

Report of: Tony Newbould Assistant Head of Financial Services

Report to: Helena Phillips Chief Officer Shared Services

Date: 20 July 2017

Subject: Award of a Contract for a Business Taxi Supplier.

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 10.4(3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The council currently has no contract provision for its business related taxi requirements to transport staff or, business related equipment, on business related journeys. The previous contract having expired February 2012.
2. In line with the recommendations contained in report to the Chief Officer, Shared Services dated 14th February 2017, that a competitive tendering exercise, in conjunction with the Leeds Teaching Hospital NHS Trust (LTHT), has been undertaken and a single service provider successfully identified.

Recommendations

3. The Chief Officer of Shared Services is recommended to approve that the Council award a contract via the non-approved NHS framework to Pennock and Ivory Limited trading as Amber Cars, the successful bidder under the joint LTHT tender exercise. With a contract start date of July 2017. The contract is for a period of 3 years with the option to extend for a further 2 x 12 months.

1 Purpose of this report

- 1.1** The purpose of this report is to obtain approval to award the contract as recommended to Pennock and Ivory Limited trading as Amber Cars and to provide information to support the decision.

2 Background information

- 2.1** The background information relating the need to appoint a business taxi supplier was detailed in the report to the Chief Officer, Shared Services dated 14th February 2017 and for completeness and convenience is detailed again below.
- 2.2** The procurement is to establish a contract for the provision of transportation via Private Hire Vehicles or licensed Hackney Carriage (Taxi), and as required on occasion vehicles with wheelchair capability and small (8 passenger seat) minibuses to transport Leeds City Council staff, Clients and others engaged on Council business to and from various establishments throughout the day.
- 2.2.1** Further, under the Equality Act 2010, public bodies have a duty to make reasonable adjustments for employees with disabilities or impairments, such as support workers, travel arrangements, equipment and adaptations.
- 2.2.2** As part of this contract, all existing arrangements with employees supported through Access to work will be consulted on an individual basis all options available will be reviewed, but ultimately the contract will allow the council to ensure that, in all cases, journeys by taxi should only be taken in exceptional circumstances where:-
- It is necessary to prevent an employee being placed at personal risk, for example an officer travelling home alone after dark and/or what might be considered a “high risk” area in order to attend or return from meetings in connection with carrying out Council business,
 - There is no reasonable public transport available (it is in an inaccessible location),
 - The taxi journey is the most cost effective one available to the council.
- 2.3** The aim of having a contract to provide private hire and hackney carriage transport for the council is to ensure that the costs on this mode of transportation are controlled and usage more easily audited to manage expenditure. This will be achieved through a review of existing arrangements, management and control of new arrangements and on-going work with the provider to ensure any opportunities are taken up for shared transport either with staff in the council or with staff in the NHS and the council.
- 2.4** The procurement process will link in with other Corporate Plans and Priorities, see section 4.3 for more detail, namely;
- [The Corporate Travel Plan](#),

- [West Yorkshire Local Transport Plan 2011-2026](#), and
- [Carbon and Water Management Plan 2011-2021](#).

2.5 The council has committed to reduce carbon by 40% by 2020. To achieve this ambition a Low Carbon Leeds has been established as a “Breakthrough Project”. This means that we will focus our resources to work together with partners and communities across the city to deliver the various energy savings projects and make Leeds a fully sustainable city by the middle of the century. As part of this “Breakthrough Project” this procurement will look to encourage Hackney Carriage and Private Hire companies to move towards vehicles that improve air quality and reduce carbon emissions in the city.

2.6 Expenditure coded to taxi travel totalled £163k for the last financial year, 2016/2017, The table below indicates the supplier this expenditure has paid been to.

Taxi Spend for 2016/2017

Organisation	FMS	P Cards	Total
AB (Garforth)	£1,420.00		£1,420.00
Amber Cars	£4,455.18	£123,020.00	£127,475.18
Club Cars	£2,561.30		£2,561.30
Easy Travel	£540.80	£5,131.45	£5,672.25
Hunslet Cars	£2,376.10	£143.10	£2,519.20
Leeds Taxi Owners	£20,550.75	£28.00	£20,578.75
Shiny Sky (Arrow)	£1,438.76		£1,438.76
Wheels Private Hire	£1,321.20	£51.66	£1,372.86
Grand Total			£163,038.30

2.7 As the LTHT will be the largest user of the contract, it is proposed that the contract be awarded by LTHT and that they will also lead on the management of the contract. LCC will however, be allowed to access the contract and will contribute in any on-going contract review and as such officers have worked jointly throughout the process to ensure all our requirements are met.

