

## CABINET

15<sup>th</sup> February 2022

### HOME TO SCHOOL TRANSPORT CONTRACT AWARD

#### Report of the Portfolio Holder for Planning, Highways and Transport

Strategic Aim:	All		
Key Decision: Yes		Forward Plan Reference: FP/031221	
Exempt Information		Appendix C of this report contains exempt information and is not for publication in accordance with Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. .	
Cabinet Member(s) Responsible:		Cllr I Razzell, Portfolio Holder for Planning, Highways and Transport.	
Contact Officer(s):	Penny Sharp – Strategic Director for Places		psharp@rutland.gov.uk
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Ward Councillors	All		

#### DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the procurement model (section 4) and criteria for the award of home to school transport (Appendix B) contracts for academic year 22/23.
2. Delegates authority to the Strategic Director for Places in consultation with the Portfolio Holder for Planning, Highways & Transport to award the contracts resulting from this procurement.

## 1 PURPOSE OF THE REPORT

- 1.1 This report sets out the process and proposed award criteria for the procurement of home to school 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; transport for children looked after; post-16 education transport; and public transport services in line with statute and Council policy.

- 2.2 Alongside provision through the Council's in-house commissioned transport fleet, this transport is also provided by a number of external organisations (bus, minibus and taxi) via a range of long term, short term and emergency contracts.
- 2.3 Service requirements are reviewed each year alongside contract expiration dates. This takes place each year because contract requirements change on an annual basis. Some contracts (particularly those for SEND transport and children looked after where needs can change very regularly) are only awarded for 1 year, whilst others are awarded for up to 5. The contract review takes into account any changes to student distribution, school location, start or finish times, and school holidays.
- 2.4 The transport team uses admissions data to ascertain which students will be likely to require transport for the next academic year, and their destination. This data is used to decide whether existing routes are appropriate, or whether efficiencies can be realised via route changes and alterations to vehicles. Furthermore, the need for lone transport and passenger assistants on SEND routes is also reviewed to ensure the services specified are what is actually required. This helps to reduce legacy arrangements when service user needs have changed over time and transport can now be delivered in a more economically advantageous way whilst still meeting the needs of service users.
- 2.5 All potential contracts are sent out to tender, including those that will probably be operated by the Council's in house-fleet. This enables the transport team to compare costs of providing the services in-house versus outsourcing and ensures the in-house fleet continues to offer good value for money.
- 2.6 Although transport contracts are subject to continual review throughout the year to ensure best use of resources, the main review of requirements for the next academic year takes place between February and June. Additions and amendments to existing transport contracts are usually lower in cost than introducing a new contract/route so this is considered first for new applicants. For students with SEND and enhanced needs cases are dealt with on a case by case basis. Further work is also underway to review all contracts for the future in light of Council's financial position

### **3 CONTRACT REQUIREMENTS**

*What is being procured?*

- 3.1 Three types of service are being procured – broken down into procurement lots, as follows:
  - Lot 1 (school bus contracts)
  - Lot 2 (specialist transport taxis/minibuses)
  - Lot 3 (pence per mile taxis & buses)

*Contract length*

- 3.2 Each individual route has its own contract length based on the requirements of the

students but it should be noted that contracts are being put out for the maximum possible requirement in 2022 to attract transport providers to submit competitive bids.

- 3.3 Mainstream school bus contracts tend to be offered for a period of 5 years wherever possible as this attracts more interest from operators, but routes with fewer students can be offered anywhere between 1 year up to 5 years dependant on the future transport needs of the students concerned.
- 3.4 Notice to terminate by both parties is 1 calendar month for all home to school transport contracts.

#### *Contract value*

- 3.5 The estimated contract value (over the lifetime of all contracts, to a maximum of 5 years, included in the 3 lots) is £3,291,692. Detailed contracts for tender cannot be identified until the school admission data is available in April and May although an estimated list is detailed in appendix C for context. The Home to School transport contracts due to expire in 2022 will be sent out to tender in bulk.
- 3.6 Previous years advertised costs were:
- 2019/20 - £1,122,500.00
  - 2020/21 - £1,258,461.00
  - 2021/22 - £1,829,023.00
- 3.7 A much higher number of specialist transport routes (taxi & minibus) are due to expire in 2022 due to them reaching their 5 year maximum duration, an influx of very late transport requests submitted in 2021, and an overall increase in SEND students requiring transport, which in turn increases the overall estimated contract value. This value is estimated because the contracts tendered may change during the review process, and prices are based on previous tender prices and as such are subject to change during the tender process.

