

## Approval to procure a business taxi contract

Date: 5<sup>th</sup> January 2022

Report of: The Deputy Head of Shared Services (BSC)

Report to: The Director of Resources

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

- The current contract that exists to provide staff taxis is due to end 30<sup>th</sup> June 2022 and there is no further provision to extend.
- There are currently ad hoc provisions for supporting service users with critical or urgent travel by taxi that is not presently under contract.
- The Council needs to procure a new contract to ensure that there is suitable provision available for staff to book a taxi where there is a need to travel in this way and that the contracted supplier for this service is appropriately vetted to ensure that the Council's employees and/or service users are being transported safely and efficiently.
- By collaborating with the Leeds Teaching Hospital Trusts (LTHT) on this procurement the Council is able secure the best possible rates.

### Recommendations

- a) To approve the decision to procure a new business taxi contract through a joint procurement with the Leeds Teaching Hospital Trusts

## Why is the proposal being put forward?

- 1 The current contract to provide the Council's staff taxi provision is due expire 30<sup>th</sup> June 2022 and there is no further provision to extend.
- 2 The Council therefore needs to commence a procurement exercise to ensure that there is suitable provision available for staff to book a taxi where there is a need and that the contracted supplier for this service is appropriately vetted to ensure that the Council's employees are being transported safely and efficiently.
- 3 The current contract was procured through a joint procurement exercise with LTHT and it is proposed that a similar joint procurement approach is used again. LTHT have considerably higher usage of taxi services and extensive experience in contracting these services. The benefits for collaborating in this way means that the Council benefits both from LTHT's experience in securing better rates and service provision.
- 4 Taking this joint approach will mean that the contract terms and duration will be brought into line with those used by the LTHT. As such the term of the contract will be for 3 years plus options to extend for 2 x 12 months.
- 5 The LTHT evaluation approach will also be adopted for the tender submissions and these will be evaluated on a weighted approach of 60% Quality (50% evaluation criteria and 10% Electronic Booking System Demo) and 40% Price. LCC will however be leading on the Social Value aspect of the procurement and in this instance and LTHT have agreed that 10% of the Quality evaluation will be allocated to the Social Value responses and the Council's Social Value Portal will be used in the evaluation of the tender returns and the monitoring of social value implementation for this contract.
- 6 The current contract has introduced an online booking system for Council staff, whereby staff that have approval to travel by taxi, can make their bookings via the Council's intranet site and any new contract will need to support a similar facility.
- 7 The contract provides that comprehensive data is collated on each journey made by LCC staff. The data includes the cost, the mileage, date/ time and the named officer booking the travel. This data enables the council to understand both the financial and environmental impact of the business travel undertaken by its officers. Any new contractor, will as a minimum, need to be able to supply similar metrics from the outset.
- 8 A summary of the staff business taxi mileage and the total spend on the contract from the financial year 2018 /19 up to and including end of October 2021 is shown below.

	<b>Total Mileage</b>	<b>Total spend</b>	<b>Average miles per journey</b>	<b>Average cost per journey</b>
<b>18/19</b>	62,023	£136,573	4.69	£10.24
<b>19/20</b>	58,062	£116,269	4.29	£9.66
<b>20/21</b>	23,406	£48,256	5.56	£11.94
<b>21/22</b>	9,746	£20,796	5.45	£11.63

- 9 The impact of the Covid 19 pandemic has greatly reduced the number journeys being made from April 2020. Taxi use in October 2021 was at the highest level since April 2020, however this is still 60% less than the same period in October 19.
- 10 There have also been a number of technological changes in the Council's ITC infrastructure to enable more staff to work remotely and effectively, and more meetings are being held virtually. It is difficult at this stage to determine if these innovations will result in permanent changes in behaviour around the need to travel and be present in person at meetings/events
- 11 Regardless of the impact of Covid 19 and greater access to enabling technology, there remains a need for some key staff to travel by taxi. This is particularly the case where staff must be

present in person to deliver services and where they are supporting service users, colleagues or partners in the course of their business.

