

CABINET

16th February 2021

LOCAL BUS SERVICE CONTRACT AWARD

Report of the Strategic Director for places

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/250920	
Exempt Information	N/A	
Cabinet Member(s) Responsible:	Mrs L Stephenson, Portfolio Holder for Culture & Leisure, Highways & Transportation and Road Safety	
Contact Officer(s):	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 public bus service contracts 12 & 47.
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.

1 PURPOSE OF THE REPORT

- 1.1 This report sets out the process and proposed award criteria for the procurement of local bus service contracts 12 & 47, along with recommendations for approval and delegation of final award.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The service 12 bus service is a 2-hourly bus service which operates Monday-Saturday between 7am – 7pm, to the timetable below:

SERVICE 12								
Monday - Saturday								
S Saturday only						MF	S	
Stamford College	-	-	-	-	-	1645*	-	-
Stamford Bus Station	0735	0930	1130	1330	1530	1655	1640	1740
Tinwell, Church	0739	0933	1133	1333	1533	1658	1643	1743
Ketton, The Fountain	0743	0938	1138	1338	1538	1703	1648	1748
Edith Weston, Manton Rd	0752	0947	1147	1347	1547	1712	1657	1757
North Luffenham, Digby Dr	0757	0953	1153	1353	1553	1718	1703	1803
South Luffenham	0800	0957	1157	1357	1557	1722	1707	1807
Barrowden, Village Green	0803	1001	1201	1401	1601	1726	1711	1810
Morcott	0807	1004	1204	1404	1604	1729	1714	1812
Glaston, Bus Stop	0811	1008	1208	1408	1608	1733	1718	1815
Uppingham North St East	0815	1015	1215	1415	1615	1740	1725	1820
Uppingham Comm College	0820*							
Uppingham Comm Coll	-	-	-	-	-	1535*	-	
Uppingham NSE	0740	0835	1030	1230	1430	1540	1650	
Glaston, Bus Shelter	0745	0840	1035	1235	1435	1545	1655	
Morcott	0749	0844	1039	1239	1439	1549	1659	
Barrowden, Village Grn	0753	0848	1043	1243	1443	1553	1703	
South Luffenham	0757	0852	1047	1247	1447	1557	1707	
North Luffenham	0800	0855	1050	1250	1450	1600	1710	
Edith Weston	0806	0901	1056	1256	1456	1606	1716	
Ketton, Village Shop	0816	0911	1106	1306	1506	1616	1724	
Tinwell, Church	0822	0917	1112	1312	1512	1622	1730	
Stamford, Bus Station	0829	0924	1119	1319	1519	1629	1735	
Stamford College	0839*	-	-	-	-	-	-	

Service 47 is a 1 return journey service which transport fare-paying non-entitled students to Peterborough and offers an early employment link to residents.

SERVICE 47			
Monday - Friday			
Whissendine, Oakham Road	0625	Peterborough, The Kings School	1600*
Langham, Melton Road	0629	Peterborough, Queensgate Bus Station	1605

Oakham, John Street Bus Station	0635	Thorpe Road, The Session House	1611
Preston	0643	Longthorpe, Fox & Hounds	1615
Belton	0650	Castor, Royal Oak	1619
Wardley, A47 Lay-By	0653	Ailsworth, Wheatsheaf	1621
Uppingham, Leicester Rd/Shepherds Way	0701	Wansford, Old North Road Bus Shelter	1627
Uppingham, North Street East (arr)	0703	Duddington	1633
Uppingham, North Street East (dep)	0705	Barrowden, Main Street/Kings Lane	1640
Glaston	0709	South Luffenham, Stamford Road	1643
Morcott	0713	Morcott	1647
South Luffenham, Stamford Road	0717	Glaston	1651
Barrowden, Main Street/Kings Lane	0721	Uppingham, North Street East	1656
Duddington	0727	Uppingham, Leicester Road/Shepherds Way	1659
Wansford, Old North Road Bus Shelter	0733	Wardley, A47 Lay-By	1706
Ailsworth, Wheatsheaf	0741	Belton	1709
Castor, Royal Oak	0743	Preston	1717
Longthorpe, Fox & Hounds	0750	Manton	1720
Thorpe Road, The Session House	0757	Oakham, John Street Bus Station	1728
Peterborough, Queensgate Bus Station	0800	Langham, Melton Road	1733
Peterborough, The Kings School	0805*	Whissendine, Oakham Road	1738
* Schooldays Only			

