



London Borough of Merton

Operational Guide

Passenger Transport Services

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adam

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Dynamic Purchasing System Operational Guide

The (the "Council") is working with *adam* to introduce a web-based system, SProc.Net, to manage the Council's Dynamic Purchasing System (DPS). The Council will use this system for the procurement of Passenger Transport Services for adults and children, as and when required, over the lifespan of the DPS contract (expected to run until April 2027). As a potential Service Provider, this document will take you through what a DPS is and how the Council will manage their commissioning and invoicing process using SProc.Net.

What is an Dynamic Purchasing System (DPS)?

A DPS is a completely electronic system established by the Council to purchase commonly used goods, works or services. A DPS is governed by Regulation 34 of the Public Contract Regulations.

A DPS operates differently to a traditional contract/framework in that it is an 'open market' product allowing Suppliers to apply to join at any time and designed to provide the Council access to a pool of Suppliers or supply base which can be constantly refreshed. Interested Suppliers will have to apply to be admitted to the DPS.

How will the Council use SProc.Net?

Requirements

When the Council require a Passenger Transport Service, they will create and distribute a Requirement to the supply base. A Requirement is the name used for a tender on SProc.Net. The requirement is automatically distributed to Service Suppliers that have signed up to the respective Service Category via SProc.Net.

Depending on when the service is required to begin, the Council will stipulate the relevant timescales, whereby different actions can be taken during the subsequent periods described in this guide.

There may arise a situation that is an exception to the standard DPS process. In this situation, the Council reserve the right to contact a single Service Provider, or a specified selection of Service 3 Suppliers. A retrospective Requirement will be placed on SProc.Net. Detailed below is a list of example exception situations in which this may occur:

- Services procured out of core office hours (08:00 – 17:00hrs Mon-Fri)
- Services needed in short notice (will retrospectively be added to the system)
- Supplier that is known to the service user and can best support their needs
- Rollback – no suitable bids received
- Handback from a Supplier that requires 2nd choice on the awarded contract being offered the route
- Service User and family choice In these cases, a retrospective Requirement will be placed on SProc.Net by the Council.

Open for Offers period

This period only applies when the Requirement has been distributed via the DPS. Service Providers can only submit an Offer during the 'Open for Offers' period. An Offer is the name used for a proposal submitted by a Service Provider. The Council will stipulate the timescale of this period on the Requirement. Once this period ends, no further Offers can be submitted by the supply base. To create an Offer, Service Providers will state whether or not they can meet the requirements ('Attributes') and submit a price ('Price'). On each Offer, there is a weighted split of 80% Price and 20% Quality.

- Price – 80% Price is weighted to represent 80% of the Service Provider's total score. Service Providers are required to enter their Bid Price for delivering the Requirement. Price scores are then calculated by the system by comparing Service Provider's rates using the following formula: (Best (lowest) Price ÷ Bid Price) X (Price Weighting)
- Quality – 20% Quality is weighted to represent 20% of the Service Provider's total score. At initial Enrolment to the DPS all Service Supplier will be awarded full marks of 20% but thereafter this percentage will be assessed every month and the score in the system will be updated every 2 months following a service performance review

During the Open for Offers period, you will have visibility of your overall ranking in the list. Whilst the Open for Offers period is open, and quality has been secured, as a Service Provider, you have the opportunity to revise your Bid Price in an effort to improve the ranking of your offer. When the Open for Offers period ends, all submitted Offers will be electronically sorted into a list. This will rank the Offers in order of combined price/quality scores.

Requirement Messaging Tool

A messaging tool is available during the Open for Offers period for you to communicate with the Council to clarify any specifics of the Requirement. Requirement messages and

their responses will be published on the Requirement and can be seen by all Service Providers who are placing Offers.

