

Wiltshire Council

Cabinet

21 June 2022

Subject: Procurement of Passenger Transport Contracts

Cabinet Member: Cllr Dr Mark McClelland Cabinet Member for Transport, Waste, Street Scene and Flooding

Key Decision: Key

Executive Summary

Wiltshire Council spends around £31.3m per annum providing passenger transport services, of which around £27.4m is procurable spend. Passenger transport Contracts are procured using mini competitions through a Dynamic Purchasing System (DPS). A DPS is a type of framework but with the advantage of suppliers being able to apply to join at any time.

The current DPS is due to expire in September 2022 and this paper sets out why a DPS should continue to be adopted and how this might be achieved.

Proposals

It is recommended that:

- i. Cabinet agrees to the introduction of a revised Dynamic Purchasing System (DPS) as a platform for the procurement of passenger transport contracts.
- ii. Cabinet delegate the responsibility for the award of contracts onto the DPS to the Director for Highways & Transport in consultation with the cabinet member.
- iii. Start date of proposed DPS arrangement will be from 01 September 2022 with an initial end date of 31 August 2027 with an optional extension of 2 years bringing this to a total of 7 years ending 31 August 2029

Reason for Proposals

To ensure that Wiltshire Councils passenger transport contracts can be procured in an efficient and transparent manor, whilst maximising the market and potential cost savings.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

21 June 2022

Subject: Procurement of Passenger Transport Contracts

Cabinet Member: Cllr Dr Mark McClelland Cabinet Member for Transport, Waste, Street Scene and Flooding

Key Decision: Key

Purpose of Report

For Cabinet to agree to the tender of a new Dynamic Purchasing System (DPS) for the procurement of passenger transport contracts.

Relevance to the Council's Business Plan

Contracts introduced through passenger transport activity contribute to all of the key elements of the Councils business plan, including:

A thriving economy:

- Support the local economy by making it easy and affordable for workers, shoppers and visitors to access local centres and facilitate development growth by helping to facilitate the planned housing and employment growth set out in the Wiltshire Core Strategy. This will likely take the form of a regular internal working group from all areas of the Place Directorate to ensure that public transport is being considered when developing schemes in a more joined up approach.
- Improve journey time reliability for road users by removing some car trips from the highway network and therefore reducing congestion and delays.

Empowered People & a Resilient Society:

- By ensuring improved access to public transport is introduced, social mobility will be improved, and elderly and more vulnerable members of our community can live independently for longer reducing pressure on social care services.
- Enable local groups to operate community and voluntary transport schemes particularly to provide local access and safety net transport services to meet needs that cannot be effectively provided by other means, such as the Link schemes.
- Help support Community Rail Partnerships (CRP's) to improve stations and train services, by including Wiltshire's Rail operators and the CRP's in stakeholder discussions when considering public transport.

