The engagement was undertaken through surveys promoted by a number of organisations providing services and support to children and young people with SEND and their families, and available in an easy read format.

- 5.5 831 families who use the service were invited to take part in the survey and in total 123 individuals completed the survey; a response rate of 15%. Feedback was also received from families attending play and stay sessions and family fun days.
- 5.6 The overall satisfaction with the SEN Transport service is high at 91% and some of the key aspects of the service important to families including punctuality, regularity of crew, appropriate training have been incorporated within the new service specifications and contract performance measures.
- 5.7 A similar survey was not possible for the adult service due to the changing contracts. However feedback relating to transport services from clients attending day services was captured during the consultation on day service provision and key aspects such as the need for a passenger assistant for the majority of the clients have been provided for in the interim transport arrangements currently in place. A similar service is expected to be delivered with the new contracts.

## **6. POLICY IMPLICATIONS**

- 6.1 The proposed contract awards are within the context of the existing published Council policies for transport services for children, young people and adults and comply with the relevant statutory legislation and supporting guidance.
- 6.2 They are designed to accommodate possible future service changes as the Council moves forward with its service transformation plans and the roll out of the direct payment initiative. These plans provide an opportunity for services to review the Council's current policies, processes and menu of travel assistance to support demand management.

## **7. PROCUREMENT RULES**

- 7.1 This report seeks to award a number of call off contracts to providers following the tendering of the Passenger Transport Services Framework. The duration of the framework agreement is from 1st September 2020 until 31st August 2025 with the potential to extend for a further period of up to two years. The call off contracts will mirror this duration. The total value of the framework is estimated at £7m annually.
- 7.2 This is an above-threshold service subject to the requirements for social and other specific services stated in the Public Contracts Regulations 2015. An advertised process was used to assess the quality of providers wanting to join the framework.
- 7.3 This process has been carried out in line with the requirements of the Public Contracts Regulations 2015.
- 7.4 The Council's requirements for authorising an award of contract are covered in CPR 16. For a framework of this value, the approval of the Executive following agreement by the Portfolio Holder, the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 7.5 Following the decision, the relevant notices will be issued. A mandatory standstill period will need to be observed. The actions identified in this report are provided for within the Council's

Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

## 8. FINANCIAL IMPLICATIONS

### SEND Transport

8.1 The estimated effect of the Children's transport tender compared with the potential additional costs from the outcome of tendering, included in the financial forecast is shown below:

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Contract period including possible extension							
	(7 mths)							(5 mths)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Estimated outturn	3,049	5,227	5,227	5,227	5,227	5,227	5,227	2,178
Initial price growth/cost pressures	320	455	455	455	455	455	455	190
Inflationary increases (from yr 3)	0	0	66	181	298	416	536	273
Total costs	3,369	5,682	5,748	5,863	5,980	6,098	6,218	2,641
Estimated budget	-3,006	-5,256	-5,361	-5,468	-5,578	-5,689	-5,803	-2,466
Estimated additional transport costs	363	426	387	395	402	409	415	174

8.2 There continues to be cost pressures relating to increased activity within SEN Transport which is being considered through the Children, Education and Families Transformation programme. The programme will identify any future mitigation options and address these costs pressures which will be reported to Members in due course.

8.3 The additional costs, compared with the 2020/21 budget, arising from the outcome of tendering could be met from the council's 2020/21 Central Contingency sum. As identified in paragraph 8.10 the Transformation programme will be looking at future options to contain cost pressures in this service.

### Adult Transport

8.4 The estimated effect of the Adult transport tender is set out in the table below:

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Contract period including possible extension							
	(7 mths)							(5 mths)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Estimated outturn	678	1,162	1,162	1,162	1,162	1,162	1,162	484
Initial price growth/cost pressures	18	30	30	30	30	30	30	13
Inflation growth (from yr 3)	0	0	14	38	62	88	113	57
Total costs	695	1,192	1,206	1,230	1,254	1,280	1,305	554
Estimated budget	-645	-1,127	-1,150	-1,173	-1,196	-1,220	-1,244	-529
Estimated Growth	50	65	57	58	58	60	61	25

8.5 It can be seen that there is growth anticipated throughout the life of the contract. This is due to initial contractual price increases from the beginning of the contract (based on the current cohort). There are no increases anticipated in demand for the service.

8.6 Adult Social Care will be able to contain these additional costs within the overall funding envelope of the service and therefore no additional funding is being sought.

- 8.7 An assumption has been made on price inflation (2%) on the contract from year three. In years one and two the price is frozen as per the tender documentation. In order to compare on a like for like basis and to estimate growth the budget for the contract has been inflated by 2% in each year as well.
- 8.8 Assumptions have been made in regard to the current cohort of passengers for both children's and adults transport and figures have been developed using the current cohorts. This is likely to change as demand develops and routes are re planned, etc. This could lead to both increases and decreases in cost.
- 8.9 Routes are awarded on the basis of the cheapest available route. Not all providers bid for all routes, some are specialist providers and there may be capacity issues in some cases
- 8.10 The estimated cost of both of the services does not include any impact of mitigation which is currently being evaluated through the Transformation Board. Any savings that may materialise from this would need to be deducted from the overall growth figures in due course.

**9. PERSONNEL IMPLICATIONS**

- 9.1 There are no personnel implications for existing Bromley employees arising from the contract award recommendations outlined in this report.

**10. LEGAL IMPLICATIONS**

- 10.1 The Council has various legal obligations and powers in particular under the Education Act 1996 and the Care Act 2014 to provide, organise and facilitate passenger transport for eligible children and adults.
- 10.2 Section 7 of the Part 1 report -Procurement Rules- has set out the position with regard to compliance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. The Executive has authority to agree the officer delegation concerning further extensions and framework capacity as requested in the Recommendations to the report.
- 10.3 The report recommendation is seeking a decision to award the Framework Agreements together with call-off contracts for the provision of Transport Services to the providers detailed in the Part 2 report commencing 1<sup>st</sup> September 2020 until 31<sup>st</sup> August 2025 with the potential to extend for a further period of 2 years. The call-off contracts will be formed on either the providers tendered prices schedule or through a further mini-competition exercise, concluded through the Client Officer Team as explained more fully in section 4 of this report.
- 10.4 Client Officer must ensure there is in place an exit and handover plan of the services and for the service users between the current providers and the new framework providers including any TUPE considerations.

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	<p>Gateway Zero: Commissioning options for provision in transport in children's and adult services, report CS18125, 28.03.2018</p> <p>Proposed Contract Extensions - SEN Transport &amp; Non SEN Transport, report CS18185, 16<sup>th</sup> January 2019</p> <p>Gateway 1: Outline procurement strategy for adults and children's transport services including interim arrangements for adults transport , report ECHS19041, 10<sup>th</sup> July 2019</p>

LBB Policy Cascade Nov 2019	Understanding the drivers for rising demand and associated costs for home –to-school transport LGA report May 2019
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