

Finance and Resources Committee

10.00am, Thursday, 20 June 2023

Strategy for Provision of Passenger Transport Services

Executive/routine Wards Council Commitments	Routine Citywide
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1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 Notes the strategic approach to the procurement of a new broader Framework Agreement for the provision of all Passenger Transport Services;
- 1.2 Approves waivers to extend the following Framework Agreements:
 - 1.2.1 CT2478 Unescorted Passenger Transport; and
 - 1.2.2 CT2375 Education and Health & Social Care.

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Executive Director of Place

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Strategy for Provision of Passenger Transport Services

2. Executive Summary

- 2.1 This report seeks approval of waivers for extensions of the following Framework Agreements to cover an interim period, of no more than 12 months, to allow the requirements to be retendered as part of a broader and strategic new Transport Framework Agreement for all Passenger Transport Services. The total value of each of the waivers is over the Delegated Authority limit:
- 2.2 The value of each waiver has been estimated to be split between directorates based on previous expenditure as follows:
- 2.2.1 CT2478 Unescorted Passenger Transport – £1.9m, approximately 53% by Education and 47% by Health & Social Care; and
- 2.2.2 CT2375 Education and Health & Social Care – £9m, approximately 66% by Education and 34% Health & Social Care.

3. Background

- 3.1 The Council's Travel Hub manage a range of passenger transport services, including home to school transport, transport of pupils with additional support needs (ASN), transport of vulnerable service users for Health and Social Care (HSC) and booking unescorted passenger journeys, for example for Council officials and elected members, health and social care clients and children and families.
- 3.2 The current Framework Agreement for Unescorted Passenger Journeys expired in December 2022. A tender exercise was undertaken in 2022, however this was abandoned due to technical issues. During the evaluation period, it became clear that the specified level of requirement for disclosure needed to be expanded to ensure PVG checks were carried out at all levels of the contractor workforce. Given the nature and expected duration of this contract, it was felt that it was not an acceptable risk to proceed with that tender as this would have constituted a material change, and therefore there was a need to re-advertise the contract. Lessons were learned from this and taking the opportunity afforded by the need to retender, these have been incorporated into the planning and design of all Lots of the proposed new Framework Agreement.

- 3.3 The current Framework Agreement for Education and Health and Social Care expires in June 2023 and requires a replacement aligned to the academic year. The specifications for this framework are similar to the Unescorted Passenger Journeys so a decision has been taken to combine these frameworks, taking the opportunity to mitigate the same risks and to improve other aspects of the tender including KPIs and Community Benefits, whilst ensuring the tender remains accessible to micro-enterprises by reviewing the approach to assessing and evaluating quality.

4. Main report

- 4.1 The above Framework Agreements are managed by the Travel Hub and naturally align in terms of customers, Council Commitments, legislative requirements and risk, and the wider supply market, therefore the recommended approach is to extend the current provisions until the end of the 2023/2024 academic year and amalgamate these requirements via a new procurement exercise into a broader strategic Transport Framework Agreement which will start no later than July 2024.
- 4.2 The scope of the new Transport Framework Agreement will allow greater market engagement and should increase available capacity, resulting in efficiency savings and the potential to minimise cost increases by both increasing competition and managing demand for these services, such as by promotion of and support to uptake the free bus pass scheme.
- 4.3 The specifications for the larger replacement Transport Framework Agreement will incorporate improvements made following the abandonment of the Unescorted Passenger Transport tender with significant input from Legal Services and Police Scotland.
- 4.4 The new Transport Framework Agreement also takes into consideration changes in usage levels due to the COVID-19 pandemic and Ukraine conflict, the potential to challenge demand and deliver savings via promotion of the free bus pass scheme, and also places appropriate emphasis on environmental factors such as the introduction of the Low Emission Zone (LEZ) and the Edinburgh 2030 Climate Strategy as well as carbon measures detailed in the specifications.
- 4.5 Incorporating the current Framework Agreements into one strategic approach has resulted in unavoidable delays to the procurement timeline, therefore extensions to the current arrangements are requested, as an interim measure, until June 2024 in order to ensure continuity of provision aligned to the academic year.
- 4.6 This will allow appropriate time to fully implement and embed the new Booking and Scheduling Technology system, Flexiroute, across all relevant areas, as well as ensuring greater market awareness via several online and in-person supplier engagement events, as well as providing the opportunity to deliver training to potential bidders where required.

- 4.7 The strategic choice to bring the whole Passenger Transport Service requirements into one package should deliver the most cost-effective approach with Flexiroute, enabling greater flexibility and cost control.

5. Next Steps

- 5.1 Commercial and Procurement Services (CPS), in conjunction with the Service area, will conduct an Open Procedure tender using the Public Contracts Scotland – Tender portal (PCS-T) for a multi-Lot Framework Agreement.
- 5.2 The proposed structure for the new Transport Framework Agreement is five Lots, comprising three Education and HSC Lots segregated by level of requirement, a Lot for Unescorted Passenger Journeys with essential revisions to its specification and a new Lot for Coach Excursions for schools. A revised Prior Information Notice (PIN) was published on Public Contract Scotland (PCS) in June 2023.
- 5.3 The Contract Notice and accompanying documents will be published and made available for download from PCS-T in summer 2023. Training for suppliers on using PCS-T will be provided.
- 5.4 Subject to approval by the Finance and Resources Committee, the Framework Agreements will be extended to the end of the next academic year, June 2024.
- 5.5 The procurement of the larger multi-Lot Framework Agreement will be progressed with the intent to put a report before Committee in Autumn 2023, allowing time for implementation and training of contractors on the Flexiroute system, ahead of the start date at the end of the 2023/2024 academic year.
- 5.6 The Contract Manager for this project will be the Operations Manager for the Council's Travel Hub.

6. Financial impact

- 6.1 The total value for both extensions is estimated to be £10.9m in total, comprising £1.9m for Unescorted and £9m for Education and Health and Social Care for the full duration of the extension period. These values are based on previous and expected demand, and factor in the impact of anticipated inflationary increases during the extension period and the taxi rate increase approved at the Regulatory Committee on [6 February 2023](#), which came into effect in June 2023.
- 6.2 The value of the new Passenger Transport Framework Agreement is anticipated to be in the region of £11m per annum, incorporating an expected increase in expenditure for excursions. Contractors under all Lots of the new Framework Agreement should be required to deliver community benefits.

7. Stakeholder/Community Impact

- 7.1 The provision of these services is imperative to provide transport for Education and HSC clients, Council employees and elected members.
- 7.2 The nature of this requirement in terms of providing transport services to vulnerable service users means that providers have a duty of care to their customers in ensuring their wellbeing and meeting their needs which will be reflected in the specifications and tender documentation, with a particular focus on mitigating risks with input from Legal Services.
- 7.3 The successful tenderers will be expected to provide Community Benefits in line with the Council guidance and points scoring system.

8. Background reading/external references

- 8.1 [2030 Climate Strategy and Implementation Plan](#)
- 8.2 [Council Emissions Reduction Plan](#)
- 8.3 [Taxi Fares Review 2023](#)

9. Appendices

- 9.1 None.