

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 09/09/2024

Subject: Travel Care and Support Taxi Services Procurement Strategy

Report of: Councillor Alex Sanderson, Deputy Leader (responsible for Children and Education)

Report author: Joe Gunning, Head of Programmes, Children's Commissioning

Responsible Director: Jacqui McShannon, Executive Director of People

SUMMARY

This report seeks approval of the procurement strategy for Travel Care and Support Taxi Services from September 2025 for a period of four (4) years.

In 2021 Hammersmith and Fulham (H&F) set up a framework agreement for the provision of travel care taxi services for a term of four years. This framework expires in September 2025 with no options to extend. It has delivered the Council's needs and so the procurement of a replacement framework is recommended on a similar basis.

RECOMMENDATIONS

1. To approve the procurement strategy to establish a closed framework (i.e. one that is not an 'open framework' within the meaning of the Procurement Act 2023) for the provision of travel care and support taxi services for a period of 4 years from September 2025.
 2. To delegate authority to the Executive Director of People for any minor amendments required to this strategy.
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Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Employment of local residents on essential frontline services
Creating a compassionate council	Procuring services that have care at the forefront of delivery for some of the most vulnerable residents in the borough.

Doing things with local residents, not to them	Maintaining high standards of existing contracts following lessons learnt experience from previous procurements. The evaluation panel will include parent/carer representation.
Being ruthlessly financially efficient	Frameworks that are appropriately structured and weighted to meet demand as well as need and drive competitiveness in the market.
Taking pride in H&F	A high-quality service supporting some of our most vulnerable residents to access education and social care provision.
Rising to the challenge of the climate and ecological emergency	Procurement of services which deliver against the Council's net zero ambition by 2030 through the use of electric vehicles.

Financial Impact

The total available budget for transport provision across Children's (£7.230m) and Adult Services is circa £0.307m.

The taxi framework reflects a component part of the overall spend. Detailed financial implications from this procurement will be included in the contract award report.

Ozioma Onwochei, Principal Accountant, 25 April 2024

David Hore, Finance Manager Social Care, 30 April 2024

Verified by James Newman, AD Finance, 2 May 2024

Legal Implications

This report recommends that the Cabinet approves the procurement of a Framework Agreement for travel care taxi services to run from September 2025 for 4 years. The procurement will start on or after 28th October 2024 which means that the Procurement Act 2023 (s45 – 49) will be the applicable regime rather than the Public Contracts Regulations 2015.

The services are above threshold light touch services under s9 of the Act and Schedule 1 of the Procurement Regulations 2024. There is also a duty to take account of the document, 'Guidance: Light Touch Contracts'. Before entering into the Framework, the Council must carry out a competitive tendering procedure. The Council proposes using the 'open' procedure for the procurement of the Framework which is similar to the existing open procedure. This is a single stage procurement without a restriction on who can submit tenders. The Council must publish a tender notice for the purpose of inviting suppliers to submit a tender at the start of the process setting out prescribed information under regulation 20 of the Procurement Regulations 2024 including the date by which tenders may be submitted, the award

criteria etc. The Act requires that tenderers are given at least 25 days to submit a tender.

The appropriate decision maker is the Cabinet assuming that the estimated Framework value (ie of anticipated call offs) is over £5m.

The decision is a Key Decision (see Article 12 of the Constitution) and the report must be submitted to Committee Services for publication on the Council's website.

Angela Hogan, Chief Solicitor (Contracts and Procurement), 22 May 2024

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Background

1. Travel Care and Support is a critical service provided to some of the most vulnerable members of our community. The children, young people and adults who receive the service often have complex needs and typically a high level of dependency.
2. The current framework ends on the 31 August 2025 with no option to extend. The current arrangements provide approximately 240 children and young people with taxi transport services to and from school as well as a number of ad hoc taxi requirements for children looked after and vulnerable adults.
3. The service is well-supported through the Council's Travel Care and Support Team and there is general high customer satisfaction with the current arrangements.

Reasons for Decision

4. The Local Authority has a statutory duty to provide home to school transport provisions as set out in the Education Act 1996. The Council has a Travel Assistance Policy which clearly sets out these duties, together with further information via the Local Offer.
5. For Adults, the Care Act 2014 stipulates a duty to Local Authorities to meet assessed needs, and while transport is not prescribed provision, it may be one way of meeting people's assessed needs and preferences relating to their personal outcomes towards independence and engagement with the community.