## **4 PROCUREMENT MODEL**

- 4.1 Following the annual review of transport requirements an invitation to tender is issued with support from the Welland Procurement Unit. The procurement process will follow the appropriate process in line with the Council's Contract Procedure Rules. The value of the contracts combined is above the EU threshold.
- 4.2 Services usually operated by the Council's in-house fleet are also advertised to provide assurance that in-house operation of those services demonstrates best value for money.
- 4.3 The tender process also 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 for new or revised service requirements that occur during the course of the academic year. This allows us to opt for best value at all times and reduce any risk of high cost short notice emergency contracts.
- 4.4 The timetable for the process for the academic year 2022/2023 is set out in Appendix A and the award criteria are set out in Appendix B.

## **5 AWARD CRITERIA**

### *Initial screening/ quality criteria*

- 5.1 Companies must meet quality criteria (initial screening) in order to be eligible to tender. These have been developed with support from the Welland Procurement Unit. In addition, service specific criteria are used. Examples of this might include: being able to meet necessary specific insurance levels; being able to demonstrate vehicles are adequately maintained; and /or having passenger assistants with an appropriate level of training. To obtain and retain a PSV operator's license (O' License) involves meeting criteria relating to operator financial standing, good reputation and strict operational standards. Compliance checks are carried out by both the DVSA and the relevant Traffic Commission in the form of initial screening and on-going checks and therefore quality standard checks to hold an O' licence are in place externally. This removes the requirement for RCC to further stipulate localised quality standards for tendering other than the pass/fail criteria of holding the correct license/s. Further information on the criteria for obtaining transport licensing is available online: <https://www.gov.uk/government/publications/psv-operator-licensing-a-guide-for-operators-psv437>

### *Basis of award*

- 5.2 Contracts will be awarded on the basis of cost to a bidder who meets the quality criteria. Contract specifications will therefore state that contracts will be awarded to the lowest priced bidder that is able to deliver the contract.

### *Power to award contracts*

- 5.3 Cabinet approval is sought to delegate authority to the Strategic Director for Places in consultation with the Portfolio Holder for Planning, Highways & Transport to award the contracts resulting from this procurement.

## **6 CONSULTATION**

- 6.1 This report has been developed in consultation with the portfolio holder.

## **7 ALTERNATIVE OPTIONS**

- 7.1 The contract award could be brought back to Cabinet for approval rather than delegated to the Portfolio Holder and Strategic Director for Places. However, this approach would delay the award and may impact the Council's ability to deliver its statutory obligations.

## **8 FINANCIAL IMPLICATIONS**

- 8.1 The contracts to be awarded will be funded via the existing budget allocations for transportation of mainstream, special educational needs, post-16 and children looked after and will not require additional resource allocation.
- 8.2 However, most years special educational needs transport and children looked after transport report budget pressures due to overspend. This is due to increasing demand and/or complexity of cases year on year in a demand led statutory service area. The 22/23 budget does include a 1% demand-led contingency which can be used if required.

## **9 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 9.1 The Home to School Transport procurement process has been drawn up with the Welland Procurement Unit, in line with the requirements of the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.
- 9.2 Contained within the award process are 58 separate contracts and only 1 exceeds the current EU threshold (indicated in appendix C). Many of these contracts would ordinarily fall within the delegated powers to award the lower value contracts. Officers, in consultation with the Portfolio Holder, have chosen not to exercise those powers in this case to ensure that Cabinet is able to fully consider matters and have a full picture when considering whether to authorise delegation of award or not.

## **10 EQUALITY IMPACT ASSESSMENT**

- 10.1 An EIA screening form has been completed and a full assessment is not required.

## **11 COMMUNITY SAFETY IMPLICATIONS**

- 11.1 The Council is required by Section 17 of the Crime & Disorder Act 1998 to take into account community safety implications. No implications found.

## **12 HEALTH AND WELLBEING IMPLICATIONS**

- 12.1 None.

## **13 DATA PROTECTION IMPLICATIONS**

- 13.1 A data protection impact assessment has not been completed as there are no data protection implications.

## **14 ORGANISATIONAL IMPLICATIONS**

- 14.1 TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) and subsequent amendments will not apply to the Home to School Transport procurement.