As such, you must not include anything which identifies you or your business in any Requirement messages. The following policy must be adhered to for its use. This policy is to ensure a full auditable trail and alleviate any risks to the Council or the Service Provider through miscommunication or malicious practice:

1. Identification There must be nothing communicated through the messaging system which identifies either you as the Service Provider or a member of the Council.
2. Prejudice Nothing which betrays a bias for or against you as the Service Provider should be communicated through Requirement Messaging
3. Data protection There must not be any sensitive information of a personal or commercial nature, pertaining to either you the Service Provider, a member of the Council or Service User communicated through Requirement Messaging.
4. Off-contract risk There will be nothing which incites engagement outside of the system communicated through Requirement Messaging.
5. Clarification Further details to support the Requirement and aid Service Providers in constructing their Offers must always be communicated through Requirement Messaging.

Client Review period

This period only applies via the DPS procurement route. Following on from the Open for Offers period, the Council will evaluate the Offers. The purpose of the Client Review period is to ensure that the accepted Offer is the one that best meets the needs of the Service User.

The Total Score is generated by the system based on the combined final Cost and Quality weighted scores. These scores are then used to rank all Offers in descending order (i.e. the highest score achieves rank 1 and so on). At the end of this review period, the Council will award the Passenger Transport Service contract for the Requirement to the top-ranked offer which represents the most economically advantageous tender: a combination of both price and quality. There are no guarantees that the cheapest offer, or the offer with the highest quality score will win; it is based on a combination of both quality and price.

The Council reserve the right to reject Offers should they be deemed inappropriate. For example, but not limited to:

- If the price offered is abnormally low
- Supplier not suitable to the client's needs
- If the price offered is too high
- If the vehicle, driver or PA are not available

- Crew information hasn't been confirmed within 3 days of the contract being confirmed

The Council reserves the right to amend the award criteria from time to time, subject to prior notification to Service Providers

Service Agreements

This is relevant for all procurement routes whether via the DPS or outside of the DPS. If your Offer is successful, a Service Agreement will be created on SProc.Net between you and the Council. The Council will inform all Service Providers of the outcome of Offers received via SProc.Net following the end of the Client Review period.

Changes to Service Agreements

If a change needs to be made to an active Service Agreement, the Change Order function in the system will be used either by the Supplier or by Council. The Change Order policy below outlines what changes to an active Service Agreement can be requested and the impact of this change request.

Changing a Service Agreement

Where an impromptu change in the service is required, it is permissible to request a change with the Provider. This change will be recorded in the system but does not constitute a material change and so the Service Agreement does not need to be redistributed to the supply base. For example, changes could include but are not limited to:

- Start Date
- Price Per Trip
- Number of Trips
- Change of Schedule
- Personal Assistant changes

Ending a Service Agreement

A change, when considered major, may result in the Service Agreement ending. The Council reserve the right to end the active Service Agreement and create a new Requirement to distribute to the supply base. Examples of a major change are, but are not limited to:

- Certain matters relating to safeguarding processes and procedures.
- Upheld complaints concerning the Service Supplier competence
- Significant alterations in duration of support required.

All decisions will be made in consultation with all parties involved, prior to the ending of a Service Agreement.

As a Service Supplier, if a change to service is identified, this will need to be raised to the Council via the Messaging functionality on the Service Agreement.

Intermissions

Occasionally, there may be an event which “interrupts” the delivery of the service to an individual. When a service is not being delivered due to a change in circumstances, the contract needs to be placed into an ‘on hold’ status on the system. This is called an Intermission. In cases of Intermissions, fees will not be payable throughout the period of an intermission.

- If the service is not provided to the Service User due to sickness or holiday
- During the school holiday periods
- During long term periods “on hold” pending a restart with the same Service Provider and driver

Suspensions

The Council reserve the right to suspend a Provider from the DPS supply base, for reasons such as, but not limited to;

- Non-compliance with Safeguarding requirements.
- Other matters related to safeguarding e.g. during certain investigative processes.
- Non-compliance with monitoring requirements.
- Poor delivery of service
- Quality Concerns
- Out of Date Licences and Documentation
- Financial irregularities.

A Suspension means that a Supplier will not receive new Requirements distributed by the Council. A joint discussion between the Supplier and the Council (and other appropriate parties if required), will determine the impact, and any necessary action, in respect of the Supplier’s other active Service Agreements.

Suppliers suspensions will be lifted once issues identified have been rectified to the acceptance of the Council as detailed in the Service Specification.

