

# Procurement Briefing for Education & Skills Board

8<sup>th</sup> June 2016

Shona Snow



SURREY

# 1. Dynamic Purchasing System

## The Client Transport DPS

Established Jan 2015 to replace previous Taxi Framework. Joint Agreement with East & West Sussex to align standards and share suppliers. Each Council replaced its previous contracts with the new Client Transport DPS by July 2015.

### Objectives were to;

- Increase competition
- Bring down prices through online tendering and use of e-auctions
- Improved visibility and reporting
- Raise service standards

### What is a DPS?

Similar to a Framework except there is no restriction on its length, it must be run electronically and suppliers must be allowed to join at any time.



SURREY

The Transport Coordination Centre (TCC) receives requests for home-to-school transport and uses Mobisoft to plan routes, merging with existing routes wherever possible and re-negotiated pricing.

- If a **new route** is required, this is tendered as a “mini-competition” through the DPS, but without a direct comparison to benchmark against, we can only track cost avoidance savings. The majority of requirements tendered are new routes.
- **Existing routes** are re-tendered as mini-competitions regularly to ensure value for money, through the DPS. All approved suppliers have visibility of routes and the opportunity to bid for them. Over time the evidence suggests prices are coming down for existing routes (see next slide).
- This year routes are gradually being e-auctioned, which we anticipate will generate further savings in FY2016/17.



# Supplier's View



Home Help/Guidance Documents Messages Tenders Contracts Company Details Help Logout

## Tenders

Search

My Tenders  
Current  
Forthcoming  
Show all..

Filter

Customer

Surrey County Council

Involvement

All

Showing 1 to 10 of 137 [Next](#)

SCC AGC Route S283/T/16 Temporary run from Tandridge to Oxted School Date documents can be requested until: 30 March 2016

Oxted School

Status	Your return has not yet been sent
Reference	SCC - 006278
Customer	Surrey County Council
Title	SCC AGC Route S283/T/16 Temporary run from Tandridge to Oxted School
Description	Surrey County Council is seeking quotes for the attached Taxi Route. Please complete the questionnaire to submit your quote. PLEASE NOTE That this route is for a maximum of seven weeks only

[View Details](#)

SCC AGC Route ADHOC336 Camberly to Guildford Date documents can be requested until: 29 March 2016

Status	Your return has not yet been sent
Reference	SCC - 006249
Customer	Surrey County Council
Title	SCC AGC Route ADHOC336 Camberly to Guildford
Description	Surrey County Council is seeking quotes for the attached Taxi Route. Please complete the questionnaire to submit your quote. PLEASE NOTE That this route starts on 13 April Please note that this route is for one day a week only, ( Wednesdays), Start time 9.30am, Finish at 14.30

[View Details](#)

## Tender Management

Your return has not yet been sent

Tender **Mini-Competition Documents** Correspondence History

### How To Attach & Submit Documents

1. If any mandatory documents have been requested, they will be shown in the **My Tender Return** section against a **Red** button.
2. If a Questionnaire is required to be completed, it will be shown in **Red** and marked **Not Started** in the **My Tender Return** section. It is mandatory that any Questionnaire's must be completed.
3. To attach additional documents you wish to submit as part of your tender return, click the **Attach Documents** button under the **My Tender Return** section (if available). These will then appear in the **My Tender Return** section.

NOTE : Large files may take some time to upload.

4. When you have completed all the above steps and are ready to submit your tender return, click the red **Submit Return** at the bottom of this page.

Server Time : 22 Apr 2016 10:40:32 Due Date : 30 Mar 2016 12:00:00 Time Remaining : Finished

### Tender Details

Stage Name	Mini-Competition Documents
Closing Date	30 March 2016
Stage Start Date	23 March 2016
Project Title	<u>SCC AGC Route S283/T/16 Temporary run from Tandridge to Oxted School</u>
Project Description	Surrey County Council is seeking quotes for the attached Taxi Route. Please complete the questionnaire to submit your quote. PLEASE NOTE That this route is for a maximum of seven weeks only

Tender Documents Received - Main	Description	Options
S283 T 16.xls		View Download

Questionnaire - Internet Explorer provided by Surrey County Council  
https://in-tendhost.co.uk/sesharedservices/asp/Questionnaire.aspx?&WebReturnItemID=179068&StageID=6627&LotID= Identified by thawte

**Control Panel**  
Save Answers  
Save Answers and Close  
Close

10 in total  
0 answered  
9 mandatory unanswered

Unanswered Mandatory Questions  
Question 1  
Go To Mandatory Question  
Go To Question  
Go

