

THE EXECUTIVE

21 NOVEMBER 2006

REPORT OF THE CORPORATE DIRECTOR OF ADULT AND COMMUNITY SERVICES

Title: The Provision Of Private Hire Vehicles and Private Hire Vehicles With Escorts	For Decision
<p>Summary:</p> <p>This report proposes that a framework of contracts be established for the provision of taxi and escort services for a period of four years. Service requirements will be called off from the frameworks on both a standing order basis plus when additional requirements are identified.</p> <p>The purpose of these contracts is to ensure that service users receive access to schools and centres by suppliers who had been stringently evaluated using a vigorous process of quality assurance. To this end and to bring about immediate advantage a sourcing exercise has been undertaken to meet the requirements of having these contracts in place for the beginning of the academic year in September.</p> <p>The suppliers who have been evaluated and selected for contract award will provide transport services primarily to the Children's Services Department and to the Adult and Community Services Department but the services will be also be used by other Council departments.</p> <p>It is proposed that the Executive's approval of this report will make it mandatory for all requirements for all regular and ad-hoc taxi service requirements to be called off from this framework. This approach will bring about the co-ordination and aggregation of requirements that will result in greater control over the use of the service within the Authority and enhanced financial and efficiency savings.</p> <p>Wards Affected: None</p>	
<p>Implications:</p> <p>Financial:</p> <p>It is difficult to put an exact value for this service since it is based upon fluctuating demand. However the value is expected to be in the region of £500,000 per annum. Through the creation of Barking & Dagenham Transport Provision there is now greater control over the ordering and use of taxis which will release savings on individual journeys and it is expected that the current efficiency review of transport will reduce the requirement for this service.</p> <p>Legal:</p> <p>The contractor(s) will be required to enter into a formal contractual agreement on terms to be approved by the Legal Services Division. The contract will contain the usual safeguards to protect the Council's position in terms of variation, termination, performance and best value.</p>	

In order to ensure that the advantages of this approach could be realised at the beginning of the academic year in September, the requirements of the EU Public Procurement Regulations Council have been met utilising the Accelerated Restricted Contract Procedure. In addition contract notices have been published on the Council's website, in the local papers and approximately 250 potential service providers were contacted either through agencies or directly.

Risk Management:

To ensure that the selected contractors have the necessary resources, expertise and support deemed necessary to service a contract of this nature, a rigorous process of evaluation has been adopted both in terms of tenderer selection and assessment of tenders. In addition it was a pre-requisite that any private hire operator was licensed by the Public Carriage Office. Therefore the introduction of a contract does not pose significant risk, but without one there is a much reduced opportunity for monitoring and the enforcement of service delivery, which is vital due to the nature of the vulnerable people being transported.

Social Inclusion and Diversity:

The proposed contract will have a strong emphasis on local sustainability. In the main the providers are local by the nature of the immediateness needed for the service.

Crime and Disorder: None

Options Appraisal: None

Recommendation(s)

The Executive is asked to:

1. Approve the setting up of a framework of contracts for the provision of private hire vehicles including where necessary the provision of escorts.
2. Note the procurement exercise undertaken to date;
3. Approve the award of framework contracts to the successful suppliers detailed on Appendix 1;
4. Make that the use of these contracts (via Barking & Dagenham Transport Provision) is mandatory across all Council departments.

Reason(s)

Members are asked to agree the recommendation, in order to ensure:

- Service users' attendance at school and receipt of care services
- Transport would be provided by suppliers who have been stringently evaluated via a rigorous process.
- The Borough is receiving Best Value from its suppliers
- To put in place via the contracts the control mechanisms to ensure quality of service.

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1. Background

- 1.1 Private Hire Vehicles are currently used for the transport of Special Educational Needs children to specialist schools covering a wide variety of their needed disciplines, to provide specialist transport for older or vulnerable persons, to provide Social Services escort services to people who need it when travelling and to enable people to travel to and from appointments etc. These can be generally termed as “vulnerable people” and the tender document makes reference to this.
- 1.2 The Gershon Report indicated that back office savings are important to the organisation and there is scope to reduce invoices, potentially through consolidation.

2. Current Position

- 2.1 The previous contract was with six providers. This was jointly procured with Social Services leading on behalf of Education. Usage has been expanded and the service is being used by a variety of other services across all Directorates. However, the Education department (now Children’s Services) is still the major user. The service operates both within and outside of the borough.
- 2.2 Spend is in the region of £1.1 million per year, but it is hoped that this will be reduced as a result of the Passenger Transport Review currently underway. The original contract was underestimated with an anticipated spend of £500,000 per year. However increased take up has led to this figure being heavily increased.
- 2.3 This is an essential service in that it is needed for both standing order and ad-hoc requirements.
- 2.4 All Private Hire Vehicle providers are required to be licensed with the appropriate authorities for the relevant vehicle in use, and drivers and escorts will be required to be enhanced CRB (Criminal Records Bureau) checked.
- 2.5 Some service area managers are not using the contract and it will be necessary to ensure that this element is strictly enforced by Heads of Service, BDTP Managers and Finance Managers to ensure that the best possible benefits are achieved.