- 12 The taxi contract under review is presently only available for staff business travel. This means LCC staff travel or LCC staff accompanying a service user(s), where the cost of the travel is being borne by the Council. There are separate service specific arrangements where the Council is supporting the travel of a service user to travel unaccompanied by taxi. These arrangements are currently ad hoc and off contract.
- 13 The scope of the new procurement will therefore be extended so that these unaccompanied service user travel arrangements are included, ensuring this category of spend is compliant with Contract Procedure Rules (CPRs). The oversight for these travel arrangements will however sit separately to the management of the staff business travel element of the contract. The contract management and risk management arrangements for the unaccompanied service user element of the contract will sit with the service areas supporting these travel arrangements.
- 14 The scope of the procurement will be further extended to build in flexibility for the inclusion of travel bookings currently made under the Passenger Transport Framework to enable the possibility of bookings moving across to this contract on a case-by-case basis. Any transfer of bookings to this contract will need to be considered on an individual basis to assess the requirements of the service user, if it is a straightforward travel requirement there is the potential to save 12% per journey by moving the case to this contract. The oversight and management of such bookings will be retained by Passenger Transport.

#### What impact will this proposal have?

**Wards affected:**

Have ward members been consulted?       Yes       No

- 15 The contract will be accessed by all Directorates and this will therefore ensure that the expenditure on such travel is on contract and in line with CPRs. In addition, the contractor will be required to provide the Council with detailed data of the journeys being made by Council employees in the course of their business and those being made in support of service users. This data will feed in to and support the Corporate Travel Plan and help guide and inform the future planning of service delivery, the travel needs and the options that are needed to support the services the Council provides.

#### What consultation and engagement has taken place?

- 16 Procurement leads from PACS have been consulted on the requirement to procure a new contract, the scope of the contract and the procurement approach to be used.
- 17 LTHT have been consulted regarding the collaborative procurement approach, the contract specification, social value measurement and the tender process.
- 18 Informal consultation was also conducted with colleagues from the Sustainable Energy & Air Quality Team (SEAQ) who have been working to support the transition of the private hire fleet to ULEV/EV over the last few years, as such more than half of all Leeds licensed private hire vehicles are hybrid or cleaner (i.e. petrol hybrid/plug-in hybrid or full electric vehicle)  
  
This led to engagement with Taxi & Private Hire Licensing who were able to confirm that there is no current or planned changes to licensing condition in the next year or two, therefore it is not reasonable to ask for all of the potential contractors fleet to be petrol-hybrid as a minimum. However, it has been suggested by SEAQ that we might include a suggested percentage or to

ask an evaluation question relating to the percent and planned changes to their fleet. This is to be discussed further with LTHT.

The Influencing Travel Behaviour Team that informs the Transport Hierarchy and Corporate Travel Plan have also been consulted and they accept the need for the new procurement exercise but stressed that staff should avoid the need for travel if possible by using hybrid working arrangements such as MS Teams and for staff to make a judgement regarding the costs/time involved versus alternative public transport etc.

### **What are the resource implications?**

- 19 It is the stated aim of the Council to seek to reduce unnecessary travel in connection with conducting Council business and activities. As such the Council will be actively seeking to reduce the number of journeys being made by taxi were at all practical to do so. There is therefore no guarantee as to value of spend in respect of this procurement and the details below are therefore only estimates based on current activity and trends.
- 20 It is assumed that the volume of staff taxi travel will not return to the levels pre- April 2020 and although it is predicted the demand will increase over time from the current relatively low level, it is not expected to exceed 75% of the pre pandemic levels and it would take some time to reach these levels even without other travel alternatives and controls being used to encourage less reliance on this mode of transport. As such, based on the current trend and current prices, the value of the staff business travel element of the contract is estimated to be approximately £75k per annum
- 21 The total annual spend attributed to unaccompanied services users traveling by taxi paid for by the Council, based on current use and pricing, is estimated at £10k per annum.
- 22 The potential annual spend of including qualifying cases from the Passenger Transport Framework is estimated to be up to the value of £300k per annum. Please note that this value is included to build flexibility into the decision and cannot be guaranteed, this figure is based on an estimated 10% of Passenger Transport cases qualifying for transfer. The Passenger Transport Framework is currently valued at £3 million per annum and the transfer of cases could result in a potential saving of 12% per journey.
- 23 Given the above it is estimated that the total value of the contract over the full 5 years term will be in the region of £1.9m, (approximately £385k per annum).

