

## **CABINET**

**20 JULY 2010**

### **GATEWAY 3 CONTRACT AWARD: SEN TRANSPORT CONTRACT RENEWAL 2010**

Portfolio Holders: Councillor Phil Filmer, Front Line Services  
Councillor Les Wicks, Children's Services

Report from: Robin Cooper, Director of Regeneration, Community and  
Culture

Author: Gary Lindsey, Transport Procurement Manager

#### **Summary**

This report recommends the award of home to school passenger transport contracts to local taxi and bus companies via the existing Local Transport Framework.

#### **1. Budget and Policy Framework**

- 1.1 This procurement process has been classified as medium risk. The combined value of services is in excess of officers' delegated authority. It falls within the existing budget and policy framework and the remit of Cabinet for acceptance.
- 1.2 The route awards recommended are not an exact like for like replacement for the routes that required retendering. Percentage calculations for budget estimates will not therefore be indicative of change. Any saving that is achieved is likely to be reduced by post September adjustments when we know which children require the services.

#### **2. Background**

- 2.1 This report recommends the continuation of the process of tender acceptance and contract award. The award of these contracts replaces a number of contracts due to expire in July 2010 and will allow continuity of transport services to Special Educational Needs (SEN) Children. The proposed awards are set out in Appendix 2. SEN Home to School transport is provided under Medway Council's statutory obligations. Taking into account the children's requirements and the sensitivity of the re-tender, the need to establish continuity and

manage change with minimal disruption has been shown to be of the highest importance to these vulnerable individuals and their families.

### 3. Permissions / Consents

3.1 There are no outstanding permissions required

### 4. Pre-Qualification Questionnaire (PQQ) and Tender Preparation

4.1	Which Stakeholders were consulted in preparation of the tender?	As the Framework Agreement for Home to School Transport Services and Ad-Hoc Taxi Services 2007 was utilised a separate pre-qualification exercise was not required for this round of tendering.
4.2	Does TUPE apply?	Yes; the necessary information was supplied to all tenderers.
4.3	How was the tender list compiled?	See 4.1
4.4	What tender process was used – open, restricted or negotiated? Say why.	See 4.1
4.5	How many PQQs were issued? How many were returned?	See 4.1
4.6	Which Officers were members of the Evaluation Team?	Gary Lindsey – Transport Procurement Manager Steve Heather – Transport Assistant David Tappenden – Transport Assistant
4.7	Were applicants shortlisted from PQQs using clear, relevant criteria? List the criteria used and enclose a copy of the results in an appendix to the report.	See 4.1
4.8	Were the tender documents approved by Procurement at Gateway 2?	Yes

4.9	When were tenders invited and returned? Were any returned late or disqualified?	Tenders were issued on 2 June 2010 and the deadline for returning the tenders was midday on 21 June 2010.
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## 5. Tender Evaluation

5.1	Name the evaluation criteria that was used and the weighting applied to each?	Most economically advantageous bid (MEAT); please refer to Appendix 1 for the Tender Evaluation Criteria.
5.2	How are tenderers ranked using the quality assessment alone? Show overall marks ("Contractor A, B, C" etc – show actual names in Confidential Appendix 1)	See Appendix 2.
5.3	Did the quality assessment use clear and relevant quality criteria? List the criteria and state the quality / price weighting ratio applied.	The Framework Agreement for Home to School Transport Services and Ad-Hoc Taxi Services 2007 used required appropriate pre-qualified assessment.
5.4	Does the proposed award give best value for money? Summarise the evidence	The awards provide best value for money in so far as the awards are given to the most economically advantageous bid and routes were revised to improve value for money.

5.6	Summarise the risks associated with the proposed award, and state the measures taken to control or avoid.	<p>Risks include:</p> <ol style="list-style-type: none"> <li>1. Complaints from parents and schools; both may involve adverse publicity.</li> <li>2. Challenge from unsuccessful tenderer</li> <li>3. Unsustainable tenders, due to company capacity.</li> </ol> <p>1) This can be mitigated by both the existing processes for communicating, confirming service user satisfaction, and the timely award of the contracts.</p> <p>2) A challenge from an unsuccessful tenderer is a possibility but it is unlikely that a valid or successful challenge could result.</p> <p>3) There have been few instances of this in the past.</p>
5.7	Has a bond or parent company guarantee been sought?	No, these are not considered to be appropriate for these contracts given the nature of the providers, the existence of the framework agreements and the disproportionate impact on the price.
5.8	Are final costs within the identified budget estimate? (state % over or under where applicable) Where costs exceed the estimate state how balance will be funded.	As stated the routes awarded are not an exact like for like replacement for the routes that required retendering. Demographic considerations as well as innovation in route planning prevent direct comparison. In the longer term any such savings are unlikely to be sustained.
5.9	What is the contract duration? Additionally, highlight any options to extend	4 years (from 1 September 2010).
5.10	Do government or Council KPIs apply to this service? If so, are these reflected in the specification and monitoring requirements?	No.

