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| <b>DECISION-MAKER</b>   | Cabinet  |
| <b>SUBJECT</b>          | Procurement of a Passenger Transport Dynamic Purchasing System         |
| <b>DATE OF DECISION</b> | 16th April 2024  |
| <b>REPORT OF</b>        | <b>COUNCILLOR WINNING<br/>CABINET MEMBER FOR CHILDREN AND LEARNING</b> |

| <b><u>CONTACT DETAILS</u></b> |               |   |                    |
|-------------------------------|---------------|---|--------------------|
| <b>Executive Director</b>     | <b>Title</b>  | Executive Director – Wellbeing (Children & Learning)                  |                    |
|                               | <b>Name</b>   | Rob Henderson   | Tel: 023 8254 4899 |
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| <b>Author</b>                 | <b>Title</b>  | <b>Service Manager – Service Delivery, Performance and Compliance</b> |                    |
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| <b>STATEMENT OF CONFIDENTIALITY</b>  |   |
| NOT APPLICABLE   |   |
| <b>BRIEF SUMMARY</b>   |   |
| <p>This report seeks approval to procure and enter into agreement with suitably qualified transport operators through the establishment of a Passenger Transport Dynamic Purchasing System (“DPS”) to cover transport requirements within the Directorates of Growth and Prosperity, Wellbeing (Childrens &amp; Learning) and Community Wellbeing. This will replace the Council’s existing Home to School DPS with the aim of allowing the Council to maximise potential budget savings against the hire of passenger transport vehicles via more streamlined and competitive procurement processes. A Dynamic Purchasing System is a fully electronic procurement tool which establishes an arrangement with suitably qualified suppliers to provide goods/services/works via competitive tendering to a restricted pre-qualified market. A DPS is always open for suppliers to apply to join to maximise our market engagement.</p> |   |
| <b>RECOMMENDATIONS:</b>  |   |
| (i)  | To approve the procurement of a Passenger Transport Dynamic Purchasing System (DPS) for a ten-year period through which the Council can seek competitive quotations for any passenger related transport.                        |
| (ii)   | To delegate authority to the Executive Director – Growth and Prosperity following consultation with Executive Director Corporate Services (S151) to enter into all call off contracts through the DPS.                          |
| <b>REASONS FOR REPORT RECOMMENDATIONS</b>  |   |
| 1.   | The existing Home to School DPS is restricted to only delivering Home to School service provision and does not address the wider transport needs of the Council. A new DPS will enable wider transport requirements to make use |

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|  | of the DPS for travel arrangements if other services wish to join the DPS in the future through the specification of additional lots that are not specific to home to school travel.   |
| 2.   | The replacement DPS will include a more competitive tender process to maximise competition within the market, which should support a reduction in the cost of transport through more visible competition, via reverse e-auctioning, to offset the cost impact of rising demand.  |
| 3.   | New contracting arrangements will be based on a robust contract management framework and more comprehensive supplier performance monitoring to support the ongoing service improvement. It will enable more robust performance management of transport operators against service requirements to ensure that issues can be addressed, plans put in place to manage poor performance and contracts can be served notice for poor performance. This is not incorporated into the current DPS and associated arrangements.  |
| <b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b> |  |
| 4.   | <p>Continue with existing DPS. Current contractual terms would require significant review and variation to accommodate proposed changes to maximise benefit. The opportunities in this regard are restricted by the current agreement only covering Home to School Transport and not addressing the wider transport requirement.</p> <p>Third party arrangements were considered, however, were limited by opportunity and flexibility. This included engagement with Hampshire County Council to request access to their transport DPS established in 2023, however this was not viable as the agreement only covers Hampshire's own requirements and would not provide available capacity to meet the Council's needs.</p> |
| <b>DETAIL (Including consultation carried out)</b> |  |
| 5.   | The commissioning of a new DPS is part of a wider 2-year transformation programme for the School Travel Service to mitigate against rising demand and costs for home to school travel, create service efficiencies and deliver service improvement.  |
| 6.   | The DPS is required for the Council's statutory duty to provide school travel support and will provide the option for other services to use it (unlike the existing DPS). Other service areas will be able to specify their requirement if they wish to create 'lots' in the future to add to the DPS to support with travel arrangements and cost management as well as taking advantage of the enhanced terms and conditions offered by a new DPS.   |
| 7.   | Market engagement events were carried out with transport operators on 1 <sup>st</sup> June 2023, 8 <sup>th</sup> June 2023 and 12 <sup>th</sup> December 2023 where a review of the council's existing approach was discussed and feedback from transport operators was received. Existing contracted transport operators highlighted to officers that the existing terms were very inflexible and that a review about how to improve service provision would be welcome.  |
| 8.   | Through the School Travel Service Transformation Programme there has been engagement with relevant stakeholders such as the Parent Carer Forum about the impact, risk and projected benefits that a new DPS may bring. In  |