6. The current framework which services the existing taxi contracts expires on the 31 August 2025. There is no option to extend. The procurement ensure Hammersmith and Fulham is able to continue to discharge its statutory duties.

Contract Specifications Summary

7. The services required will primarily be to transport vulnerable children, young people, and adults via taxi. This includes for both scheduled and regular taxi provision as well as those occasions when the council needs taxi provision on an ad-hoc basis to transport a range of service users, often at short notice.
8. Tenders will be required for the provision of a range of vehicle types including cars, black cabs, people-carriers, and wheelchair-accessible vehicles. Passenger Assistants will be required on some routes to provide support to service users who have additional needs.
9. It is recommended that the framework is established for a period of four (4) years.

Procurement Route Analysis of Options

10. It is proposed to procure the provision of Taxi and Support Services. The procurement route will be a closed framework, with two lots, one for Regular and Scheduled Journeys and the other for Ad Hoc Journeys. This procurement will be conducted under new Procurement Act 2023 if on or after 28th October 2024. This approach has been successful for the London Borough of Hammersmith and Fulham to date and will enable the council to continue to discharge its statutory duties whilst providing flexible, high-quality services to our residents.

11. **Option 1: A closed framework (Recommended)**

A framework will provide the flexibility to meet demand through a pool of established providers in a two-lot framework:

Lot 1: Scheduled Journeys

Lot 2: Ad Hoc journeys

The Scheduled Journeys specification will focus on travel assistance for SEND service users from home to school. As with the current service this will stipulate the need for regular transport crews, the need for the same vehicles and staff training requirements to support these young people. The Ad Hoc journeys specification will be used for services where a regular driver is not required, and nor is there need for any consistency in the transport crew. Whilst still maintaining high quality through the specification and staff continuing to have a set standard of training, they will not require the enhanced training relevant only for home to school transport for children with special educational needs and disabilities. Journeys will be one off or for a short period of time.

The Council is committed to developing strategic relationships with suppliers and ensuring continuity in care and provision for children, young people and vulnerable adults accessing the service. A closed framework would also enable fixed mileage rates for the duration of the framework providing consistency in unit costs. The membership and terms of the framework will be fixed for the duration of the term there will be no scope to make material changes in the event that our requirements change or there is a change in our supplier market, without re-tendering the whole requirement.

12. Option 2: An Open Framework (Not recommended)

An open framework provides a maximum term of eight years and suppliers may be refreshed during the term of the open framework by re-opening and re-awarding. This option is particularly relevant to a developing market. Given ranking applies to this framework, it is expected many existing appointees would likely want to refresh their previous submission, both to ensure it maintains or improves their ranking and also their chances of being awarded a call-off contract. This creates further work initially for the appointee and for the authority in evaluation effort. The service requirements result in call-offs on an annual basis, and the complex nature of the residents supported through this framework require consistency in care and provision. Whilst this represents a potential positive new route for contracting authorities, given the infancy of the new Procurement Act and risk of complex assessment processes and disruption for this high profile, statutory service, it is not recommended this new approach is progressed at this stage.

13. Option 3: In house delivery model (Not recommended)

This option was discounted given the considerable increase in costs (forecasted at circa 20%), and lack of sufficient structure to accommodate such a model.

Whilst this option would give control to H&F over the direct line management of these employees and the delivery of the service operationally with greater flexibility to maximise utilisation of assets in the commissioning of arrangements, there is not currently a structure nor budget resources in place to accommodate these staff. Furthermore, bringing a taxi fleet in house would not be viable in view of the significant fleet and licensing responsibilities and considerable cost pressures of H&F holding the full cost of overheads which are otherwise spread across multiple authorities by outsourced providers. The council would not have sufficient economies of scale or resource to be able to meet the operational requirements of the service.

14. Option 4: Do nothing (Not recommended)

This would mean not having a service once the current framework has expired, which is not an option in light of the Council's statutory duties and the nature of services for various vulnerable client groups.

Market Analysis, Local Economy and Social Value

15. The market for taxi providers in London is mature and stable. Small and medium-sized enterprise will be open to tender for this opportunity. There are 14 providers on the existing framework. Providers actively recruit local residents as part of their commitment to social value as well as use of the local supply chain. These elements will be assessed via the TOMS Framework submissions under the technical envelope.