## 6. Preparation for Contract management

6.1	Who is the contract (service) manager responsible for day to day supplier relationships?	Gary Lindsey – Transport Procurement Manager (Yellow Bus Services) Steve Heather – Transport Assistant
6.2	Do sufficient resources exist to manage the contract through implementation and throughout its contract term?	Yes
6.3	When does the contract start?	The contract will commence on 1 September 2010.
6.4	When is the contract due for its first formal review at Gateway 4?	July 2011

## 7. Comments of the Portfolio Holder for Front Line Services

- 7.1 This report recommends the award of home to school passenger transport contracts to local taxi and bus companies via the existing Local Transport Framework. I support this report and the process that it represents. Cabinet is asked to consider this report to ensure the smooth transition of contracts and therefore reduce the chance of difficulty for this vulnerable service user group.

## 8. Procurement Board

- 8.1 The Procurement Board considered proposals for the SEN transport contract renewal on 30 June 2010. Procurement Board supported the recommendations as set out in section 10.

## 9. Financial, Procurement and Legal Comment

- 9.1 Comments of the Chief Finance Officer or designated deputy:-

The cost of the service will be met from existing budget provision. The tendering process will ensure value for money for the Council.

## 9.2 Comments of the Head of Procurement or designated deputy:-

The procurement process has followed a mini competition from the existing transport framework to which all suppliers have pre-qualified as a result of the 2007 OJEU Framework procurement process. As a result, all suppliers have been vetted in respects to health and safety, equalities, insurances, finance and CRB. However, the client department should nonetheless ensure that those suppliers awarded a contract as outlined within this report, have up to date policies and suitable financial standing to service the contract. Strategic Procurement has provided quality assurance throughout the process and is satisfied that the process should deliver best value and potential savings.

## 9.3 Comments of the Monitoring Officer or designated deputy:-

The proposal is for new contracts to be let under the Council's existing framework contract to supply transport services for children with special educational needs. The letting of the service contracts under this framework will help to deliver value for money.

It is noted that this is the penultimate year of this Framework which commenced in 2007. It is essential that steps are now taken to review the options for the continued provision of these service contracts in future years as it will not be possible to use the current Framework to let further long term contracts next year, i.e. in the fourth and final year of this Framework.

## 10. Recommendations

10.1 The Cabinet is recommended to award the contracts as detailed in the Appendix 2.

## 11. Suggested Reasons for Decision(s)

11.1 These awards will allow the continuation of transport for SEN children currently accessing education via this service and facilitate the entry into schools of new SEN pupils joining the service.

Report Originating Officer:	<b>Gary Lindsey</b>	☎ 01643 334316
Chief Finance Officer or deputy:	<b>Mick Hayward</b>	☎ 01643 332220
Monitoring Officer or deputy:	<b>Deborah Upton</b>	☎ 01643 332133
Head of Procurement or deputy:	<b>Gurpreet Anand</b>	☎ 01643 332450

Description of document	Location	Date
Appendix 1 - Tender Evaluation Criteria	TPU	
Appendix 2 – Proposed Contract Awards	TPU	

**1. Evaluation criteria matrix for vehicles provided on routes that require disabled access.**

**Financial (35% of score)** – The Lowest price tendered by an operator for the particular route will achieve a maximum **35%** score. Next lowest price quoted will achieve a lesser percentage based on the equation:- (Lowest Price / next Lowest Price) x 35.

Example: lowest price tendered for a route is £38.00, which achieves maximum score of 35%. Next lowest quote of £48.00 which achieves a score of 28% (38/48 x 35) rounded up from 27.71%.