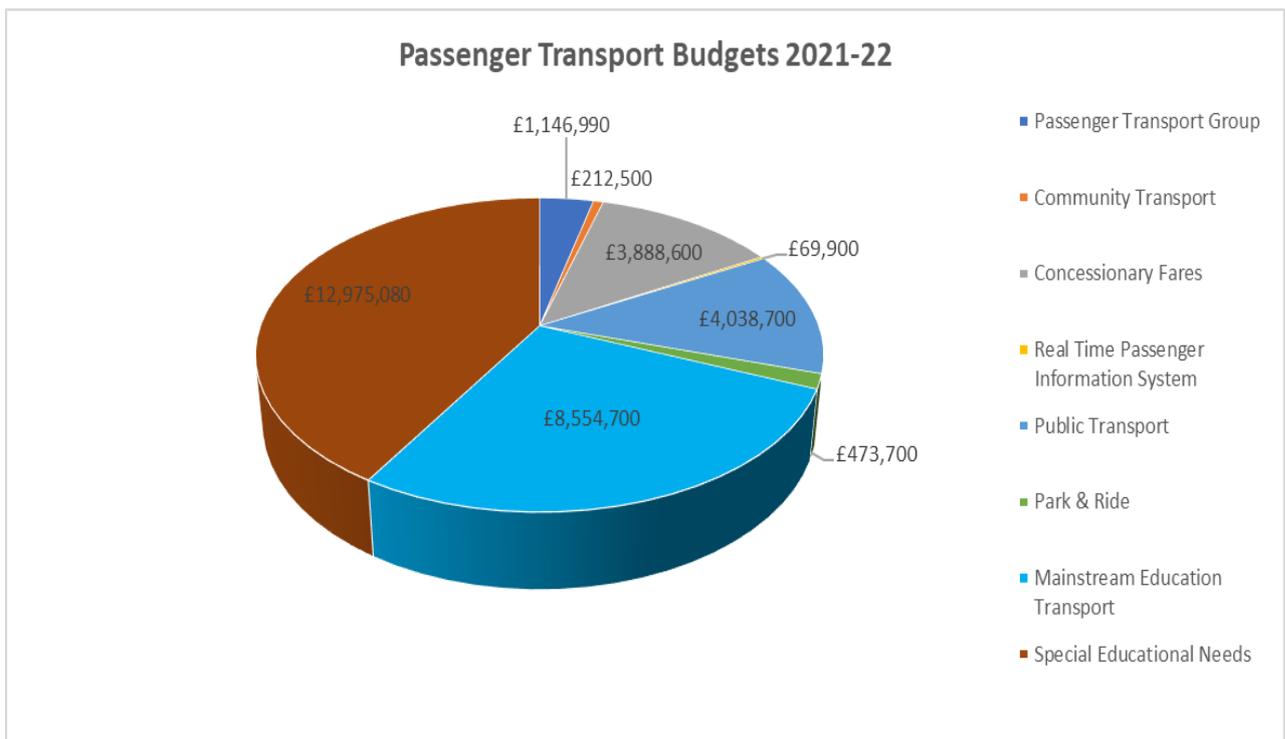
- Ensure that local communities have a much more significant say in how public transport is shaped and delivered in Wiltshire.
- Communities will have a significant voice when service delivery has not met their expectations.
- Provide access to key services and facilities for Protected Characteristics groups as defined by the Equality Act 2010.

Sustainable Environment:

- Enhance the built and natural environment by reducing greenhouse gas emissions and air quality pollutants from buses.
- By increasing the number of passenger trips made by public transport to 10% more than pre pandemic levels, this will contribute significantly to the Councils overall pledge for Wiltshire to be carbon neutral.

Main Considerations for the Council

Wiltshire Council spends around £31.3m per annum providing passenger transport services as per the graphic below, of which currently around £27.4m is procurable spend:



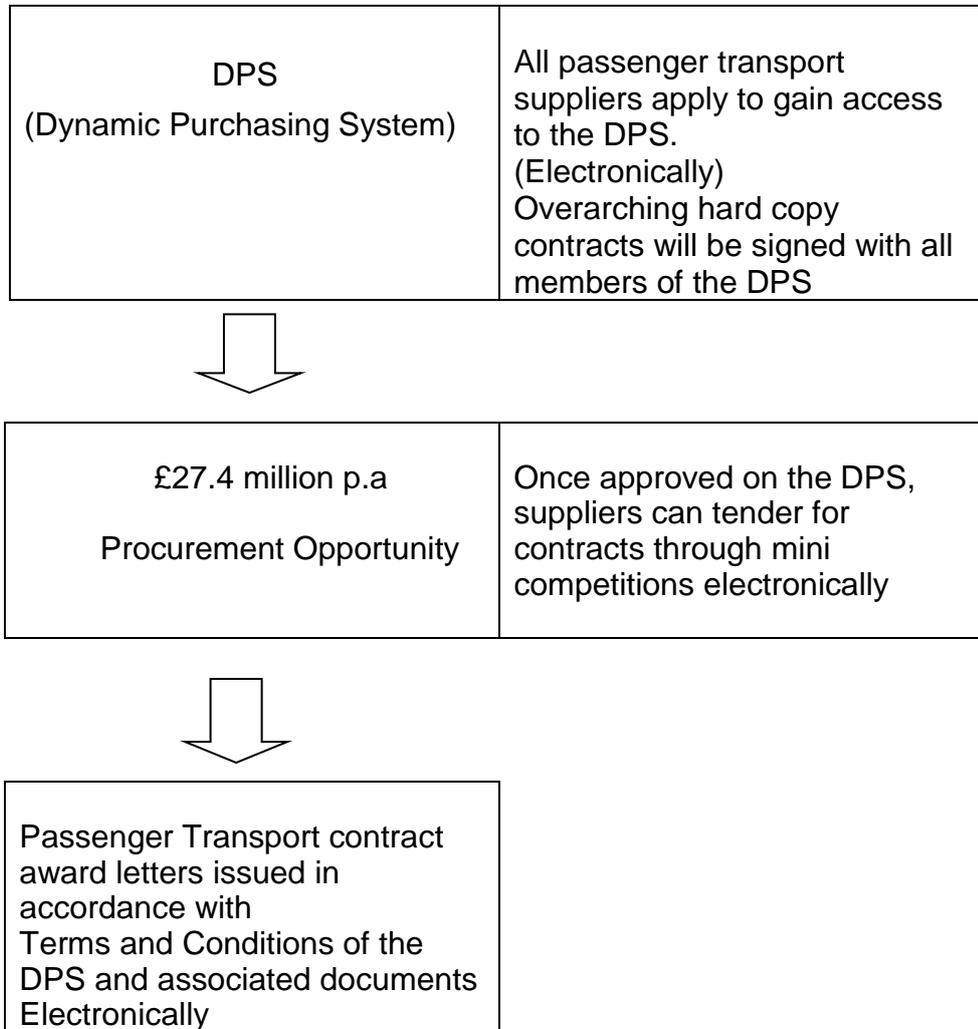
What is a Dynamic Purchasing System (DPS)?

