

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	22 July 2016
Title:	Establishment of Dynamic Purchasing System for contracts using vehicles with 16 seats and fewer
Reference:	7594
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1 The purpose of this report is to seek approval to establish a new Dynamic Purchasing System (DPS) which will be used for the procurement of contracts to deliver Home to School Transport, Community Transport, Children's Services Social Care Transport, and Adults Services Social Care Transport requirements using vehicles with 16 seats and fewer.
- 1.2 The report seeks to demonstrate that replacing the existing DPS for procuring transport using vehicles with 16 seats and fewer will provide the most effective procurement system for Home to School Transport, Community Transport, Children's Services Social Care Transport, and Adults Services Social Care Transport contracts, for which there is approximately a combined annual spend of £20m.
- 1.3 Home to School, Children's Services social care and Adults Services social care transport is managed by the Passenger Transport Group within the County Council's Economy, Transport and Environment Department on behalf of the Children's and Adult's Services Departments, which hold the budgets against which individual contracts are awarded. There will also be some spend through the DPS of the Passenger Transport budget to deliver Community Transport services, at an estimated value of £1.5m per annum.

2. Contextual information

- 2.1 The County Council provides passenger transport services for a wide range of purposes. The scope of these services includes but is not limited to the following:
- i) Mainstream School Transport – transport is arranged for approximately 11,000 mainstream school pupils, aged 4 – 16, across Hampshire. These include transport to Primary and Secondary education establishments.

Whilst the majority of these journeys are on vehicles with more than 16 passenger seats, a small portion of these require smaller vehicles.

- ii) Special Needs School Transport – transport is arranged for around 3000 pupils, aged 3 – 25, who have a range of special needs to enable them to attend various special schools and colleges mainly in Hampshire but with some journeys being to out of county establishments.
- iii) Children’s Services’ Social Care Transport – transport is arranged for children who are under the care of Hampshire County Council Children’s Services Department. This can include home to school transport for both mainstream and special needs pupils. Some children also require transport outside of school hours for after school clubs or contact meetings with family members.
- iv) Adult Services Social Care Transport – Transport is made available to Hampshire residents aged 18 years and above who are under the care of and supported by Hampshire County Council Adults Services Department. This enables people to attend college, clubs, churches and day centres, usually on week days. Clients also sometimes require transport to respite breaks or hospital appointments.
- v) Community Transport – A range of community transport services are commissioned. These include specialised Dial a Ride and Call and Go transport services which provide door-to-door transport, mainly for older and disabled people. It also includes Minibus Group Hire Services, which provide a pool of wheelchair accessible vehicles for hire by voluntary and community groups, Community Buses and Wheels to Work.
- vi) Taxishare and Carshare services – these services are often put in place when a bus service no longer operates in an area. They are similar to a bus service only a ‘hackney carriage’ or ‘private hire’ vehicle picks passengers up instead of a bus.

2.2 The DPS is used to procure contracts for the above passenger transport services. Contracts are provided using cars, Multi Purpose Vehicles (MPVs), and minibuses with up to 16 passenger seats. Some of these vehicles will be accessible so that they are able to transport passengers in wheelchairs. The Dynamic Purchasing System is used to procure over 2,000 contracts annually to enable the above services to be provided.

2.3 The existing DPS has been effective in achieving best value and managing contract prices and is now due for replacement as it is reaching the end of its current four year term.

3. Proposed Dynamic Purchasing System

3.1 DPSs are not linked to specific one-off purchases or projects but can instead provide the ongoing routine goods and service requirements of a number of individual budget holders, either through direct call-offs or mini competitions as required by the specific DPS.

3.2 The DPS is similar to a framework agreement except that new suppliers may join, whereas a framework is closed to new suppliers. The DPS is therefore a

more appropriate procurement solution than a framework for the type of business undertaken by the council in this area. It is also compliant with European Procurement Regulations and County Council Contract Standing Orders.

- 3.3 The current DPS was set up for four years, the maximum term allowed at the time, and this is due to expire on 31 July 2016. A new arrangement now needs to be put in place. A change in the regulations now means that DPS systems can be without time limit. It is therefore proposed that the new DPS should be set up initially for 5 years 7 months, but with the option for this to be extended annually up until 10 years 7 months if that is considered appropriate at the time. The new arrangements will move the renewal date away from the summer period (1 August) which is when the highest number of mini competitions are run because of the large volume of home to school transport contracts which need to be tendered in order to meet requirements for the new academic year which commences in September of each year.
- 3.4 In order to join the new DPS potential operators will be asked to complete a Pre Qualification Questionnaire (PQQ). The initial deadline for the receipt of the PQQ's has now passed. These initial PQQ's will be used to assess the potential operators financial standing and to ensure that they have the correct licencing arrangements under which to provide any contracts. Through the PQQ potential operators are also being evaluated on four quality questions which covers their technical knowledge and previous experience of delivering similar types of service, how they will deal with complaints and allegations, how they will respond to breakdowns and the safeguarding issues relating to transporting children and vulnerable adults.
- 3.5 Operators who pass their PQQ will then be admitted to the DPS approved list of suppliers. Those operators on the approved list will then receive details of all the mini competitions which are run through the DPS. These will include details of the individual journeys for which tenders are being invited by the council. The mini competitions are distributed through Intend, an electronic modern procurement process which supports rapid tendering for individual contracts. Operators then submit their tender return through this same electronic system by the deadline set for each individual tender , after which each operator's bid is evaluated. These mini competitions are then generally assessed on price alone . Contracts are then awarded and delivered by operators under the Terms and Conditions attached to the DPS.
- 3.6 Whilst the DPS will be primarily used to deliver Home to School Transport, Community Transport, Children's Services Social Care Transport, and Adult Services Social Care Transport, there will be provision within the arrangements for other public sector agencies and authorities to make use of the Purchasing System.

