

Adult Social Care Transport Tendering

To: Adults and Health Committee

Meeting Date: 9 December 2021

From: Wendi Ogle-Welbourn,
Executive Director of Commissioning, People & Communities

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/070

Outcome: The continuity of transport services for Adults with Disabilities and Older People.

Recommendation: Adults and Health Committee is asked to give approval to:

- a) the general procurement approach for a contract value of £8.1m over four years;
- b) procuring transport provider in line with the recommended option as set out in paragraph 2.2; and
- c) delegate the award of the new contract to the Executive Director of People and Communities.

Officer contact:

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Member contacts:

Names: Cllr Howitt and Cllr van de Ven
Post: Chair and Vice-Chair
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1. Background

- 1.1. This is a technical report in relation to transport services delivered under the Council's 2016 transport framework agreement. The current contracts were implemented during 2018 and 2019.
- 1.2. The Council's transport contracts expenditure for Adults with Disabilities and Older People is £2.1m pa. Each contract relates to a route which uses specialist vehicles to transport a group of people from their home (or care home) to a common destination such as a day centre.
- 1.3. In May 2020, £1.3m of the centrally managed contracts were extended for a final 12-month which was allowable under the terms of those contracts. Subsequently, as a result of Covid-19, with no to very limited use of transport services, new long-term contracts were not recommended. Consequently, In March 2021, Committee granted an exemption waiver for current contracts to remain in place for one further year; expiring in May 2022.
- 1.4. The remaining centrally managed contracts worth £0.8m pa. relate to the Council owned day service, Horizon Resources Centre. These contracts also expire in May 2022.
- 1.5. Further Committee agreed to receive a report later in 2021/22 detailing the tendering plan for approval which will result in contracts to supersede the exemption waiver. This report sets out that tendering plan and it incorporates plans for the transport services related to the Horizon Resources Centre.

2. Main Issues

- 2.1 There are three major projects which are shape future transport requirements.
 - 2.1.1 The first project has reviewed the transport arrangements including policy, systems and routes for efficiency and effectiveness. The team had identified improvements that would help people using transport services particularly to and from day services. Further work is taking place specifically looking at our in-house service to confirm whether any further opportunities exist which includes looking benchmarking with Children's Schools transport. The new routes resulting from the implementation work will form part of the specification of requirements. It is predicted this will lead to a reduction in emissions. However, the benefit will be realised once the remaining social distancing practices have been removed.
 - 2.1.2 The second project is seeking to review the future direction of day service operations. The work being undertaken includes understanding the effects of Covid-19 and lockdowns on people who use day services, reviewing the range of property used in day services, engaging the public and wider community groups on other resources available, and

designing and implementing changes to services. Due to the structural nature of the review, recommendations from that work will not be ready in time for our tendering and may take over 18 months.

2.1.3 The third project explored how transport services can contribute towards CCC's climate change mitigation plans by:

- commissioning low-to-no carbon emitting vehicles; and
- informing where electric vehicle charging infrastructure would be most helpful.

To achieve this means operating with electric vehicles (EV). However, providers have voiced their concerns over the practicality of running a provision with long hour shifts, and the availability of charging points at the present time. As a result, our tendering plans will remain flexible to operating EV's at a future date.

2.2 Noting the uncertainties, commissioners have considered the following options to make efficient use of CCC resources whilst avoiding locking in long term arrangements:

1. **Do-nothing:** The current contracts would expire, and each route would revert to a spot purchase arrangement. CCC would want to limit the duration of each purchase to 3-6 months duration due to the uncertain work outlook. This would require more resources from the Transport team to arrange as tendering would take place more frequently and, on a route-by-route basis. It is also expected to lead to higher rates for routes as providers could not provide volume or multi-year related discounts. However, CCC would write in clauses to limit payments in the event of further lockdowns. On balance, this option would not provide best value for money.
2. **Re-tender now:** CCC transport planning work has taken place. This would be refreshed to take account any changes to people's circumstances. CCC would set the contract duration to 3+1+1 years and limit payments in the event of further lockdowns to reduce its financial exposure due to the uncertain work outlook. The contract length with options to extend the contract, will give providers the opportunity to offer multi-year discounts. The resulting tendered contracts would purchase transport capacity with a risk of it being under-utilised. Consequently, this option would not provide best value for money.
3. **Re-tender now:** CCC transport planning work has taken place. This would be refreshed to take account any changes to people's circumstances. CCC would reduce the contract duration down to 2+1+1 years and limit payments in the event of further lockdowns to reduce its financial exposure due to the uncertain work outlook. The shorter contract length with options to extend the contract, will still give providers the opportunity to offer multi-year discounts. The resulting tendered contracts would purchase transport capacity with a risk of it being under-utilised. However, it means we retain the flexibility to adapt to the future plans for day services. Consequently,

this option would provide value for money on targeted routes where larger specialist vehicles were used. For targeted general routes where smaller general-purpose vehicles, such as taxi's, were used. CCC would reduce the contract duration down to 1+1+1 years.

The hybrid Option 3 is recommended. It offers the flexibility of the contract certainty for providers. At the same time, it allows for flexibility to incorporate changes driven by day services and in-house transport provisions whilst the economic outlook remains uncertain. The final details will be produced after route improvements have been implemented.

