

<p style="text-align: center;"><b>COUNCILLOR PHIL DAVIES LEADER</b></p>	<p style="text-align: center;"><b>INDIVIDUAL CABINET MEMBER/LEADER DECISION REPORT 18<sup>TH</sup> APRIL 2018</b></p> <p style="text-align: center;"><b>RE-COMMISSIONING ASSISTED TRAVEL SERVICES FROM SEPTEMBER 2018 – FULL BUSINESS CASE AND AWARD OF CONTRACT ROUTES</b></p>
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## **REPORT SUMMARY**

The current contract arrangements for the Council's Assisted Travel (Specialist Transport) services will expire at the end of August 2018 and there is no option for further extension.

This report sets out the business case benefits and rationale for re-commissioning these services using a Dynamic Purchasing System (DPS) approach and seeks authority to be given to officers to award contract routes to a list of eligible suppliers who have successfully passed a first phase Supplier Qualification process to a maximum value of £4.2M p.a. This is in accordance with Contract Procedure Rules (CPR) 9.7.

A Dynamic Purchasing System is a procedure available to contract for work, services or goods commonly available on the market. As a procurement tool it has some aspects similar to an electronic framework agreement but where potential new suppliers can apply to join at any time.

There are no changes to service policies or standards associated with the re-commissioning of these services. However, this matter is considered to be a Key Decision as this involves the award of contracts of significant financial value. These services are delivered across all Wards.

In terms of Wirral Plan Pledges, these services impact across all ages and support some of our most vulnerable residents. As such, these services support many of the outcomes under the 'People' theme as well as directly contributing to the Transport and Technology Infrastructure Pledge and ensuring 'Services are joined up and accessible.'

## **RECOMMENDATION/S**

The Leader of the Council is requested to:

- (1) Note the business case benefits and rationale for re-commissioning these services from September 2018 via a Dynamic Purchasing System (DPS) approach as outlined in section 4.0 of this report;
- (2) Note the list of 'eligible suppliers' that have successfully passed through the Supplier Qualification process as set out in the Appendix 1;
- (3) Delegate authority to officers to award contracts for 209 routes to the 'eligible suppliers' listed in Appendix 1 via two Bid Invitations up to a maximum financial value of £4.2M p.a. as outlined in this report and in accordance with CPR 9.7; and
- (4) Instruct officers to prepare a further report when the outcomes of the two Bid Invitations are known, setting out further details of awards via the Dynamic Purchasing System during the contract period.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 The existing contract for these services will expire on the 31<sup>st</sup> August 2018 and there is no provision for further extension within the contract terms.
- 1.2 The procurement process will include the application of a Dynamic Purchasing System (DPS) methodology which will streamline and simplify the process for service providers.
- 1.3 The DPS process is compliant with UK Procurement Regulations and the Council's Contracts Procedure Rules and allows greater flexibility in procurement enabling the service to bring on board new suppliers on a rolling programme rather than having to wait until the end of an existing contract.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 A decision report to recommission these services, including the commencement of the necessary procurement processes and market engagement, based on a 'direct control with external contracts' model was approved by the Leader of the Council on 12<sup>th</sup> December 2017.
- 2.2 An Assisted Travel Project Board consisting of senior officers from across the Council have considered available commissioning options via an Outline Business Case process.
- 2.3 Based on the scale and complexity of these services and the timescales available for re-commissioning, it is essential that the Council continues to work closely with the current local market of minibus and taxi service providers.
- 2.4 Safety and safe-guarding are of critical importance for service users and their parents/carers. It is essential to have robust service continuity and new commissioning arrangements in place for September 2018.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The scope of these services includes the following:
  - Travel assistance for eligible children of compulsory school age 5-16 years, to facilitate attendance at a qualifying school;
  - Residents with special educational needs and disabilities (SEND) of a sixth form age (over compulsory school age but under the age of 19 when they begin an education or training course);
  - Travel Assistance for adult learners and young learners aged between 19 and 25 years who have a learning difficulty assessment or Education Health and Care Plan (EHCP);
  - Residents aged 18 years and over, accessing Social Care services.

