



Cabinet

12 NOVEMBER 2012

**CABINET MEMBER
FOR COMMUNITY
CARE**

Councillor Marcus Ginn

**NEW VEHICLES FOR ADULT SOCIAL CARE
PASSENGER TRANSPORT HOME TO DAY CARE
CENTRE SERVICES**

**Wards:
All**

The Council transports a daily average of 80 vulnerable adults from home to Day Care Centre up to 7 days a week. The previous fleet of 7 lease/hired vehicles was becoming increasingly unreliable and there was a risk of their becoming un-roadworthy while in operation. Escalating vehicle down time for repair and maintenance was leading to increasing concern that there could be a serious service failure because of insufficient vehicles to meet essential front-line service needs. Adult home to day care centre transport is, along with Children's SEN home to school transport, currently within scope of a tri-borough procurement being led by WCC. However, due to unexpected delay in tendering this wider contract, H&F urgently needed an interim arrangement for 6 new vehicles to ensure service continuity until the wider tri-borough contract is in place.

A separate report on the exempt Cabinet agenda provides exempt information about the market testing exercise and its outcome and recommends the approval of a contract for leasing new vehicles.

CONTRIBUTORS

EDASC
EDFCG
DoL

Recommendation:

That the Council's Contract Standing Orders in relation to tendering requirements for contracts valued at over £100K be waived in respect of this procurement.

**HAS AN EIA BEEN
COMPLETED?
N/A**

**HAS THE REPORT
CONTENT BEEN RISK
ASSESSED?
YES**

1. BACKGROUND

- 1.1. A daily average of 80 vulnerable adults who have an Assessed Need are transported, up to 7 days a week, from home to day care centres, where they receive a range of adult social care services. There is a high level of dependency on the day care centre services – and on there being a safe efficient transport service to and from home and the centres - among service users, and their carers and families.
- 1.2. Along with Children’s Special Educational Needs home to school transport, the adults transport service is part of a tri-borough special needs passenger transport procurement being led by Westminster City Council. Due to the level of detailed information required the imperative of accurately mapping future need, and the complexities of getting a tri-borough pricing and payments mechanism right for all concerned, unexpected delay has occurred in this procurement.
- 1.3. The vehicles supplied by London Hire Ltd for the Children’s SEN service are relatively new and provided under a separate contractual arrangement; these are not compatible with adult passenger transport requirements. The 7 vehicles supplied by London Hire Ltd. for the adult’s service, however, were old and reaching a critical condition in respect of reliability and roadworthiness. The original contract period for the adults’ vehicles has ended and the Council has rolled forward the existing arrangement on a temporary basis in order to maintain service continuity until the new tri-borough contract is in place.
- 1.4. However, now that the original timescale for the tri-borough review has slipped, this - coupled with the fact that the adults’ fleet became increasingly unreliable in terms of roadworthiness – led to a growing concern that the Council might not have sufficient vehicles to meet service needs on certain days.
- 1.5. Given the urgency in preventing a serious service failure that would adversely affect vulnerable residents, and the reputational risk to the Council in the event of such a failure, officers undertook a market testing exercise to establish the costs of obtaining new vehicles as an interim measure, and to ensure a transparent competition in support of the process.
- 1.6. This report describes the outcome of the market testing, including the savings and enhanced service delivered as a result.

2. PROPOSED ACTION (RECOMMENDATIONS)

- 2.1. That the Council’s Contract Standing Orders in relation to tendering requirements for contracts valued at over £100K be waived
- 2.2. That retrospective approval is given to negotiate and enter into a contract as set out in the exempt Cabinet report.

3. PREVIOUS VEHICLE PROVISION

- 3.1 The previous vehicles providing the adults' service were between 5 and 7 years old; 3 of these vehicles had over 90,000 miles on the clock and most were frequently in need of running repairs to keep them on the road and, in turn, the required services in place.
- 3.2 The previous cost of leasing the 7 hire vehicles from London Hire was:
- £98,632.80 per annum;
 - £8,219.40 per month;
 - £1,174.20 per vehicle per month.
- 3.3 In addition, annual insurance costs of £2,000 per vehicle, and maintenance management charges paid to ELRS by ASC of £11,826.45, brought the total service provision cost for the 7 specially adapted mini-buses to £124,459 per annum.
- 3.4 In addition to the 80 or so daily passengers transported by the 7 specially adapted mini-buses supplied by London Hire, there is a further cost of £21,384 pa incurred by transporting one further service user who requires a larger than normal wheelchair. Unfortunately, the wheelchair lifts fitted to the previous 7 minibuses did not have sufficient width or payload to be able to safely accommodate this service user, for whom additional specialist transport from home to the day care centre and back is supplied by a different provider.
- 3.5 When the cost of the additional specialist vehicle is added to the cost of the 7 vehicles previously supplied by London Hire, the overall adults' transport cost is £145,843.
- 3.6 As part of the market testing described in the following section, officers were able to procure new vehicles that would enable the service user with the larger and heavier wheelchair to be safely transported along with the other service users, thereby saving spend on the additional specialist transport.