## **15 SOCIAL VALUE IMPLICATIONS**

- 15.1 Many of the operators who bid for tenders are local companies meaning that income generated through the contracts is fed back into local communities. By letting each contract as a separate contract smaller operators are not excluded from the process meaning that SMEs can fully participate in bidding for work.

## **16 ENVIRONMENTAL IMPLICATIONS**

- 16.1 Children travelling on school buses are likely to have less of an environmental impact than those being driven to school. Where possible, children are placed on public service vehicles hence their transport does not increase emissions because the vehicle is already traveling. As such school bus provision is likely to have a positive impact on climate change.

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

- 17.1 All potential alternative options to deliver these statutory services have been

considered, and the recommendation below to tender and award contracts represents the best option to enable us to deliver statutory services.

- 17.2 Therefore, in order for the procurement process to commence the award criteria (appendix B) 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 necessary requirements and can deliver appropriate quality services in Rutland.
- 17.3 It is recommended that power to award the contract is delegated to the Strategic Director for Places in consultation with the Portfolio Holder for Planning, Highways and Transport. This will speed up the process and decisions will be made in line with criteria in this report.

## **18 BACKGROUND PAPERS**

- 18.1 Transport Contract Award Criteria (33/2018), 20<sup>th</sup> February 2018.

## **19 APPENDICES**

- 19.1 Appendix A – Transport Tender Timetable
- 19.2 Appendix B – Award Criteria

Appendix C – Estimates Contracts

Appendix C is not for publication because it contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, namely the prices received for specific named school contracts.

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

## APPENDIX A

### RUTLAND COUNTY COUNCIL HOME TO SCHOOL TRANSPORT TENDER 2022

#### TIMETABLE (draft )

<b>ACTION</b>	<b>COMPLETED BY</b>	<b>BY</b>
Draft tender documents	25 <sup>th</sup> March 2022	EO/WP
Draft specification	25 <sup>th</sup> March 2022	EO
Agree lotting arrangements	5 <sup>th</sup> April 2022	EO/WP
“Final” routes determined	12 <sup>th</sup> April 2022	EO
Complete specification / tender documents	12 <sup>th</sup> April 2022	EO/WP
Finalise and submit FTS advert	19 <sup>th</sup> April 2022	WP
Finalise Contracts Finder / Source advert	19 <sup>th</sup> April 2022	WP
FTS advert published	22 <sup>nd</sup> April 2022	WP
Submit Contracts Finder advert	22 <sup>nd</sup> April 2022	WP
Email advert to identified prospective companies	26 <sup>th</sup> April 2022	EO
Deadline to receive questions	13 <sup>th</sup> May 2022	Bidders
Deadline to respond to questions	19 <sup>th</sup> May 2022	EO
Return of tenders	24 <sup>th</sup> May 2022	Bidders
Evaluate tenders	7 <sup>th</sup> June 2022	EO
Further clarifications if required	14 <sup>th</sup> June 2022	EO
Agree preferred contractors	24 <sup>th</sup> June 2022	EO/WP
Draft standstill letters	4 <sup>th</sup> July 2022	WP
Brief Portfolio Holder	9 <sup>th</sup> July 2022	EO
“10 day” standstill starts (minimum 11 days)	12 <sup>th</sup> July 2022	WP
Due diligence on preferred operators complete	19 <sup>th</sup> July 2022	EO
“10 day” standstill ends	23 <sup>rd</sup> July 2022	
Award contract	23 <sup>rd</sup> July 2022	EO/WP
Contracts begin from	30 <sup>th</sup> August 2022	Operators
Submit award notices	30 <sup>th</sup> August 2022	WP

