

**TENDER AND AWARD OF TRANSPORT CONTRACTS
UNDER THE DYNAMIC PURCHASING SYSTEM FOR TRANSPORT**

Cabinet Date	24 July 2019
Fire Planning & Infrastructure	Cllr Nigel Moor
Key Decision	Yes
Background Papers	<p>Transport Act 1985 and subsequent revisions</p> <p>The Public Contracts Regulations 2015</p> <p>Cabinet report October 2014 “Procurement of Transport Services” and Cabinet report February 2016 “Dynamic Purchasing System”.</p> <p>Cabinet report February 2016 “Review of Public Transport Community Transport and Concessionary Fares”</p> <p>Cabinet Report July 2017 “Tender and Award of Transport Contracts under the Dynamic Purchasing System for Transport”</p> <p>Cabinet Report July 2018 “Tender and Award of Transport Contracts under the Dynamic Purchasing System for Transport”</p> <p>Cabinet report March 2019 “Cost Pressures and Continued Support for Subsidised Bus Contracts”</p>
Location/Contact for inspection of Background Documents	<p>http://www.legislation.gov.uk/ukpga/1985/67</p> <p>http://www.legislation.gov.uk/ukpga/1996/56/contents</p> <p>http://www.legislation.gov.uk/uksi/2006/5/contents/made</p> <p>http://www.legislation.gov.uk/uksi/2015/102/pdfs/uksi_20150102_en.pdf</p> <p>http://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?AllId=11963</p> <p>http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=117&Mid=7665&Ver=4</p> <p>http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=117&Mid=8900#AI21268</p> <p>http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=117&Mid=9225#AI23123</p>
Main Consultees	Market engagement with current and prospective transport suppliers on the council’s Transport Dynamic Purchasing System that was set up in March 2016.
Planned Dates	<p>The procurement of the proposed services described in Table 1 is expected to take place over the period between July 2019 and July 2021.</p> <p>Commencement dates for the delivery of each of the proposed new services will vary and will sometimes be dictated by factors which are outside the council’s control (e.g. the pace of a housing development build out).</p>

Divisional Councillor	All
Officer	Tom Main, Transport Operations Manager Tel: 01452 425343 Email: tom.main@gloucestershire.gov.uk
Purpose of Report	<p>(a) To seek Cabinet approval to use the Transport Dynamic Purchasing System to procure and award the passenger transport contracts described in Table 1 below as required, each with an estimated value of over £500,000; and</p> <p>(b) To provide feedback to Cabinet on officers' progress in implementing the passenger transport contract related decisions described in Table 2 below as agreed with the Cabinet member and set out in the July 2018 Cabinet Report.</p>
Recommendations	<p>That Cabinet authorises the Lead Commissioner: Community Infrastructure to:</p> <ol style="list-style-type: none"> 1) use the TDPS in accordance with its terms to undertake in each case a legally compliant procurement process to procure contracts between July 2019 and July 2021 for the provision of each of the local bus services set out in Table 1; 2) upon the conclusion of each of the procurement processes described in Recommendation 1 above, to award a contract to the highest scoring preferred provider in each case evaluated as offering the Council best value for money for delivery of the services in accordance with the TDPS requirements. In the event that a preferred provider for a contract is either unable or unwilling to enter into a contract with the Council then the Lead Commissioner: Community Infrastructure is authorised to enter into such contract with the next willing, highest scoring, suitably qualified provider.
Reasons for Recommendations	<p>This Report seeks approval to procure and award contracts for passenger transport services to ensure that communities have access to essential services including health and education within the resources available to the Council. As part of the Council's commitment to transparent decision making, transport contracts with an estimated gross value in excess of the council's Key Decision threshold of £500,000 must be published in advance and require Cabinet approval prior to procuring them using the TDPS. This report considers only these contracts.</p> <p>Table 2 sets out the progress in procuring and awarding contracts set out in the Cabinet Report from July 2018.</p>
Resource Implications	The procurement and award of each of the contracts set out in Table 1 will be undertaken using existing staff and financial resources. Estimated costs for

	<p>each of the contracts are set out in Table 1, though actual costs will depend on the outcome of each compliant tender process under the TDPS. Some of the contracts will be fully or partly paid for using developer funding (usually section 106) where they are designed specifically in response to the need to serve housing developments. However, where these are funded through the council, the full cost paid by the council is that which is set out in Table 1 hereto.</p>
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MAIN REPORT CONTENTS

1. Background

- 1.1 The Council recognises the value of local bus services in enabling people to live active lives, maintain social networks, and access essential education, training, employment and health services. Whilst 90% of bus trips made in Gloucestershire are on commercial services these tend to be in more densely populated areas and at busier times of the day and week. The Council has powers to fund local bus services that are not provided on a commercial basis by transport operators and are deemed “socially necessary”. This helps to manage the risk of social isolation and enables rural and suburban communities to remain vibrant places in which to live, work and visit.
- 1.2 The annual cost of socially necessary local bus services and park and ride is over £2 million excluding developer funded services, though these are also procured, while some £5 million is spent annually on mainstream Home to School services; an additional sum of around £1 million is also spent annually on developer funded services.
- 1.3 In February 2016 Cabinet agreed to authorise the establishment of a Dynamic Purchasing System for Transport Services, for the procurement of transport contracts.

A new decision will be sought from Cabinet to establish a new DPS through a separate Cabinet report.