3 Main issues

3.1 There is currently no contract for the supply of business taxis and therefore spend in this area is currently off contract. By addressing this issue and bringing this element of staff travel onto contract it will allow the Council to better understand and manage this area of spend.

- 3.2** The supplier, their employees and vehicles will be required to comply with all relevant legislation, regulations and statutes, in particular LCC Taxi and Private hire policy and legislation, customer care, data protection and health and safety legislation.
- 3.3** There will always be a requirement to provide a taxi service for staff who require support with regard to their travel arrangements either to and from the workplace or between different workplace locations whilst undertaking their duties. This will ensure all such journeys are with an approved contracted supplier and supported by management information.
- 3.4** Once awarded LCC will work with the supplier to introduce booking arrangements to include an on-line booking process. This will ensure LCC is better informed as to the use of taxis across the Council during the course of its business and as with other changes to travel arrangements, able to ensure that the most appropriate cost effective transport is being used.

3.5 Reducing Carbon Emissions

- 3.5.1** The Leeds Climate Change Strategy highlights the fact that approximately one third of carbon emissions in Leeds come from transport related sources. The Council has signed up to a target to reduce carbon emissions by 40% by 2020.
- 3.5.2** The Cleaner Road Transport Vehicles Regulations (2011) requires public contracting authorities to consider the wider impacts of energy use and environmental pollution. One measure that authorities can take to pro-actively mitigate environmental damage by road transport sources is to give a higher weight to prospective contractors that operate ULEV or would use them exclusively to fulfil the contract. This is also a measure recommended in the EST study whereby Leeds City Council could include criteria in its TPH contract tenders as a means of encouraging taxi operators to utilise ULEV in order to secure the contract
- 3.5.3** Leeds City Council has been mandated to introduce a Clean Air Zone (CAZ) by 2020 to improve air quality in areas where there are breaches of national limits of nitrogen dioxides. Taxi and private hire vehicles that do not meet euro 6 standard for diesel or euro 4 for petrol wishing to enter the CAZ will have to pay a fee. Leeds City Council seeks to increase the uptake of ultra-low emission vehicles (ULEV) vehicles by providing charging infrastructure and incentivising use by offering free parking and use of charging points.
- 3.5.4** A study carried out by the Energy Saving Trust (EST) in 2016 into the feasibility of an OLEV taxi scheme suggested that across West Yorkshire there is a high interest amongst taxi drivers to switch to either a pure electric (59% of those surveyed) or plug-in hybrid (63% of those surveyed). The EST study highlighted that of the 10,126 licensed private hire vehicles in West Yorkshire, only 9 were Euro 6 compliant, therefore the majority of drivers would have to pay a fee to enter the CAZ unless they change their vehicle before its introduction.

3.5.5 Public health issues are a real and on-going problem that local authorities need to tackle; an estimated 350 people die annually in the city prematurely with many more adversely affected due to air quality and pollution related health conditions. Whilst it is acknowledged that the Council is limited in what it can achieve with the general public, we do have levers that can be utilised to influence other sectors. Both bus and taxi operators are largely using diesel fuelled fleets and areas in which we have air quality concerns are disproportionately affected by these fleets.

3.5.6 To link in with the Low Emission Strategy the procurement exercise will incorporate an emphasis on organisations that are looking to reduce emissions by investing in a low and zero emission fleet.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Consultation and engagement has taken place with;

- The Head of Business Administration
- The Head of Service Passenger Transport – to learn from the procurement process for passenger transport specifically schools.
- The Head of Taxi and Private Hiring Licensing – for background information in relation to this area of Council Business bearing in mind the specification has the caveat that companies and drivers will need to be licenced through Leeds City Council. To ensure that feedback with regard performance is fed into any training programme this section are developing.
- Low Carbon Programme – Linking in with “Breakthrough Project”, reducing fuel bills and setting a revised 2050 carbon target.
- The Disabled Staff Network – to ensure that the requirements of all staff are taken into consideration with the award of the contract.
- Equality Unit – regarding previous feedback received concerning staff who are unable to access public transport experiences with regard to the hiring of taxis to get them to specific meetings, their primary concerns with the availability of adapted taxis and especially the number certain suppliers have access to.
- A supplier engagement session was conducted on 10th March 2017 with Taxi and Private Hire providers who expressed an interest in the contract.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The procurement of a business taxi contract does not present any equality and diversity issues however the tender exercise ensured that the successful tenderer can provide a service for all staff employed by the Council.

