

## CABINET

20 February 2018

### TRANSPORT CONTRACT AWARD CRITERIA

Report of the Director for Places (Environment, Planning & Transport)

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/120118	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr N Begy, Deputy Leader and Portfolio Holder for Planning Policy & Planning Operations, Highways & Transportation and Communications	
Contact Officer(s):	Dave Brown, Director for Places (Environment, Planning & Transport)	01572 758461 dbrown@rutland.gov.uk
	Dr Rebecca Johnson, Senior Transport Manager	01572 758229 rjohnson@rutland.gov.uk
Ward Councillors	Not applicable	

#### DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the award criteria for transport contracts as set out in paragraph 3.3.
2. Delegates authority to the Director for Places (Environment Transport and Planning), in consultation with the Cabinet Member with portfolio for Transport, to set the any necessary qualifying criteria for transport contracts.
3. Delegates authority to the Director for Places (Environment Transport and Planning), in consultation with the Cabinet Member with portfolio for Transport, to award transport contracts following the approved procurement process set out in points 1 and 2 above.

## **1 PURPOSE OF THE REPORT**

- 1.1 This report sets out the process and proposed award criteria for the procurement of transport contracts, along with recommendations for approval and delegation of final award.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

- 2.1 Rutland County Council provides a range of transport services including: home to school transport; transport for children with special educational needs (SEND), transport for children looked after (CLA), post-16 transport and public transport services in line with statute and council policy.
- 2.2 Alongside provision through the council's in-house fleet, transport is also provided by a number of external organisations via a range of long term, short term and emergency contracts.
- 2.3 For the larger, longer term contracts the service requirements are reviewed each year alongside contract expiration dates and invitations to tender are issued in adherence with the OJEU process with support from the Welland Procurement Unit.
- 2.4 Shorter term contracts and emergency contracts that need to be arranged during the year are either advertised as invitations to tender or are sent out as requests for quotation (with support from the Welland Procurement Unit as required). If necessary these services can be included in the OJEU process the following year.
- 2.5 The OJEU process collects "pence per mile" quotes from operators in order that requests for quotations can be sent out to the bidders that are likely to provide the service at the lowest price.

## **3 APPROACH TO PROCUREMENT AND AWARD CRITERIA**

- 3.1 The majority of the contracts will be sent out in the annual OJEU round as described above. Appendix A shows an indicative OJEU timetable.
- 3.2 Remaining contracts will be advertised as necessary in line with the Contract Procedure Rules and with advice from the Welland Procurement Unit as required.
- 3.3 It is proposed that each contract is awarded on the basis of cost. They will therefore be awarded to the lowest priced bidder that is able to deliver the contract providing they meet any relevant qualifying (pass/fail) criteria that assure quality.
- 3.4 The qualifying criteria are subject to change on a contract by contract basis depending on any specific contract requirements, but could include: being able to meet necessary insurance levels; being able to demonstrate vehicles are adequately maintained; being able to provide staff with appropriate DBS checks and /or having passenger assistants with an appropriate level of training.
- 3.5 Approval is being sought for a delegation to the Director of Places (Environment, Transport and Planning) in consultation with the portfolio holder for Transport to set the pass/fail criteria and award contracts based on cost. This will ensure contracts can be procured and awarded in a timely manner without placing excessive demands on Cabinet.

## 4 CONSULTATION

4.1 No consultation is required.

## 5 ALTERNATIVE OPTIONS

5.1 To require each contract to be brought to Cabinet for approval of individual award criteria, and delegation of power to award. This is not felt to be necessary due to the simplicity of the award criteria and is felt to be overly onerous due to the number of contracts awarded each year.

5.2 To use a framework agreement to manage procurement. This would not be advisable as new contractors cannot join during the framework life and therefore we would be limited to those suppliers on the framework. The local supplier market is limited and suppliers are used that are unlikely to apply to be on the framework. In addition it would limit the ability of any new suppliers within the county to bid for RCC work until a new framework was procured. Contracts awarded to organisations not on the framework would be required to go to Cabinet for approval of award criteria and award with the same dis-benefits as those listed above.

## 6 FINANCIAL IMPLICATIONS

6.1 The current budgets for each type of transport are shown in Table 1. The majority of each of these budgets is paid to external suppliers for the provision of transport services. The majority of the relevant services (with the exception of public transport) are demand-led, and prices for service provision are dictated by the market.