Suppliers may also choose a voluntary suspension of placements while addressing concerns in partnership with the Council.

Ongoing quality monitoring

Upon successfully enrolling as a provider on the adam DPS Approved List, each Supplier will be awarded full marks for Quality = 20% (100 marks). Individual Taxi Route Suppliers will be awarded based on 80% Price (pro rata to the lowest price) and the prevailing Quality score.

The on-going performance of Suppliers to deliver taxi services will be monitored and Quality scores will normally be adjusted at the beginning of every month as appropriate - see below for further details.

Additionally, providers should note that the Council will review the providers quality score (an ongoing basis) and assess any ongoing quality score issues - if the Council has particular concerns about a Supplier's Quality or performance, the Council will not wait until the next review period, but will take corrective action as it deems necessary and this could include reducing Quality scores, suspending supplier's ability to bid and terminating service agreements with immediate effect (as deemed appropriate). Reinstatement of suspended suppliers will be decided on an individual basis, provided any required actions are implemented to our satisfaction.

Quality scoring will be based on a point deductions system with the following marks applied (only one deduction can be applied for each service agreement on a given day - highest relevant deduction will be made in the event of multiple failures)

Service delivery

Lateness (within 10-15 minutes of collection time or drop off time)	1 point deduction
Failure to deliver transport (within 1 hr of collection time)	2 point deduction
Contractor failure to report or update on changes	2 point deduction
Crew unfamiliar with client need/knowledge	2 point deduction
Crew failure to report issues/incidents on the day	2 point deduction

Safeguarding & Health & Safety

PPE adherence	2 point deduction
Crew changes - crew recorded documents outdated	1 point deduction
Crew change - crew not registered	3 point deduction
Supplier Incident report not received within 24hrs	2 point deduction
Equipment requirement breach	3 point deduction
On boarding breach	3 point deduction

Safeguarding incidents (Other)
deduction

Up to 3 point

Suppliers will be assessed on a deduction points system dependent on the number of routes they have relative to the deduction points accrued. This will be assessed on a month-to-month basis.

1 - 5 routes - 4 Points threshold
6 - 20 routes - 8 Points threshold
21 - 40 routes - 16 Points threshold
41 - 80 routes - 20 Points threshold

Once a supplier has accrued deduction points they this will affect their quality score for the following month. In assessing the adjustment to the Supplier's quality score, the council will determine the total number of deduction points accrued in the previous month as compared with the threshold figure shown above. The Suppliers' quality score will be reduced on a percentage basis using the formula below:

$$\frac{\text{Maximum Quality Score (20\%)}}{\text{Total Monthly Deduction Points/Deduction Points Threshold for Supplier}}$$

Suppliers with no deduction points in the previous month will retain the full quality score. Suppliers that have accrued deduction points will have their quality score reduced – see example below.

Worked Example:

	Month 1	Month 2	Month 3	Month 4
Service Delivery	2 Points	1 Point	2 Points	No Points
Deduction Points applied				
Safeguarding/ health and safety	No Points	2 Points	2 Points	No Points
Deduction Points applied				
Total Deduction Points against permitted Threshold of 4 Points	2 Points	3 Points	4 points	No Points
Quality Score for current month	20%	10%	5%	0%
Quality Score for following month	10%	5%	0%	20%

Supplier joins the DPS Approved List with a max Quality Score of 20% and **wins 5 routes.**

In Month 1 - the supplier receives 2 point deduction resulting in a reduction in quality score for Month 2 to 10%.

In Month 2 - the supplier received 3 point deduction resulting in a reduction in quality score for Month 3 to 5%.

In Month 3 - the supplier received 4 point deduction resulting in a reduction in quality score for Month 4 to 0%.

In Month 4 - the supplier received no point deductions resulting in the quality score returning to a full 20% for Month 5.

Note 1 - whenever a Supplier bids for routes the Price they submit will be added to the current Quality score to produce an overall Price/Quality result and this will be used to decide the winning bidder.

Note 2 - the Council reserves the right to immediately reduce the Quality Score of a supplier to 0% (i.e. in advance of the month end review) should that supplier receive deduction points in a monthly period which exceed the Monthly Threshold.

