

**Report of: the Chief Officer (Partnership, Development, and Business Support)
Childrens Services**

Report to: The Director of Children Services

Date: 5th October 2016

**Subject: Permission to award a new contract for the Travel Buddies
Scheme following a competitive tender**



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix 1 to this report is confidential and exempt under Access to Information Procedure Rule 10.4 (3) as it contains information relating to the business affairs of each organisation involved in the procurement it is felt that if this information is disclosed it would, or would be likely to, prejudice the commercial interests of the Council.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. Permission to procure a new contract for the Travel Buddies scheme by way of competitive tender was approved by the Director of Children's Services in April 2016.
2. The purpose of the contracted provision is to provide 'Travel Buddies', who will support and assist young people or vulnerable adults with SEND in travelling on public transport until they gain the skills, experience and confidence necessary to enable them to achieve independence with travel, following a final assessment by Leeds City Council's Passenger Transport team. The scheme focuses upon support to enable independent travel, largely but not exclusively, between home and school.
3. An open procurement process was published in April 2016, with bidders required to submit a written method statement, deliver a presentation and deliver a classroom based practical assessment for a target group of young people.
4. A total of four bids were received and evaluated. The successful tenderer is Neuro Partners (KEYFORT).

5. The purpose of this report is to seek permission to award a contract to this provider, commencing on 1st January 2017 for three years, with the option to extend by a further two 12 month periods. This is a call off contract with a value of approximately £250k per annum.

Recommendations

1. The Director of Children Services is requested to approve the award of a contract to Neuro Partners (KEYFORT) to deliver the Travel Buddy scheme, following a competitive tendering process. The contract will be for three years from 1st January 2017, with the option to extend by a further two 12 month periods, with a value of approximately £250k per annum.

1 Purpose of this report

- 1.1 The aim of this report is to seek permission from the Director of Children Services to award a contract to Neuro Partners (KEYFORT) for the delivery of the Travel Buddies scheme, with an approximate value of £250k per annum.
- 1.2 The report outlines the procurement process followed, which was designed to ensure the best value for money is achieved, positive outcomes for service users will be delivered and key stakeholders were given voice and influence throughout.

2.0 Background information

- 2.1 Children's Services currently commissions Leeds Alternative Travel to deliver the Travel Buddies scheme, which has been running since 2012. The current contract for this work ends on 31.12.16 and there are no extension periods to be taken up.
- 2.2 The main outcomes from this provision are to support vulnerable young people and adults to travel independently and develop greater levels of self-confidence, resilience, self-esteem and personal independence skills. As a minimum, the service aims to enable service users to travel independently to and from school, college or day centre rather than dependency upon, for instance, taxis. The scheme has proved very successful, with increasing numbers of service users being referred for and completing training year on year. The scheme has achieved significant savings year on year, with £708k full effect savings in 2015/16.
- 2.3 Permission to procure a new contract for the Travel Buddies scheme by way of competitive tender was approved by the Director of Children's Services in April 2016. An open procurement procedure was established and the tender was published on 6th July 2016.
- 2.4 It is estimated that the contract value will be in the region of £250,000 per annum, dependent on the number of referrals and their level of need. In 2015/16, spend was above this at just under £300k, with 156 service users successfully completing the training. The Passenger Transport team have control over the number of young people and adults assessed and referred to the service and are aiming to refer 140 service users per annum.
- 2.5 A previous tender exercise undertaken in 2015/16 was unsuccessful, with both tenderers submitting bids priced above the capped hourly rate. In this tender, the specification and pricing model were reviewed to ensure the service will provide good value for money and is financially viable for potential providers. Various options for pricing the contract, including hourly and sessional rates, were tested to calculate projected annual costs and these options were discussed with potential providers as part of a bidder's consultation event in June 2016. Feedback was considered as part of an options appraisal, which recommended a price per service user model, with three separate rates based on different levels of assessed need (see para 3.11 for details).