**Technical or Quality (Vehicle) (65% of score)** – Six options set out in the Invitation to Tender (from most desirable vehicle down to least desirable vehicle) will be scored as follows:

- a. 5 Year or Less Vehicle, passenger carrying vehicle with droppable suspension and low floor access = **65%**
- b. 10 Year or Less Vehicle, passenger carrying vehicle with droppable suspension and low floor access = **54%** (round down from 54.17%)
- c. 5 Year or Less Vehicle, passenger carrying vehicle with wheelchair lift = **43%** (rounded down from 43.33%)
- d. 10 Year or Less Vehicle, passenger carrying vehicle with wheelchair lift = **33%** (rounded up from 32.49%)
- e. 5 Year or Less Vehicle, passenger carrying vehicle with ramped access for wheelchair = **22%** (rounded up from 21.67%)
- f. 10 Year or Less Vehicle, passenger carrying vehicle with ramped access for wheelchair = **11%** (rounded up from 10.83%)

<b>Your Vehicle is:</b>	<b>5 years or less at start of contract (£)</b>	<b>10 years or less at start of contract (£)</b>
<b>This Type of Vehicle will be used on the Route:</b>		
Passenger carrying vehicle with droppable suspension and low floor access.	<b>65%</b>	<b>54%</b>
Passenger carrying vehicle with wheelchair lift.	<b>43%</b>	<b>33%</b>
Passenger carrying vehicle with ramped access for wheelchair.	<b>22%</b>	<b>11%</b>

**Total Score = Financial score (%) + Technical (%) = Final score (%)**

**2. Evaluation criteria matrix for vehicles provided on routes that do not require**

**disabled access.**

**Financial (35% of score)** – The Lowest price tendered by an operator for the particular route will achieve a maximum **35%** score. Next lowest price quoted will achieve a lesser percentage based on the equation:-  $(\text{Lowest Price} / \text{next Lowest Price}) \times 35$ .

Example: lowest price tendered for a route is £38.00, which achieves maximum score of 35%. Next lowest quote of £48.00 which achieves a score of 28%  $(38/48 \times 35)$  rounded up from 27.71%.

**Technical or Quality (Vehicle) (65% of score)**

Two options are set out in the Invitation to Tender:

- Most desirable being vehicles less than 5 years old
  - Or any vehicle less than 10 years old at start of contract:
1. 5 Year or Less Vehicle, passenger carrying vehicle without wheelchair access = **65%**
  2. 10 Year or Less Vehicle, passenger carrying vehicle without wheelchair access = **33%** (rounded up from 32.2%)

**Total Score = Financial score (%) + Technical (%) = Final score (%)**



**Appendix 2**

<b>BRADFIELDS 1</b>			
<b>Company</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B	24%	33%	57%
C - 5yr	20%	65%	85%
C - 10yr	22%	33%	55%
F	34%	65%	<b>99%</b>
H	24%	65%	89%
I	26%	65%	91%
J - 5yr	21%	65%	86%
J - 10yr	23%	33%	56%
K	35%	33%	68%
L	28%	65%	93%
M	27%	65%	92%

Recommended Bid - Contract cost =  
£58,828

<b>BRADFIELDS 2</b>			
<b>Company</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B	22%	33%	55%
C - 5yr	21%	65%	86%
C - 10yr	23%	33%	56%
F	33%	33%	66%
H	18%	65%	83%
J - 5yr	21%	65%	86%
J - 10yr	23%	33%	56%
K	35%	33%	68%
L	29%	65%	<b>94%</b>
M	18%	65%	83%

Recommended Bid - Contract Cost =  
£71,816

<b>DANECOURT 1</b>			
<b>Company</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL</b>
B	21%	33%	54%
C - 5yr	24%	65%	89%
C - 10yr	26%	33%	59%
E - 5yr	14%	65%	79%
E - 10yr	15%	33%	48%
J - 5yr	24%	65%	89%
J - 10yr	26%	33%	59%
K	35%	33%	68%
L	26%	65%	<b>91%</b>

Recommended Bid - Contract Cost =  
£91,680

<b>DANECOURT 2</b>			
<b>Company</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B	21%	33%	54%
C - 5yr	18%	65%	83%
C - 10yr	19%	33%	52%
D	22%	65%	87%
F	26%	65%	91%
H	24%	65%	89%
K	34%	33%	67%
L	35%	65%	<b>100%</b>
M	25%	65%	90%

Recommended Bid - Contract Cost =  
£48,896

<b>ALL FAITHS 1</b>			
<b>Company</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B	22%	33%	55%
C - 5yr	11%	65%	76%
C - 10yr	12%	33%	45%
G	35%	33%	68%
H	21%	65%	86%
K	24%	33%	57%
L	27%	65%	<b>92%</b>
M	24%	65%	89%

