

## Joint Dynamic Purchasing System for Education and Social Care Transport

To: Children and Young People's Committee

Meeting Date: 1 December 2020

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

Electoral division(s): All

Forward Plan ref: KD2020/062

Key decision: Yes

Outcome: The Committee is being asked to consider and approve the recommendation of the Cambridgeshire and Peterborough Joint Commissioning Board that a Joint Dynamic Purchasing System (DPS) becomes the mechanism by which all procurement of Education and Social Care Transport services for both Authorities is undertaken effective from 1 April 2021, the start of the financial year.

A Joint DPS has been identified as the first step in developing a shared transport service across Cambridgeshire and Peterborough, supported by a fully integrated specialist transport system, recognising that many of the approved operators are currently under contract to work for both Authorities and will benefit from the alignment of systems and processes. The expectation is that by simplifying processes and improving systems more operators will be encouraged to join the DPS and that the level of competition for work will increase, helping to reduce costs and drive efficiencies.

Recommendation: The Committee is asked to:

a) Approve the proposal that Cambridgeshire enters into a Joint Dynamic Purchasing System (DPS) with Peterborough City Council, using the ProContract system (Etendering portal/system) already in place in Cambridgeshire, and that this then becomes the mechanism by which all procurement of Education and Social Care Transport services for both Authorities is undertaken, effective from 1 April 2021, the start of the financial year;

b) Support the proposal that officers from Cambridgeshire continue to work with Peterborough colleagues to investigate options for delivering a fully integrated specialist transport system and that, in due course, the resulting recommendations are presented to a future meeting of the Committee for consideration and approval; and to

c) Note the changes to the current staffing structure identified as necessary to successfully implement a joint DPS and support the move to a Shared Services model for all aspects of operational delivery of Education and Social Care transport for both Cambridgeshire and Peterborough.

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## 1. Background

- 1.1 In 2016, Cambridgeshire established a Framework Agreement for the delivery of Education and Social Care transport. The first contracts awarded under the Framework commenced in September 2016.
- 1.2 On 9 January 2018, the Children and Young People's (CYP) Committee gave approval to enter into a new Framework Agreement as well as a Dynamic Purchasing System (DPS) for Education, Social Care and Adult Services transport contracts to be awarded from the start of the 2018/19 academic year. The current Framework and DPS run to 31 March 2022, however, contracts awarded through them are due to expire at the end of March 2021.
- 1.3 Peterborough has its own Framework for Education and Children's Social Care transport services, with separate arrangements in place for Adult Social Care transport. However, officers working in Adult Social Care have advised that they would be interested in using the new Joint DPS for the procurement of their transport services. The Framework was due to expire in August 2020, but has been extended to August 2021 to ensure the City Council can continue to meet its responsibilities pending a decision on future commissioning and procurement arrangements for both Authorities.
- 1.4 Since the CYP Committee decision taken in January 2018, those officers with budget, policy, leadership and management responsibility for Education, Social Care and Adults Services transport all have Shared Services' roles with accountability which spans both Authorities.

- 1.5 The need to ensure that new arrangements are in place to enable contracts to be awarded to commence no later than 1 April 2021 for Cambridgeshire and 1 September 2021 for Peterborough, provides the opportunity for a Shared Services' approach to be taken to the future commissioning and procurement of home to school and social care transport across both Authorities.
- 1.6 Detailed discussions and a comprehensive assessment of potential available options has been undertaken in close liaison with specialists in procurement. This has included:
- Reviewing Dynamic Purchasing Systems used by other local authorities to understand their approaches and how these could be adopted or adapted to the benefit of Cambridgeshire and Peterborough and our local suppliers; and
  - Seeking feedback from transport operators under contract to Cambridgeshire and/or Peterborough via a Smart Survey questionnaire.

The conclusion of this work was that a Joint DPS, using the ProContract (ETendering portal/system) in place in Cambridgeshire, with a unified selection criteria and Terms & Conditions of Contract, would provide the most appropriate starting point from which to progress and deliver this longer term-strategy. Subject to Committee approval, once the proposed Joint DPS is in place, further work will be undertaken to determine the best option for securing a fully integrated specialised transport software system to operate across both Authorities.

