

EXECUTIVE

14th July 2022

Report Title	Procurement of Vehicle Contract Hire for Adult Social Care
Report Author	George Candler, Executive Director, Place and Economy
Lead Member	Councillor Graham Lawman, Executive Member for Highways, Travel & Assets

Key Decision	<input checked="" type="checkbox"/> Yes No <input type="checkbox"/>
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

None

1. Purpose of Report

- 1.1. The purpose of this report is to seek approval from the Executive to commence procurement of a new contract for the provision of minibuses and wheelchair accessible minibuses for the Adult Social Care Service.
- 1.2. Due to the total contract value of £800,000, Executive approval is required.

2. Executive Summary

- 2.1. Following the disaggregation of Northamptonshire County Council and the formation of North Northamptonshire Council (NNC) the management of the contract for transport within the Adult Social Care Service was transferred to the NNC's Fleet department.

- 2.2. The requirement for the Adult Social Care Service relates to highly specialised vehicles intended to support the transportation needs of the service users.
- 2.3. Working closely with the service areas in Adult Social Care, the Fleet department extended the current contract to allow time to carry out a procurement exercise for when the current contract expires, 30th November 2022.
- 2.4. To ensure that the Council maintains a good value and legally compliant contract for the provision of these specialist vehicles, the Council now requires a new contract arrangement to be put in place.

3. Recommendations

- 3.1 It is recommended that the Executive;
 - i) Authorises the commencement of procurement for specialised vehicle hire to support transportation needs within Adult Social Care in North Northamptonshire
 - ii) Delegates authority to the Executive Member for Highways, Travel & Assets, in consultation with the Assistant Director for Assets & Environment to take any further decisions and /or actions required to conclude the procurement, contract award and implementation of the provision of vehicles for the Adult Social Care.
- 3.2 Reason for Recommendation: The recommended course of action is the most cost-effective and enables the Council to make informed decisions regarding its medium-term financial planning. It ensures the authority complies with its obligations under the Public Contracts Regulations 2015 and has a legally procured, compliant contract which demonstrates best value in respect of the provision of specialist vehicles.
- 3.3 Alternative options considered: Do nothing – however; this leaves the Council open to challenge and increases the risk that the Council will be left without the provision to fulfil its transport responsibilities within the service area. As the contract will expire in November, this could put the Council at risk of exploitation by the current supplier and from challenge from potential bidders who have not been given the opportunity to bid for the services.

Outright purchase of vehicles. This was not the recommended option due to the nature of the service demands fluctuating, resulting in the need for a greater or reduced number of vehicles at any one time, and user requirements impacting the specification of the minibus.

4. Report Background

- 4.1. The Council took on the responsibility of the contract management for the transport provided within the Adult Social Care team on 1st April 2021. This responsibility fell to the Fleet department within the Assets & Environment Service.
- 4.2. The Adult Social Care team transport customers with learning difficulties and/or physical disabilities which includes travel to and from day services and community activities.
- 4.3. Their fleet of vehicles consists of a mix of 22 minibuses and wheelchair accessible minibuses and are considered specialist vehicles.
- 4.4. The fleet is currently provided by Enterprise via a contract which was originally procured by Northamptonshire County Council and transferred to North Northamptonshire Council. The cost of these vehicles is £195,000 per annum.
- 4.5. This contract has been extended and is due to expire in November 2022 at which time hiring can continue on an informal basis at the flexible rate at that time, until the vehicle(s) are returned to Enterprise.
- 4.6. A preference has been expressed for a contract hire arrangement rather than an outright purchase. This is due to the nature of the service demands fluctuating, resulting in the need for a greater or reduced number of vehicles at any one time, and user requirements impacting the specification of the minibus. A contract hire arrangement is proposed to enable this flexibility to suit service needs.
- 4.7. A contract hire arrangement also enables vehicle maintenance needs to be combined within the contract, for which separate contractual arrangements would be required if the fleet was purchased, and the provision for replacement vehicles if one was to breakdown.