A DPS is a procedure available under Public Contract Regulation’s 2015 (PCR) for contracts for works, services and goods commonly available on the market.

A DPS must be established using a restricted procedure PCR2015 Reg 34-5 and you cannot limit the number of tenderers who qualify and should be open to any supplier who satisfies the selection criteria specified.

The successful supplier is then awarded a non-financial contract to join the DPS.

Once accepted onto the DPS all admitted participants will be invited to submit a tender for each mini competition. Examples of a mini competition might be a £10k contract for a home to school taxi, or the procurement of an entire network of home to school and public transport contracts at £15m. The below represents this diagrammatically.



The Passenger Transport Unit (PTU) currently utilise a DPS to tender and award contracts for all passenger transport arrangements via mini competitions and has done so for the past 5 years.

Wiltshire Council is seeking to continue using a DPS to:

- Ensure that Wiltshire Council is contracting with suppliers who can deliver services to the required standard
- Encourage new suppliers throughout the life of the DPS
- Reduce the timescales required when procuring services in line with PCR 2015 and the Councils Constitution
- Reduce internal administrative processes
- Establish a clear, open, and transparent procurement programme for all

- Allow suppliers to join the DPS at any time during its lifetime if they satisfy the selection criteria

What is being proposed?

The DPS will specify that Wiltshire Council may purchase around £32m per annum, over 7 years, so a total potential procurable spend of £240m.

The DPS will be open to all suppliers to apply and will remain open throughout its 7-year term.

It is not the intention of Wiltshire Council to preclude any suppliers from joining the DPS and, in fact it is hoped to increase the supplier base, as market competition around passenger transport is poor.

Transport suppliers will be invited to apply for entry onto the DPS, where they will be assessed for both their capacity and suitability.

The DPS will be split into 2 lots:

Lot 1 –: Passenger Transport Vehicles, >16 Seats

- Mainstream Home to School Transport.
 - Public Transport.
 - Demand Responsive Transport.
- (including E-auctions and season tickets)

Lot 2: Small and Specialist Vehicles <15 seats

- Special Educational Needs Transport
 - Post-16 Educational Transport
 - Adult and Child Social Care Transport
 - Demand Responsive Transport
 - Mainstream Home to School Transport
- (including E -auctions)

There will also be the facility to manage emergency procurement requirements for unforeseen terminations, or emergency new requirements.

Advantages of a DPS over traditional tendering methods

- A DPS is like a framework, in that it provides a pre-approved platform of suppliers, and also, allows new suppliers to join at any point.
- It is suitable for commonly used purchases, these characteristics of which are generally available in the passenger transport market
- A DPS allows buyers, such as Wiltshire Council, to continually expand their network of suppliers and welcome new businesses that can meet their changing needs.
- They help streamline procurement processes, provide greater flexibility, and speed up contract awards with a fully electronic route to market.

- A framework is much more restrictive with the application window and its frequency. Frameworks can only last for a maximum of four years.
- To become an approved and preferred supplier the tender documents are typically shorter and less work for a DPS.

Implementation

Supplier engagement meetings will take place to ensure they are fully aware of what they are expected to do to apply to the DPS. Officers will provide support to make this process as easy as possible, as it is not the intention of the Council to preclude suppliers who may not be familiar with this process.