Whilst the lifetime cost of most transport contracts is under £500,000, some will exceed this level and the February 2016 report included a commitment that decisions about such services would be taken by Cabinet as part of the approval of the annual transport contract forward plan. The alternative would have been a series of individual cabinet decisions through the year.

This report is the fourth such report and it seeks authorisation from Cabinet to enable the procurement and award of coach and bus contracts which are expected to have an aggregate lifetime cost of over £500,000 as set out in Table 1.

- 1.4 The Council’s scope to reduce overall costs of local bus and home to school provision and minimise reductions in services is enhanced by being able to procure longer term contracts, typically of up to 7 years’ duration. This provides operators with greater certainty over investment decisions, such as to purchase new vehicles. However it does mean that total contract values are more likely to exceed £500,000. The Council can still terminate such contracts in line with the contractual notice terms (currently a period of 90 days).
- 1.5 The specific local bus contracts to be procured in accordance with this Report are set out in Table 1 below:

Table 1.

List of contracts anticipated to have a value of over £500,000 that may be required between July 2019 and July 2021.

Table 2

Progress report in respect of Transport Contracts that were awarded pursuant to a Cabinet report dated 18th July 2018.

2. CONCLUSION

- 2.1 In order to facilitate the achievement of a more efficient transport network for public and school transport, delegated authority is sought to procure and award individual bus and coach contracts as set out in Table 1, each with a duration of up to 7 years.

3. OPTIONS

- 3.1 To agree the proposed procurement and award of the stated local bus contracts set out in Table 1.
- 3.2 To procure and award shorter term contracts so that values are below the thresholds requiring Cabinet consent. This would offer less scope for the Council to obtain value for money and would be less likely to result in providers investing in newer, cleaner vehicles.

4. Risk Assessment

- 4.1 To enable communities to access essential services the Council needs to be able to procure transport contracts with a total value in excess of £500,000. Restricting contract values by reducing contract lengths would not provide value for money, resulting in reduced accessibility to essential services and lower quality vehicles.
- 4.2 Failure to procure the contracts set out in Table 1 would have a disproportionately adverse impact on young, disabled and older people who use local bus services.
- 4.3 Every year the school bus network needs to be optimised to reflect school leavers and new pupils. A failure to approve these recommendations would result in the council being unable to meet its statutory obligations under the 1996 Education Act to provide transport assistance to entitled school pupils and no longer provide value for money transport within agreed budgets.

5. Consultation Feedback

- 5.1 An extensive consultation process has taken place with the bus operators during the establishment of the DPS, and with members of the public in respect of changes to local bus services. Details are contained within the

background papers. More recent consultation has taken place with transport DPS suppliers. Some public transport routes need to be revised in order to be sustainable in future.

6. Equalities Considerations

- 6.1 A due regard statement was produced for the original DPS cabinet report in October 2014. This has been reviewed in light of the proposed contracts and there have been no material changes affecting any groups with protected characteristics. All services will be procured with terms and conditions that require fully accessible vehicles to be provided where appropriate. Further analysis of equalities impact will be performed individually for any service that is reviewed with a view to changing.

7. Performance Management/Follow-up

- 7.1 The performance of the services that are procured will be monitored against key indicators, including the delivery of savings. A strict contract management process to manage the ongoing quality, risk and performance of transport suppliers forms an integral part of the selected approach.

Report Title	Tender and Award of Transport Contracts under the Dynamic Purchasing System for Transport
Statutory Authority	Transport Act 1985 and subsequent revisions The Public Contracts Regulations 2015
Relevant County Council policy	All policies with a Transport element are affected: e.g. Local Transport Plan, Home to School Transport Policy.
Resource Implications	The procurement and award of each of the contracts set out in Table 1 will be undertaken using existing staff and financial resources. Estimated costs for each of the contracts are set out in Table 1, though actual costs will depend on the outcome of each compliant tender process under the TDPS. Some of the contracts will be fully or partly paid for using developer funding (usually section 106) where they are designed specifically in response to the need to serve housing developments. However, where these are funded through the council, the full cost paid by the council is that which is set out in Table 1 hereto.
Sustainability checklist:	
Partnerships	We work closely with operators in ensuring that efficient and effective transport provision can be maintained
Decision Making and Involvement	The proposal has been shared with the Cabinet Member for Communities and Infrastructure.
Economy and Employment	Spend on ensuring the continuation of local bus services can bring benefits to local services and businesses, and can allow vulnerable service users to have continued independence reducing the reliance on other County Council functions such as Adult Social Care services.
Caring for people	The letting of transport contracts for the wider public are carefully evaluated to ensure quality thresholds are adhered to.
Built Environment	n/a
Natural Environment' including Ecology (Biodiversity)	n/a
Education and Information	We will liaise closely with community leaders in affected communities.
Tackling Climate Change	Carbon Emissions Implications? Positive - Reduction in carbon emissions by reducing reliance on private transport and lengthier contract periods can lead to operators investing in cleaner and higher quality vehicles. We may on occasions specify higher than legally required standards where funding is available and this

	<p>may improve air quality in areas where services operate and especially where an air quality problem has been identified.</p> <p>Vulnerable to climate change? Yes: costs are likely to escalate should significant weather events occur or should fuel costs rise or road conditions deteriorate significantly.</p>
Due Regard Statement	Has a Due Regard Statement been completed? Yes – see text
Human rights Implications	None
Consultation Arrangements	None required.