Effective Contract Management, Framework Agreements, reverse Auctions Contract Compliance

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What does Northamptonshire County Council ITMU do?

- Procures and contract manage Mainstream, SEN and Public Bus contracts
- 700+ Contracts
- 200+ schools county wide
- SCH Transport to 1600 customers
- £16m costs per annum
- 80 fleet vehicles
- 250 drivers and passenger assistants

Why did we need to change?

- Escalating Transport Costs
- Concerns over Quality and Compliance
- NCC's Contract Documents needed updating
- Needed a quicker way to procure contracts and greater flexibility
- Held to ransom by taxi and private hire operators
- Needed to engage operators and help them understand the nature of work required

Background

- **Introduction of Bravo electronic tendering to NCC**
- **Pilot in 2009 for one transport area with significant savings**
  - 14 contracts
  - Nearly 30% savings
- **ITMU committed to a further budget saving for 2010**
- **Other neighbouring LAs already using e-tendering**
- **Concerns from Transport Operators over the 'new' way of tendering!**
- **Wanted to adopt a positive approach with the transport providers**

2009/10

- Introduction of electronic tendering using the Bravo system
- Introduction of quality scores – 60/40%
- 2 training sessions attended by 86 people
- Regular tendering total of 94 contracts with 12% saving (£320k). Though public bus contracts had a significant impact on this
- E-auction pilot scheme for Brackley/Woodford area for Mainstream bus contracts
- Total 14 contracts with 29.46% savings (£136.5k)
- First department within NCC to attempt this

Contract Management & Procurement Design

- **Contract Framework Agreements**
  - Home to School and SCH transport buses, minibuses, taxi and private hire vehicles for longer term contracts
  - Public Bus
  - Ad hoc journeys
- **Complete revamp of contract documents in consultation with other service users**
- **Marketing and training of new way of tendering to transport operators**
- **Further training for drivers and operators**
- **Newsletter for our transport providers**
- **Review of role of Transport Compliance team**
- **Lessons learned from 2009 /2010**

Preparation for all frameworks

- Advertisements and articles placed in local papers
- Newsletter sent to 378 operators of these 288 had the newsletter sent via e-mail.
- Partnership working with Procurement, Legal and Bravo
- Consultation with our internal customers (ITMU, CYPS and HASS)
- In all frameworks built in the ability for other public bodies to have use of them

Ad-hoc Framework

- Designed for all ad-hoc journeys
- Previously companies would charge different amounts for same journey
- Needed to know how much journey would cost before undertaking
- 8 seminars around the county– 121 people attended
- Now being used as a corporate framework
- Other users include Northampton College and possibly NHS
- Operators for each area are ranked by quality / unit price per passenger mile

Planned Passenger and Public Transport Frameworks

- Training: 2 seminars (Bravo in attendance) – 110 people attended
- Further e-auction training carried out by Procurement and Bravo
- Total of 22 e-auctions carried out over a period of 11 days in June and July
- Total amount of 285 contracts
- Expected costs used for starting price of e-auction

Savings from e-auctions so far

2010/11

- **Net savings combining the contracts e-auctioned and then mini competitions £1.4m**

2011/12

- **Net annual savings £190k**

Approx 30% savings on contracts tendered each year

But what about the quality of transport?

- Compliance team now audit all new operators prior to entering the framework agreements and annually thereafter
- Emphasis is now on quality and compliance to contract schedules as well as cost
- Improved audit trail for contract monitoring
- Becoming proactive when identifying early issues
- Greater working relationships with licencing authorities, VOSA & Police

The Compliance Team

- **Focus has changed to emphasise contractual compliance for operators rather than student behaviours**
- **Safeguarding Training for operators, 8 forums county wide and 65 people trained**
- **Operation Educate in conjunction with the police, VOSA and licencing authorities**
  - In March 2011 alone 48 school transport checks were carried out. Of this 5 were given verbal warning and four vehicles were taken off the road for defective tyres
- **Going to licencing authority induction days for taxi / private hire drivers**

The Way Forward

- Further Training for Operators and enhanced training for drivers and passenger assistants
- Revised Ad-hoc framework agreement
- Potential link up on contracts with other public bodies
- Marketing of our services to the Education establishments
- SCH journeys now on contracts
- Dynamic procurement system for framework agreements