

# Finance and Resources Committee

10.00, Thursday, 1 December 2016

## Approval to Award Contracts for Unmet Taxi Demand Full & Interim Surveys

Item number	7.11
Report number	
Executive/routine	
Wards	All

### Executive Summary

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The Civic Government (Scotland) Act 1982 Act gives the Council (as Licensing Authority) the power to limit the number of Taxi licences in operation within the City. In order to maintain this limitation the Council requires to be satisfied that there is 'no significant demand for the services of taxis in their area which is unmet'.

To keep the position as to whether there is no significant unmet demand under review, every three years, the Council commissions a full demand survey report from an experienced transport consultant as well as regular interim surveys to be carried out in the period between the full survey reports.

This report seeks the approval of the Committee for the award of contracts for the delivery of both a full taxi demand and interim surveys.

### Links

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Coalition Pledges	<a href="#">P30</a>
Council Priorities	<a href="#">CP13</a>
Single Outcome Agreement	<a href="#">SO1</a>

# Finance and Resources Committee

## Approval to Award Contracts for Unmet Taxi Demand Full & Interim Surveys

### 1. Recommendations

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It is recommended that the Committee:

- 1.1 Approves the award of a contract for delivery of one full taxi demand survey in 2017 to CH2M Ltd; and
- 1.2 Approves the award of a contract for delivery of interim taxi demand surveys during 2017 to 2018 with an option to extend for up to 24 months to Vector Transport Ltd.

### 2. Background

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- 2.1 The Civic Government (Scotland) Act 1982 Act gives the Council (as Licensing Authority) the power to limit the number of Taxi licences in operation within the City. The Council has previously resolved to use this statutory power to restrict the number of taxi licences issued. The current numbers limitation is 1316 taxis. Where a numbers limitation policy is in place the council requires to keep the policy under review in order to be satisfied that there is no significant unmet demand for taxis within the City.
- 2.2 The Regulatory Committee of the Council last reviewed and reaffirmed the policy on limitation of taxis within the City in May 2013. The previous practice of the Council has been to commission a full survey report from an experienced transport consultant approximately every three years. The Regulatory Committee at that time instructed that both full and interim taxi demand surveys should continue and be carried out by an independent body on behalf of the Council.
- 2.3 When dealing with legal challenges from applicants who have been refused taxi licences based on policies to restrict taxi numbers, the courts have held that a Council requires to be aware of the current demand for services of taxis within its area and that there is no significant unmet demand for these services at the time of consideration of an application for a taxi licence. Consequently, regular interim surveys are carried out between the major three-yearly reports.
- 2.4 The full demand survey will be used to allow the Regulatory Committee to review the current policy and determine if the number of licences currently issued needs to be altered. The interim surveys will be used to assist the Licensing Sub-Committee, in addition to the full demand survey, when determining any individual applications for Taxi Licences that the Council receives.

### 3. Main report

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- 3.1 The overall objective is to provide both full and interim surveys of demand for taxis in Edinburgh, in order to that the Council (as Licensing Authority under the Act) can be satisfied that there is no significant unmet demand for taxis in terms of the statutory requirements set out at Section 10(3) of the Civic Government (Scotland) Act 1982.
- 3.2 A procurement exercise was undertaken in order to appoint suppliers to service this requirement.
- 3.3 The requirement was divided into the following two Lots:
- Lot 1 – Full Demand Survey
  - Lot 2 – Interim Surveys
- 3.4 The contract opportunity was advertised on Public Contracts Scotland portal and two Companies tendered for each Lot.
- 3.5 The evaluation of tenders included an emphasis on quality, as well as price, with 60% of the overall evaluation score allocated to quality and 40% of the overall evaluation score allocated to price. This cost: quality ratio was assigned to ensure that those tendering were able to deliver the key tasks as required.
- 3.6 The quality analysis was based on answers provided in response to weighted Award Criteria Questions with responses to these questions being scored 0 to 4 as per the scoring matrix included in the published Invitation to tender documents.
- 3.7 Following completion of the quality analysis, tenders were subject to a cost analysis. The cost analysis established the full price of tenders, considering responses to the Pricing Schedule. The lowest priced bid was allocated the 40% weighting. All other bids were scored on a pro-rated basis against the lowest priced bid.
- 3.8 Scores from the quality analysis were then combined with the scores from the cost analysis to reach a combined score and ranking for each tender submission.
- 3.9 Tenderers individual scores for each Lot are as below:

