

COMMITTEE	Finance, Policy and Resources
DATE	20 <sup>th</sup> September 2017
REPORT TITLE	School and Social Work Transport Framework Agreement Extension
REPORT NUMBER	CHI/17/172
INTERIM DIRECTOR	Bernadette Marjoram
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**1. PURPOSE OF REPORT:-**

- 1.1 The purpose of this report is to seek approval to invoke the one year extension clause in the current Framework Agreement for the provision of school, college and social work transport

**2. RECOMMENDATION(S)**

- 2.1 It is recommended that the Committee:
- a) Approve the 1 year extension to the current Framework Agreement for the provision of call-off contracted School and Social Work Transport.
  - b) Approves the related estimated expenditure for the call off contracts, (of 4 year duration) to be entered into in respect of a) above as set out in Appendix 1 of this Report
  - c) Instructs the Interim Head of Planning and Sustainable Development to advise the committee on an annual basis of expenditure made within that year, and cumulative expenditure against initial estimate.

**3. BACKGROUND/MAIN ISSUES**

- 3.1 The Public Transport Unit (PTU) procures and manages the required school and social work transport services. In 2016 the PTU entered a framework agreement with 17 service providers, for the procurement of school and social work transport services following a tendering exercise.
- 3.2 The framework agreement was entered into for a period of 2 years (1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2018) with the potential to extend by a further year, as approved by the Finance, Policy and Resources Committee on 15<sup>th</sup> September 2015.

- 3.3 Currently a quarter of all school and social work transport specifications are re-tendered each year on a 4 year cycle, with each specification being awarded and contracted for up to 4 years through a call-off contract from the framework agreement. This allows for a managed workload and ensures that service providers can bid for new work each year. We also seek quotes for a number of ad-hoc call-off contract specifications throughout the year with due consideration being given to Best Value and service delivery.
- 3.4 The two year framework agreement term ends on 31<sup>st</sup> March 2018. The agreement has on the whole been successful in terms of ensuring transport requirements are met, transport costs have been managed and service providers have performed well.
- 3.5 Under the Procurement Reform (Scotland) Act 2014, implemented on 18 April 2016, lowest price is no longer allowed for contracts above £50,000 and Most Economically Advantageous Tender (MEAT) must be used and accordingly all contracts must be awarded on the basis of quality and cost.
- 3.6 At present we require a high level of minimum standards to be met prior to award onto the Framework Agreement and call-off contracts are awarded on the basis of lowest cost only, neither of which would satisfy the MEAT requirement. For all future tenders for both entry to the framework agreement and award of call-off contracts these will require to be evaluated in terms of both cost and a specific quality assessment.
- 3.7 In order to fully prepare for this change in tender evaluation for both the Council and prospective tenderers we are seeking to invoke the one year extension of the current Framework Agreement, so that the agreement remains in place up to 31<sup>st</sup> March 2019. The Commercial and Procurement Service have been consulted on this proposal and all service providers have agreed in principle to the one year extension.
- 3.8 In addition the PTU are currently working with the Commercial and Procurement Service (CPS) in identifying opportunities for shared and consistent tendering and contractual terms and conditions across the CPS remit of Aberdeen City, Aberdeenshire and Highland and establishing whether a more joined approach can be adopted. The one year extension further allows time for this consideration to take place.
- 3.9 It should be noted that the terms and conditions of the Framework Agreement contract make provision for the Council to terminate the agreement, with a one month notice period, should it find it advantageous to do so, for example if there were to be a change in school zoning or increases in pupil numbers, we can react without having to pay adversely high costs.
- 3.10 An internal audit report in 2014 noted that while contracts are awarded by lowest cost, this was not perceived to be of concern. The report noted that the awarding of contracts is assessed on value for money, as well requirements such as Licensing, Protection for Vulnerable Groups (PVG) checks, insurance and the road worthiness of vehicles. Checks are in place and consistently followed to seek assurance on the above requirements on a regular basis and efforts are made to increase competition among transport firms in the local

area and improved service delivery is actively encouraged. In addition, awarding on lowest cost has worked relatively well over the past few years. We have strong terms and conditions and an effective contract monitoring regime. Contract Monitoring Reports are completed on a 6 monthly basis and have highlighted a consistently satisfactory standard in transport. Therefore a further year of operating under this model will not be disadvantageous.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are currently a total of approximately 87 school and social work call-off contract specifications to award under the framework agreement in 2018 – 2019, the estimated value of which is detailed in Appendix 1. The cost of the new contracts would be met from existing budgets for school and social work transport.
- 4.2 The budget for school transport sits with Communities, Housing and Infrastructure and the budget for Social Work transport sits with the individual service, but transport spend is managed by the Public Transport Unit.

