

PROCUREMENT STAGE 1 – APPROVAL TO PROCEED TO TENDER

This form must be completed for all procurements above the tender threshold (£75,000 - Services and Supplies and £500,000 - Works)

If contract value is over Cabinet approval threshold (£750,000) this form shall be appended to the Cabinet report. This form will be “open” for publication.

1.	INTRODUCTION	
1.1	Contract Title	Children’s Transport – Reprocurement of Service
1.2	Reference	PS/2018/270
1.3	Directorate	Children’s Services
1.4	Contract Cost	£16,000,000.00

1.5	Description	<p>The purpose of this section is to provide an introduction to the procurement exercise including any relevant background information.</p> <p>The contracts for children's transport provision, including home to school transport, are due for renewal in 2019 and the continued provision of this transport is required as a part of the Council's statutory requirements. The value of the contracts means that Cabinet approval to proceed is required.</p> <p>As a part of the Council's Service Review programme, officers have identified that within the current policy there are opportunities to improve how transport is procured and offered using a range of options such as route optimisation, increasing the use of public transport and offering travel training.</p> <p>Officers recommend the procurement of a framework contract for Children's Transport for a four year period. This will enable subsequent call-off arrangements to be made that are flexible and responsive to changing journey needs whilst obtaining best value for the Council.</p> <p>The provision of home to school transport is governed by the Education Act 1996 and the Transport Act 1985. In addition, the provision of transport, in exceptional circumstances for children who are subject to Child in Need or Child Protection procedures is supported by the Children Act 1989, as amended by the Childcare Act 2004.</p> <p>The current contracts for the provision of transport are due to expire in July 2019 and, due to the current value of these and in line with the Council's Contract Procedure Rules, this report seeks Cabinet approval to re-procure these agreements.</p> <p>There are three distinct areas of Children's Transport:</p> <ul style="list-style-type: none"> - Mainstream schools - Special schools - Children's Social Care <p>The Council currently has contracts for a total of 123 routes for Children's Transport provision, provided by coach, minibus and taxi. Members should note that this is subject to change depending on demand. Expenditure on these contracts was £3,965,287 in the financial year 2017/18.</p>
1.6	Contract Term	<p>This is a framework contract for Children's Transport in accordance with the Council's Contract Procedure Rules for a term of four years commencing at the start of the academic year September 2019 up until August 2023. It is recognised that there are numerous day to day changes associated with this category of transport for this reason, while contracts are let for a specific number of years, a 56 day termination clause will form part of the contract.</p>
1.7	Political Sensitivity	N/A

2.	BUSINESS CASE	
2.1	Business Case	<p>Across the borough there continues to be an increasing demand for children's transport particularly home to school transport due to unplaced pupils or children with special needs and/or disability being transported to out of borough placements. The procurement of a framework contract, which includes a range of different transport providers for a four year period, will enable the Council to call off individual and routine journey requirements flexibly as needs change over the term.</p> <p>The recommendation to re-procure the Children's Transport contracts is made to ensure that the Council:</p> <ul style="list-style-type: none"> • meets its statutory duties with regards to Children's Transport. • observes the Contract Procedure Rules • maintains necessary flexibility throughout the term by use of a framework arrangement • obtains best value in providing the services <p>Re-tendering of these contracts will ensure that best value continues to be achieved by the use of a competitive tender for all routes being tendered.</p>
2.2	Key Deliverables	<p>Supporting local business: The procurement of the Children's Transport contract, whilst offered as a fully compliant EU tender, usually attracts local transport providers who benefit from the Council contract. This procurement process also contributes to the economic well-being of the area by supporting local businesses to compete.</p> <p>Sustainability: By procuring transport in an effective manner the Council achieves the outcome of reducing the number of private vehicles on the road and utilising buses and minibuses that have less impact on the environment than individual cars. This is in line with the Council's priority of protecting our clean and green environment.</p> <p>Simplicity of systems: The procurement process ensures that the tenders are simple and easy to apply for, allowing for local providers to tender. In addition, the way in which the tenders are set out enables the Council to reduce the carbon footprint and cost associated with transport by aligning the size of vehicle to the number of children travelling on a particular route.</p>
2.3	Commercial Pressures	<p>There will always be additional requests for pupils who start school or change school 'in year' and where routes have to be varied to accommodate pupil changes, therefore increasing the cost of that individual route. These can be for mainstream or special schools. Where suitable existing routes are already in place they will always be fully utilised and any spare capacity utilised in the first instance.</p> <p>However, occasions where new routes will be required are frequent; particularly where children with special educational needs come on school roll who often require individual adapted vehicles. There are also occasions whereby school transport is granted in exceptional circumstances; for instance, a child with a temporary medical condition.</p> <p>The costs are unpredictable and difficult to calculate as they are quite often demand led and fluctuate continually.</p>