Note 3 – Should a supplier show repeated poor performance then a full suspension on the ability to bid for routes may be put into place for a set time period of 2 months or until such time as the Council deems necessary.

Service Receipting and Self-Billing

Once a Service Agreement has been created and the service has commenced, as a Provider, you will need to submit weekly (Service Receipts) through SProc.Net. Service Receipts need to be submitted by Tuesday midnight in order to be included on the next payment run. Service Receipts are a record of the service delivered and will be used by the Council to pay you, compared against Self-Bills generated from approved Service Receipts. *adam* will act as payment agent on behalf of the Council. Please refer to the *adam* training User guides for the process on Service Receipting.

If you have multiple Service Agreements with the council and no amendments are required on the Service Receipt the option within the system will allow you to bulk receipt. This will take the committed cost on the Service Agreement and send it to the council for payment. This option can save you time if there are multiple receipts you need to raise on a weekly basis.

Communication

Supplier Relationship Management module

The Council will be using Provider Relationship Management (SRM) within SProc.Net to communicate with approved Suppliers. SRM allows the Suppliers to communicate directly with Council officers in an open and transparent manner. This is where the Provider ongoing quality scores for Enrolment questions, E-forms and Service Individual feedback will be updated. Further information can be found in the System User Guide on SProc.Net in the 'Help' section.

Complaints

If you wish to lodge a complaint, please contact the Council via the web address below:

Transport.Commissioner@merton.gov.uk

Next steps: how to join the DPS

Suppliers who wish to supply service or continue to work with the council will need to meet the minimum entry criteria by applying online at www.SProc.Net. To find out how to sign up please see the demand.sproc.net/client Application Guide for this DPS.

Glossary

Accreditation – The first part of the second step (selection) of the process that a Provider is required to complete in order to join the DPS. It involves responding to a series of questions and uploading documents.

adam – adam HTT Ltd trading as *adam*, the provider of **SProc.Net**, who will also act as the Council's payment services provider.

DPS – Dynamic Purchasing System used for the procurement of Services

Enrolment – The second part of the second step (selection) of the process that a Provider needs to complete in order to join the DPS. It involves submitting further information based on which the Council evaluates the capability of your organisation to deliver Services to the Council.

Entry Criteria – The criteria that a Provider must meet and maintain throughout the duration of the DPS in order to successfully complete and to retain their Accreditation and Enrolment on the DPS.

Intermission – A “hold” on the delivery of Services under a Service Agreement while the Service Agreement remains in force.

Offer – Your tender against a Requirement confirming that you can deliver the Services required.

Open for Offers Period – The period during which you can submit an Offer against a Requirement distributed by the Council on the DPS.

Price – Your proposed costs for carrying out a Requirement as contained in an Offer.

Public Contract Regulations – The Public Contract Regulations 2015, amended from time to time, that govern how public sector procurements must be carried out.

Requirement – A request issued by the Council from time to time on the DPS describing the specific Services for which the Council is seeking to award a Service Agreement and which may include terms and conditions applicable to the provision of those Services which supplement the terms and conditions set out in the Provider Agreement.

Self-Billing Procedure – Arrangements you sign up to as part of the Provider Agreement for *adam* to generate invoices billing the Council on your behalf and to process payments to you on behalf of the Council.

Service Agreement – The contract to deliver a Requirement issued by the Council accepting your Offer and confirming agreement on what Services are going to be delivered and at what price.

Service Receipt – This is the electronic record submitted via the DPS to confirm the services you have delivered in the specified week. This is used instead of sending the Council a paper invoice.

Service User – this is the individual that you will be submitting an offer to the council to provide a service for that person. To support them and their families.

Services – These are the Services that the Provider will provide where required by the Council from time to time in accordance with the Provider Agreement as more fully described in the Specification and further detailed by a Requirement.

Specification – The outline description of the Services the Council may require from time to time via the DPS.

SProc.Net – An internet based technology platform through which the Council will be operating the DPS to procure Services (web link is www.sproc.net).

Supplier Agreement – The overarching agreement between the Council and a Provider setting out how the council will award Service Agreements via the DPS and the terms and conditions applicable to such Service Agreements.