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Report of: Laraine Manley, Executive Director of Place
Report to: Cabinet
Date of Decision: 21 October 2020
Subject: Extension to the Transport Framework for taxi and minibus provision

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? <i>Transport and development / Education and Skills</i>				
Which Scrutiny and Policy Development Committee does this relate to - <i>Economic and Environmental Wellbeing Scrutiny and Policy Development Committee</i>				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

Purpose of Report:

Sheffield City Council currently provide taxi and minibus transport for Special Education Needs (SEN) children, Looked after Children (LAC) and vulnerable adults. This report seeks authority to extend the current Transport framework for taxi and minibus provision (with or without escorts).

Recommendations:

It is recommended that Cabinet:

- Approves the extension of the current Transport framework for taxi and minibus provision (with or without escorts) for a period of 3 years in accordance with and for the reasons outlined in this report.
- Delegates authority to the Executive Director of Place, in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to:
 - a. decide the award of any new contracts to the successful suppliers chosen by the Council following their application to the DPS framework and following any further competition.
 - b. take all other decisions necessary in order to meet the aims, objectives and outcomes of this report which are not already covered by existing delegations in the Leaders Scheme of Delegation.

Background Papers:

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Helen Damon
	Legal: Gemma Day
	Equalities: Annemarie Johnston
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:
	Lorraine Manley
3	Cabinet Member consulted:
	Robert Johnson / Abtisam Mohamed
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: John Hudson
	Job Title: Assistant Transport Manager
	Date: 08/10/2020

1. PROPOSAL

- 1.1 Sheffield City Council currently provide taxi and minibus transport for Special Education Needs (SEN) children, Looked after Children (LAC) and vulnerable adults. This transport is provided by the Council's in-house fleet with additional capacity added via the Transport framework for taxi and minibus provision (with or without escorts). This framework, which is a Dynamic Purchasing System (DPS), was procured following an above OJEU open competitive tender in July 2016 for a 2+1+1 year period up to 31 July 2020 (subject to satisfactory performance). Under the Public Contracts Regulations 2015 (PCR) however, there is no duration applied to a DPS unlike a standard framework which is for a fixed period of time. A DPS has a period of validity which must be stated in the OJEU Contract Notice (this doesn't bind the Council to any fixed period however, as it can be shortened or extended via a further OJEU Notice). A DPS can also be cancelled any time.

The Council has a statutory responsibility to provide travel assistance to children who have an entitlement because of their special educational needs and for Adult Care clients to meet their respite and other needs. Part of this assistance is met by the Council's in-house fleet. However as it is not possible for all provision to be met in-house and in order to complement the Council's in-house fleet and maintain an appropriate level of service support for end users further capacity is generated by outsourcing provision to taxi and minibus suppliers. Although the DPS was set up primarily for the Council to use, it also allows both the DWP and Sheffield College access to it.

In the initial setup stage, all suppliers who met the selection criteria and were not excluded were admitted to the DPS. The council cannot impose any limit on the number of suppliers that may join a DPS. Unlike framework agreements, suppliers can also apply to join the DPS at any point during its lifetime and so new suppliers are continually admitted to the DPS should they meet the selection criteria. Individual contracts are awarded during the second stage for when services are required. In this stage (further competition), the council invites all suppliers on the DPS at that time (or the relevant lot within the DPS) to bid for the specific contract. The contractor offering the most-economically advantageous tender will usually be selected, unless specific care arrangements are required which can only be provided by a supplier with the requisite specialisms. Services commissioned via the DPS are contract managed and monitored for safeguarding and compliance.

The approximate spend against this framework is in the region of £2.5 million per year based on 2019/20 financial spend. Contracts for these services are let through running a further competition via the DPS framework to ensure best value is achieved and in order to comply with the Public Contracts Regulations 2015.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The DPS follows the council's ethical procurement policy and some of the benefits of it are:

- Flexibility for local suppliers to be added to the DPS arrangement at any stage of its lifetime, in other words open/ongoing access
- Cost savings through increased competition
- Opportunity to stimulate local transport markets
- Potential to increase access for harder to reach suppliers including small medium enterprises.
- Increase opportunities for local employers and employees
- Influence the local taxi / minibus trade to be more environmentally focused

3. HAS THERE BEEN ANY CONSULTATION?

3.1 From the initial implementation of the DPS, the Council has engaged all stakeholders in the journey including key internal stakeholders and suppliers. Considerable time has been spent in engaging with the current suppliers, advertising the DPS, and providing a complimentary range of support including open days to talk about this and a dedicated point of contact. We provided demonstrations of the DPS technology for potential suppliers at roadshows taking them through the registration process. Suppliers have been supported during its delivery and they will continue to be adequately supported in the future. To ensure the Council continues to engage with suppliers it will:

- schedule in further open days
- carry out surveys of suppliers who are (or have been) part of supplying services on the DPS to obtain specific feedback on the use of the DPS.
- Provide training (face-to-face, tutorials and guidance)

Internal stakeholders such as heads of service and cabinet members will be consulted as part of the Councils approval process.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 There are no equality implications from the extension of the current DPS framework. The DPS framework will specify that in order to be considered for inclusion in the tendering process, companies will need to demonstrate that they have a robust policy for equality, diversity and

inclusion.