4.3 Council policies and City Priorities

4.3.1 The procurement was a joint enterprise with LTHT and was designed to support the Best Council Plan 2015-2020 including;

- Achieve the savings and efficiencies required to continue to deliver front line service.
- Becoming a more efficient and enterprising Council.

4.3.2 Strategic Projects

- Low carbon in 7 breakthrough projects

4.3.3 West Yorkshire Local Transport Plan

- To make substantial progress towards a low carbon, sustainable transport system for West Yorkshire, while recognising transport's contribution to national carbon reduction plans.

4.3.4 Carbon and Water Management Plan

- To reduce CO2 emissions by a minimum of 40% by April 2021

4.4 Resources and value for money

4.4.1 By undertaking the tender exercise in conjunction with LTHT then the cost of the exercise has been shared and any economies due to scale achieved. In addition the exercise has been an opportunity to trail a joint procurement activity with LTHT that will help to establish key links and identify other future joint initiatives of benefit to both parties.

4.4.2 The Council's business taxi use will now be on a single contract and can be better controlled and monitored. With improved management information available for evaluating the use of business taxis across the council, the cost of this use and the environmental impacts.

4.4.3 Payment for journeys undertaken will be made by way of lodged purchase card ensuring that the benefits of this more efficient payment method are achieved; by removing the need for invoice processing and enabling LCC to advantage of any rebate that may be available on this spend.

4.4.4 The contract has the provision of a 'Taxi' free phone to be placed in the new public area the new Merrion House site, which if taken up, will generate income by way of an annual fee of £2500 payable by the operator to the Council.

4.4.5 The preferred provider, Pennock & Ivory Limited t/a Amber Cars, were not the cheapest provider and scored third overall in terms of price, however based on the overall quality/price evaluation it was determined that they were the most suitable provider to deliver this contract to the standard required by both LCC and LTHT.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Approval to procure under CPR 3.1.8 was obtained in February 2017 (as a Significant Operational Decision.)
- 4.5.2 The tender opportunity was advertised in the Official Journal of the European Union (OJEU) and on www.yortender.co.uk. Four bidders responded to the opportunity, and following a detailed evaluation, Pennock and Ivory Limited trading as Amber Cars scored the highest in line with the evaluation criteria stated in the tender documentation. The required standstill period was observed prior to the award of the contract by LTHT.
- 4.5.3 Based on an analysis of the 2016/2017 year's spend of £163k, as detailed at 2.6 above, the total anticipated annual spend in respect of this contract is below £250k per annum. As such the contract award is classified as a Significant Operational Decision and is not subject to call in.

4.6 Risk Management

- 4.6.1 The risk of not making the award is that the Council's spend on business related taxis continues to be off contract and therefore contravenes Contract Procedure Rules (CPR)
- 4.6.2 CPR 18.2 states that the Authorised Officer must report to the officer taking the Delegated Decision where there is a difference of more than 5% between the value of the lowest priced tender and the highest scoring submission. The purpose of CPR 18.2 is to ensure delegated officers are mindful of Leeds City Council expenditure. In this instance, the difference is offset by the additional quality proposed by the winning tenderer, including access to a management system that will assist in improving efficiency and alleviating waste through inappropriate usage/journeys. It is also in line with the methodology as stated in the tender documentation Rules (CPR).
- 4.6.3 The absence of a contracted supplier hinders LCC obtaining a corporate view and understanding of the use of taxis for business purposes across all the service areas and the opportunity to influence travel choices and ensure value for money is reduced.
- 4.6.4 The health and safety of LCC staff making business journeys by taxi is paramount and staff travelling with an approved contracted supplier ensures that the quality of service and the vehicles used meet the appropriate required standards.
- 4.6.5 The opportunities to influence initiatives related to carbon omissions will be lessened.

5 Conclusions

- 5.1 This contract award has a synergy with the objectives of Leeds City Council and the Best Council Plan 2015/2020.

6 Recommendations

6.1 The Chief Officer of Shared Services is recommended to approve that the Council award a contract via the non-approved NHS framework to Pennock and Ivory Limited trading as Amber Cars, the successful bidder under the joint LTHT tender exercise. With a contract start date of July 2017. The contract is for a period of 3 years with the option to extend for a further 2 x 12 months...

7 Background documents¹

7.1 Appendix 1 evaluation spread sheet (confidential).

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.