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|  | particular, the ability to incorporate quality and enhanced performance monitoring would support a better service provision.   |
| 9.   | Consultation has been undertaken with associated Council staff (including legal, procurement and senior managers) as well as the Cabinet Portfolio holder for Children & Learning and Environment & Transport. A new DPS would enable the addition of 'lots' tailored to service requirements, e.g. for Children Looked After, a shorter council notice period to terminate contracts would ensure use of the DPS is favourable and enable contracts to be covered by standard terms and conditions. |
| 10.  | It is recommended that the new DPS be put in place for a period of ten years to maximise the benefits of the new contracting arrangements and provide stability to users and the transport operators.  |
| 11.  | The anticipated value of contracts to be awarded under the DPS is circa £100M over the ten-year duration.  |
| <b>RESOURCE IMPLICATIONS</b>                                       |  |
| <b><u>Capital/Revenue</u></b>                                      |  |
| 12.  | A new DPS is a mechanism to enable transport operators to sign up to a set of terms and conditions that enables them to bid on transport provision tenders and be awarded transport contracts; it does not give authorisation to spend. Each contract awarded using the Dynamic Purchasing System will need to be approved in line with the Council's Constitution and delegations.  |
| 13.  | All transport provision will need to be funded by existing revenue budgets. For the School Travel Service, budgets for school travel provided by taxis and minibuses have been profiled (including budget pressure from 2025/26 onwards) based on the predicted service growth, in conjunction with the Finance Business Partner.  |
| 14.  | Procurement and contract management resource to support the procurement of the new DPS and ongoing associated contract management activities shall be met from existing resource within the Supplier Management Service.   |
| <b><u>Property/Other</u></b>                                       |  |
| 15.  | N/A  |
| <b>LEGAL IMPLICATIONS</b>  |  |
| <b><u>Statutory power to undertake proposals in the report</u></b> |  |
| 16.  | The Councils power to procure services to deliver its primary statutory functions is provided by s.1 Localism Act 2011 (power of general competence) and s.111 Local Government Act 1972 (matter ancillary to the delivery of core functions).   |
| <b><u>Other Legal Implications</u></b>                             |  |
| 17.  | S.149 Equalities Act 2010 requires all public bodies to carry out their functions in accordance with an assessment of the Equality impacts of their proposals and having regard to the need to proactive construct the delivery of their services to eliminate harassment, victimisation and discrimination against those with Protected Characteristics. As the recipients of school travel   |

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|  | services include a high proportion of those with Protected Characteristics an EISA has been completed and attached. |
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| 18. | Regulation 34 of the Public Contract Regulations 2015 |
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**RISK MANAGEMENT IMPLICATIONS**

| 19. | Risk Title  | Probability | Impact   | Mitigation  |
|-----|---|-------------|--|---|
|     | Limited transport operator applications.  | Low         | Reduced competition during tender activity possibly resulting in less competitive pricing being obtained.  | Comprehensive market engagement to be undertaken via telephone, e-mail and Supplier Market Engagement days to maximise uptake.  |
|     | Issues with existing transport operators being required to apply to participate in the new DPS. | Medium      | Delay in applications to join the new DPS.   | Additional officer resource is being deployed to provide guidance documents and support to applicants via multiple channels (supplier web page, DPS call for participation pack, market engagement days).   |
|     | Delay to publication of call for participation  | Medium      | Delay to the commencement of the new DPS impacting on the circa 180 contracts that have to be tendered in July 2024 to ensure the Council can continue to provide its statutory provision. | Decision makers will be briefed fully before a decision is required.<br>Publication of call for participation has been drafted and materials to support existing suppliers and target new suppliers are in place.<br><br>Procurement and contract management resource on standby to |

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|                                      |  |     |  | support condensed timescales.     |
|                                      | Decision not to proceed with new DPS   | Low | Would need to continue using the existing Home to School Transport DPS (value exceeded, will not offer supplier contracts with enhanced terms and conditions, or enable potential savings as a result of the reverse e-auctioning function | Continue to use the existing DPS. |
| <b>POLICY FRAMEWORK IMPLICATIONS</b> |  |     |  |                                   |
| 20.                                  | This report and its recommendations are consistent with, and not contrary to, the Council's existing policy framework. |     |  |                                   |
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| <b>KEY DECISION?</b>               | <b>No</b> |
| <b>WARDS/COMMUNITIES AFFECTED:</b> | ALL       |
| <u>SUPPORTING DOCUMENTATION</u>    |           |
| <u>None</u>                        |           |
| <b>Appendices</b>                  |           |
| 1                                  | ESIA      |

**Documents In Members' Rooms**

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|  | M/A |
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**Equality Impact Assessment**

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| <b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b> | Yes |
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**Data Protection Impact Assessment**

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| <b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b> | Yes |
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**Other Background Documents**

**Other Background documents available for inspection at:**

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| <b>Title of Background Paper(s)</b> | <b>Relevant Paragraph of the Access to Information Procedure Rules /</b> |
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|    |  | Schedule 12A allowing document to be Exempt/Confidential (if applicable) |
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