Risk Assessment and Proposed Mitigations

Category	Risk Description	Mitigation Activity
Tender	Pace of work required to deliver the objectives in time to finalise the procurement in time for mobilisation.	Appropriate officers will work closely together in the preparation of documents and Legal will review prior to release. A project group will be established to push through actions to ensure risk to service delivery is minimised.
Providers	Stakeholder engagement – risk of not having the right providers/ sufficient number to tender.	There are currently 14 providers on the existing framework. Find a Tender Service notices will be published. Low risk.
Resource	If key staff working on the project are unavailable at peak times to complete work, programme slippage in timelines is a risk as well as the quality documents available being negatively impacted.	A project board will be established with key stakeholders to drive forward actions. A risk register will be established and reviewed by the board.

Timetable

16. The indicative timetable of the competition process and milestones:

Milestone	Date
Key Decision Entry (Strategy)	8 April 2024
Children's Leadership Team	14 May 2024
Contracts Assurance Board (Strategy)	5 June 2024
Cabinet Member sign off	10 June 2024
Political Cabinet	15 July 2024
Cabinet	9 September 2024
Initial Conflict of Interest Assessment (<i>reviewed throughout at key stages</i>)	1 December 2024
Market Engagement Notice	1 December 2024

Publish Tender Notice to the Central Digital Platform before publishing locally.	20 January 2025
Commencement of Tender Clarification stage	20 January 2025
Closing date for clarifications	2 February 2025
Clarification responses issued	3 February 2025
Closing date for submissions	19 February 2025
Evaluation of Tenders	24 Feb-14 March 2025
Key Decision Entry (Award)	24 Feb 2025
CAB (Award)	16 April 2025
SLT/Cabinet Member (Award)	28 April 2025
Issue assessment summary	6 May 2025
Publish contract award notice	6 May 2025
Standstill period	6 May 2025
Contract engrossment	1 June 2025
Publish Contracts Detail Notice	2 June 2025
Framework mobilisation and implementation	June-August 2025
Framework Commencement date	September 2025

Selection and Award Criteria

Procurement Process Stage 1: Compliance

17. Each tenderer will need to achieve a minimum level of acceptability as defined by H&F's compliance standards relating to matters such as financial and economic standing, insurance, health and safety and technical ability.
18. The Council has set standards for economic and financial standing based on the tenderers financial accounts that bidders should meet. These standards are set to reassure the Council that, if awarded contracts, suppliers are financially sustainable throughout the lifetime of the contract.
19. Where one or more of these criteria is not met, the Invitation to Tenderers will advise them that the Council can, if it wishes, use its discretion to pass a tenderer who fails to meet the above criteria, where it is assessed that there are sufficient mitigating circumstances.

Procurement Process Stage 2: Quality

20. The technical quality stage will consist of a number of questions in key areas of the service requirements.
21. Quality will be ensured by designing detailed questions which list every aspect of the requirements that tenderers will be expected to reference. In addition, the procurement will have a robust scoring criterion of 0 – 5 with the requirement to achieve a minimum score of two to pass or otherwise be eliminated from the process.
22. The Evaluation Panel will consist of Council Officers and external stakeholder partners. Officers will include Commissioners, Travel Care and Support team

members, a parent/carer representative, and a head teacher from a local Special Educational Needs school subject to signing a confidentiality agreement.

23. There will be a total of 10 quality questions for each Lot, for an assessment of areas including:
- general requirements
 - implementation and mobilisation (Regular and Scheduled provision only)
 - rapid response and reaction (Ad-hoc provision only)
 - communications and relationships
 - operating requirements
 - staff competence and checks
 - vehicles
 - safeguarding
 - performance, risk management and quality assurance
 - social value
24. An outline scoring matrix is included below.

