

CABINET

18 February 2020

LOCAL BUS SERVICE CONTRACT AWARD

Report of the Strategic Director for places

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/060919	
Reason for Urgency:	N/A	
Exempt Information	N/A	
Cabinet Member(s) Responsible:	Mrs L Stephenson, Portfolio Holder for Culture & Leisure, Highways & Transportation and Road Safety	
Contact Officer(s):	Dr Rebecca Johnson, Senior Transport Manager	01572 758229 rjohnson@rutland.gov.uk
	Emma Odabas, Transport Operations Manager	01572 720923 eodabas@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the procurement model and criteria for the award of the Rutland Flyer 2 (RF2) bus service contract.
2. Delegates authority to the Strategic Director for Places, in consultation with the Cabinet Member with portfolio for Culture & Leisure, Highways & Transportation and Road Safety, to award the contract resulting from this procurement.

- 2.3 For the period covering 2004 – 2019, the route has been re-tendered 3 times and has continued to operate without timetable reductions. The current contracted operator is Centrebus Ltd.
- 2.4 The service is 100% subsidised by Rutland Council's public transport budget. Leicestershire County Council have been approached for financial support a number of times over the years (2019 included) and they have declined to contribute to the subsidy of the service. The timetable currently covers the following Leicestershire settlements: Melton Mowbray; Wyfordby; Saxby; Wymondham; and Edmondthorpe.
- 2.5 The annual passenger usage on this bus service is approximately 39,100 journeys with 29,900 of these trips being made by free bus pass holders. Detailed usage by journey time, boarding points and destinations will be undertaken as part of the pending passenger transport review. However at this stage it is worth noting that approximately 10,000 of the trips per annum (nearly all of those not made by concessionaires) are made by students using scholar passes provided by Rutland County Council.
- 2.6 The current fixed annual subsidy of the RF2 is £128,740. The average annual concessionary travel reimbursement cost is £38,000. This works out as a per trip subsidy of £4.26.
- 2.7 For academic year 19/20, there are currently 31 students allocated to the RF2 service to access school and college in either Oakham or Melton Mowbray. If this service was not available, this would mean the requirement for additional statutory transport routes at an estimated annual cost of £31,000.
- 2.8 The RF2 service's 5-year contract was due to expire on 4th September 2019, however an 11-month extension was negotiated to ensure continuity of service for passengers as at the time it was envisaged that the Passenger Transport Strategy implementation would be underway within the extension period. However a delay to the adoption of the strategy led to a delay in the implementation timetable.
- 2.9 This service cannot be extended further due to contract regulations and therefore for the service to continue, a procurement exercise must take place in spring 2020 with contract awarded completed by June 2020 to ensure that the Traffic Commissions service registration process deadlines can be adhered to. A five year contract is therefore proposed to enable the service to be reviewed as part of the holistic review of passenger transport in Rutland that will form part of the Passenger Transport Strategy implementation.

3 CONTRACT REQUIREMENTS

What is being procured?

- 3.1 The RF2 bus service – as outlined in 2.1. The service timetable will not be amended at this point to avoid making changes to the service twice in close succession (as a result of the retendering and as a result of the Passenger Transport Strategy implementation). Therefore we are looking to procure a like for like service at this time to ensure continuity for passengers.

Contract length

- 3.2 Local bus contracts tend to be offered for a period of 5 years wherever possible as this attracts more interest and more reasonable subsidy prices from operators, but routes can be offered anywhere between 1 year up to 5 years dependant on the purpose and/or funding available for the route.
- 3.3 In this instance, due to the pending review of passenger transport service support, the RF2 will be offered for a period of 5 years and be subject to the standard local bus contract notice of termination by either party of 3 months. The contract will be offered on a minimum subsidy basis which ensures fixed payments with the operator retaining on-board revenue.

Contract value

- 3.4 The estimated contract value over the lifetime of the contract estimated is £643,700. This value represents 5 years of fixed minimum subsidy contract costs.

4 PROCUREMENT MODEL

- 4.1 The procurement will follow the OJEU process in line with the Council's Contract Procedure Rules as the value of the contract combined is above the EU threshold.
 - 4.1.1 The timetable for the process is set out in Appendix A and the award criteria are set out in Appendix B.