- Currently the service provides assisted travel for almost 1200 SEN pupils, 300 adults and 30 college learners. The base budget for the service for 2017/18 is £6.8M consisting of £5.4M for children and £1.4M for adults.
- The majority of the service (around 90%) is delivered by external contracts with local minibuses and taxi providers and the market currently consists of 20 providers covering around 230 routes.
- Wirral Council's in-house fleet covers 10 routes on the Adult Assisted Travel programme.

3.2 A capital investment of £250k has been secured to renew the in-house fleet.

#### **4.0 BUSINESS CASE BENEFITS AND RATIONALE**

- 4.1 It is considered that the overall Business Case benefits will be realised on a phased programme as part of the roll-out of new contracting arrangements and systems improvements.
- 4.2 The renewal of the in-house fleet will improve safety and quality standards, with Wirral Council setting the standard for contracted providers. Additionally, the in-house fleet will be prepared for any commercial opportunities as part of the growing partnership arrangements (for example, Wirral University Teaching Hospital during 'downtime' periods – day time, evenings and weekends).
- 4.3 Opening up the market and introducing a DPS system provides greater flexibility and competition. Anticipated savings and benefits realisation of the new system implementation will be realised from the end of Year 1 (September 2019).
- 4.4 On-going savings of at least £250k per annum are expected by 2020. A re-assessment of on-going savings will be made for the period 2020-2022.
- 4.5 Safeguarding will be significantly improved through the introduction of the Wirral Assisted Travel System (WATS) – this is a software solution developed by Knowsley Council to provide Wirral with a new customised day to day operational management system. An example of this technology is the introduction of on-line portals where schools and parents can see a roster of the expected driver, travel assistant and vehicle, including photo i.d.
- 4.6 Vehicle and passenger safety will be improved through the introduction of revised penalty point systems bringing additional rigour to the process.
- 4.7 Staff will use new and improved systems which will help speed-up processes and stream-line communication channels between Wirral Council Assisted Travel team, schools, parents and providers. A good example is the recent snowfall where one message can be sent to all stakeholders instantly.
- 4.8 This stage of the review is primarily about the new DPS procurement methodology and the introduction of the WATS software system.

## 5.0 WORK UNDERTAKEN TO DATE

5.1 The procurement exercise is part of a full review of Wirral's Assisted Travel Service to improve the outcomes for the service users and their families to prepare them for increased independence and a better quality of life in later years.

5.2 The project will help to modernise the service which continues to operate along traditional lines and seek to establish a range of quality travel assistance solutions that are financially sustainable and build on a partnering approach where possible to meet the needs of Wirral residents.

5.3 The vision for the project as outlined in the Strategic Outline Case is to deliver:

*"A safe and inclusive travel assistance service for eligible residents of all ages that promotes well-being and enables children and adults to, where, appropriate develop and maintain an independent approach to their mobility"*

5.4 In meeting the vision and savings the Assisted Travel Board agreed that the following were key considerations:

- Safety and safeguarding practices and procedures
- Active promotion of independent living and life skills as and where appropriate.
- Flexibility in any procurement process to enable continual service modifications to take place if required as the project progresses e.g. A Dynamic Purchasing System (DPS).
- Increased use of technology to increase efficiencies via options for a software solution to route optimisation and operational management
- Develop and build a partnering approach where possible, for example, through LCR and the Wirral Partnership

5.5 To date the Board have progressed the following:

- Researched a full range of options on future delivery models for the service and gained approval for continuing with an improved in-house delivery model
- Introduced a Dynamic Purchasing System to provide greater flexibility and competition in procuring services
- Met with service providers to map out future service direction and expectations around price, quality and safeguarding standards
- Introduced a new bespoke software system developed in conjunction with Knowsley Council
- Partnered with local organisations, most notably Wirral University Teaching Hospital NHS Foundation Trust (WUTH) to work together on resource and procurement strategies. Discussions have taken place with Cheshire West and Chester Council and it is hoped that they may come on board at a later stage
- Secured capital monies to replace and improve the in-house mini-bus fleet