2.4	Contractor Employment Status ¹	N/A
2.5	Award Criteria	70% price and 30% quality
2.6	Social Value	Operators are encouraged to offer local opportunities for employment particularly to young people. Opportunities for operators to support Thurrock pupils with special needs and/or disability will be available via a proposed Travel Training scheme. Operators will be encouraged to engage their drivers / vehicles in the safety programme that supports vulnerable young people in the event they are lost, bullied or generally distressed regarding their travel.
2.7	Previous Contract	PS/2014/835 Home to School Transport; re-tender of contracts from July 2015 extended by Stage 3 Procurement form ref PS/2017/697

3.	FINANCIAL CONSIDERATIONS						
3.1	Previous Contract Cost	From an operational perspective this contract runs across an academic year. However, the funding of the contract must be broken down across the financial year. Therefore, the funding breakdown below takes into account a partial financial year's payment in Year 1 which commences in September 2019. Then a subsequent payment of £4m per annum up until 2022/23. Then a partial financial year's payment in the final year of the contract up until August 2023. Thus, a total spend of £16m across the 4 year duration of the contract.					
3.2	Scope Changes	Is there any increase / decrease in scope that could impact costs?	Yes - there is an increase in scope				
3.3	Annual Cost	Year	19/20 £000's	20/21 £000's	21/22 £000's	Later £000's	Total £000's
		Total Spend	£2m	£4m	£4m	£6m	£16m
3.4	Funding Breakdown Identified	Revenue Budget	£2m	£4m	£4m	£6m	£16m
		Capital Budget	£enter	£enter	£enter	£enter	£enter
		Other (Please State)	£enter	£enter	£enter	£enter	£enter
		Other (Please State)	£enter	£enter	£enter	£enter	£enter
		Total Funding	£2m	£4m	£4m	£6m	£16m
3.5	Budget Code(s)	AA003, AA290, AA291, AA292, AA293, BC011					
3.6	Unsupported borrowing	N/A					

¹ Use online self-assessment tool: <https://www.gov.uk/guidance/check-employment-status-for-tax>

3.7	Other Financial Implications	Children's transport costs have a significant impact on Council Budgets and by putting these contracts out to tender, in line with the Councils Contract Rules, we can ensure best value. The inclusion of a 56 day break clause will mean that routes can be continually monitored and reviewed for potential savings. Routes are continually monitored to ensure the best use of capacity on the vehicles and that optimum / economically viable routes are selected. Where savings can be made when numbers decrease the vehicle size will also be reduced and this will happen on a regular basis. However, with increasing fuel, running costs and other commercial costs, it is unlikely that any cashable savings will be realised. But it is envisaged that there will be likely improvements in non-cashable internal costs through demand management.
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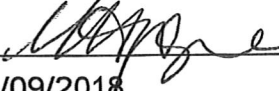
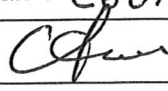
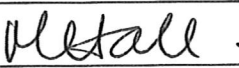
4.	PROCUREMENT ROUTE	
4.1	Procurement Route	EU Open Tender
4.2	Procurement Route Rationale	<p>Responses to a competitive OJEU Open procedure will serve to provide the Council with transport operators that will be added to an internal dynamic purchasing system operated as a framework. This will enable further mini-competitions to be executed for the exact requirements so that the routes are accurate and the rates current.</p> <p>Officers are currently considering a range of operational options around the call-off activities, but it is anticipated that there will be competition for the majority of routes scheduled. Approval of award of routes will be subject to the Council's normal scheme of delegation.</p> <p>The flexibility offered by a competitive framework is likely as there will always be additional requests for pupils who start school or change school 'in year' and also where routes need to be varied to accommodate pupil changes.</p> <p>There will also be a demand for new routes particularly where children with special educational needs and / or disability require adapted vehicles, where a child needs temporary transport due to a medical condition or where a child is unable to secure a place in a school within three miles of the home address. In such cases the Council has a statutory duty to transport the child to the nearest suitable school.</p> <p>Individual Service Agreements will be awarded for each route required to the highest scoring contractor offering the most economically advantageous tenders in terms of price, quality, financial sustainability, experience, vehicle type, specialist transport, staffing, escorts, and DBS checks. The Individual Service Agreements will specify the route each contractor will provide from September 2019 – August 2023.</p>
4.3	Does the contract require a waiver?	No
4.4	Single Source justification	N/A - not a single source
4.5	Waiver Rationale	N/A

5.	PROCUREMENT TIMETABLE		
5.1	Procurement Timetable	Publish Contract Notice	20 December 2018
		Selection Questionnaire Return	N/A
		Invitation to Tender Issue	20 December 2018
		Invitation to Tender Return	21 January 2019
		Notification of Result	18 February 2019
		Standstill Period	28 February 2019
		Expected Award Date	01 March 2019
	Contract Commencement	01 July 2019	