3 Main issues

- 3.1 There are no specific implications for or impact on any council ward. The provision is city wide and so benefits children with a disability and families across the city.
- 3.2 There will be clear communication with stakeholders on the decision as part of a robust contract mobilisation process. This process has resulted in a change of provider and so mobilisation and contract close down will entail TUPE and transfer of any ongoing cases. This will need to be managed carefully to ensure continuity for service users and a smooth transition to the new provider.
- 3.3 Key stakeholders including the target service user group were involved throughout the commissioning process and will be informed of the outcome.
- 3.4 During the commissioning process, the specification and pricing model were subject to significant changes and it will be essential to work closely with the provider to ensure these changes are successfully implemented. Monitoring arrangements will be agreed as part of mobilisation so that the impact of the service can be demonstrated and the budget managed effectively.
- 3.5 The successful bidder was identified using the process detailed in the sections below – paras. 3.7 to 3.12.
- 3.6 **Consequences if the proposed action is not approved**
- 3.7 Not awarding a new contract for this activity would impact detrimentally on the Council's ability to make significant savings on the transport budget. This scheme has proved very successful since its inception and savings have increased year on year. This trend is expected to continue. Children and young people with SEN and disabilities and vulnerable adults would not be given the opportunity to improve their independent living skills and future prospects.
- 3.8 **Advertising**
- 3.9 The tender was advertised via YORtender and in line with all LCC contract procedure rules. An open procurement process was utilised which comprised the pre-qualification questionnaire being published with the documentation. The reason for this approach was to speed up the procurement process and experience from previous tender exercises for this tender showed the market was relatively small. The pre-qualification questionnaire was used to vet the providers.
- 3.10 **Tender Stage**
- 3.11 The tender documents were published on YORtender on 6th July with a return date of 19th August. Providers were required to complete a quality method statement (worth 25% of total available points) and submit their prices (worth 40%) as part of this process. A minimum quality threshold of 60% was implemented. Three of the four tenderers successfully met the minimum quality threshold and were invited to deliver a presentation (worth 10%) on 26th September and deliver a classroom based practical assessment (worth 25%) to young people with learning disabilities on 29th September.

- 3.12 Tenderers were required to submit three prices per service user, based on different levels of need:
- Level One: service user is assessed as being a capable traveller, with training needed to learn the route and possibly some additional road safety training. Requires between 1 and 25 sessions. Average of 16.
 - Level Two: most service users fall into this category. Requires training on all aspects. Requires between 26 and 45 sessions. Average of 33.
 - Level Three: service user is assessed as having a high level of need, with no prior experience of travelling on public transport. Requires between 46 and 75 sessions. Average of 60.
- 3.13 A session is the supported journey a travel buddy takes with a service user to and from home and school, college or day centre. It was also calculated that each session takes 3.5 hours of buddy time (to include the supported journey plus buddy travel time to and from home). All tenderers were provided with needs and pricing data to guide their pricing models and be clear on expectations.
- 3.14 In 2015/16, the majority of service users required less than 25 sessions. Many of these referrals involved learning new routes for individuals who were already skilled in travelling independently. In general, these were young people with mild learning disabilities. There were also a number who required over 45 sessions, mostly around 60 sessions. A small number required more than 75 sessions. These are considered anomalies. It is anticipated that the majority of service users in 2016/17 and beyond will require between 26 and 45 sessions. This is largely because the demographics of service users are likely to increase overall as the programme moves onto young people and adults with more complex needs. Although there will continue to be a significant proportion of service users with higher level needs who fall into level three, it is the intention to limit this number each year to maximise the overall numbers who can be trained.
- 3.15 Four bids were received in total, with three successfully meeting the quality threshold for the written method statement and being invited to deliver the presentation and practical assessment.
- 3.16 The winning bid scored the highest overall in terms of quality and price; second in terms of quality (only two points lower than the highest ranking bid) and second in terms of price. Compared with the other two bids, the winning bid was very competitively priced for level one and level two service users but was 28% more expensive for level three. This makes it even more important to closely monitor referrals and maximise the numbers of level one and two being referred and successfully trained. The winning tenderer also ranked highest in the practical assessment, gaining the most scores from both the panel of six young people (worth 15% of total points) and the teacher/Independent Travel Training Coordinator (worth 10% of total points). See appendix for the full details of the evaluation scores.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This is an established piece of work over a number of years; extensive consultation in relation to the concept took place prior to the establishment of the original contract.
- 4.1.2 Service users were involved in the tender evaluation. This was designed and facilitated carefully to ensure young people were given voice and influence and to mitigate the risk of challenge from bidders. These young people will receive recognition of the skills and experience gained from the exercise.
- 4.1.3 Potential providers were consulted in a bidders meeting on 6th June, to ensure the service and pricing models are effective and viable. The meeting was well attended, with twelve different organisations represented. There was a useful discussion, with numerous different queries raised that demonstrated an interest in the service to be tendered. This was followed up with further feedback.
- 4.1.4 Upon publication of the delegated decision, bidders, both successful and unsuccessful, will be notified as to the outcome of the procurement process
- 4.1.5 Upon publication of the delegated decision, current recipients of the service will receive a notification to inform them of the outcome of the procurement process and those young people involved in the evaluation will be informed and invited to give their views.
- 4.1.6 To ensure that recipients of the service continue to receive high quality responsive services, the mobilisation process will be managed by officers within the directorate. To ensure that there is a smooth transfer of contractual obligations and a seamless delivery of service, the mobilisation process will include appropriate dialogue with the recipients of the service, the current provider of the services and the new provider of the service.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The nature of this work, given its aims to support the independence of young people, and others, with special needs and mental health issues, enhances equality, diversity and integration. See Equality Impact Screening attached.