**Taxi Mini-Competition Questionnaire**

To save your answers, click the "Save Answers" button on the left hand menu panel.  
Please note: yellow denotes mandatory question  
Please note: orange denotes auto populated question

1. Type of vehicle to be used

2. Vehicle Capacity

3. Total Daily Mileage

4. Cost Per Day (£)

5. Escort Cost Per Day (if applicable)

Please be aware that the mileage on the route schedule will not necessarily be accurate, specifically this will be the case for the out of county schools. In the case of out of county schools the mileage will go as far as the map allows on the new system, therefore please ensure that you check these for accuracy when quoting

6. Subject to the conditions contained in the Surrey County Council Conditions of Contract, a copy of which I have been supplied with, I am prepared to transport pupils in accordance with the attached schedule at the cost set out for the entire journey. I understand that I may be required to pick up children at additional points in the route outlined.

Agree

7. I understand that TUPE may apply to the contract and that it is my responsibility to ensure that any requirements in this regard are met.

Agree

8. Name of Person

Options  
View Download  
View Download

Options  
View Questionnaire

Attach Documents button below.

Return, click the **Submit Return** button.  
Rescind any previous returns.

Reserved. Version: 03.07.02.07 Secured by thawte  
Date: 23/03/2016  
Server: VSUPWEB2  
2016-04-22



Service : CLUBHOUSE1 - AM  
Week Commencing : 29/08/2016 (ACTUAL)  
Operator : OUT FOR TENDER  
Operator Tel. No. :

Escorts :

Operator Comment

Passenger Details	Pickup	Dropoff	Distance :	M	T	W	Th	F	Sa	Su	Esc.	W/C
	St. Annes Avenue, Staines-upon-thames, TW19 7RL	The Clubhouse, St Georges College, St. George's College, Weybridge Road, Addlestone, KT15 2QS Tel: 0900 - 1500		8.3	8.3	8.3	8.3	8.3	n/a	n/a	Y	N

MLD

Please note it is the operators responsibility to inform the Transport Co-ordination Team if any of the above details are incorrect. Please amend schedule and fax to 0208 541 9893



## Existing routes re-tendered through the Client Transport DPS

	Annual cost of routes	Saving on existing routes	No. Routes	No. Bids	Avg bids per route
<b>2015</b>					
May	£ 264,347.00	£ 4,997.00	8	32	4.0
June	£ 253,249.10	£ 45,769.10	11	68	6.2
July	£ 323,440.80	£ 44,688.00	17	88	5.2
August	£ 510,047.40	£ 96,639.70	24	156	6.5
September	£ 52,970.10	£ 3,760.10	3	38	12.7
October	£ 292,824.20	£ 16,089.20	11	65	5.9
November	£ 173,565.00	-£ 7,999.00	8	36	4.5
December	£ 184,965.00	£ 10,944.00	10	27	2.7
<b>2016</b>					
January	£ 114,950.00	£ 24,396.00	4	36	9.0
February	£ 63,080.00	-£ 16,340.00	3	11	3.7
March	£ 347,909.00	£ 55,993.00	13	67	5.2
April	£ 109,168.30	£ 34,118.30	4	28	7.0
	<b>£ 2,690,515.90</b>	<b>£ 313,055.40</b>			

This represents a small portion of the total contracts that exist. In reality most routes are New Routes and are an additional cost. Cashable saving of £313K over 12 months.



**SURREY**



# Factors affecting transport

- **Distance**; longer distances are more cost effective per mile, short distances result in a high cost per mile. Out of County routes have low cost per mile but are expensive in total.
- **Location** of passengers may limit opportunity to maximise route efficiency; location of providers will impact costs (level of competition)
- **Capacity/efficiency**; impact of no. students being transported in a vehicle – larger vehicle/greater number, lower cost per head, compared to solo routes (with one passenger) which are very expensive
- **Wheelchair accessible vehicles** are more expensive than standard vehicles and limit the vehicles capacity to take more children
- **Specialist needs** of the children; e.g. behavioural challenges may result in the need to split/amend routes; could also result in vehicle modifications and/or special training for escort and driver
- **Escorts**; requirement for escort means higher transport costs and limits vehicle capacity
- **Increasing parental expectations**; results in complaints and increased officer time dealing with demand for flexibility and a bespoke service
- **Non-reciprocal arrangements with other local authorities**; Surrey arranges transport for other Local Authorities at no additional charge but other Local Authorities do charge or refuse to assist.
- **Risk management** in delivering SEN transport
  - Safeguarding (managed through contract and performance management, authorised IT badging process, code of conduct);
  - Legislation (transport is recognised as one of the most highly regulated industries in the UK);
  - Issues involved in transporting children with complex medical needs and administering of medication.
- **Labour costs** and minimum wage (up to 60% of cost base)



## 2. Block Contracts

“Block contracts” for 5 Special Schools were tendered in April 2016 through the DPS.

