

# Finance and Resources Committee

10.00am, Thursday, 23 May 2019

**Award of Taxi Fare Reviews 2019-2022. Mini Competition under the Scotland Excel Consultancy Framework Agreement for Engineering and Technical Consultancy Services Lot2 Transportation and Traffic.**

Executive/routine  
Wards  
Council Commitments

## 1. Recommendations

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1.1 That Committee:-

- 1.1.1 Approves the award of contract to Jacobs UK Limited to carry out reviews of the taxi fare tariff in Edinburgh for the next three taxi tariff reviews which are to be undertaken at eighteen month intervals or at shorter intervals if required starting from 3 June 2019 until 31 August 2022.

**Paul Lawrence**

Executive Director of Place

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## **Award of Taxi Fare Reviews 2019-2022. Mini Competition under the Scotland Excel Consultancy Framework Agreement for Engineering and Technical Consultancy Services Lot2 Transportation and Traffic.**

### **2. Executive Summary**

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- 2.1 This report seeks approval to award of contract to Jacobs UK Limited to carry out reviews of the taxi fare tariff in Edinburgh for the next three taxi tariff reviews which are to be undertaken at eighteen month intervals or at shorter intervals if required starting from 3 June 2019.
- 2.2 The total estimated contract value over the term of the contract is £32,915 and prices will remain fixed.

### **3. Background**

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- 3.1 The Council is the licensing authority responsible for licensing taxis and private hire cars in terms of the Civic Government (Scotland) Act 1982. In terms of Section 17 of the said Act, the Council must fix maximum scales for the fares and other charges in connection with the hire of a taxi. This contract will support the duties established by Section 17(2) of the said Act (as amended by Section 174(3) of the Criminal Justice and Licensing (Scotland) Act 2010) where the Council has to review these scales on a regular basis. The Council must fix scales within 18 months beginning with the date on which the scales came into effect. In carrying out a review, the Council is required to consult with persons or organisations appearing to it to be, or to be representative of, the operators of taxis operating within its area.
- 3.2 The Second Edition of the Scottish Government's Licensing of Taxis and Private Hire Cars Best Practice Guidance for Licensing Authorities, issued in April 2012, refers Councils carrying out taxi fare reviews to pay particular regard to advice contained in paragraphs 2.34 – 2.37 of Scottish Development Department Circular 25/1986:

“The Secretary of State expects that in fixing fares authorities will want to pay primary regard to the costs incurred by the trade, having regard to the capital costs (including interest payments) of the vehicles, the costs of maintaining and replacing them to the standards required by the licensing authority, of employing drivers and the prevailing level of wages and costs in related road transport industries. In the

Secretary of State's view the public interest is better served by ensuring that the maintenance of an adequate taxi service by giving the trade a fair return, than by depressing fares for social reasons, however understandable."

- 3.3 Once the Council makes a decision on setting taxi fare scales, taxi operators have a right of appeal to the Scottish Traffic Commissioner. The Commissioner does not issue general guidance to Councils in reaching decisions. The Commissioner considers each appeal on its own merits, but decisions indicate that (1) Councils should base decisions, as far as possible, on objective evidence, (2) there is no single "formula" which can produce an exact fare scale, but there must be an attempt to ensure that changes in operating costs are properly taken into account.
- 3.4 This report seeks approval of the procurement for these professional consultancy services to conduct, report and make recommendations upon these taxi tariff reviews.

## **4. Main report**

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- 4.1 Commercial Procurement Services conducted a mini-competition for consultants under the Scotland Excel Consultancy Framework for Engineering and Technical Consultancy Services Lot2 Transportation and Traffic.
- 4.2 A mini-competition process was carried out in accordance with the Public Contracts (Scotland) Regulations 2015 and Council Standing Orders. The tender opportunity was published on the Procurement Contracts Scotland (PCS) portal, on 31 January 2019, with all suppliers of lot 2 of the Scotland Excel Framework invited to submit a bid. A quality/cost ratio of 60:40 Quality/Price was utilised as evaluation criteria.
- 4.3 Two compliant bids were received with Jacobs UK Limited providing the most economically advantageous tender. A summary of the evaluation process is provided in Appendix 1.

## **5. Next Steps**

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- 5.1 Contract award documentation will be prepared and issued for Contract start date of 3 June 2019.

## **6. Financial impact**

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- 6.1 Prices shall be fixed for the duration of this contract. This will make contract management easier and provide financial stability for the Council.
- 6.2 The estimated value of this contract is £32,915 and is contained in the ringfenced licensing income and does not affect the revenue account.
- 6.3 The costs associated with procuring this Contract are estimated to be below £10,000.

## **7. Stakeholder/Community Impact**

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- 7.1 The equalities team were engaged and have advised that no Integrated Impact Assessment (IIA) is needed as no impact on the Council's specific public sector equality duties have been identified.
- 7.2 The objectives of the taxi tariff review(s) include a view to improve taxi provision during periods of peak demand and to take account of taxi services provided by digital technology and tram services.
- 7.3 A survey will be included of the public's perceptions as to the level of taxi fares in the city and their willingness and ability to pay higher fares at peak times if it is considered that this would result in an increased likelihood of obtaining a taxi. Consultation will be undertaken with groups including disability and special needs groups, local interest groups (including hospitals and visitor attractions), Community Councils, Neighbourhood Partnerships, Police Scotland (including the police officer with responsibility for dispersal in the city centre at night time) and a wide range of transport stakeholders e.g. rail/bus/coach providers and traffic managers.
- 7.4 The taxi tariff reviews are also to assess and take account of the Council's policy which imposes an age limit and emission standards on the fleet, and therefore potentially imposes additional costs Report to Regulatory Committee 16 March 2018.

## **8. Background reading/external references**

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- 8.1 Taxi Fare Review 2017 – Report to Regulatory Committee, 16 March 2018  
[http://www.edinburgh.gov.uk/meetings/meeting/4448/regulatory\\_committee](http://www.edinburgh.gov.uk/meetings/meeting/4448/regulatory_committee)
- 8.2 [Taxi and Private Hire Licensing: Best Practice for Licensing Authorities, Second Edition, April 2012](https://www2.gov.scot/Publications/2012/04/3534) <https://www2.gov.scot/Publications/2012/04/3534>

## **9. Appendices**

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- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes

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

<b>Contract</b>	<b>CT2546: Taxi Fares Reviews 2019-22 – Mini-Competition</b> under the Scotland Excel Consultancy Framework for Engineering and Technical Consultancy Services 06-16. Lot 2 Transportation and Traffic.	
Contract Period	3 June 2019 to 31 August 2022.	
Estimated Total Contract Value (including extensions)	£32,915	
Procurement Route Chosen	Scotland Excel Framework Mini-Competition, Quick Quote.	
Tenders Returned	2	
Price / Quality Split	<b>Quality 60</b>	<b>Price 40</b>
	<b>Criteria</b>	<b>Weighting (%)</b>
Evaluation Criterion and Weightings	Contract Implementation	25%
	Contract Capacity	25%
	Contract Improvement	10%
	Contract Quality Systems	10%
	Contract Programme	10%
	Contract Management	20%
Evaluation Team	Officers from Regulatory Services, Housing and Regulatory Services.	