- 1.7 ProContract is an Etendering software system owned by Proactis. It enables the Authority to manage the procurement processes that all public bodies must undertake when they wish to purchase services, goods or works. It allows for a central market place for suppliers to see what opportunities the Authority has available and keeps the process transparent and compliant with current procurement regulations. It is fully auditable to aid in any possible legal challenges and other investigations. The system also allows the Authority to advertise notices on the Official journal of the European Union (OJEU) website Tender Electronic Daily (TED) and the UK-based Contracts Finder. Both of these are required by current regulations.
- 1.8 This proposal to enter into a Joint DPS with Peterborough was presented to, and approved by, the Joint Commissioning Board on 25 August 2020. Given the cumulative value of contracts which would be awarded under a Joint DPS, this meets the Council's Key Decision criteria and, therefore, requires Committee approval. A parallel decision-making process is underway with Peterborough City Council members.
- 1.9 If approved by the Committee, the proposed Joint DPS would run for a minimum term of five years, with a potential to be extended up to a maximum of a further five years. Contracts resulting from the DPS will run for a variety of term lengths, depending on the route/vehicle type required, up to a maximum term of ten years. This will provide maximum flexibility and ability to respond to changing needs and requirements.

## 2. Main Issues

- 2.1 Cambridgeshire and Peterborough both face significant financial challenges and on-

going pressures due to the demand-led nature of Education and Social Care transport. Whilst savings have been achieved through the annual re-tendering process in recent years, both Authorities experience difficulties in getting the market to bid for services, particularly outside the annual tender round process. This is mainly the result of lack of capacity and competition. Operators quote premium rates because they know the Authorities need to have transport in place, often at short notice, to meet their statutory responsibilities.

- 2.2 The current Framework agreements limit the two Authorities' ability to stimulate and develop the market as they are closed to new entrants and restricted to a maximum 4 year term. In contrast, a DPS offers greater flexibility and ability to respond to changing requirements as new operators can be added throughout the term over which the DPS will run, and that term can be longer than that for a Framework. This allows for the initial investment in the setting up of the DPS to be spread over that longer period. Throughout the term of the proposed Joint DPS, a key priority would be to maintain a rolling programme of supplier engagement and communication aimed at both encouraging new operators to join the DPS and retaining existing operators, in order to maximise potential competition for contracts.
- 2.3 The two operational teams use different systems which do not talk to each other, neither of which offer all the functionality which the Authorities require to maximise efficiency. Currently staff have to manually enter data and, in the case of Peterborough, use Google maps and GIS Arc to check distances between a pupil/student's home and school/college. A fully integrated specialist software system would address these issues but requires both initial and on-going financial investment and time to implement. The annual cost would be in order of 1% of the contract value. As the combined total value of Cambridgeshire and Peterborough contracts for home to school and social care is £23.8m, this would equate to around £238k per annum.
- 2.4 A joint DPS using an Etendering system such as ProContract, requires minimal financial investment.

Implementation and on-going management can be achieved through:

- 1. Re-grading the current Cambridgeshire Contract Officer (Scale 6) to recognise a change in responsibilities to include Peterborough and the increased emphasis of the role on supplier engagement and promotion of the DPS. This role is crucial to the success of a Joint DPS and to delivering the objectives referenced in section 2.2.
  - 2. Additional Business Support capacity which could be provided through developing Apprenticeship roles which would benefit the local community.
  - 3. Training and support provided by Proactis to aid operational staff in both Authorities in managing the DPS.
- 2.5 Cambridgeshire has experience of running both a Framework and DPS whilst Peterborough's experience is limited to operating under a closed Framework. The establishment of a joint DPS, using ProContract, will support the transition to a Shared Services model of operation for the commissioning and procurement of Education and Social Care transport services. Once in place, a programme of work to determine the best longer-term solution from the available software solutions will be undertaken. The

resulting report and recommendations from this work will be presented to both the Committee and Peterborough City Council's members in due course.

### 3. Alignment with corporate priorities

#### 3.1 A good quality of life for everyone

##### 3.1.1 There are no significant implications for this priority.

#### 3.2 Thriving places for people to live

##### 3.2.1 There are no significant implications for this priority.

#### 3.3 The best start for Cambridgeshire's children

##### 3.3.1 The following bullet points set out details of implications identified by officers:

Providing access to local and high quality education through the provision of transport in line with the Council's statutory responsibilities, will enhance the skills of the local workforce.