4 Finance

- 4.1 The majority of the funding is provided from the budgets of the Children's and Adult's Services Departments. The remaining contracts awarded through the

DPS are funded from the Passenger Transport budgets. These budgets are reviewed regularly.

- 4.2 The amount of funding from the Passenger Transport budget amounts to an annual spend of up to £1.5m. This report seeks authority to procure and spend that sum under the DPS.
- 4.3 The funding to be provided by Adults and Children's Services and the authority to spend those sums is subject to approvals from those respective Departments.
- 4.4 The DPS will be used to procure Home to School, Community Transport, Children's Services Social Care Transport, and Adults Services Social Care Transport contracts for a combined annual spend of approximately £20m. The maximum anticipated County Council spend over the term through using the DPS to award individual contracts is estimated to be no more than £220m.

5 Conclusion

- 5.1 Whilst the existing DPS has been effective in achieving best value and managing contract prices, it is now due for replacement as it is reaching the end of its current four year term. This report seeks approval to establish a new Dynamic Purchasing System (DPS) which will be used for the procurement of contracts to deliver Home to School Transport, Community Transport, Children's Services Social Care Transport, and Adults Services Social Care Transport requirements using vehicles with 16 seats and fewer at a combined annual estimated cost of £20 million.
- 5.2 Contracts are provided using cars, MPV's and minibuses with up to 16 passenger seats. Some of these vehicles will be accessible so that they are able to transport passengers in wheelchairs. The DPS will be used to procure over 2,000 contracts annually. All operators have to complete satisfactorily a comprehensive Pre Qualification Questionnaire before they can join the Dynamic Purchasing System and bid for and be awarded contracts. This ensures that County Council policy requirements are met for safe, professional transport services which are appropriate for client needs.

6 Recommendations

- 6.1 That the Executive Member for Environment and Transport gives authority for the 'establishment' of a Dynamic Purchasing System for the procurement of contracts for the use of vehicles with 16 seats and fewer for the delivery of Home to School Transport, Community Transport, Children's Services Social Care Transport, and Adult's Services Social Care Transport requirements for a period of up to 5 years 7 months duration, with an option to extend annually up to a total of 10 years 7 months, and at an estimated combined total spend up to the value of £220 million.
- 6.2 That the Executive Member for Environment and Transport gives authority to procure and spend under the Dynamic Purchasing System to deliver Community Transport Services up to a value of £1.5m per annum for as long

as the Dynamic Purchasing System remains in place, such sum to be funded from the Passenger Transport budget.

- 6.3 That authority is delegated to the Director of Economy, Transport and Environment to agree any variations to the items approved in consultation with the Executive Member for Environment and Transport.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Maximising well-being:	yes
Enhancing our quality of place:	yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Taxi Dynamic Purchasing System Contract http://www3.hants.gov.uk/councilmeetings/advsearcmmeetings/meetingsitemdocuments.htm?sta=0&pref=Y&item_ID=3893&tab=2&co=&confidential=	3893	8 May 2012

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2 Equalities Impact Assessment:

This decision will have a positive impact upon the following groups with protected characteristics: age and disability and takes into account policy considerations with regard to rurality by providing the most effective way of procuring smaller passenger vehicles which are key to providing transport for these groups and areas. Transport will continue to be provided in accordance with the Home to School Transport Policy established by the County Council's Children's Services Department, the Adult Services Transport Policy established by the County Council's Adult Services Department, and the approach to providing Community Transport services followed by the Economy, Transport and Environment Department of the County Council.

All operators have to complete satisfactorily a comprehensive Pre Qualification Questionnaire before they can join the Dynamic Purchasing System. The Questionnaire ensures that County Council policy requirements are met for safe, professional transport services which are appropriate for client needs.

2 Impact on Crime and Disorder:

1.1. None

3 Climate Change:

3.1 How does what is being proposed impact on our carbon footprint / energy consumption?

The DPS ensures that appropriate requirements are set regarding vehicle quality and operation. Delivering an effective public transport system within available funding levels provides an alternative to use of the private car. Effective home to school transport reduces peak time congestion.

3.2 How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Efficient transport which matches provision to need can minimise carbon emissions produced through individual car journeys.