#### **5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

#### **6. MANAGEMENT OF RISK**

- 6.1 Financial - There is a risk that there is insufficient budgets to cover all the transport needs or if there is an increase in cost, which may result in the Council being unable to provide transport or requiring to absorb increased costs to Council. There is a low likelihood of this occurring given the current budget available, decreases to transport needs and based on the spend analysis over the last 5 years, in addition this will be reviewed on an ongoing basis with monitoring and analysis of spends and likely trends in spending to ensure the Council can react accordingly.
- 6.2 Employee - There is a risk that there is insufficient staff resource to deliver the services under contract. There is a low likelihood of this occurring and the workloads of Officers will be managed by the Interim Head of Planning and Sustainable to ensure service delivery is met.
- 6.3 Customer / citizen – There is a risk of harm to customers if a service provider does not provide a high quality of service. There is a low likelihood of this occurring as all contracts are stringently monitored and managed and any failings are addressed in line with terms and conditions of contract.
- 6.4 Legal – There is a risk that if any service providers no longer operate under the framework there will be insufficient provision to deliver the services required. There is a medium likelihood of this occurring and this will be mitigated through the ability to tender off of the framework agreement for low cost purchases if required or through the ability to dissolve the framework agreement and fully retender.

- 6.5 Reputational - There is a risk that if a service provider does not provide a high quality of service that this may impact on the Council's reputation. There is a low likelihood of this occurring as all contracts are stringently monitored and managed and any failings are addressed in line with terms and conditions of contract.
- 6.6 Environmental - There are no risks as a result of the recommendations of this report and no future risks foreseeable at the present time
- 6.7 Technological - There are no risks as a result of the recommendations of this report and no future risks foreseeable at the present time

## **7. IMPACT SECTION**

### 7.1 Economy

- 7.1.1 The Strategic Business Plan sets out the importance of sustaining a competitive economy with clear financial parameters which attracts people to invest, live, work and export from. By opening up contracts to competition ensures that businesses are able to operate and compete to provide essential services to the citizens of Aberdeen.

### 7.2 People

- 7.2.1 The provision of contracted school and social work transport links to the Community Plan vision of ensuring that all citizens have access to a range of transport options that reflect differing needs of age, gender, disability and income. The actions in the Action and Delivery Plan assist in the delivery of actions identified in the Single Outcome Agreement (SOA) 2013, in particular the Thematic Priority – Older People (*'Older people in Aberdeen have increased independence'*) and the Multi-lateral Priority – Integrated Transport (*'Aberdeen is easy to access and move around in'*) and the Underlying Principle – (A presumption for community based access to services – *'Services are accessible to all citizens in the ways which meet their needs'*).
- 7.2.2 The Equality Outcomes sets out that Children and young people with a disability and their families are supported and included enabling them to achieve their full potential and physical and social barriers are removed for those with a disability to access services and public space. The provision of transport to those in need is crucial in providing access to services.
- 7.2.3 This report may be of interest to the public in terms of a statutory service delivery. An Equalities and Human Rights Impact Assessment is not required as there are no changes to current practice or policy suggested.

### 7.3 Place

- 7.3.1 The Local Outcome Improvement Plan (LOIP) sets out that we will ensure people are resilient, included and supported when in need, in particular that people are supported when necessary and fully included in the life of the city and that people sometimes need others to support their achievement of a full,

active, safe citizenship. The provision of transport allows access to essential services such as school education and social care activities. Provision of transport to those in need will assist in delivering the Strategic Business Plan to focus on education including lifelong learning and nurturing a city of learning.

#### 7.4 Technology

There are no technological impacts as a result of recommendations to this report.

### 8. **BACKGROUND PAPERS**

N/A

### 9. **APPENDICES**

Appendix 1 – Proposed Spend and Budgetary Implications

### 10. **REPORT AUTHOR DETAILS**

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