Contractors have to provide evidence of these policies and practices at the time of tendering and will only qualify to be on the contract if they can satisfactorily demonstrate that these standards are met.

Once on the contractor is working on the contract Transport's compliance and monitoring officer carries out spot checks to ensure that the policies and practices are being actioned. Services commissioned via the DPS are contract managed and monitored for safeguarding and compliance. This benefits children who required travel assistance because of their special educational needs and for Adult Care clients to meet their respite and other needs.

The framework follows the principles of the council's ethical procurement policy.

4.2 Financial and Commercial Implications

- 4.2.1 The contract will be let for a period of 3 years, with specific routes being awarded (for one year at a time) following a further competition between suppliers. This will ensure value for money is consistently being achieved from the market.

Based on historic expenditure, the total expenditure under this contract will be £2.5m per annum. It is anticipated however, that costs may increase as and when the Clean air zone is implemented, but this cannot be quantified at this stage.

An extension of the current DPS is forecasted to achieve annual contract savings and the client will work with appropriate finance business partner to agree any figures.

The contract will be managed through Transport services the Procurement and Supply Chain Team.

4.3 Legal Implications

- 4.3.1 The Council have a statutory responsibility to provide travel assistance to children who have an entitlement because of their special educational needs and for Adult Care clients to meet their respite and other needs. This statutory responsibility is covered by the following legislation: the Education Act 1996, the Education and Inspections Act 2006, the Equality act 2010, Children Act 1989 and 2004 and the Chronically Sick and Disabled Persons Act 1970. This DPS framework will assist with meeting these statutory requirements.

The Localism Act 2011 provides local authorities with a "general power of competence" which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need.

When the Council delivers services it is subject to the 'best value duty'. This requires the Council to 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The proposed extension outlined in this report has a value in excess of the threshold for contracts for services in accordance with the Public Contracts Regulations 2015, therefore any procurement and contract award processes to be followed will be subject to those Public Contracts Regulations.

Any contract awards must also be undertaken in accordance with all relevant provisions of the Council's Constitution including its Contracts Standing Orders.

The DPS Framework will specify that in order to be considered for inclusion in the tendering process, companies will need to demonstrate that they comply with minimum wage and health & safety requirements including public safety (e.g. delivery drivers' license checks) thereby ensuring that the Council meets its own standards and those obligations imposed by statute.

4.4 Other Implications

4.4.1 There are no other implications arising from this proposal.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Alternative Option 1 – Do nothing

If the Council did nothing and did not put in place a new framework or extend the existing DPS framework then the Council would not be able to meet their statutory responsibility to provide travel assistance to children who have an entitlement because of their special educational needs and for Adult Care clients to meet their respite and other needs.

Alternative Option 2 – Put in place a new Council framework agreement.

A framework agreement is an umbrella agreement that will set out the terms of supply such as price, quality, and quantity under which individual contracts can be made throughout an agreed period, usually up to 4 years. Frameworks help streamline procurement for both suppliers and authorities; suppliers don't have to demonstrate suitability and capability every time they wish to compete for a contract, and the award of individual tenders can be quicker than under some other procedures. The Council requires a highly flexible contracting system that is responsive to changing client needs and/or funding arrangements, whilst maintaining specified levels of service quality. The main benefit of a framework agreement is providing taxi services on a call off arrangement meaning the Council can increase or decrease its demand

for taxi services in the future as this arrangement gives no guarantee of any minimum or maximum value of work for suppliers. Furthermore, it is evident that this service would highly benefit from multiple suppliers making a DPS framework more suitable.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The continuation of the DPS framework will permit competitive tendering amongst local businesses and will drive down the cost and increase availability of taxis & Minibuses to the City Council. The DPS is preferred to any of the existing frameworks as a better and more economic fit for the needs of Sheffield Transport. It is expected that the framework will continue to develop over its 3-year period, delivering a service that users benefit from as well as providing local employment and developing local businesses

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