#### **Lot 1 Full Demand Survey**

<b>Company</b>	<b>Quality Score</b>	<b>Price Score</b>	<b>Combined Score</b>
CH2M	58.50	25.90	84.40
Tenderer 2	40.50	40.00	80.50

## Lot 2 Interim Surveys

Company	Quality Score	Price Score	Combined Score
Vector Transport	43.50	40.00	83.50
Tenderer 2	51.75	14.98	66.73

### 4. Measures of success

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- 4.1 The Council complies with its statutory obligations as a licensing authority under the Civic Government (Scotland) Act 1982.
- 4.2 The Council will maintain a robust procedure for assessing demand for taxis in order to ensure that the numbers of taxis available demonstrates there is no significant unmet demand for taxis within the City of Edinburgh.

### 5. Financial impact

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- 5.1 The cost for the Full Demand Survey (Lot 1) will be £19,990.
- 5.2 The cost for per Interim Survey (Lot 2) will be £3,743 which will amount to a total of £26,201 (if the contract is used for the full period including extensions and the estimated seven interim surveys are undertaken during that period).
- 5.3 A total saving of £59,600 will be achieved across both Lots if the contracts are used for the full period including extensions considering previous costs from these services.
- 5.4 The costs associated with carrying out the research are contained within the income from taxi licence fees and does not impact the revenue account.
- 5.5 The costs associated with procuring this framework agreement are estimated at up to £10,000.

### 6. Risk, policy, compliance and governance impact

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- 6.1 The monitoring delivered by the contracted service is required to allow the Council to maintain and review the current policy of limiting the number of taxis licensed in Edinburgh.
- 6.2 The contracted service should reduce the risk to the Council from any legal challenge to the current numbers limitation policy or determination of any individual taxi licence application.

## 7. Equalities impact

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It is considered that there is no equalities impact as a result of this report.

## 8. Sustainability impact

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- 8.1 The Council has considered its obligations under the Climate Change (Scotland) Act 2009. Neither the content of this report nor its recommendations are anticipated to have any negative impact on sustainability.

## 9. Consultation and engagement

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- 9.1 The Council's Commercial and Procurement team have been consulted during the preparation of this report to ensure compliance with the procurement regulations and the Council's Contract Standing Orders.

## 10. Background reading/external references

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- 10.1 [Scottish Government Taxi and Private Hire Car Licensing: Best Practice Guidance for Licensing Authorities](#)

**Paul Lawrence**

**Executive Director of Place**

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## 11. Links

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<b>Coalition Pledges</b>	P30 - Continue to maintain a sound financial position including long-term financial planning
<b>Council Priorities</b>	CP13 - Transformation Workforce Citizen & partner engagement Budget
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all
<b>Appendices</b>	Appendix 1 - Summary of Tendering and Tender Evaluation Processes

## Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract Name	Unmet Taxi Demand Full & Interim Surveys		
Contract period	Lot 1 – Single Full Demand Survey undertaken during 2017 Lot 2 - 2 years with the option to extend for a further 24 months at the Council’s discretion.		
Estimated contract value	£46,191.00		
Governing UK Regulation	Public Contracts (Scotland) Regulations 2015		
Standing Orders observed	3.1 Director has responsibility for all Contracts tendered and let by their Directorate  5.1 (b) Tenders evaluated on basis of most economically advantageous criteria		
Tenders returned	Lot 1 – 2  Lot 2 – 2		
Tenders fully compliant	Lot 1 – 2  Lot 2 – 2		
Name of recommended suppliers	Lot 1 - CH2M Ltd  Lot 2 - Vector Transport Ltd		
Primary criterion	Most economically advantageous tenders to have met the technical specification with the following Price : Quality ratio - 40% Price : 60% Quality		
Evaluation criteria and weightings	<b>Question</b>	<b>Weighting</b>	
	1. Approach	30%	
	2. Methodology	30%	
	3. Proposed Team	15%	
	4. Business Continuity	15%	
	5. Community Benefits	10%	
Evaluation Team	<ul style="list-style-type: none"><li>• Andrew Mitchell, Community Safety Senior Manager</li><li>• Isla Burton, Trading Standards Officer</li><li>• Catherine Scanlin, Licensing Manager</li></ul>		
Consideration as to procurement methodology and processes to ensure SME friendly	The requirement was split into two Lots in order to facilitate potential participation in the procurement process by small and medium sized enterprises, voluntary and community groups, social enterprises, charities and local businesses.		