5. Issues and Choices

- 5.1. Having reviewed the existing contract, it is not considered to be cost effective to continue with the agreement. The hire costs will revert to the suppliers 'flexible rate' at the time, which would increase costs and not allow accurate budgeting.
- 5.2. Seeking a new provision for the supply of specialist vehicles will allow the service area to review their requirements regarding the suitability of the vehicles for their customers and consider the possibility of introducing alternative environmentally friendly vehicles, subject to the provision of suitable infrastructure.
- 5.3. Reviewing the requirements may also reduce the number of vehicles required which could provide a cost saving to the service.

- 5.4. It is proposed to seek a three-year contract, with provision to extend the contract up to one year if required.

6. Next Steps

- 6.1. Following approval to commence a procurement process it will be necessary to develop documentation and instructions for prospective bidders via a fully compliant process. Officers within the Procurement Team have been consulted on the potential requirement to procure a new contract, with advice received that use of a national vehicle framework is likely to provide the best value for money, although invitation to tender will also be considered. Legal Services will be instructed to advise on appropriate contractual documentation.

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

- 7.1.1. There is a risk that the new contract price will be greater than the current arrangements. This could result in budget pressures. Alternatively, it could be lower than the current arrangement and result in reduced expenditure. This will not be known until the outcome of the specification is fully developed and on completion of the procurement exercise. The formally procured contract is anticipated to be more cost effective than an informal agreement with the existing provider.

7.2. Legal and Governance

- 7.2.1. The Council has the power to enter into contracts in order to discharge its functions (Local Government Act 1972, s111 and the Local Government (contract) Act 1997, s1).
- 7.2.2. The Local Government Act 1972 requires the Council to have regulations for how it enters into contracts. In addition to complying with all relevant UK and EU legislation every contract entered into on behalf of the Council must also comply with the Council's Contract Procedure Rules and the Council's Financial Regulations.
- 7.2.3. Value for Money must be achieved in all procurements.

7.3. Relevant Policies and Plans

- 7.3.1. The approval to seek a new contract for the provision of specialist vehicles for the Adult Care Teams will assist in meeting the priorities within the Corporate Plan around:
- Active, fulfilled lives

- Providing transportation to our customers will enable them to access services and activities to aid in their independence and contribute to their health and wellbeing
- Modern Public Services
 - Provide effective and efficient services that will impact local communities

7.4. Risk

7.4.1. There is a risk that a new contract may result in higher costs than existing arrangements. This can only be determined by carrying out a procurement exercise. Even if it is more expensive than the current arrangements, it will be the most cost-effective option that the authority can achieve through the legally compliant procurement route.

7.4.2. A consultation process with service users is required as part of the transport provision to understand their specific needs and requirements and to ensure that we are able to mitigate any risk of challenge from a change in service delivery.

7.5. Consultation

7.5.1. Consultation with the Adult Social Care service and service users will be undertaken to ensure a specification is developed to suit service needs.

7.6. Consideration by Executive Advisory Panel

7.6.1. This paper was considered by the Executive Advisory Panel for Climate Change Environment and Growth at its meeting scheduled for 30th June 2022.

7.7. Consideration by Scrutiny

7.7.1. This paper may be selected for consideration by Scrutiny Commission

7.8. Equality Implications

7.8.1. An Equalities Screening Assessment has been prepared, which has not identified any adverse impact on individuals with protected characteristics.

7.9. Climate Impact

7.9.1. Following approval to conduct the procurement process for the provision of replacement vehicles it could present an opportunity to investigate alternative fuelled vehicles or reduce the number of vehicles required.

7.10. Community Impact

7.10.1. There are no Community Impact issues arising directly from this report, although service users do rely on the provision of vehicles.

7.11. Crime and Disorder Impact

7.11.1. There are no Crime and Disorder issues arising directly from this report.

8. Background Papers

8.1. None