- 2.2 Rutland Council first introduced both service 12 and service 47 bus services in 2001 after receiving grant funding awarded by the Department for Transport for rural bus kick-start projects. The services were set up and subsidised fully via the grant funding for a period of 3 years.
- 2.3 For the period covering 2004 – 2019, the routes have been re-tendered 3 times and service 12 has continued to operate without timetable reductions whereas service 47 was reduced due to lack of passenger usage in 2011. The current contracted operator of both services is Centrebus Ltd.
- 2.4 The services are 100% subsidised by Rutland Council's public transport budget.
- 2.5 The annual passenger usage on these bus services are approximately:
- Service 12 – 29,600 passenger journeys per annum of which 7,660 journeys made by concessionaires.
- Service 47 – 10,600 passenger journeys per annum with zero use by concessionary pass holders.
- 2.6 The current fixed annual subsidy of service 12 is £127,712. The average annual concessionary travel reimbursement cost is £9,600. This works out as a per trip subsidy of £4.64.
- The current fixed annual subsidy of service 47 is £38,147. The average annual concessionary travel reimbursement cost is £0.00. This works out as a per trip

subsidy of £3.60.

- 2.7 As Rutland County Council no longer supports entitled transport on denominational grounds, there are no scholar movements on the service for which the authority has a responsibility for despite 99.5% of the usage being made by students travelling to the Kings School in Peterborough by parental choice.
- 2.8 The service 12 contract is due to expire in August 2021 and service 47 is due to expire in September 2021.
- 2.9 These services are to be reviewed, along with all subsidised bus services as part of Passenger Transport Strategy project where service provision and best value will be investigated in detail.
- 2.10 A procurement exercise must take place in spring 2021 with contract award completed by June 2021 in case alternatives are not approved in that time frame.
- 2.11 A minimum period of 45 days is required for the Traffic Commissioners registration process and therefore last minute alterations are not an option.
- 2.12 Contracts would be offered for a period of 5 years to encourage interest from bidders but be subject to our standard local bus service contract notice of termination by either party of 3 months to ensure the best price if the service/s remain.

3 CONTRACT REQUIREMENTS

What is being procured?

- 3.1 The service 12 and service 47 bus services – as outlined in 2.1. The service timetables 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, service 12 & 47 will be offered for a period of 5 years each 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 only which ensures fixed payments with the operator retaining on-board revenue.

Notice of termination

- 3.4 This contract may be terminated by either party providing that they give a 3-month notice period. This should give some assurance that the contract can be ended within the 5-year period.

Contract value

- 3.5 The estimated contract value over the lifetime of the contracts estimated is £829,295. This value represents 5 years of fixed minimum subsidy contract costs combined.

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 awards 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.

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

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.

Appendix A. Procurement Timetable

Local Bus Service Contracts 2021

Action	By When
Cabinet Approval for Award Criteria	16 th February 2020
[OJEU Notice published /PIN published]	
Invitation to Tender published	
Deadline for questions from bidders	
Deadline for responses to questions	
Tender submissions deadline	
Evaluation of Tenders	
Clarification meetings (if required)	
Approval of Contract Awards	
Notification of award/start of standstill	
End of standstill	
Contract award	
Contract start date	

Appendix B. 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) 1.2 (b) (ii)	Bidding Model Bidding as lead contact for a group of economic operators Name of group of economic operators Proposed legal structure Use of Sub-Contractors Sub-Contractor details	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:

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

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