



Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

Contact: Maureen Fitzpatrick Ext 76406

Item 7

8th August 2024

**The Provision of Taxis and Private Vehicle Hire Services Framework
Tender Reference: - GCC005912CPU**

Purpose of Report:

To submit details of the tenders received for the provision of taxis and private vehicle hire services framework and recommend acceptance of the most economically advantageous tenders as detailed in this report.

Recommendations:

The Contract and Property Committee is requested to approve the award of a framework for the provision of taxis and private vehicle hire services and the appointment of the suppliers listed in Appendix A.

Ward No(s): Xxxxxxxx

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1 Background and Tender

- 1.1 The council family annual spend for the provision of taxis and private vehicle hire services is £7,923,000.
- 1.2 In addition, the framework will be utilised, in accordance with the rules set out in the framework, by ten (10) external public sector organisations with an estimated annual spend of £577,000 per annum. Appendix B sets out the ten public sector organisations.
- 1.3 The framework will support the council's statutory obligation to ensure its employees and service users, which include vulnerable adults, children and young people, including those additional support for learning (ASL), are transported in a safe manner and that their personal data is protected.
- 1.4 A commodity team consisting of stakeholders from the Corporate Procurement Unit (CPU), Education Services, Glasgow Health and Social Care Partnership (GHSCP) and Information and Data Protection Team was formed to develop the sourcing strategy and deliver a new framework.
- 1.5 As part of the sourcing strategy developed, it was determined that the framework would be split into 2 distinct Lots with suppliers appointed to each of the Lots on a ranked basis. This lotting strategy improves market competition by providing a better tendering opportunity to local and more specialist suppliers, in particular Small and Medium-Sized Enterprises (SMEs). The Lots are split as follows:

Lot	Description	Estimated Value
1	Scheduled and Unscheduled Work – commencing within Glasgow Boundary	£7.5m
2	Unscheduled Work – commencing out with Glasgow Boundary	£1.0m

- 1.6 It was agreed that an open tender process would be the most appropriate method to deliver the framework as there is a limited capacity within the marketplace and this route increases competition. The opportunity was advertised via the Find a Tender and Public Contracts Scotland.
- 1.7 The period of the framework is 4 years and will start on 2nd September 2024.
- 1.8 The framework will be utilised by the council family and 10 external public sector organisations as set out in Appendix B.

1.9 The framework will be monitored by Education, GHSCP and the CPU.

2 Evaluation

2.1 As part of the open tender process, 12 suppliers accessed the tender on Public Contracts Scotland – Tender. Details of bids and evaluation stages are detailed below:

Lot	Number of Bids Received	Failed to Achieve Pre-Selection Criteria Stage	Award Evaluation Stage
1	4	1	3
2	5	1	4

2.2 The remaining 5 suppliers were taken forward to the award evaluation stage.

2.3 The award evaluation was based on the following criteria and weightings for both Lots:

Price	Quality	Quality Sub Criteria	Weightings
45%	55%	Data Protection	10%
		Operational	18%
		Booking Infrastructure	5%
		Key Performance Indicators	2%
		Reporting	2%
		Service Delivery	3%
		Complaints	1%
		Training	2%
		Purchase 2 Pay	2%
		Sustainability & Climate Plan	5%
		Fair Work First (including the Glasgow Living Wage)	5%

- 2.4 The evaluation of award criteria and the scoring of suppliers which have been recommended to be appointed within each respective lot of the framework is set out in Appendix A
- 2.5 As a part of the tender process, the council required suppliers to provide details of the fuel type and number of vehicles which will be made available to meet the council's demands. The framework will provide the council with access to approximately 1600 vehicles over both lots and the fuel type will range from diesel, petrol, hybrid and electric.
- 2.6 All rates will be fixed for a minimum of 12 months, thereafter the supplier(s) may apply for an annual price variation 60 calendar days prior the anniversary of the framework start date. In the event of the price cost drivers falling a price reduction can be submitted at any time throughout the duration of the framework. These changes could impact the ranking of the appointed supplier(s).

