

CABINET

14 February 2023

HOME TO SCHOOL TRANSPORT CONTRACT AWARD

Report of the Portfolio Holder for Planning, Highways and Transport

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| Strategic Aim: | All | |
| Key Decision: Yes | Forward Plan Reference: FP/251122 | |
| Exempt Information | No | |
| Cabinet Member(s) Responsible: | Councillor Rosemary Powell, Deputy Leader and Portfolio Holder for Planning, Highways and Transport | |
| Contact Officer(s): | Penny Sharp – Strategic Director- Places | psharp@rutland.gov.uk |
| | Emma Odabas –Acting Senior Transport Manager | 01572 720923 eodabas@rutland.gov.uk |
| 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 23/24.
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 the Council's financial position and the requirement to make efficiencies for future sustainability.

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 2023 to encourage 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 £2,578,754.00. Detailed contracts for tender cannot be identified until the school admission data is available in April and May although an estimated that 1 mainstream school bus route, 49 taxi routes and 9 minibus routes will be included in the lots for tender.

3.6 Previous years advertised costs were:

- 2020/21 - £1,258,461.00
- 2021/22 - £1,829,023.00
- 2022/23 - £2,578,754.00

3.7 There is a year-on-year 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. The RC in-house routes are sent out to tender to obtain comparison pricing and not all tendered routes will be awarded.

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 higher cost short notice emergency contracts.

4.4 The timetable for the process for the academic year 2023/2024 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.

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 61 separate contracts and although none exceed the current threshold individually and would ordinarily fall within the delegated powers to award, 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 to delegate authority to the Strategic Director for Places in consultation with the Portfolio Holder for Planning, Highways and Transport to award the contracts. This will speed up the process and decisions will be made in line with criteria in this report.

18. BACKGROUND PAPERS

None

19. APPENDICES (MANDATORY)

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

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