### **What are the legal implications?**

- 24 The approval to procure a new business taxi contract is classed as key decision under the Council's delegated decision-making framework.
- 25 The decision for the approval to procure a new business taxi contract was published on the Council's list of forthcoming decision on 21<sup>st</sup> October 2021.

### **What are the key risks and how are they being managed?**

- 26 The main risk identified is that the Council will not have a contracted supplier for the delivery of a business taxi service at the end of June 22. This would result in services across the council having to make their own arrangements, the spend on this activity would be off contract, the key management information and metrics regarding the cost and the record of carbon emissions will be difficult to manage and likely be incomplete, as a result the key outcomes of the Corporate Travel Plan will be adversely impacted.

- 27 This risk is being managed by commencing this procurement in January 2022 to allow sufficient time to conclude the procurement ahead of the June 22 deadline.
- 28 There is a high risk that the fare/rates charged for taxi travel increase substantially from those on the present contract as a direct consequence of the recent increases in the cost of fuel and the limited number of suppliers in the marketplace.
- 29 To some extent the risk of increased costs is being mitigated by collaborating with LTHT on this procurement. LTHT is a much greater user of taxi travel than the Council and by taking a joint approach to the procurement the Council will benefit from the considerable purchasing power of combining the volume of our business in this procurement.

### **Does this proposal support the council's three Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

- 30 Health and wellbeing - this contract supports the council in meeting its obligations to its service users and ensures that staff that need to attend to some of the more vulnerable members of the community are able to do so in person. It also supports all employees to fulfil their roles and where required to travel and meet with their clients, colleagues and other parties where such need arises.

Climate Emergency - This procurement will support the council in its efforts to address the climate emergency, as it will support the Corporate Travel Plan Key Outcomes of "The total amount of carbon emissions from business travel is reduced to create a more environmentally sustainable council" and "Greater efficiency in delivering services through well planned travel and reducing costs or business mileage to create a more financially sustainable council". This will be achieved by ensuring that any taxi travel is undertaken with an approved contracted supplier, the organisation will be fully informed of the impact of its actions, it will understand not only the cost of the travel, but it will also provide key management information of journeys undertaken and a more comprehensive picture of the travel of its employees in the conduct of their business. This in turn will help to guide the policy decisions and behavioural and technological changes needed within business processes to remove unnecessary journeys and promote alternative more effective and environmentally friendly modes of travel or alternative ways of working.

Inclusive Growth - This contract supports the inclusive growth aims as it provides jobs within the city and surrounding areas for local taxi drivers and support staff. Many of the taxi drivers employed in this work are self-employed and the contract will ensure that the service provider adheres to good employment practices and promotes the highest of standards in service provision.

### **Options, timescales and measuring success**

#### **What other options were considered?**

- 31 There are no real viable alternative options. There will always be a need for some staff to make journeys in the course of their business. The Council supports alternative modes of transport including active travel, public transport, and car share schemes such as Club Car. But there are certain occasions where the use of a taxi is the most appropriate and practical form of transport. Having a centrally procured contract ensures that the spend on such travel is compliant with CPRs, the contractor is appropriately vetted and there is a clear corporate picture of how taxi travel is being used across the organisation and the environmental impact and cost of this travel, which in turn enables the appropriate management challenge, influence and control where needed.

### **How will success be measured?**

32 The success of this action will be measured by the successful award of a new contract and resulting implementation of the contract management arrangements by the 1<sup>st</sup> July 2022

### **What is the timetable for implementation?**

33 The new contract has to be implemented before the 1<sup>st</sup> July 2022. The procurement is being done in partnership with the LTHT, who are leading in the procurement supported by LCC Procurement staff. The approval to procure therefore needs to be obtained to enable the procurement activity to commence early in 2022.

### **Appendices**

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### **Background papers**

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