

CABINET

14 NOVEMBER 2012

WINCHESTER DIAL-A-RIDE

REPORT OF HEAD OF ACCESS AND INFRASTRUCTURE

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RECENT REFERENCES:

PHD184 - Letting of Contract for Winchester Dial-a-Ride Service, January 2009.

EXECUTIVE SUMMARY:

The Winchester Dial a Ride Service was last subject to a tender exercise in 2009 when Winchester Area Community Action (WACA) was awarded a 4 year contract which runs until 31 January 2013. As this contract will shortly expire, the County Council on behalf of District Councils across Hampshire has undertaken a retendering exercise and this report sets out the results of that exercise and recommends that WACA is awarded a new 4 year contract with provision to extend this for a further two years.

RECOMMENDATIONS:

That Winchester Area Community Action is awarded a new 4 year contract (with a provision to extend for a further two years) to commence on 1 February 2013.

CABINET14 NOVEMBER 2012WINCHESTER DIAL-A-RIDEREPORT OF HEAD OF ACCESS AND INFRASTRUCTUREDETAIL:

- 1 Introduction
- 1.1 The contract for Dial-a-Ride let in 2008 expires on 31 January 2013. Consequently the contract is now being re-tendered for delivery over a period of up to six years and two months (to 31 March 2019). Although the initial contract term will be for 4 years but with an option to extend for a further 2 years.
- 1.2 The tendering process has been led by Hampshire County Council (HCC) and commenced in the summer 2012. The County Council is re-tendering for provision of Dial-a-Ride in all other Hampshire Districts simultaneously.
- 1.3 HCC has re-tendered the Dial-A-Ride contracts, including that for provision of the Dial-A-Ride service in the Winchester District. HCC and Winchester City Council each provide 50% of the funding for this service. One tender was submitted, from the current contractor and is within the current budget of contribution of £51,840 per year from Winchester City Council and offers some additional service to users. Prices were obtained for a minimum contract term of either two years or four years; the longer term represents better value and is recommended for acceptance.
- 1.4 The County Council has made it clear that despite the current financial climate, it will continue to match the financial commitment from Winchester City Council and would prefer to maintain the current level of service. Winchester's Dial-a-Ride service provides a door-to-door transport service for people with mobility difficulties.
- 1.5 The service delivery is cost-effective, particularly through the use of volunteer drivers and the use of an appropriately-sized vehicle for the number of people travelling. In 2011/12, there were 571 registered users of Winchester Dial-A-Ride. In total, residents made 12,251 trips using the service in 2011/12, of which 1,308 were made by wheelchair/ scooter users.
- 1.6 It is provided in a number of ways:
 - Two minibuses provide trips to the city centre and other shopping destinations;

- Two smaller wheelchair-accessible vehicles are driven by volunteers, each transporting one wheelchair user, where these trips cannot easily be combined with others;
- A number of volunteer drivers transport people by car, particularly in more outlying areas.

1.7 The new contract for Dial-a-Ride will commence on 1 February 2013 and run for a term of 4 years. There is potential for extension to a maximum of 6 years and 2 months, ending 31 March 2019. This contract and its content will generally be similar to that used for the provision of the Dial-a-Ride service between 2008 and the present. Under this contract, HCC will again be the lead authority, meaning the contract will be between HCC and the appointed contractor. HCC will be responsible for the majority of the contract management workload for the service. The City Council will enter into a Deed of Agreement with HCC, guaranteeing payment of 50% of the contract each year.

2 The Tender Process

2.1 The tender documents contained options, as follows:

- Initial contract term of either two years or four years, to test whether an initial term of four years would offer better value.
- Current level of funding or a reduced budget (20% below the current budget for the service). In both cases the tender price was capped, with tenderers advised that any tenders that exceeded the available budget figures would be rejected.

2.2 Tenders were evaluated on price, quality and the level of service provided.

2.3 One tender was received, from the current contractor, WACA. This was a similar result to other tendered Dial a Ride services across Hampshire, with the exception of the Basingstoke and Eastleigh services, where in each case another bidder competed with the existing contractor.

2.4 The WACA tender is summarised below, in two parts:

Current level of funding:

	Price £ per annum	Service provided (vehicle hours per week)
Current contract	94,464	114
WACA: 2 year initial term	94,400	132
WACA: 4 year initial term	89,700	132

Reduced level of funding (20% reduction)

	Price £ per annum	Service provided (vehicle hours per week)
Current contract	94,464	114
Reduced budget (20% reduction)	75,571	-
WACA: 2 year initial term	75,478	62
WACA: 4 year initial term	71,780	62

- 2.5 The reduced budget option results in much poorer value for money as the reduction in service (52 hours per week) represents 46% of the service currently provided, a far greater reduction than the 20% reduction in available funding, and would mean that many users would no longer be able to travel. This option is therefore not recommended for approval. The four year initial term provides better value than the two year term, giving a saving of £4,700 per annum but providing an additional 18 hours of service per week, by means of additional use of one of the single wheelchair vehicles.

OTHER CONSIDERATIONS:

3 WINCHESTER DISTRICT COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 3.1 Community Transport contributes directly to the Community Strategy priorities of
- a) increasing access to services, and
 - b) ensuring the wellbeing of older people.

Because Dial-a-Ride provides transport for those with mobility difficulties, it also contributes to the reduction of health inequalities, in line with the Active Communities Change Plan theme.

Awarding the contract to a provider who can deliver a customer-focussed, reliable and cost-effective service also supports our corporate objective of being an Efficient and Effective Council.

4 RESOURCE IMPLICATIONS:

- 4.1 The best value for the Council is therefore the WACA bid at the current level of funding, based on the four year initial contract term. This represents a saving on the current contract cost of 5% whilst providing additional service to users. Winchester City Council also contributes to the cost of replacing the

two minibuses used to provide the service. The two councils contribute equally towards the cost of the vehicle which are provided to the contractor as part of the contract. The total cost per year of providing the service and the sum that the City Council will have to fund is set out in the table below.

	Current contract	New contract from 1.2.13
Contract price (WACA)	£94,464	£89,700
Vehicle replacement cost (depreciation)	£8,700	£8,700
TOTAL	£103,164	£98,400
WCC contribution (matched by HCC)	£51,582	£49,200

- 4.2 The proposed City Council contribution of £49,200 will be subject to an inflation increase in April 2013, as the budget sums in the tenders were quoted at April 2012 prices, owing to uncertainty over future levels of inflation.

5 RISK MANAGEMENT ISSUES

- 5.1 The service specification has been carefully drafted and provides a sound and clear basis on which to run and monitor the service provision.
- 5.2 HCC will be the lead authority in terms of overseeing the service delivery.
- 5.3 There are clauses within the contract which allow all parties to terminate the agreement with notice.
- 5.4 The current economic climate has impacted on organisations across the public, private and voluntary sectors. Core funding for voluntary organisations is under severe pressure as a result of public spending constraints, and there is a potential risk that WACA – like any other provider - could experience financial difficulties during the life of the contract. Given the importance of the service to many vulnerable residents of the District, Hampshire County Council has assessed this risk to the best of its ability as part of the tender process.
- 5.5 Should issues arise during the duration of the contract, the City Council has the back up of Hampshire County Council to help provide contingency arrangements. HCC has dial a ride and similar contracts with other providers across the County.

BACKGROUND DOCUMENTS:

Service specification

APPENDICES: None