Criteria Regular Journeys	Marks
Minimum Standards: Compliance of bid Insurance levels Turnover Suitability to pursue the professional activity Experience and technical capacity	Pass/fail
Quality <ul style="list-style-type: none"> • general requirements (5%) • implementation and mobilisation (Regular and Scheduled provision only) (5%) • communications and relationships (5%) • operating requirements (5%) • staff competence and checks (10%) • vehicles (10%) • safeguarding (12%) • and performance, risk management and quality assurance (15%) Social value (33%) assessed as following: <ul style="list-style-type: none"> • Social Value Quantitative (16.5%) • Social Value Qualitative (16.5%) 	60%
Cost	40%
Total possible marks	100%

Criteria Adhoc Journeys	Marks
Minimum Standards: Compliance of bid	Pass/fail

Insurance levels Turnover Suitability to pursue the professional activity Experience and technical capacity (including Safeguarding)	
Quality <ul style="list-style-type: none"> • general requirements (5%) • implementation and mobilisation (Regular and Scheduled provision only) (5%) • communications and relationships (5%) • operating requirements (5%) • staff competence and checks (10%) • vehicles (10%) • safeguarding (12%) • and performance, risk management and quality assurance (15%) Social value (33%) assessed as following: <ul style="list-style-type: none"> • Social Value Quantitative (16.5%) • Social Value Qualitative (16.5%) 	40%
Cost	60%
Total possible marks	100%

25. The proposed evaluation criteria will be based on:
- Regular Journeys: 60% for quality and 40% for price.
 - Ad hoc journeys: 40% and 60% for price.
26. The Contract Standing Orders (para 37) recommend a quality:price ratio of 60:40 as a standard. It is however proposed to deviate from this for ad hoc journeys. This commissioning exercise has a number of specific quality criteria that bidders are required to pass to proceed in the tender process. Given the focus on quality through the procurement process, a robust mobilisation and communication plan, social value, high quality specification and continued funding of the Travel Care and Support Team to effectively manage the contracts, the 60:40 ratio will deliver a safe and appropriate service that maintains current quality standards.

Contract Management

27. Contract management will be the responsibility of the Children's Services Commissioning function, responsible for ensuring the contract is effectively managed.
28. The Council will:
- Hold regular Provider Review Meetings.
 - Have oversight of provider activity, compliance, and performance.

- Act as mediator to support both families, schools, and providers.
 - Be available for contract advice and queries.
 - Undertake KPIs & monitoring.
 - Ensure that all issues of concern are escalated, and decisions made in a timely fashion.
29. To minimise the impact of inflation on Council budgets, new clauses have been drafted which state that any adjustment linked to CPI inflation shall not exceed 3% per annum. It is recognised that in some circumstances inflation for some cost elements may exceed the 3% and the Contractor shall be permitted to submit an annual price review request on an open book basis. Any agreement to price increases over and above 3% per annum shall be at the complete discretion of the Council.

Equality Implications

30. The report seeks to maintain the current service specification. There are no direct negative impacts anticipated on protected groups under the Equalities Act 2010.

Risk Management Implications

31. The procurement of this service will ensure the continued delivery of this statutory service to residents and is in line with the objective of being ruthlessly financially efficient. Given the vulnerability of many of the users and higher duty it places upon the Council it will be important to seek and retain evidence of roadworthiness of vehicles, general compliance with operator H&S requirements, vetting and driver's licence checks for operatives and that adequate insurance is being maintained. Officers have undertaken a risk assessment and set out the key risks and mitigations in the report.

Jules Binney, Risk and Assurance Manager, 25 April 2024

Climate and Ecological Emergency Implications

32. The Council is committed to delivering a net zero carbon borough by 2030, including transport used locally, and expects all fleets used within its contracts to be zero carbon before this date. The providers' approach to meeting this commitment and expediting where appropriate will be assessed as part of the Quality stage of the procurement process. This question will be weighted at 10% of the envelope. The service specification will stipulate that contractors will be required to increase the proportion of electric vehicles used to provide the service over the duration of the contract period, aiming for a minimum of 50% of journeys to be by electric vehicle from January 1st, 2027.

Approved by Hinesh Mehta, Assistant Director Climate Change, 21 April 2024

Local Economy and Social Value Implications

33. It is a requirement that all contracts let by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. The evaluation of social value should account for a weighting of 20% of the overall score. Officers have reflected this in the proposed evaluation criteria detailed within this report in paragraph 24.
34. It is recommended that the commissioner works closely with Legal Services to ensure appropriate social value clauses are included in the contract, so that the council can enforce its right to remedies if social value commitments are not delivered.

Paul Clarke, Social Value Officer, 9 April 2024

Consultation

35. The current travel care provision was designed with extensive consultation and engagement with stakeholder including children, parents, schools, adult service users, day centres and parent / service user representative groups.
36. Parents and families will continue to be engaged throughout the procurement process and during the mobilisation of the new contracts.

LIST OF APPENDICES

None