- Produced a robust communications plan to best capture and share developments with internal and external stakeholders

## **6.0 A FINANCIALLY SUSTAINABLE SERVICE**

- 6.1 Stabilising service costs by utilising more cost effective options for travel, whilst keeping the safety of service users at a premium, will be a key requirement for the service.
- 6.2 Independent travel will help reduce the reliance on mini-bus or/and taxi services.
- 6.3 Options will include an opportunity for parents/carers to receive direct payment for travel. This would realise savings when compared to the costs of the traditional taxi/mini bus modes of transport.
- 6.4 Refining routes through route optimisation software, reviewing drop off/pick-up points and working to ensure a cohort approach will help to make savings.

## **7.0 PROPOSED INVITATION TO TENDER**

- 7.1 On February 22, 2018 the OJEU Contract Notice was published on The Chest.
- 7.2 The contract will run as a Dynamic Purchasing System (DPS) providing flexibility to adapt to changing market conditions during the course of the contract period.
- 7.3 The DPS will operate as per the following:

### Supplier Qualification (SQ)

SQ assesses eligibility for suppliers to be of sufficient quality to be allowed to bid for contracts. This is a pass/fail process.

### Bidding Invitation

Eligible suppliers bid for contracts and all contracts will be awarded based on price only.

During the course of the contract the supplier qualification and bidding rounds can be re-opened multiple times, as required.

- 7.4 The total annual value of the contracts to be awarded is £4.2M (£5M including WUTH) and they fall under the following categories of service:

Adults  
SEND (Children)  
Elected Members  
Wirral University Teaching Hospital (WUTH)

- 7.5 Eligible suppliers can bid for individual routes and contracts are awarded on an individual route basis.
- 7.6 Eligible suppliers by necessity over-bid against their fleet capacity. For example, a supplier with 20 vehicles may bid for 50 routes, hoping to win 20. They may actually win all 50 routes but don't have the capacity, but will only be awarded 20 routes – therefore the routes will be awarded based on capacity. The next supplier, according to price, may also have over-bid and lack capacity, therefore this method will continue. The process may get exhausted and a small number of routes may remain unallocated in the first round - hence the need for a second 'bid invitation' round. It is expected that 80% of routes will be awarded in the first round.
- 7.7 The second bid stage is also necessary to capture new routes for the September school term which will not be known during the first bidding phase. The bidding process will continue throughout the three year contract as new routes change or become available.
- 7.8 After a first phase of Supplier Qualification and Bid Invitations (two rounds) it is anticipated over 90% of route contracts and financial value will be allocated. However, an important part of the DPS methodology is that the Supplier Qualification stays open for new Providers to complete the Supplier Questionnaire and the Bid Invitation processes will be repeated, bringing new companies on to the list of 'eligible suppliers' and quickly awarding routes as they become available, optimising flexibility and value for money throughout the contract period.
- 7.9 These contracts are being tendered on a 3 years +1 basis, realising a total value of £12.6m (+£4.2M) transporting around 1200 young people and over 300 adults from home to school/college/day centres each year.
- 7.10 Key dates for the new contract arrangements are:
- |              |  |
|--------------|--|
| 22 Feb 2018  | OJEU published on the Chest<br>ROUND 1 Supplier Questionnaires (SQ) issued |
| 3 April 2018 | Supplier places awarded to successful applicants                           |
| 4 April 2018 | FIRST Invitation to BID for suppliers                                      |
| 14 May 2018  | Routes awarded   |
| 30 May 2018  | SECOND invitation to BID   |
| 4 July 2018  | Routes awarded   |
| 18 July 2018 | ROUND 2 SQ issued  |

28 July 2018+ Additional Invitation to BID – if required, for any remaining routes

7.11 As part of an innovative approach to joint commissioning, Wirral University Teaching Hospital NHS Foundation Trust (WUTH) will be included in this procurement round. The WUTH Transport Lot, starting in 2019 for two years, has a contract value of £800k p.a. (This is **in addition** to the Council's annual £4.2M contracts).