- 2.3 The Council's procurement policy confirms procurement of any goods or services should be procured from the established corporate contracts or corporate frameworks. Where such contracts are not available tendering should take place in line with CCC Procurement rules. The Council's new transport DPS (dynamic purchasing system) agreement will be available for use from November 2021. This type of agreement is always open to new providers. This new DPS enables new contracts to be ready 3 months from preparation of specifications. This means we could have in place new contracts in a timely and compliant manner if we complete our specification work by the end of Jan 22.
- 2.4 Early versions of the specifications have been prepared following market consultation and feedback from operational, legal, and procurement and commissioning colleagues. The transport DPS agreement has built in clauses allowing us to invite providers to operate with low-to-no carbon emitting (and other pollutants) vehicles. Further pre-tendering market engagement will take place to refine the specification, social value, and generate interest levels. All documents and communications issued by the Procurement Team will be via the Procurement Portal.
- 2.5 The transport DPS agreement has clauses written in which means prices will be held firm for three years. In practice providers are likely to ask for extra money at the start of the new contract to hedge against future uncertainties. This, in part, can be justified given the recent supply shortages of fuel and drivers, and the remaining Covid-19 risks. Taking account of route improvements and the risk to prices we estimate the transport budget for contracted routes can be held at £2.0m. This means a maximum contract value with inflation of £8.1m over a 4-year period.
- 2.6 The project governance structure is set up to allow for project management. There are 3 distinct governance groups each with its own set of terms of reference:
 - Adults and Health Committee;
 - P&C Joint Commissioning Board; and
 - P&C Communities Board.

They will be responsible for delivery of the new contracts in line with the project plan whilst managing the risks.

2.7 A project plan has been produced. The key milestones have been identified and plotted within this plan to allow for easy progress monitoring as the project proceeds.

- Specifications and consultation End of December 2021
- Tender Go-live End of January 2022
- Evaluation / Moderation End of March 2022
- PCJCB recommendation End April 2022
- Award notice issued / standstill period Start of May 2022
- Contract Go-live (inc. letters to users) Middle May 2022

2.8 The project has a risk and issues strategy that aids the programme team's awareness of the need for effective risk management. A full risk and issues log is being maintained by the Project Manager.

There are notable uncontrollable risks. As the name suggests, these are the risks that arise due to the factors that are not under the business' control. They are considered important since these risks, if materialized, will significantly affect the overall annual expenditure.

- IF driver shortages persist THEN quotations will rise or not be submitted.
- IF environmental policies get pulled forward THEN the providers will price in premiums to their quotations.
- IF people's needs have risen as a result of lockdown THEN more passenger assistants will be required.
- IF the tender exercise does not produce suitable quantity and quality of suppliers THEN the overall annual expenditure will be higher.

Further work will take place to reduce the likelihood of occurrence.

3. Alignment with corporate priorities

3.1 Communities at the heart of everything we do

The report above sets out the implications for this priority in 1.2.

3.2 A good quality of life for everyone

The report above sets out the implications for this priority in 1.2.

3.3 Helping our children learn, develop and live life to the full

There are no significant implications for this priority.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment

The report above sets out the implications for this priority in 2.1.3.

- 3.5 Protecting and caring for those who need us
The report above sets out the implications for this priority in 1.2.

4. Significant Implications

- 4.1 Resource Implications
There are no significant implications within this category.
- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications
There are no significant implications within this category.
- 4.3 Statutory, Legal and Risk Implications
There are no significant implications within this category.
- 4.4 Equality and Diversity Implications
There are no significant implications within this category.
- 4.5 Engagement and Communications Implications
There are no significant implications within this category.
- 4.6 Localism and Local Member Involvement
There are no significant implications within this category.
- 4.7 Public Health Implications
The report above sets out the implications for this priority in 2.1.1.
- 4.8 Environment and Climate Change Implications on Priority Areas (See further guidance in Appendix 2):
- 4.8.1 Implication 1: Energy efficient, low carbon buildings.
Positive/neutral/negative Status: Neutral
Explanation: There is no significant impact within this category at this time.
- 4.8.2 Implication 2: Low carbon transport.
Positive/neutral/negative Status: Neutral
Explanation: There is no significant impact within this category at this time. We predict the provision of electric vehicle charging points will encourage the use of low carbon transport.
- 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.
Positive/neutral/negative Status: Neutral
Explanation: There is no significant impact within this category at this time.
- 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.
Positive/neutral/negative Status: Neutral
Explanation: There is no significant impact within this category at this time.
- 4.8.5 Implication 5: Water use, availability and management:
Positive/neutral/negative Status: Neutral
Explanation: There is no significant impact within this category at this time.

4.8.6 Implication 6: Air Pollution.

Positive/neutral/negative Status: Neutral

Explanation: There is no significant impact within this category at this time.

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status: Neutral

Explanation: There is no significant impact within this category at this time.

4.9 The contacts for the sign off process are as follows:

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Justine Hartley

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

Name of Officer: Henry Swan

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

Name of Legal Officer: Fiona McMillan

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

Name of Officer: Jennifer Bartlett

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

Name of Officer: Eleanor Bell

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Will Patten

Have any Public Health implications been cleared by Public Health? Yes

Name of Officer: Emily R Smith

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Yes

Name of Officer: Emily Bolton

5. Source documents guidance

5.1 None