4. MARKET TESTING

- 4.1 An urgent market testing exercise, with the aim of securing a new fleet of good value for money vehicles for the adults' service, was carried out and led by the Council's Depot Transport Manager, in consultation with the Operations Manager for Adult Social Care Provided Services.
- 4.2 A technical specification stating vehicle requirements was produced (attached as Appendix 1 to this report) against which four suppliers were invited to provide prices and proposals. The specification made clear that the vehicles to be supplied needed to be new, not second-use. The suppliers contacted and invited to submit prices and

proposals, and the results of the market testing, are set out in the exempt report:

5. RISK MANAGEMENT

- 5.1. This requirement is to be included on the ASC Department Contracts, Projects, Risk Register.
- 5.2 A risk log is prepared which identifies and categorises risks associated with this requirement and proposes actions to mitigate any identified risks. Identified risks are managed by the Service Managers in accordance with agreed actions.

6. EQUALITY IMPLICATIONS

- 6.1 An assessment of impact on equality groups for inclusion in respect of the recommendations outlined in this report is not required as there will be no impact on service users as a result of this report.
- 6.2 In order for the majority of service users (older persons with disabilities e.g. learning difficulties, dementia etc.) with an assessed need to attend the Centres, a transport service to and from home to the Day Centre is required.
- 6.3 Without the availability of a reliable, roadworthy fleet of vehicles, there would not be the required continuity of service which would then lead to potential social isolation and/or an increase of services within the service users' home to enable them to remain in the Community.
- 6.4 The required lease/hire of a new fleet of vehicles will provide the service with the necessary reliable, roadworthy vehicles to offset any potential social isolation and/or increases in alternative service provision in the user's home.
- 6.5 The new vehicles will enable the service areas to accommodate users with an assessed need as a result of the tail lift width and payload of same being wider and stronger than on the current vehicles as well as affording service users more space and comfort on board the intended vehicles.

7. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

- 7.1. The budget available for this contract for the 15 month period (1 June 2012 to 31 August 2013) is £182,304, which is held within the ASC Operations and Providers Services transport budgets. The contract costs are £159,700, which results in a saving of £22,604.
- 7.2 The budgets and costs for the 2012/13 and 2013/14 financial years are apportioned between the years in the table below. Note that the full year effect figures are for illustrative purposes only as there will be no full year costs during the lifetime of this contract.

7.3 Further comments are in the exempt report.

8. COMMENTS OF THE DIRECTOR OF LAW

8.1 It is noted that, following the market testing described in paragraph 3 of this report, the Council has negotiated a spot hire contract with London Hire for the hire of 7 vehicles.

8.2 The value of the contract over a 15 month period is £139,500 which is under the threshold requiring full compliance with the Public Contract Regulations 2006.

8.3 However, contracts should still be procured in accordance with general EU treaty principles, including transparency, non discrimination and equal treatment and the Council's Contract Standing Orders. This generally requires an open, competitive process be undertaken, and the contract standing orders require that a minimum of 5 tenders or quotes are sought. As these requirements were not fully met a waiver of standing orders is requested under this report. The Transport of vulnerable adults and SEN children is a key service for the Council. Given the circumstances described in the report, and the need for continuity of service, it is in the Council's overall interest for a waiver to be granted and the hire of the vehicles from London Hire approved.

8.4 Under the terms of the contract with London Hire, the Council may Terminate the contract (and end the hire) at any time without financial Penalty. Legal services will work with the client department to draw up a formal contract incorporating the commercial terms agreed with London Hire.

9. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY

9.1 The Director for Procurement and IT Strategy has contributed to this report and supports the report's recommendations.

9.2 Whilst it is open to the Council to advertise the opportunity in accordance with Contract Standing Orders, it is unlikely to generate a lot of interest from the market given the limited contract period available and this has been borne out by the market testing exercise already undertaken. The Director supports the course of action to negotiate a 15 month contract with the current providers and notes this will result in overall improved value for money to the Council, taking into account cost and quality, and also provides helpful flexibility should the Council wish to terminate the arrangement early without incurring financial penalties. It is also worth noting that the Council's strategic procurement partner, Agilisys, will be undertaking a review of all the Council's transport fleet under the Council's Transforming Procurement Programme to identify further savings and ensure procurement practices reflect best practice.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	All vehicle and market testing related documents and papers (exempt)	Roy Finan, ext. 3225	ELRS, Transport Office, Bagley's Lane Depot
2.	All adult social day centre service related documents and papers (exempt)	Les Rhodes, ext. 3207	ASC Provided Services Bagley's Lane Depot
CONTACT OFFICER:		NAME: Stella Baillie EXT. 020 7361 2398	

Appendix 1: TECHNICAL SPECIFICATION

Requirements / Specification:

- 1) Mercedes LWB 513cdi Automatic Transmission Coach Built 16 seat Bus (New with full type approval)
- 2) 10 track floor to accommodate single seating on NMI quick release fixings
- 3) 4 x NMI Rear Impact Protection Seats
- 4) Full Climate Control
- 5) Underfloor Tail Lift with minimum dimensions; 925mm x 1510mm (400kg)
- 6) Full maintenance including 6 week inspections and road side assist within 1 hour and 2 hour repair or replace with Like for Like vehicle
- 7) On site "Like for Like" replacement vehicle
- 8) Anticipated hire period of 15 months providing flexibility to opt in to Tri Borough fleet options if desired without any early termination charges.