3 Financial Implications

- 3.1 This is the fifth-generation framework for this service provision and whilst operationally demands are increasing, capacity issues continue within the taxi industry.
- 3.2 In line with the CPU commercial tracking process, benchmarking exercises were conducted, which indicated a new anticipated annual cost for the Glasgow family of £9,420,447. This represents a potential annual increase for the Glasgow family of £1,497,447 (18.9%) to operational budget costs. For the external organisations this 18.9% represents an increase of £109,053 thus giving an overall annual increase of £1,606,500.
- 3.3 The following cost drivers relate to taxi driver key operating costs which have incurred an average increase of 31.5% in the last four years, as identified via the official UK Government and Office of National Statistics, details as follows:
- CPI increased by 23.4%
 - Diesel increased by 32.5%
 - Unleaded increased by 29.0%
 - Living Wage or average taxi driver earnings having increased by 31.2%
 - Vehicle Parts increased by 10.1%
 - Vehicle Repair increased by 23%
 - Insurances Motor increased by 71%
- 3.4 In addition to the cost drivers stated above, it should be noted that the following factors have been key contributors to the increase of 18.9%:
- Cost of purchasing compliant vehicles to adhere to Low Emission Zone
 - Shortage of Drivers and Reduced Capacity
- 3.5 The two main service area users are continuously exploring other options to fulfil their operational requirements and to mitigate excessive spend through

this framework, these options include utilising in-house resources, investing in new vehicles, recruiting drivers, reviewing shift patterns to better cover periods of peak demand , more efficient routing and replacing ASL taxi runs in ASL Secondary schools with bus runs contracted via SPT agency agreement.

- 3.6 The council shall receive income if prompt payment invoice discounts can be achieved. This will mitigate the increase by approximately £187,500 per annum.
- 3.7 The framework includes a provision for volume related financial rebates which, if achieved, will return approximately £375,000 per annum.

4 Contract implementation and Supplier Management

- 4.1 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this framework to be categorised as a high. The suppliers will be monitored in line with our contract and supplier management process which includes tracking the supplier's performance against the key performance indicators set by the Council and meeting on an annual basis. These KPIs include, but are not limited to, late driver and passenger no shows. Also working collaboratively to identify opportunities of improvement, innovation and cost savings.
- 4.2 The agreed Community Benefits outcomes and Fair Work First commitments will be monitored via Cenefits which is a web-based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.

5 Policy and Resource Implications

Resource Implications:

Financial:

The overall framework award value is estimated at £10,106,500 per annum and £40,426,000 over four years.

As set out in paragraph 3.2, the framework represents a potential annual increase of 18.9% which equates to £1,497,447 to operational budget costs for the Glasgow Family and £109,053 for the external organisations using the framework, totalling an overall annual increase of £1,606,500.

This will be met by revenue budgets.

Legal:

The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the framework.

Personnel: No direct personnel implications.

Procurement: An Open procedure as referenced in 1.6.

Council Strategic Plan: This contract supports Grand Challenge 1, Mission 2.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25 Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

Local authorities and other agencies have statutory duties under the Education (Additional Support for Learning) (Scotland) Act 2004 (as amended) to identify, provide for and review the additional support needs of their pupils. For pupil who has been assessed as having additional support needs the council also requires assessing whether this would also include a need for transport which must be provided.

What are the potential equality impacts as a result of this report? No EQIA conducted as the report does not relate to a new service, policy, strategy plan or notable change to a review of a service, policy strategy or plan.

A Data Protection Impact Assessment (DPIA) was completed at the outset of the procurement process.

Data protection impacts were scored for Lots 1 and 2, as referenced in paragraph 2.3.

Please highlight if the policy/proposal will help address socio economic disadvantage. Fair Work First was included as part of the award criteria with a weighting of 5%. The suppliers recommended for appointment to the framework confirmed various Fair Work First outcomes as detailed in Appendix C.

All five suppliers are SMEs.

Community Benefits was included as part of the tender process. The framework allows for

Community Benefits to be aggregated over the duration of the framework.

Appendix D shows the mandatory community Benefits thresholds and mandatory points for the framework.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Yes, will support the undernoted themes:

Climate Action Plan Theme 3: Well, Connected and Thriving City as vehicles will comply with the council's LEZ zones.

What are the potential climate impacts as a result of this proposal?

Reduction of single car journeys and use of greater greener vehicles.

Reduction of carbon emissions as majority of vehicles have on/off stop technology.

Utilisation of advanced route planning software that optimise routes for efficiency, reducing travel time, distance, & emissions.

Consolidating runs when practical this reducing carbon emission.

Will the proposal contribute to Glasgow's net zero carbon target?

Vehicles will adhere to the Low Emission Zone criteria which is a commitment to contribute to the Cities net zero carbon target.

Privacy and Data Protection impacts:

No data protection impacts identified

6 Recommendations

The Contract and Property Committee is requested to approve the award of a framework for the provision of taxis and private vehicle hire to the suppliers listed in Appendix A.

