

Cabinet

Dorset County Council



Date of Meeting	1 February 2017
<u>Cabinet Member</u> Peter Finney – Cabinet Member for Environment, Infrastructure and Highways <u>Lead Director</u> Mike Harries – Director for Environment and the Economy	
Subject of Report	Dynamic Purchasing System – Passenger Transport
Executive Summary	<p>The current Dynamic Purchasing System (DPS), used for procurement of passenger transport services in Dorset, expires on 30 April 2017.</p> <p>It is proposed that the new DPS will supplement the longer term contracts for Supported Public Transport and Mainstream Home to School Transport that are being reprocured in early 2017. (see Cabinet Report for 26 October 2016 for details).</p> <p>The new DPS will be used to procure specialist transport services, eg SEN transport and Children in Care transport. In addition it will be used to fill any gaps in services that may arise from the large scale reprocurement of mainstream and public services.</p> <p>All Service Providers who are interested in participating in the new DPS will be invited to make a formal application through the current website portal (https://supplyingthesouthwest.ork.uk/). This will include any of the 70 Service Providers who are approved to supply transport services on the existing DPS. Applicants will have to demonstrate their ability to meet a basic range of quality criteria before being accepted onto the new DPS as an approved supplier.</p> <p>Contracts awarded through the new DPS will typically operate for 1-4 years and will be awarded on the basis of lowest price.</p> <p>It is recommended that the Council implements a new DPS to replace the old one on the basis that this a more open and flexible</p>

	<p>system compared to other procurement models and is a system that is known to work effectively within Dorset.</p>
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment:</p> <p>Full EqIA and Screening completed.</p> <p>Dorset Travel will continue to work with Service Providers to ensure that services are fit for purpose and cost effective.</p> <p>It is expected that the new DPS will encourage more transport providers within Dorset to work with Dorset County Council (whilst meeting the minimum quality standards set by the Council). The full Equality Impact Assessment is available upon request.</p> <p>Use of Evidence:</p> <ul style="list-style-type: none"> (a) Public & Schools Transport Review Public Consultation Response Reports – DCC August 2016; (b) Public & Schools Transport Review Full EqIA – DCC Oct 2016 (c) New Contract Model for Passenger Transport Business Case – the TAS Partnership Oct 2016; (d) New Contract Model For Passenger Transport – Procurement Options Report – TAS Oct 2016; (e) Dorset Travel Market Engagement Event – DCC Hosted Oct 2016. <p>Budget:</p> <p>There is no capital funding associated with this procurement. Funding for revenue expenditure is in place, with savings to be achieved.</p> <p>In recent years, transport spend through the DPS has been around £2-4 million.</p> <p>However, it is likely that spend through the DPS will increase as this is will become the preferred route to market rather than tender and award.</p> <p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council’s approved risk management methodology, the level of risk has been identified as:</p> <p>Current Risk: HIGH Residual Risk: MEDIUM</p> <p>Failure to ensure that a suitable replacement for the DPS is put in place by 1 May 2017 will limit our ability to procure transport</p>

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	<p>services and will potentially cause higher spend if the Council is forced to procure services on an ad-hoc basis.</p> <p>The proposal will mitigate the impact of this risk.</p>
	<p>Other Implications:</p>
<p>Recommendation:</p>	<p>That the Cabinet approve implementation of a new Dynamic Purchasing System (DPS) from 1 May 2017 onwards on terms to be agreed by the Service Director Economy following consultation with the Portfolio holder.</p>
<p>Reason for Recommendation:</p>	<p>To meet the authority’s statutory duty in respect of SEN and Children in Care travel and to supplement any gaps in the Council’s statutory provision of Home to School transport.</p> <p>To contribute to the authority’s corporate priorities of providing travel assistance for users, whilst facilitating independence and promoting economic growth.</p>
<p>Appendices:</p>	<p>Appendix A – New Contract Model for Passenger Transport – EqIA scoping Appendix B – Public & Schools Transport Review – EqIA scoping Appendix C - Public & Schools Transport Review – Full EqIA</p>
<p>Background Papers:</p>	<ul style="list-style-type: none"> (i) Public & Schools Transport Review Public Consultation Response Reports – DCC August 2016; (ii) New Contract Model for Passenger Transport Business Case – TAS Oct 2016; (iii) News Contract Model For Passenger Transport – Procurement Options Report – TAS Oct 2016;
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1. Background

- 1.1. The current Dynamic Purchasing System (DPS), which began in 2013 is due to expire on 30 April 2017 and it is proposed that this is replaced with a new version.
- 1.2. There is a need to procure shorter term contracts for specialist transport serving groups such as special educational needs (SEN) children and children in care in addition to the subsidised public transport and mainstream home to school transport services that are being reproposed in 2017. It is recommended that a new DPS is set up to procure such services.
- 1.3. The new DPS will be similar to the current one in the way it operates, although the experience of using a DPS for the last 4 years will enable some improvements to be made. In addition, there are some modifications that will be introduced by the Public Contracts Legislation 2015. An example of this is that applicants to the DPS will be able to apply (and re-apply) at any time during the life of the DPS. (In the current model new applications are considered every 3 months).
- 1.4. Although the majority of contracts tendered through the current DPS will expire in mid 2017, any contracts that run beyond 2017 will continue until their expiry date.

2. Options

- 2.1 There is only one option recommended, which is the implementation of a new DPS, to be effective from 1st May 2017.
- 2.2 In 2012 a Cabinet report compared the merits of a DPS with a Framework Contract and recommended adoption of the DPS as being the most appropriate procurement tool to deliver 'specialist' passenger transport services. That analysis and recommendation still applies.

3 Administering a Dynamic Purchasing System

- 3.1 A DPS acts as a gateway for Service Providers to bid for individual route contracts. Service Providers can apply to be accepted onto the DPS at any time during its operation and, therefore, allows Service Providers who have been unsuccessful for some routes to bid again on others.
- 3.2 All Service Providers who are interested in participating in the new DPS will be invited to make a formal application through the current website portal (<https://supplyingthesouthwest.ork.uk/>). This will include any of the 70 Service Providers who are approved to supply transport services on the existing DPS. Applicants will have to demonstrate their ability to meet a basic range of quality criteria before being accepted onto the new DPS as an approved supplier.
- 3.3 The quality criteria will take the form of a series of questions to assess the capability of the Service Provider to deliver transport services for Dorset County Council. Supporting evidence will also be sought. As these applications to join the DPS can be made at any time, this process needs to be object and transparent as well as simple and effective to administer.
- 3.4 Once a Service Provider has been accepted onto the DPS, they will be able to bid for any new contracts arising. Such contracts will typically operate for periods between 1-4 years.

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- 3.5 Any drivers working for Service Providers accepted onto the new DPS will require an Enhanced Disclosure and Barring Service check which is reviewed and approved by the Dorset Travel Contract Manager before they can operate on Council routes. There will also be a requirement to demonstrate a suitable level of training in safeguarding, customer care and first aid amongst drivers.

Mike Harries
Director for Environment and the Economy
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