There is a rolling programme of annually tendering SEN Schools for block contracts. 30% of SEN Transport spend is currently on Block Contracts.

One provider contracted to deliver all the transport into one school.

- Successful in past with schools such as Pond Meadow, Walton Leigh, Portesbery.
- More client focussed, operators have greater knowledge of client needs and an interest in working with schools & parents to integrate students with their peers and reduce the number of solo routes
- One point of contact for the school, better communication
- Better use of Transport Coordination Centre resource, fewer complaints received due to overall improved performance
- Only awarded where it saves money



## Pricing Mechanism

- This is the only contract charged on a Cost Per Mile basis (individual routes are awarded on a spot price)
- Operator applies mileage rate to any route changes (e.g. caused by increase or decrease in number of passengers)
- Operator must accept all new passengers and find a way to deliver most efficient transport route (can not 'cherry pick' most profitable routes)
- Vehicles types and sizes vary, some must be wheelchair accessible
- Operator Performance is managed by the Contracts & Control team who manage a vetting process, undertake spot checks on site and apply penalty points or financial deductions for poor performance

vehicle type	wheelchair accessible?	number passenger of seats	Vehicle code	Block Contract Prices	
				Mileage Rate Without Escort	Mileage Rate With Escort
Saloon	No	Up to 5	S		
MPV	No	Up to 8	MPV		
MPV	Yes	Up to 8	MPVW		
Minibus	No	Up to 16	M		
Minibus	Yes	Flexible	MW		

A	B	C	D	E	F	This column is automatically generated by populating the Block contract Prices
Route No.	Total number of Passengers	Number of pupils in wheelchairs	Escort required Yes/No	Average daily mileage to and from School	Suggested vehicle type	Block Contract Price per day
S30A/11	4	0	Yes	70.7	S	£0.00
S30AB/13	3	0	No	72.86	S	£0.00
S30AC/15	1	0	No	25.3	S	£0.00
S30B/16	2	0	No	76.25	S	£0.00
S30C/11	4	0	No	63.2	S	£0.00
S30D/15	4	0	No	32.5	S	£0.00
S30E/11	6	0	Yes	39.2	MPV	£0.00
S30F/11	3	0	No	45.02	S	£0.00
S30H/14	6	0	No	25.42	MPV	£0.00
S30J/11	5	0	No	26.66	MPV	£0.00
S30K/11	5	1	Yes	35.92	MPVW	£0.00
S30P/11	4	0	No	35.06	S	£0.00
S30Q/11	7	0	Yes	56.42	MPV	£0.00
S30R/12	2	0	No	75.08	S	£0.00
S30V/14	1	0	No	96.4	S	£0.00
S30Y/15	3	0	No	41.6	S	£0.00
<b>TOTAL</b>	<b>60</b>	<b>1</b>		<b>817.59</b>		<b>£0.00</b>

## Contract Terms

Contract terms for Block contracts are those of the DPS.

- Operators are to provide training for drivers and escorts, such as Health & Safety, manual handling, customer service, or whatever is deemed necessary to meet the needs of the child being transported
- Penalty points can be applied to company, driver or escort for service failures. Financial penalties can also be applied for some service failures
- Drivers and escorts must adhere to the Code of Conduct
- Operators can be removed from the DPS for reaching the maximum of 70 penalty points
- Block contract operators are expected to take on responsibility for all transport into the school, whether they can make a profit from an individual route or not.
- **Mutual termination for convenience – 90 days notice** (operators usually acquire vehicles on lease – they can be cancelled at short notice)
- Length of contract – 3 years (fixed price) plus up to 4



# 3. Transport Commissioning Strategy

Procurement will continue to work with Transport on e-tendering routes and e-auctioning, improving performance and finding efficiencies.

We are also developing a new strategy for commissioning transport and will produce a recommendation paper by September 2016 considering options such as;

- Joint ventures
- Social enterprise
- Partnerships
- In-house fleet
- Employment of drivers & escorts
- Devolving transport to schools
- Independent travel
- Redefining the relationship between parents and the Council
- Community Transport / adjusting Day Care Centre opening hours



This page is intentionally left blank