**Table 1: 2017/18 budgets**

<b>Budget</b>	<b>Value</b>
Home to school transport	£572,300
Post-16 Transport	£114,400
Adult Social Services Transport	£87,100
Children Looked After Transport	£21,100
SEN Transport	£370,900
Public transport	£442,700
<b>Total</b>	<b>£1,608,500</b>

6.2 Contracts do not have a minimum award period, and are usually awarded for a maximum period of up to 5 years depending on the requirements. Table 2 shows the current transport contracts awarded via the OJEU process, or in the case of public transport either awarded via OJEU or awarded as deminimus agreements. Alongside this there are a number of contracts awarded via quotation or invitation

to tender which are of a lower value.

**Table 2: Current contracts**

<b>Transport type</b>	<b>Number of contracts</b>	<b>Value (annual)</b>
Local bus services	7	£354,651
Home to school (bus)	13	£379,014
Mainstream taxis	35	£531,181

6.3 The changes proposed in this report are unlikely to have any financial impact on RCC.

## **7 LEGAL AND GOVERNANCE CONSIDERATIONS**

7.1 The Rutland County Council Contract Procedure Rules provide that any decisions on authorisation of award criteria and authorisation of award for contracts which exceed £50,000 must be approved by Cabinet. Delegation of Authority to the Director of Places (Environment, Transport and Planning) in consultation with the Portfolio Holder for Transport will ensure that the contracts can be awarded without delay.

## **8 EQUALITY IMPACT ASSESSMENT**

8.1 This report only relates to the award of contracts and does not represent a change to policy. Therefore an equality impact assessment is not required.

## **9 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no community safety implications.

## **10 HEALTH AND WELLBEING IMPLICATIONS**

10.1 There are no health and wellbeing implications.

## **11 SOCIAL VALUE IMPLICATIONS**

11.1 The low value of many of the individual contracts mean that they attract bids from local SMEs which helps provide employment in the local area and maintains circulation of the Rutland pound in the local area.

## **12 ORGANISATIONAL IMPLICATIONS**

12.1 There are no organisational implications.

## **13 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

13.1 In order for the procurement process to commence the award criteria needs to be approved by Cabinet. The criteria have been carefully considered to ensure that providers successful in the process are capable of meeting the requirements and

can deliver appropriate quality services in Rutland.

**13.2** It is recommended that once the award criteria are approved, approval of the award of contracts is delegated to the Director for Places (Environment, Transport and Planning) in consultation with the Portfolio Holder. Decisions will only be taken in line with Cabinet approved criteria.

#### **14 BACKGROUND PAPERS**

14.1 There are no additional background papers to the report.

#### **15 APPENDICES**

15.1 Appendix A shows an outline procurement timetable.

**A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.**

## Appendix A. Procurement Timetable

Below is a draft OJEU timetable for 2017/18. A similar timetable will be produced annually for all contracts being advertised via the OJEU process.

<b>ACTION</b>	<b>COMPLETED BY</b>
Draft tender documents	31 <sup>st</sup> March 2018
Draft specification	31 <sup>st</sup> March 2018
Agree lotting arrangements	5 <sup>th</sup> April 2018
“Final” routes determined	7 <sup>th</sup> April 2018
Complete specification / tender documents	12 <sup>th</sup> April 2018
Finalise OJEU	19 <sup>th</sup> April 2018
Finalise Contracts Finder / Source advert	19 <sup>th</sup> April 2018
Submit OJEU advert	21 <sup>st</sup> April 2018
Submit Contracts Finder advert	25 <sup>th</sup> April 2018
Email advert to identified prospective companies	25 <sup>th</sup> April 2018
Deadline to receive questions	5 <sup>th</sup> May 2018
Deadline to respond to questions	10 <sup>th</sup> May 2018
Return of tenders (35 days from OJEU)	2 <sup>nd</sup> June 2018
Evaluate tenders	13 <sup>th</sup> June 2018
Further clarifications if required	20 <sup>th</sup> June 2018
Agree preferred contractors	27 <sup>th</sup> June 2018
Draft standstill letters	4 <sup>th</sup> July 2018
Brief Portfolio Holder	7 <sup>th</sup> July 2018
“10 day” standstill starts (minimum 11 days)	10 <sup>th</sup> July 2018
Due diligence on preferred operators complete	20 <sup>th</sup> July 2018
“10 day” standstill ends	20 <sup>th</sup> July 2018
Award contract	21 <sup>st</sup> July 2018
Contracts begin from	31 <sup>st</sup> August 2018
Submit award notices	5 <sup>th</sup> September 2018

Lower value contracts are procured on an ad-hoc basis as required with support from the Welland Procurement unit.