Recommended Bid - Contract Cost =  
£39,728

<b>ALL FAITHS 2</b>			
<b>Company</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
A	26%	65%	91%
B	28%	33%	61%
C - 5yr	14%	65%	79%
C - 10yr	15%	33%	48%
H	24%	65%	89%
K	27%	33%	60%
L	35%	65%	<b>100%</b>
M	26%	65%	91%

Recommended Bid - Contract Cost = £39,728

<b>ALL FAITHS 3</b>			
<b>Company</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B	20%	33%	53%
H	16%	65%	81%
L	35%	65%	<b>100%</b>

Recommended Bid - Contract Cost = £27,504

<b>WYVERN</b>			
<b>Company:</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
A	25%	65%	90%
B	25%	33%	58%
C - 5yr	11%	65%	76%
C - 10yr	12%	33%	45%
D	25%	65%	90%
H	21%	65%	86%
I	26%	65%	<b>91%</b>
K	35%	33%	68%
L	25%	65%	90%
M	23%	65%	88%

Recommended Bid - Contract Cost = £71,816

<b>MID-KENT COLLEGE 1</b>			
<b>Company:</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B - 10yr Lift	18%	33%	51%
B - 10yr Ramp	18%	11%	29%
C - 5yr Low Floor	9%	65%	74%
C - 10yr Low Floor	14%	54%	68%
C - 5yr Lift	11%	43%	54%
C - 10yr Lift	18%	33%	51%
H - 10yr Ramp	17%	22%	39%
K - 10yr Lift	24%	33%	57%
L - 5yr Lift	35%	43%	<b>78%</b>

Recommended Bid - Contract Cost =  
£30,560

<b>MID-KENT COLLEGE 2</b>			
<b>Company:</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B - 10yr Lift	21%	33%	54%
B - 10yr Ramp	21%	11%	32%
C - 5yr Low Floor	16%	65%	<b>81%</b>
C - 10yr Low Floor	18%	54%	72%
C - 5yr Lift	17%	43%	60%
C - 10yr Lift	18%	33%	51%
H - 10yr Ramp	19%	22%	41%
K - 10yr Lift	30%	33%	63%
L - 5yr Lift	35%	43%	78%
M - 5yr Ramp	22%	22%	44%

Recommended Bid - Contract Cost =  
£99,320

<b>GOLDWYN</b>			
<b>Company:</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
A	23%	65%	88%
B	21%	33%	54%
C - 5yr	13%	65%	78%
C - 10yr	14%	33%	47%
D	21%	65%	86%
H	22%	65%	87%
K	35%	65%	<b>100%</b>
L	29%	65%	94%
M	22%	65%	87%

Recommended Bid - Contract Cost =  
£66,084

<b>ABBNEY COURT 1</b>			
<b>Company:</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
A	32%	65%	97%
B	26%	33%	59%
C - 5yr	18%	65%	83%
C - 10yr	19%	33%	52%
H	26%	65%	91%
K	31%	65%	96%
L	35%	65%	<b>100%</b>
M	27%	65%	92%

Recommended Bid - Contract Cost =  
£48,896

<b>ABBEY COURT 2</b>			
<b>Company:</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B	20%	33%	53%
C - 5yr	19%	65%	84%
C - 10yr	20%	33%	53%
H	20%	65%	85%
K	35%	33%	68%
L	35%	65%	<b>100%</b>
M	21%	65%	86%

Recommended Bid - Contract Cost =  
£52,716

<b>HUNDRED OF HOO</b>			
<b>Company:</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B	13%	33%	46%
C - 5yr	34%	65%	<b>99%</b>
C - 10yr	35%	33%	68%
J - 5yr	22%	65%	87%
J - 10yr	24%	33%	57%
K	32%	33%	65%
L	29%	65%	94%

Recommended Bid - Contract Cost =  
£64,176

<b>PRESTON SKREENS - DEMELZA HOUSE</b>			
<b>Company:</b>	<b>Price Score:</b>	<b>Vehicle Score:</b>	<b>TOTAL:</b>
B - 10yr Lift	22%	33%	55%
B - 10yr Ramp	23%	11%	34%
B - 10yr No Acs	25%	0%	25%
C - 10yr Lift	17%	33%	50%
K - 10yr Lift	24%	33%	<b>57%</b>
K - 10yr No Acs	29%	0%	29%
M - 5yr Ramp	30%	22%	52%
M - 5yr No Acs	35%	0%	35%

Recommended Bid - Contract Cost = £179 per journey