

CONTRACTS FOR DELIVERY OF HOME TO SCHOOL/COLLEGE TRANSPORT

To: Children's and Young People's Committee

Meeting Date: 9 January 2018

From: Wendi Ogle-Welbourn, Executive Director, People and Communities

Electoral division(s): All

Forward Plan ref: 2018/027 **Key Decision: Yes**

Purpose: To seek Member approval to enter into a new Framework Agreement and complementary Dynamic Purchasing System (DPS) for the tendering and award of home to school/college transport contracts to be in place for the start of the 2018/19 academic year.

Recommendation: **Members are asked to:**

a) Consider and support the proposal that the Council commence the process for establishing a new Framework Agreement and Dynamic Purchasing System (DPS) to enable home to school/college transport contracts to be awarded for the start of the 2018/19 academic year.

b) Support the proposal that Peterborough City Council be named in the Official Journal of the European Union (OJEU) notice to enable them to use both the Framework and DPS for commissioning home to school/college transport.

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1. BACKGROUND

- 1.1 In 2016, Cambridgeshire established a Framework Agreement for the delivery of home to school/college transport. The first contracts awarded under the Framework commenced in September 2016.
- 1.2 The Framework term was set at two years, but with the option to extend by one year plus a further year; a total potential term of four years, the maximum allowed.
- 1.3 The Framework as described in the Invitation to Tender (ITT) and the Official Journal of the European Union (OJEU) *is for the delivery of passenger transport services; these will be for a range of client groups including pupils (to and from mainstream and special educational needs establishments), social services users, members of the public facing social isolation, and potentially individuals meeting the qualifying criteria for transport on health grounds. The Framework will be divided into four lots, with the first three based on vehicle size and the fourth for ad hoc journeys. The total value of work being tendered through the framework will average up to £20m per year, although exact figures will vary depending on future budgets, integration projects and changes in demand.*
- 1.4 The majority of the work placed through the Framework consists of journeys which start and finish in Cambridgeshire.
- 1.5 Contractors approved to tender for work under the Framework are advised that being on the Framework does not provide a guarantee of work. There are around 130 operators on the Framework.
- 1.6 A decision needs to be taken before the expiry of the two year anniversary of the Framework contract term over whether to exercise the option to extend it by a further year or consider alternative ways of procuring home to school/college transport. That decision needs to be taken no later than mid-January 2018 in order to ensure that officers have sufficient time for the re-tendering process for contracts due to expire at the end of the summer term 2018.

2. MAIN ISSUES – ADVANTAGES AND DISADVANTAGES OF THE CURRENT FRAMEWORK ARRANGEMENTS

- 2.1 The Framework has been successful in setting minimum operator quality standards. It has also made tendering quicker than would be the case under a full tender process. It has proved suitable for both urgent and non-urgent contracts.
- 2.2 Savings were achieved through re-tendering of contracts through the Framework in both 2016/17 and 2017/18. The mainstream home to school/college saving (full year effect) achieved in 2017/18 was £428,462, whilst that achieved on the re-tendering of contracts serving Highfield School in Ely and Meadowgate School in Wisbech, (both 2-19 area special schools serving children and young people with complex special educational needs) was £177,597.
- 2.3 The main drawback and limitation of the Framework is that once it commences, it is

closed to new operators joining it. This places a potential limitation on competition and the development of the operator 'market'. In turn this may result in the Council paying higher prices to deliver its transport requirements. These were the main reasons why the decision was taken in 2016 to set an initial Framework Agreement term of two years.

- 2.4 In contrast, the main advantage of a Dynamic Purchasing System (DPS) over a Framework Contract is that it remains open to new operators to join it throughout its term. Operators are required to meet the same quality standards as under a Framework.
- 2.5 The principle drawback of a DPS is that, whilst it is still quicker than a full tender process, there is a minimum 10 day timescale for competitions to take place. In addition, contract award notices have to be published quarterly in OJEU. This makes it less suitable than the Framework for meeting urgent transport requirements.
- 2.6 Given that both the current Framework and a DPS offer different advantages and limitations, it is proposed to gain maximum benefit and flexibility by using both for the award of contracts for transport, excluding commercial passenger transport arrangements as this will be covered by a separate DPS arrangement. The new Framework would be established for use in the case of emergency/urgent and short-term (less than an academic year) transport requirements. It is proposed that the initial term would be two years with an option to extend by a year and then a further year (2+1+1). The DPS would be established for transport requirements running for more than one year. The Council's standard contract term for home/school college transport is three years.
- 2.7 Operators would be actively encouraged to join both the Framework and DPS.
- 2.8 Although the current Framework is not due to expire until September 2018, it would be preferable for the new DPS and Framework to commence at the same time. This would provide sufficient lead-in time for contracts to be awarded for new transport arrangements to commence at the start of the new academic year.
- 2.9 It is proposed to name Peterborough City Council alongside the County Council in the OJEU notice to enable them to use both the Framework and DPS for commissioning home to school/college transport.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

- 3.1.1 Providing access to local and high quality education will enhance the skills of the local workforce.