## APPENDIX B

### CRITERIA FOR ASSESSING STANDARD SELECTION QUESTIONS

Question No.	Section Headings and Sub-Headings	Maximum Available Section Score	Weighting Within Sub-Heading
<b>1.1</b> 1.1 (a) 1.1 (b) (i) 1.1 (b) (ii) 1.1 (c) 1.1 (d) 1.1 (e) 1.1 (f) 1.1 (g) 1.1 (h) 1.1 (i) (i) 1.1 (i) (ii) 1.1 (j) (i) 1.1 (j) (ii) 1.1 (k) 1.1 (m) 1.1 (n) 1.1 (o) 1.1 (p)	<b>Potential Supplier Information</b> Full name Registered office Registered website address Trading status Date of registration Company registration number Charity registration number Head Office DUNS number Registered VAT number Appropriate professional/trade registration If yes, details Legal required for professional/trade registration If yes, details Relevant classifications SME Persons of Significant Control Details of immediate parent company Details of ultimate parent company	0%	0%
<b>1.2</b> 1.2 (a) (i) 1.2 (a) (ii) 1.3 (a) (iii) 1.2 (b) (i) 1.2 (b) (ii)	<b>Bidding Model</b> Bidding as lead contact for a group of economic operators Name of group of economic operators Proposed legal structure Use of sub contractors Sub Contractor details	0%	0%
<b>1.3</b> 1.3 (a)-(h)	<b>Contact Details and Declaration</b> Details completed	0%	0%
<b>2</b> 2.1 (a)	<b>Grounds for Mandatory Exclusion</b> Regulations 57(1) and (2): Criminal organisation Corruption Fraud Terrorist offences Money laundering Child labour/human trafficking Breach of environmental obligations	Pass/Fail	Pass/Fail



Question No.	Section Headings and Sub-Headings	Maximum Available Section Score	Weighting Within Sub-Heading
2.1 (b)	Breach of social obligations Breach of labour obligations Bankrupt/insolvency or winding-up proceedings Grave professional misconduct Agreements with other economic operators to distort competition Conflict of interest Preparation of procurement procedure Early termination of contract /damages/comparable sanctions In breach of obligations re: tax/social security contributions Measures taken		
2.2	Self cleaning measures	Pass/Fail	Pass/Fail
2.3 (a) 2.3 (b)	Breach of tax/social security obligations If yes, further details	Pass/Fail	Pass/Fail
3  3.1 (a) 3.1 (b) 3.1 (c) 3.1 (d) 3.1 (e) 3.1 (f) 3.1 (g) 3.1 (h) 3.1 (i) 3.1 (j) 3.2	<b>Grounds for Discretionary Exclusion</b> Regulation 57 (8) Breach of environmental obligations Breach of social obligations Breach of labour obligations Financial administration Guilty of grave professional misconduct Distorting competition Conflict of interest Involved in preparation of procurement Significant or persistent deficiencies Statement response If yes, self cleaning	Pass/Fail	Pass/Fail
Question No.	Section Headings and Sub-Headings	Maximum Available Section Score	Weighting Within Sub-Heading
4 and 5 4.1  4.2 5.1 5.2 5.3	<b>Economic and Financial Standing</b> Audited accounts or alternative means of demonstrating financial status Minimal financial threshold Parent company accounts Parent company guarantee Bank guarantee	Pass/Fail	Pass/Fail
6 6.1	<b>Technical and Professional Ability</b> Details of up to three contracts	0%	0%

<b>Question No.</b>	<b>Section Headings and Sub-Headings</b>	<b>Maximum Available Section Score</b>	<b>Weighting Within Sub-Heading</b>
<b>6.2</b>	Evidence of healthy supply chains maintained with sub-contractors Sub contract supply chain management		
<b>7</b>	<b>Requirements under Modern Slavery Act 2015</b>		
<b>7.1</b>	Relevant commercial organisation	Pass/Fail	Pass/Fail
<b>7.2</b>	Compliant with annual reporting requirements		
<b>8</b>	<b>Additional Questions:</b>		
<b>8.1</b>	<b>Insurance</b>	Pass / Fail	Pass/Fail

### 3. CRITERIA FOR ASSESSING TENDER RESPONSES

Only those Bidders which pass the Selection Questions will have their tenders evaluated using this scheme.

<b>Section Headings and Sub-Headings</b>	<b>Maximum Score Available</b>	<b>Weighting Within Sub-Heading</b>
<b>Quality</b>		
Company vehicle compliance	0%	Pass/Fail
Employee licensing		Pass/Fail
<b>* Price (exclusive of VAT)</b>		
Route pricing	100%	100%
<b>Total</b>	<b>100%</b>	

Pricing should be shown per journey (which normally includes a return journey). Unit rates and prices must be quoted in pounds and decimals of a pound. Such decimals need to be restricted to two decimal places.

For the purpose of giving feedback to bidders at the end of the process, pricing will be converted to a percentage score using the following formula:

Lowest price for this route x 100%

Bidder's price for this route

So if the lowest price offered for a given route is from Bidder A at £20.00, and the price offered by Bidder B is £40.00,

Then Bidder A will score  $\frac{\text{£20.00}}{\text{£20.00}} \times 100\% = 100\%$  Contract awarded

And Bidder B will score  $\frac{\text{£20.00}}{\text{£40.00}} \times 100\% = 50\%$