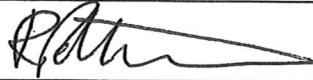
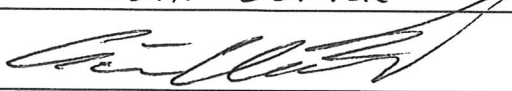
6.	RISKS, CONSULTATION AND MANAGEMENT					
6.1	Tender Process Risks	Risk Level			Negative Impact	Mitigation
	Limited response to tender invitation	D - Low Likelihood	II - Significant Impact	DII - Low Risk	N/A	N/A
	Very high number of tender responses	C - Significant Likelihood	II - Significant Impact	CII - High Risk	This could mean that the evaluation process is extended	Ensure sufficient time is allowed for evaluation of tenders
	Some providers (particularly micro businesses) may find the online tendering system difficult to navigate	D - Low Likelihood	III - Marginal Impact	DIII- Low Risk	This could potentially deter providers to submit a bid	Host a pre-tender bidder information event in order to provide potential bidders with guidance around process
6.2	Contract Performance Risks	Risk Level			Negative Impact	Mitigation
	Operators provide unsatisfactory service/performance	D - Low Likelihood	I - Critical Impact	DI - Low Risk	Poor contract performance would disrupt home to school journeys	Build contract performance indicators into contract and monitor
	Operator's management and communication systems are poor	D - Low Likelihood	II - Significant Impact	DII - Low Risk	This could have a negative impact on certain vulnerable groups of service user	Build in regular contract review meetings with providers to ensure that Management Information systems are in place and working effectively.
	Demand outweighs capacity over the life of the contract	C - Significant Likelihood	I - Critical Impact	CI - High Risk	Children could be left without providers of transport	Setting up a dynamic purchasing system will enable new providers to be added to the framework during the 4 year term provided so that they meet the same qualification criteria as requested within the original OJEU tender documentation.
6.3	Contingency	Children's Transport is not a new service, and therefore the Council has a list of existing transport providers that it can utilise should the procurement process becomes delayed or temporarily disrupted.				

6.4	Consultation	Children's Transport has been reviewed as part of a wider Transport Review by an internal board of officers. Additionally, an independent review of the service was commissioned by Children's Services in 2017 which included widespread stakeholder consultation.
6.5	Project and Contract Management	Contract management arrangements will be set out in the tender documents, and an agreed timetable for date of receipt of key performance indicators and other management information together with regular contract review meetings will form part of the contract.

6.6	Procurement Implications	<p>Children's Transport represents the highest proportion of travel-related expenditure. However, whilst adult transport services are not implicitly covered in this tender, this aspect of the category may need to be added as part of the permissible 50% variance to the scope during the term of the contract.</p>
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7.	LEGAL, FINANCE AND PROCUREMENT APPROVAL	
7.1	Procurement	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Procurement implications
		Name Margaret Gozna
		Signed (or obtain email confirmation) 
		Date 21/09/2018
7.2	Legal	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Legal implications
		Name Enter Name <i>Courage Emovon</i>
		Signed (or obtain email confirmation) 
		Date Click here to enter a date. <i>12/11/18</i>
7.3	Finance	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Financial implications
		Name Enter Name <i>MICHAEL HALL</i>
		Signed (or obtain email confirmation) 
		Date Click here to enter a date. <i>12/11/18</i>

8.	APPROVAL TO PROCEED	
8.1	Approval Level	Select Contract Award delegation level
8.2	Responsible Officer	I confirm that this procurement will be carried out in accordance with Rule 5 of the Council's Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the following duties have been met: <ul style="list-style-type: none"> • Compliance will occur with all regulatory or statutory provisions and the Council's decision making requirements • The Contract will be included on the Council's Contract Register • Value for Money will be achieved • Advice has or will be sought from the Director of Finance and Corporate governance as to an appropriate security bond or guarantee • Document Retention Policy has and will be complied with • Financial Evaluation will be made of all the proposed tenders including the recommended bidder • Advice has been and will be sought and followed from Procurement, Legal and Finance as necessary
		Name Enter Name
		Signed
		Date Click here to enter a date.
8.3	Assistant Director	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13.
		Name Enter Name

		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date.
8.4	Corporate Director	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13. I confirm that the Portfolio Holder has been consulted as required	
		Name	Enter Name RORY PATTERSON
		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date. 12.11.18.
8.5	Director of Finance and IT (If waiver required)	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to Proceed to Tender including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13.	
		Name	Enter Name SEAN CLARK
		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date. 14/11/18
8.6	Cabinet	Minute Number	Enter approval minute reference
		Date	Click here to enter a date.
Now send complete form to Procurement Services signed and scanned			