



## City of Cardiff Council achieves over £550,000 annualised sourcing savings after procurement transformation

### Profile

Passenger  
Transport contracts  
**£28 million**

Customer since  
**2007**

Daily routes  
provided  
**500+**

Vertical sector  
**Local authority,  
Public Sector**

Operations in  
**United Kingdom**

### Objectives

- Greater control and savings targeted in how services are sourced and awarded.
- Faster, more efficient, transparent and fairer processes.
- Encourage new providers to join the market.

### How Proactis helped

- Home-to-school routes re-tendered on an annual basis to ensure competitive market prices.
- Users can consistently adhere to the agreed policy with flexibility to handle any complex requirements.

### Benefits to City of Cardiff Council

- Over £550,000 in annualised savings delivered.
- Greater efficiency, visibility and fairness in how contracts are sourced and awarded.
- Transformation achieved within weeks, despite complex nature of services.

**Proactis automates our sourcing events from reverse auctions to complex multi-stage negotiations and enables us to realise the best value, not just the best price, from our local supply base by factoring cost, risk, and performance drivers into decision-making.**

Steve Robinson  
Head of Commissioning and Procurement, City of Cardiff Council

# Profile

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The City of Cardiff is the leading commercial centre of Wales and the country's most popular visitor destination, providing services for a population of around 350,000.

The Council acknowledged the realities of significantly reduced budgets and identified the need to adopt new methods of delivering services, with the aim of improving the quality, speed, visibility and fairness in how it secures home-to-school transport services.

# Objectives

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The Council's £28 Million Passenger Transport contracts were traditionally allocated via the use of a standard I Framework Agreement with 31 external providers operating 500 daily routes. Once the Framework had been let, new suppliers were "locked out" for a four-year contract period.

The Council wanted to change this approach, to transform how it sourced provision for home-to-school routes. The ultimate objective was to provide greater opportunities for new suppliers and further improve the quality and reliability of the service. Proactis was selected based on present and future needs and requirements.

# How Proactis helped

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It was agreed that the best way to enable new providers to join the market was to introduce a Passenger Transport Dynamic Purchasing System (DPS). This completely electronic tendering process, for the selection of suppliers who meet a set minimum service requirements, utilised reverse eAuction technology through Proactis. The process included the submission of an initial bid from the supplier prior to the running of a one-hour electronic reverse auction where suppliers could bid for routes and compete with other suppliers. Auctions could take place at any time, thereby enabling new providers to join the process, provided they met safety and quality criteria.

The DPS was launched, on schedule, ahead of the academic school year, when new contracts would need to start. In advance, a range of providers – from small taxi firms to large coach companies – were invited to attend a series of events, designed and facilitated in partnership with Business Wales. Over 60 local providers had successfully registered on the DPS within weeks.

As its primary sourcing and contract solution, Proactis helped strengthen control and visibility over spending while improving the transparency and efficiency of the procurement process.

# Benefits to City of Cardiff Council

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The Council has achieved £588,000 in annualised savings. Transport contracts were divided into four lots: journeys for taxis with regular drivers, vehicles with 8-17 seats and vehicles over 17 seats were run as reverse eAuctions, while the fourth lot for ad-hoc taxis was put out to tender. The use of eAuction technology within Proactis also supports procurement best practice and technical automation.

The Council achieved a balance between making it easy for users to consistently adhere to the agreed policy, and allowing flexibility to handle any complex project or specific service-user requirements. The response from transport providers, who rose to the challenge in competing for contracts, was very impressive. The Council can look forward to sustainable savings thanks to dynamic sourcing solutions that can adjust easily with bespoke service requirements and an ever-updating list of capable providers.

If you want to become a **faster, leaner, smarter** organisation, then contact our friendly team – [Proactis.com/contact](https://proactis.com/contact)