5 AWARD CRITERIA

Initial screening/ qualifying criteria

- 5.1 Companies must meet quality criteria (initial screening) in order to be eligible to tender. These have been developed with support from the Welland procurement unit and are shown in Appendix A. To obtain and retain a PSV operator's license (O' License) involves meeting criteria relating to operator financial standing, good repute and strict operational standards. Compliance checks are carried out by both the DVSA and the relevant Traffic Commission in the form of initial screening and on-going checks and therefore quality standard checks to hold an O' licence are in place externally. This removes the requirement for RCC to further stipulate localised quality standards for tendering other than the pass/fail criteria of holding the correct license/s. Further information on the criteria for obtaining transport licensing is available online: <https://www.gov.uk/government/publications/psv-operator-licensing-a-guide-for-operators-psv437>

Basis of award

- 5.2 Contracts will be awarded on the basis of cost. The contract specification will therefore state that contract will be awarded to the lowest priced bidder that is able to deliver the contract having met all the qualifying criteria.

6 CONSULTATION

- 6.1 Developed in conjunction with portfolio holder. No public consultation required at this point as no changes to service levels. Full public consultation on any potential

changes to public bus services will be undertaken as part of the passenger transport review.

7 ALTERNATIVE OPTIONS

- 7.1 The contract award could be brought back to Cabinet for approval rather than delegated to the Portfolio Holder and Strategic Director for Places. However the award will be made in line with the criteria within this report and therefore the outcome should not differ. This approach would delay the award and may lead to a gap in service provision.
- 7.2 Not approving procurement and award – this would result in a loss of available public transport services to residents until an alternative could be agreed, procured and put in place.

8 FINANCIAL IMPLICATIONS

- 8.1 The contract to be awarded will be funded via the existing public transport budgets with no requirement for additional resource.

9 LEGAL AND GOVERNANCE CONSIDERATIONS

- 9.1 The Local Bus Service procurement process has been drawn up with the Welland Procurement Unit, in line with the requirements of the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.
- 9.2 The Constitution allows for Delegations to any Strategic Director to be taken by the Chief Executive (11.4.1. of Section 3 of the Constitution) and by another Director or Deputy Director (11.6.4 of Section 3 of the Constitution). Therefore the Delegation suggested remains appropriate.

10 EQUALITY IMPACT ASSESSMENT

- 10.1 An EIA screening form has been completed and a full assessment is not required.

11 COMMUNITY SAFETY IMPLICATIONS

- 11.1 The Council is required by Section 17 of the Crime & Disorder Act 1998 to take into account community safety implications. No implications have been found.

12 HEALTH AND WELLBEING IMPLICATIONS

- 12.1 None.

13 ORGANISATIONAL IMPLICATIONS

- 13.1 None.

14 DATA PROTECTION IMPLICATIONS

- 14.1 A data protection impact assessment has not been completed as there are no data protection implications.

15 SOCIAL VALUE IMPLICATIONS

- 15.1 The nature and scale of the contract means that local and national operators are will be able to submit a tender price.

16 ENVIRONMENTAL IMPLICATIONS

- 16.1 Having a bus service in place gives people an alternative to driving via private car which may have environmental benefits. Enabling people to choose to use the car over the bus is therefore likely to have a positive impact on climate change.

17 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 17.1 In order for the procurement process to commence, the award criteria needs to be approved by Cabinet. The criteria have been carefully considered to ensure that providers successful in the process are capable of meeting the requirements and can deliver appropriate quality services in Rutland.
- 17.2 It is recommended that power to award the contract is delegated to the Strategic Director for Places in consultation with the Portfolio Holder for Culture & Leisure, Highways & Transportation and Road Safety. This will speed up the process and decisions will be made in line with criteria in this report.

18 BACKGROUND PAPERS

- 18.1 There are no background papers relevant to this report.