The following are the key implementation points and proposed timescales:

Table A

<i>Issue ITT</i>	June-2022
<i>Tender Clarification Deadline</i>	17 June 2022
<i>Return of Final Tender Documents</i>	01 July 2022
<i>Evaluation of Tenders</i>	July 2022
<i>Post-Tender Meeting</i>	01 August 2022
<i>Internal review and approvals</i>	02 August 2022 – 15 August 2022
<i>Inform tenderers of outcome of evaluation process</i>	15 August 2022
<i>Standstill Period</i>	15 August 2022 – 25 August 2022
<i>Start of Contract Period</i>	01 September 2022

Relevant ongoing engagement with suppliers is required once the DPS is up and running, including the opportunity for suppliers to provide feedback via annual surveys, and sharing relevant statistics or data around how effectively the DPS is performing – likewise, ensure suppliers are kept up to date with changes in the process or system.

Overview and Scrutiny Engagement

There has been no requirement for engagement with Overview and Scrutiny

Safeguarding Implications

Within the Invitation to Tender (ITT) for the DPS it is very clear and upfront of Wiltshire Councils continued efforts to safeguard the Wiltshire populace. Below is an extract from the ITT:

All potential suppliers should fully understand and fully support Wiltshire Councils safeguarding policy:

“Wiltshire Council is committed to safeguarding all children, young people and vulnerable adults. We believe that all children, young people and vulnerable adults have an equal right to protection from abuse, regardless of their age, race, religion, ability, gender, language, background or sexual identity and consider the welfare of the child/ young person / vulnerable adult is paramount.”

“Transport suppliers will be expected to work with the Council by ensuring that Safeguarding is integral to the operation of all contracted Journeys.”

The terms and conditions of contract have been revised to include improved and more relevant safeguarding clauses. They also contain revised contract termination clauses to protect users of services and Wiltshire Council in the event of a serious safeguarding incident.

Public Health Implications

There are no public health implications from this proposal

Commercial and Procurement Team Implications

The Commercial and Procurement Team have been fully engaged throughout this process and we will continue to engage with them.

The Dynamic Purchasing System is being created (and will be managed) with the requirements set out in the Public Contract Regulations 2015 and Wiltshire Council’s Constitution.

Equalities Impact of the Proposal

There are no perceived impacts on equality from the tender of a revised DPS

Environmental and Climate Change Considerations

There are no perceived impacts on environment and climate change from the DPS.

There will however be a piece of work done to determine what environment and climate change considerations could be included in the mini competitions. This might be certain engine types, or zero emission vehicles for example.

Risks that may arise if the proposed decision and related work is not taken

- Potential new entrants to the market would be precluded from tendering should a framework approach be adopted
- Continued savings would not be achieved through reduced administration
- Reduced tender timescales would not be possible meaning reduced tender efficiency

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

The main barriers identified will be resourcing the tender. A dedicated staff member within the PTU will be allocated, but they will need to work in partnership with colleagues in legal and the SPH.

There are also concerns that some suppliers will have a limited knowledge of IT and what is expected of them to complete the tender exercise. Therefore, we will introduce the following:

- Face to face training available where required
- Tutorial videos
- Guidance documents provided and kept up to date with any changes
- Communications publicised regularly
- A dedicated superuser

Financial Implications

Having a DPS should help the Council with cost avoidance and may lead to ongoing savings throughout the period of the DPS:

- Having a DPS generally provides a lot more flexibility allowing new entrants at any time, stimulating competition, and reducing prices
- Once established, the automated nature of a DPS means that suppliers can bid for contracts without having to invest hours of valuable time in form-filling each time.
- Companies are no longer exposed to the costs and risk of investing days in putting together a tender proposal - only to keep losing out.
- Procurement savings can translate in lower prices.
- Contracts can be added, issued, and awarded faster.
- Crucially, the streamlined system also means that contracts can begin sooner – and be paid for faster, improving company cash flow.

Legal Implications

Legal Services are fully engaged in this process. Any procurement exercise should be conducted in accordance with the requirements set out in Part 10 of the Council's Constitution and therefore legal and procurement advice will need to be sought on the final tender pack before release and Legal Services will also be consulted to review the final contract documentation before execution.

Recommendation

It is recommended that:

- i. Cabinet agrees to the introduction of a revised Dynamic Purchasing System (DPS) as a platform for the procurement of passenger transport contracts.
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The following unpublished documents have been relied on in the preparation of this Report:

None