3. Specific Requirements

- 3.1 To fulfil the needs of the residents of the borough of Barking and Dagenham the scope of the contract must include providers who can:
- Respond quickly;
 - Provide different sized vehicles;
 - Offer wheel chair accessible vehicles;
 - Permit ad hoc booking;

- Offer a 24 hour service and contact details;
- Invoice the council, preferably using a consolidated system;
- Offer CRB checked Escorts;
- Comply with Private Hire Vehicles (London) Act 1998** (see note in table below)
- For drivers of vehicles that are not PCO licensed and therefore have not been CRB checked e.g. non emergency ambulance drivers a CRB check will need to be completed;
- Offer in and out of borough journeys;

3.2 To fulfil all these requirements it is recommended that larger number of private hire vehicles providers should be appointed covering a variety of disciplines sufficient to ensure all areas of need are covered and to provide a choice and back up.

**** Private Hire Vehicles (London) Act 1998**

Private Hire Vehicles (London) Act 1998 is the legislation which provides for the regulation of London's Private Hire (Minicabs) trade.

A Private Hire Vehicle under the Act is defined as:

Any vehicle used in London which: -

- seats fewer than nine passengers;
- is provided with a driver for hire;
- is made available to the public for the purpose of carrying passengers; and
- is not a licensed taxi or passenger service vehicle

falls within the definition of a private hire vehicle.

The requirement for all Private Hire Operators to be licensed came into effect on 22nd October 2001.

The Licensing Authority shall grant a London PHV licence for a vehicle if the authority is satisfied that the vehicle

- is suitable in type, size and design for use as a private hire vehicle;
- is safe, comfortable and in a suitable mechanical condition for that use

The driver licensing phase of the London private hire licensing project began on 1 April 2003. Those drivers who pre-registered with the Public Carriage Office have all now been invited to make a full application. Anybody working as a private hire driver in London should have either a licence or a temporary permit.

4. Justifications

4.1 This revised approach and improved control over usage will bring about improved efficiencies and cost savings to the authority. These will come from:

- Increase awareness of contracts – An “everybody email” informing people of the contract and how to use it avoiding non compliance matters and keep everyone informed;
- It will be legal - conforming to the legislative requirements locally and within Europe. There will be greater contractual control;
- Reduced risk to residents in being able to monitor and ensure delivery of appropriately checked and registered persons and vehicles;

- Predefined rates per mile and mileages agreed by the transport officer within Barking & Dagenham Transport Provision ensure transparency of costs.
- Improved management information so there is a greater understanding of where overspends may or may not occur and whether the contract is meeting expectations;
- Controlled ordering procedures, increasing compliance and ultimately service delivery quality enforced by BDTP; and
- Regular monitoring of performance.

5. Tender Process

- 5.1 Since the new contracts needed to be in place for September 2006 in line with the start of the new School Year, an OJEU accelerated restricted procedure contract notice was published on 11 July 2006.
- 5.2 Advertisements were placed on the Council website and in local newspapers which attracted 52 companies to a forum which took place at the Town Hall where the strategic sourcing approach was discussed.
- 5.3 Thirty six companies completed and submitted Pre-qualification questionnaires and following evaluation of these twenty five companies were invited to submit tenders.
- 5.4 The remaining companies' tenders were then reviewed using the following quality criteria: The background of the company, their organisation, how they propose to manage the service, details of their out of hours contact, how they propose to manage the risk issues, the company training scheme, the experience of employees, the number and type of vehicles at their disposal, their employment procedures, knowledge of new legislation, how they propose to launch the service, their quality accreditations, their financial history, their insurance (Employer's Liability & Public Liability), accounting systems used, data security, their knowledge of employment legislation & use of best practice, and the provision of references. As a result of this process sixteen companies were shortlisted to meet with officers to clarify their bids.
- 5.5 As a result of these meetings nine companies have been selected to become "Core Suppliers" on the basis of providing the most cost-effective solution to the Borough's transport needs. These names, addresses and tender pricing of these companies can be found at Appendix 1.

6. Consultation

- 6.1 The transport efficiency review is led by a Strategic Steering Group which has been advised of, and is happy to support, the proposals. The steering group is comprised of the following Councillors:
- Cllr McKenzie – Executive Member for Environment and Sustainability; and
 - Cllr Denyer.

6.2 The steering group is also comprised of the following Officers who also have been advised of, and are happy to support, the proposals:

David Robins – Head of Corporate Procurement;
Roger Luxton – Director of Children’s Services;
Simon Hart – Director of Adult & Community Services;
Joe Chesterton – Head of Corporate Finance; and
Jan Southwell – Deputy Head of Human Resources.

Background Papers:

- Public Services Regulations 1993 (SI 1993/3228)
- European Directive 2004/18/EC