#### 3.4 Net zero carbon emissions for Cambridgeshire by 2050

##### 3.4.1 The following bullet points set out details of implications identified by officers:

In preparation for the launch of the proposed Joint DPS, officers are reviewing both Authorities' Terms & Conditions of contract in liaison with specialists in Procurement in order to create a unified version. Legal advice will also be sought before these are finalised. This has created the opportunity to identify measures and set out expectations of operators with regard to supporting the move to zero carbon emissions. Options under consideration include:

- phasing out of use of diesel vehicles and replacement of these with hybrid or electric vehicles;
- introducing price caps to act as disincentives to operators to tender for work which would involve them undertaking lengthy journeys.

Operators are already given reminders of the importance of switching off engines when vehicles are parked waiting to collect or disembark passengers.

### 4. Significant Implications

#### 4.1 Resource Implications

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

As set out in section 2.4, the only cost involved would be that involved in re-grading of the current Cambridgeshire Contract Officer's role and an additional Business Support

Assistant capacity. The estimated cost of £25,000 per annum would be met from existing budget allocations split 64/36 Cambridgeshire and Peterborough in line with other Shared Services arrangements.

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

- 4.2.1 As set out in section 1.6, specialist procurement advisors have been actively involved with the review of the current Framework and DPS arrangements and the resulting proposals result from the advice received. This included reviewing the Dynamic Purchasing Systems in place for the procurement and commissioning of transport services in Tower Hamlets, Hertfordshire County Council, Northampton County Council and Crown Commercial Services.
- 4.2.2 Since October 2018 all procurement of a certain threshold must be run and held on an ETendering system and submissions must be electronic.
- 4.2.3 Cambridgeshire has been using ProContract for ten years. Details of the system are provided in section 1.7 above.

#### 4.3 Statutory, Legal and Risk Implications

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

The Council has a statutory duty to provide Education 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 Children in Care, including school transport, short breaks and respite.

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 (i.e. 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.

- 4.3.2 The Cambridgeshire Procurement Team together with that in Northamptonshire are currently reviewing ProContract. This is part of the wider discussion of Procurement in Cambridgeshire since its repatriation following the decision to cease the Local Government Shared Services (LGSS) arrangement. It is possible, therefore, that the

Etendering system could change within the next 12 months. If this were to happen, support would be provided from Procurement colleagues to ensure a smooth transition to the new system.

#### 4.4 Equality and Diversity Implications

##### 4.4.1 There are no significant implications.

#### 4.5 Engagement and Communications Implications

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

A comprehensive communication and engagement strategy with operators will be key to the success of the Joint DPS. In particular, those who currently only operate in Peterborough under the City Council's Framework will need to understand the rationale for the change in commissioning and procurement arrangements and be supported to ensure that they are able to operate as approved operators under the Joint DPS. The more operators who are approved to tender for Education and Social Care transport contracts, the greater the potential for competition, cost and efficiency savings.

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 take remedial action and re-apply for the DPS as this will remain open for new operators to join throughout its term, therefore, making the process fairer to operators.

#### 4.6 Localism and Local Member Involvement

##### 4.6.1 There are no significant implications.

#### 4.7 Public Health

##### 4.7.1 There are no significant implications.

Have the resource implications been cleared by Finance?

Yes: Martin Wade

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?

Yes: Gus de Silva

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?

Yes: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact?

No as not applicable: Jonathan Lewis

Have any engagement and communication implications been cleared by Communications?  
Yes: Anthony Day

Have any localism and Local Member involvement issues been cleared by your Service Contact?  
No as not applicable: Jonathan Lewis

Have any Public Health implications been cleared by Public Health  
No as not applicable: Kate Parker

## 5. Source documents

### 5.1 Source documents

5.1.1 Examples of other Local Authorities' Dynamic Purchasing Systems

5.1.2 Cambridgeshire County Council Framework and DPS and associated terms and condition of contract

5.1.3 Peterborough City Council Framework and associated terms and condition of contract

5.1.4 [CYP Committee 9 January 2018](#)

5.2 Location:

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Cambridge

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