

Procurement Title

Provision of Transport Services – Dynamic Purchasing System

Procurement Option

OJEU – Dynamic Purchasing System

New or Existing Provision

Existing – currently operating as a framework agreement with a contract end date 30 June 2019

Estimated Contract Value and Funding Arrangements

Approximately £14 million per annum, total value £140 million subject to inflation and demand changes.

Revenue funding managed by the Integrated Transport Service.

Contract Duration

The Dynamic Purchasing System (DPS) will be open for a period of up to ten years and three months, commencing on or around 1 April 2019 to 30 June 2029.

Individual service contracts awarded through the DPS will vary in length dependent upon service user requirements. Maximum contract length is typically two years.

Lotting

The DPS will be split into a number of Lots. The Lots are determined by vehicle type (e.g. wheelchair accessible vehicle) and size, as well as contract termination period (certain routes require the ability for the Council to terminate at short notice due to changes in requirements).

An overview of Lots is provided below:

Lot 1: Wheelchair Accessible Vehicle.

Lot 2: Vehicles with between 4 and 8 passenger seats.

Lot 3: Vehicles with more than 8 passenger seats (PSV buses).

Lot 4: Vehicles with between 4 and 8 passenger seats. Short termination period (e.g. 2 days).

Lot 5: Vehicles with more than 8 passenger seats (PSV buses). Short termination period (e.g. 2 days).

Lot 6: Ambulance.

Lots 1-5 will be further sub-divided into geographical area (e.g. North, East, South & Central, and Out of County).

Evaluation

A DPS has two stages of evaluation:

Stage One invites suppliers to submit applications to join the DPS. The application process assesses a potential supplier against a series of exclusion and selection criteria in the form of a supplier selection questionnaire (SQ). Under the Public Contracts Regulations 2015, every supplier that passes the SQ must be admitted onto the DPS for the relevant lot or lots which they applied for and where they met the criteria.

Stage Two is the evaluation of mini-competitions for individual service contracts (routes).

All suppliers that have passed Stage One are invited to submit a bid for route(s) as and when they are tendered. Only suppliers appointed to the applicable Lot may bid for the route. Mini-competitions will be evaluated on a lowest price basis using an auction format where there is healthy competition (i.e. a reasonable number of suppliers likely to bid for the route). It is expected the vast majority of mini-competitions will follow this format, although there may be some instances (such as rural routes with limited competition) where a request for quote format will be better suited. The council will also reserve the right to evaluate using a most economically advantageous tender (MEAT) if it is deemed necessary to do so in any particular instance during the lifetime of the DPS (for example if there are special circumstances that require the council to assess a suppliers service offering as opposed to just accepting lowest price).

Due to the nature of the supply base (many SMEs and sole traders) and the way routes are tendered (i.e. mini-competition based on lowest price), social value is not incorporated into the evaluation.

Contract Detail

Integrated Transport Service (ITS) plan and procure council commissioned accessible transport services for children and vulnerable adults to and from various establishments within and outside of Lancashire, using a mixture of the council's own fleet of Travelcare vehicles and private contractors.

Service users are from some of the most vulnerable groups in Lancashire and may have learning difficulties, visual impairment, and behavioral, emotional and social difficulties. Categorisations of service user include Special Education Needs (SEN), Adult Services, Mainstream Home to School Taxi Services, Pupil Referral Units (PRUs) and some discretionary transport. Some service users require Passenger Assistants, parents, school staff, or nurses to accompany them on journeys.

Accessible transport services may be required to run on a daily, weekly, or fortnightly basis depending on service user requirements, to transport service users from within and outside of Lancashire to various sites throughout the county including, SEN schools, mainstream schools, colleges, respite care, day care, and short stay establishments.

There are approximately 1100 contracts that are competed annually. These are sometimes competed multiple times due to supplier failure (e.g. handing the contract back as it is not sustainable), or lack of bids. The net effect is approximately 1350 mini-competitions may be issued in any given year.

This procurement initiative is to develop a dynamic purchasing system (DPS) for ITS which will replace the two framework agreements currently in place that are due to expire 30 June 2019. These two frameworks can be summarised as follows:

- **Wheelchair:** approximately £3million p.a. 64 suppliers, 223 service users.
- **Non-wheelchair:** approximately £11million p.a. 266 suppliers, 2628 service users.

The DPS will be opened up to suppliers for application on or around 1 April 2019, and will be open for a period of up to 10 years and 3 months to 30 June 2029.

Mini-competitions are to be competed from the DPS from 1 July 2019, upon expiry of the current frameworks.

The DPS will be structured into a number of categories (Lots) as described earlier in this report. Suppliers may apply to join the DPS at any time during the term of the DPS.

To be accepted onto the DPS, suppliers will be required to meet minimum selection criteria and vehicles must comply with relevant statutory requirements, including but not limited to, the Road Vehicles (Construction and Use) Regulations 1986 (as amended). Suppliers will be required to provide documented evidence, including the appropriate operator licences, insurance and policies and procedures to be admitted onto the DPS, and the council may upon request and throughout the lifetime of the DPS require suppliers to provide this evidence to confirm validity.

Individual routes are developed by ITS Area Managers and are let as individual service contracts. These are tendered by way of a mini-competition between the appointed suppliers to the relevant Lot (and area where applicable) on the DPS.

Mini-competitions will usually be evaluated on a lowest price basis using a reverse e-auction or request for quote format. The Council will also reserve the right to compete routes using a most economically advantageous tender (MEAT) if it so wishes to in future.

Utilising a DPS approach for the service will allow for a substantial, varied and flexible supply base to be built up over time. This will help increase competition for routes and drive better value for the council over the longer-term, whilst meeting the council's key objective of providing a safe and reliable passenger transport service.