4.3 Council policies and Best Council Plan

- 4.3.1 The proposal indicates good value, as per the year on year savings demonstrated by this scheme.
- 4.3.2 In line with the best council plan objective, and the Children & Young Peoples Plan, building a child friendly city; “children and young people do well at all levels of learning and have the skills for life.
- 4.3.3 That children and young people develop independence skills and maintain these skills for as long as possible, particularly as in this case, children and young people with special educational needs and disabilities.

4.4 Resources and value for money

- 4.4.1 The budget for this contract is estimated to be £250k per annum. This is dependent on the number of service users and their level of need, which is under the control of Passenger Transport and will be closely monitored by the Contract Management team. This will be essential to ensure spend on this contract is appropriate and continues to result in substantial savings to the Council.
- 4.4.2 The tender was evaluated on the standard 60%/40% split in line with contract procedure rules. The successful tender represents the best value for money, scoring the most points overall on quality and price.
- 4.4.3 The service specification and pricing model were reviewed as part of the commissioning process to ensure the service is more effective, efficient and easier to manage. The monitoring process has also been reviewed and will be agreed with the provider as part of mobilisation to ensure impact can be fully demonstrated and any issues affecting performance are identified and resolved promptly.
- 4.4.4 The contract allows for the price to be reviewed annually and changed should both parties agree. Payment per service user, based on three levels, is considered to be the most advantageous to both parties but it is recognised that the stated averages are based on 2015-16 data and this may change from year to year. For example, the number of level three service users referred may increase significantly as a proportion of the total number of referrals. The annual price review is designed to mitigate this risk. At the same time, as with all contracted provision, the Council expects the provider to deliver excellent value for money, demonstrating continuous improvement and working more efficiently.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 An open and transparent commissioning process was followed, which attracted a sufficient number of high quality bids and has resulted in a winning tender being clearly identified.
- 4.5.2 Advice has been taken from Procurement colleagues, who have indicated that there are no legal issues that may affect the proposed way forward.
- 4.5.3 Given the value of this proposed contract the proposal will be subject to call-in and has been published on the forward plan.

4.6 Risk Management

- 4.6.1 Risks have been assessed in the procurement process and have been principally identified and mitigated from the beginning.
- 4.6.2 The successful provider has exceeded the minimum quality threshold of 60% and has identified how they will manage the work and what governance structures they have in place as part of the evaluation.
- 4.6.3 Contract mobilisation will ensure a smooth transition to the new provider with regular communication with all stakeholders to update on progress. December and January is generally a quiet time of year in terms of number of referrals and Passenger Transport will manage referrals carefully to ease transition.

- 4.6.4 There is a risk that the cost of the service will exceed the estimated budget of £250k per annum. As discussed in paragraph 4.4.4, this risk is mitigated by the annual price review but referrals will also be closely monitored throughout the life of the contract to manage the budget. At the same time, the contract management team will seek to maximise the added value offered by the new provider and evidence the impact of the service in terms of positive outcomes for service users and subsequent savings for the Council.

5 Conclusions

- 5.7 This was a successful and robust procurement process that has drawn to a conclusion and the contract is now ready for award.

6 Recommendations

- 6.1 The Director of Children Services is requested to approve the award of a contract to Neuro Partners (KEYFORT) to deliver the Travel Buddy scheme, following a competitive tendering process. The contract will be for three years from 1st January 2017, with the option to extend by a further two 12 month periods, with a value of approximately £250k per annum.

7 Background documents¹

- 7.1 Not applicable.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.