Appendix A – Suppliers Recommended to be Appointed to the Framework

Lot	Description	Supplier	Companies House Number	Evaluation Score	Rank
1	Scheduled and Unscheduled Work commencing within Glasgow Boundary	Glasgow Taxis Ltd	SP2522RS	80.31%	1
		Central Cab Co. (Cumbernauld) Ltd	SC222116	78.00%	2
		Myle Connect Ltd	SC743936	69.50%	3
2	Unscheduled Work commencing out with Glasgow Boundary – East Ayrshire	Central Cab Co. (Cumbernauld) Ltd	SC222116	81.40%	1
		Glasgow Taxis Ltd	SP2522RS	78.56%	2
2	Unscheduled Work commencing out with Glasgow Boundary – North Ayrshire	Central Cab Co. (Cumbernauld) Ltd	SC222116	81.40%	1
		Glasgow Taxis Ltd	SP2522RS	78.56%	2
2	Unscheduled Work commencing out with Glasgow Boundary – East Dunbartonshire	Central Cab Co. (Cumbernauld) Ltd	SC222116	81.40%	1
		Glasgow Taxis Ltd	SP2522RS	78.56%	2
		Broomhill Transport Services Ltd	SC532482	66.39%	3
2	Unscheduled Work commencing out with Glasgow Boundary - West Dunbartonshire	Central Cab Co. (Cumbernauld) Ltd	SC222116	81.40%	1
		Glasgow Taxis Ltd	SP2522RS	78.56%	2

Lot	Description	Supplier	Company House Number	Evaluation Score	Rank
2	Unscheduled Work commencing out with Glasgow Boundary – Inverclyde	Glasgow Taxis Ltd	SP2522RS	95.40%	1
2	Unscheduled Work commencing out with Glasgow Boundary - North Lanarkshire	Central Cab Co. (Cumbernauld) Ltd	SC222116	81.40%	1
		Glasgow Taxis Ltd	SP2522RS	78.56%	2
2	Unscheduled Work commencing out with Glasgow Boundary - South Lanarkshire	Central Cab Co. (Cumbernauld) Ltd	SC222116	81.40%	1
		Glasgow Taxis Ltd	SP2522RS	78.56%	2
		Glasgow Private Hire T/A GlasGo Cabs	SC201189	65.29%	3
2	Unscheduled Work commencing out with Glasgow Boundary – East Renfrewshire	Central Cab Co. (Cumbernauld) Ltd	SC222116	81.40%	1
		Glasgow Taxis Ltd	SP2522RS	78.56%	2
2	Unscheduled Work commencing out with Glasgow Boundary – Renfrewshire	Central Cab Co. (Cumbernauld) Ltd	SC222116	81.40%	1
		Glasgow Taxis Ltd	SP2522RS	78.56%	2

Appendix B – List of External Organisations that will utilise the Framework

List of External Organisations
Glasgow Caledonian University
Glasgow kelvin College
City of Glasgow
Glasgow School of Arts
The University of Glasgow
The University of Strathclyde
Wheatley Housing Group
Disclosure Scotland
Glasgow Clyde College
Scottish Prison Service

Appendix C – Suppliers Fair Work First Tender Submission

Bidder	Payment of at least the real Living Wage	Employee Voice	Investment in workforce development	No Zero Hours Contracts	Gender Pay Gap and Inclusive Workplace	Offer flexible and family friendly working practice	Oppose fire and rehire
Broomhill Transport Services Ltd	Yes	Yes	Yes	No	No	No	No
Central Cab Co (Cumbernauld) Ltd	Yes	No	Yes	No	No	No	No
Myle Connect	Yes	Yes	Yes	No	No	No	No
Glasgow Private Hire TA GlasGo Cabs	No	No	Yes	No	No	Yes	No
Glasgow Taxis Ltd	Yes	Yes	Yes	Yes	No	Yes	No

Note: The above information is based on the supplier's tender submission and may not be representative of its actual policy.

Appendix D – Community Benefit

Lot 1: Scheduled and Unscheduled Work – commencing within the Glasgow Boundary

Threshold	Spend	Points
1	Up to £500K	5 points
2	Threshold 2 - £500,001 to £2M	15 points
3	Threshold 3 - £2,000,001 to £6M	20 points
4	Threshold 4 - £6,000,001 to £10M.	30 points
5	Threshold 5 - £10,000,001 to £15M	35 points
6	Threshold 6 - £15,000,001	45 points

Lot 2: - Unscheduled Work – commencing out with the Glasgow Boundary

Threshold	Spend	Points
1	Up to £110K	5 points
2	£100,001 to £500K	10 points
3	£500,001 to £1M	10 points
4	£1,000,001 to £2M	10 points
5	£2,000,001 to £3M	25 points
6	£3,000,001 and over	20 points