19 APPENDICES

- 19.1 Appendix A – Procurement Timetable
- 19.2 Appendix B – Award Criteria

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

Procurement Timetable

Rutland Flyer 2 Bus Service Contract 2020

Action	By When
Cabinet Approval for Award Criteria	18 th February 2020
[OJEU Notice published /PIN published]	20 th March 2020
Invitation to Tender published	23 rd March 2020
Deadline for questions from bidders	10 th April 2020
Deadline for responses to questions	15 th April 2020
Tender submissions deadline	8 th May 2020
Evaluation of Tenders	15 th May 2020
Clarification meetings (if required)	18 th May 2020
Approval of Contract Awards	29 th May 2020
Notification of award/start of standstill	1 st June 2020
End of standstill	12 th June 2020
Contract award	15 th June 2020
Contract start date	5 th August 2020

Award Criteria

Criteria	Weighting
1.Price	100%
2 Quality	PASS/FAIL

1. Price – Best value annual subsidy price. Based on daily rate x 305 operational days per annum.

CRITERIA FOR ASSESSING QUALITY (Selection questions)

Question No.	Section Headings and Sub-Headings	Maximum Available Section Score	Weighting Within Sub-Heading
1.1 1.1 (a) 1.1 (b) (i) 1.1 (b) (ii) 1.1 (c) 1.1 (d) 1.1 (e) 1.1 (f) 1.1 (g) 1.1 (h) 1.1 (i) (i) 1.1 (i) (ii) 1.1 (j) (i) 1.1 (j) (ii) 1.1 (k) 1.1 (m) 1.1 (n) 1.1 (o) 1.1 (p)	Potential Supplier Information Full name Registered office Registered website address Trading status Date of registration Company registration number Charity registration number Head Office DUNS number Registered VAT number Appropriate professional/trade registration If yes, details Legal required for professional/trade registration If yes, details Relevant classifications SME Persons of Significant Control Details of immediate parent company Details of ultimate parent company	0%	0%
1.2 1.2 (a) (i) 1.2 (a) (ii) 1.3 (a) (iii) 1.2 (b) (i)	Bidding Model Bidding as lead contact for a group of economic operators Name of group of economic operators Proposed legal structure	0%	0%

Question No.	Section Headings and Sub-Headings	Maximum Available Section Score	Weighting Within Sub-Heading
Question No.	Section Headings and Sub-Headings	Maximum Available Section Score	Weighting Within Sub-Heading
4 and 5	Economic and Financial Standing		
4.1	Audited accounts or alternative means of demonstrating financial status		
4.2	Minimal financial threshold	Pass/Fail	Pass/Fail
5.1	Parent company accounts		
5.2	Parent company guarantee		
5.3	Bank guarantee		
6	Technical and Professional Ability		
6.1	Details of up to three contracts Evidence of healthy supply chains maintained with sub-contractors	0%	0%
6.2	Sub contract supply chain management		
7	Requirements under Modern Slavery Act 2015		
7.1	Relevant commercial organisation	Pass/Fail	Pass/Fail
7.2	Compliant with annual reporting requirements		
8	Additional Questions:		
8.1	Insurance	Pass / Fail	Pass/Fail

CRITERIA FOR ASSESSING TENDER RESPONSES

Only those Bidders which pass the Selection Questions will have their tenders evaluated using this scheme.

Section Headings and Sub-Headings	Maximum Score Available	Weighting Within Sub-Heading
Quality		
Company vehicle compliance	0%	Pass/Fail
Employee licensing		Pass/Fail
* Price (exclusive of VAT)		
Route pricing	100%	100%
Total	100%	

Pricing should be shown day or operation. Unit rates and prices must be quoted in pounds and decimals of a pound. Such decimals need to be restricted to two decimal places.

For the purpose of giving feedback to bidders at the end of the process, pricing will be converted to a percentage score using the following formula:

$$\frac{\text{Lowest price for this route}}{\text{Bidder's price for this route}} \times 100\%$$

Bidder's price for this route

So if the lowest price offered for a given route is from Bidder A at £20.00, and the price offered by Bidder B is £40.00:

$$\text{Then Bidder A will score } \frac{\text{£20.00}}{\text{£20.00}} \times 100\% = 100\% \text{ Contract awarded}$$

$$\text{And Bidder B will score } \frac{\text{£20.00}}{\text{£40.00}} \times 100\% = 50\%$$