3.2 Helping people live healthy and independent lives

- 3.2.1 The following bullet points set out details of implications identified by officers:
 - Providing access to local and high quality education will increase the likelihood of young people leading independent lives.

- Access to transport, particularly in rural areas, is another means of supporting that independence.

3.3 **Supporting and protecting vulnerable people**

3.3.1 The Council's current policy is to provide additional support to those living in low-income families and those with special educational needs and disabilities (SEND).

4. **SIGNIFICANT IMPLICATIONS**

4.1 **Resource Implications**

4.1.1 The following bullet points set out details of significant implications identified by officers:

- It is estimated that the total value of the contracts awarded under the Framework Agreement and DPS will not be less than £15m or greater than £20m per annum from the start of the contract term. The bulk of the value/contracts will be via the DPS.
- As stated in Section 2.2, the Council has secured savings on its home to school/college transport arrangements over the last two years.
- Officers are aware of operators who would wish to have the opportunity to tender for home to school/college transport but are unable to do so because once operational, a Framework Agreement is closed to new operators joining it. This reduces the list of potential suppliers and subsequent competition. Having both a Framework Agreement and DPS will maximise the Council's opportunity to secure further savings.

4.2 **Procurement/Contractual/Council Contract Procedure Rules Implications**

4.2.1 The proposal has been developed in consultation with the Senior Procurement Category Manager (Transport, Highways, Environment and Growth) in LGSS Procurement. LGSS Procurement have confirmed that, as required by the DPS rules, they will take on responsibility for publishing quarterly contract award notices in OJEU.

4.2.2 The proposals, including that of naming Peterborough City Council in the OJEU notice, were endorsed by the Cambridgeshire and Peterborough Joint Commissioning Board on 22 November 2017.

4.3 **Statutory, Legal and Risk Implications**

4.3.1 The Council has a statutory duty to provide home to school/college transport free of charge for pupils of statutory school age (5–16 years) who meet certain eligibility criteria, regardless of the status of the school which they attend.

Included within the Council's statutory duty is provision for Looked After Children (LAC), including school transport, short breaks and respite.

4.3.2 The core eligibility criteria are as follows:

- the pupil lives within the area where the Council is the local authority;

- the pupil is at least in the school year in which he/she will attain his/her fifth birthday;
- the pupil is registered at the school designated by the Council and this is not within walking distance of home (that is, 2 miles for primary school pupils and 3 miles for 11-16 year olds) measured by the shortest available walking route to the nearest entrance to the school; and
- the maximum journey times (excluding the time taken to get to the designated pick-up point or waiting time for a connecting service) are 45 minutes for primary children and 75 minutes for secondary aged pupils, each way.

The criteria are set out in full in the Council's Home to School/College Travel Assistance Policy.

4.3.3 The proposal has been developed with advice from LGSS Law Limited.

4.4 **Equality and Diversity Implications**

4.4.1 There are no significant implications within this category.

4.5 **Engagement and Communications Implications**

4.5.1 A comprehensive communication and engagement strategy with operators will be key to the success of both the Framework and DPS. They will need to understand the rationale for the identified need both a Framework Agreement and DPS. The more operators who are approved to tender for home to school/college contracts on both the Framework and DPS the greater the potential for competition and further savings.

4.5.2 Feedback will be provided to any operators who fail to meet the standards to be approved to tender for contracts. They will then have the opportunity to re-apply for the DPS as this will remain open for new operators to join throughout its term.

4.6 **Localism and Local Member Involvement**

4.6.1 There are no significant implications within this category.

4.7 **Public Health Implications**

4.7.1 There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Kerry Newson
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Head of LGSS Procurement: Paul White

Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	N/A
Have any engagement and communication implications been cleared by Communications?	Yes or No Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location
Home to School/ Home to School/College Travel Assistance Policy Framework Agreement	Room 219 Shire Hall, Cambridge CB3 0AP