**7.12 At this stage, authority is requested for officers to award 209 routes to the 'eligible suppliers' listed in Appendix 1 via two Bid Invitations up to a maximum financial value of £4.2M p.a.**

7.13 It is proposed that a further report is prepared for the Leader and Cabinet Member when the outcome of the two Bid Invitations is known setting out in more detail how the Dynamic Purchasing System will operate during the contract period.

## **8.0 KEY FEATURES OF NEW CONTRACTING ARRANGEMENTS**

8.1 Learning from recent experience, legal clauses have been included in the new contracts which will place clearer sanctions on service providers for any drop in quality of standards especially around safeguarding and safety. In the new contracts a provider will have all their routes sitting under one single contract. This means that any serious breach on a single route could impact on all contracted routes for that provider.

8.2 New providers can join the tender list at any time, enabling flexibility to extend or infill for gaps in service provision.

8.3 In support of Wirral Council's commitment to the 'TYRED' campaign, service providers will be in breach of contract if tyres are older than 10 years.

8.4 WATS (Wirral Assisted Travel System) Digital Solution – an innovative new software system which all stakeholders will sign up to, will be introduced, enabling:

- Improved communications with key stakeholders through web-based portals for schools, parents/carers and service providers
- Improved safeguarding through driver photo I.D.
- Improved licensing checks through driver/vehicle I.D.
- Parents/carers and schools to know which driver and vehicle will be transporting their young people on any given day
- Route optimisation, facilitating potential savings in the number and direction of routes
- Improved day-to-day operational management

## **9.0 FINANCIAL IMPLICATIONS**

9.1 The combined annual budget for Assisted Travel is £6.8M - the children's budget is £5.4M and the adults' budget is £1.4M. This 6.8M consists of £4.2M



on contracts and the remaining £2.6M is allocated to cover directly employed staff (including 200+ escorts) and the Council's in-house service (10 routes).

9.2 The project will seek to save £125k p.a. in 2018/19 and a further £125k p.a. (i.e. £250k p.a. total on-going savings) by 2019/20.

9.3 Capital investment of £250k has been approved by the Council for 2018/19 to replace and improve the in-house mini-bus fleet.

## **10.0 LEGAL IMPLICATIONS**

10.1 The proposed procurement process will continue to fulfil the Council's statutory obligations to provide Travel Assistance services to eligible children and adults and will comply with the UK Procurement Regulations 2015.

## **11.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

11.1 The new WATS IT software system will improve communications and safeguarding across all aspects of operational management.

11.2 This re-commissioning project will be delivered within existing staffing resources, which consists of over 200 escorts, 13 drivers and 10 staff in management, co-ordination and support roles.

11.3 It is anticipated that existing Council employees will not be directly affected by this proposal.

11.4 The Council has secured £250k of capital monies to enhance the in-house fleet of 10 vehicles during 2018/19.

## **12.0 RELEVANT RISKS**

12.1 A project risk log has been established in accordance with the Council's defined project management protocol.

12.2 The Project Board will continue to manage the progress of the project and to apply measures to mitigate unexpected risks if any should develop.

## **13.0 ENGAGEMENT/CONSULTATION**

13.1 Officers from the commissioning team and procurement team have hosted two provider advisory events at the Floral Pavilion Theatre. Both events were well attended by providers and attendee feedback has been very positive.

13.2 It was agreed that commissioning officers would conduct further events with providers to enhance the market relationship and to develop the service. It is expected that such events will take place on a six monthly cycle.

13.3 Further events are planned to discuss service development with other stakeholders and client groups.

## 14.0 EQUALITY IMPLICATIONS

14.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes and impact review is attached –

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equalityimpact-assessments/equality-impact-assessments-2017-0>

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## APPENDICES

Appendix 1: Eligible Suppliers List

## REFERENCE MATERIAL

None

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
<b>Leader Decision Report</b>	<b>December 2017</b>