

REPORT TITLE: Tender and Award of Transport Contracts under the Dynamic Purchasing System for Transport

Cabinet Date	10 November 2021
Cabinet Member	Cllr Philip Robinson, Economy, Education and Skills
Key Decision	Yes
Purpose of Report	The Procurement and Award of Transport Contracts under the Gloucestershire County Council Passenger Transport Dynamic Purchasing System (DPS)
Recommendations	<p>1) That Cabinet delegates authority to the Lead Commissioner Community Infrastructure in consultation with the Cabinet Member for Economy, Education and Skills to:</p> <ul style="list-style-type: none"> a) Conduct a competitive procurement process under the Gloucestershire County Council Passenger Transport Dynamic Purchasing System (DPS) (the “Transport DPS”) in respect of each of the proposed contracts for transport services set out in Appendix 1 to this report. Each such contract shall continue for a period of 7 years commencing on the contract start between 22 November 2021 and 31 March 2023; b) Award each such contract to the relevant preferred tenderer. <p>2) That Cabinet notes the update set out in Appendix 2 to this report from the Integrated Transport Unit summarising transport contracts awarded to date using the Transport DPS since its launch in February 2020, as required by the Cabinet decision of 24 July 2019.</p>

<p>Reasons for recommendations</p>	<p>This Report seeks approval to procure and award contracts for passenger transport services to enable members of the public to access essential services including health and education within the resources available to the Council, and for the Council to meet its statutory obligation to provide home to school transport to eligible students.</p> <p>As part of the Council's legal obligations with regard 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 Transport DPS. This report considers these contracts and also those with an expected value of over £250,000, as anything over this amount would need consultation with the lead cabinet member prior to officer approval.</p>
<p>Resource Implications</p>	<p>The procurement and award of each of the contracts set out in Appendix 1 will be undertaken using existing staff and financial resources. Estimated maximum 7 year costs for each of the contracts are set out in Appendix 1, though actual costs will depend on the outcome of each compliant tender process under the Transport DPS. 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 new developments.</p>

Background Documents	<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> <p>Cabinet report July 2019 “Establishing a Dynamic Purchasing System for the Procurement of Transport Contracts”</p> <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&MIId=7665&Ver=4</p> <p>http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=117&MIId=8900#AI21268</p> <p>http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=117&MIId=9225#AI23123</p> <p>https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=1332</p>
Statutory Authority	<p>Transport Act 1985 and subsequent revisions</p>
Divisional Councillor(s)	<p>All</p>
Officer	<p>Name: Tom Main Tel. no: 01452 425343 Email: tom.main@gloucestershire.gov.uk</p>
Timeline	<p>November 2021 – Cabinet decision November 2021- March 2023 – contract procurement and award</p>

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 approximately 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 to the Council of funding socially necessary local bus services and community transport is approximately £3.5 million, while approximately £5 million is spent annually on mainstream home to school services. The Covid-19 pandemic has added significant additional costs in the form of lost bus service revenue and additional capacity required on home to school services, however for the time being these additional costs are covered by a number of Government grant schemes.
- 1.3 In July 2019 Cabinet approved the establishment of the second Dynamic Purchasing System (DPS) by the Integrated Transport Unit (ITU), for the procurement of transport contracts.
- 1.4 Whilst most contracts have a lifetime cost of less than £500,000, some do exceed this level and the July 2019 Cabinet report included a commitment that decisions about such services would be taken by Cabinet as part of the approval of annual transport contracts forward plan. The alternative would be a series of individual Cabinet decisions throughout the year.
- 1.5 This report is the fifth such report and it seeks authorisation from Cabinet to enable the procurement and award of bus service contracts and home to school transport contracts which are expected to have an aggregate lifetime cost of over £500,000. We have also included all contracts that are expected to have a lifetime cost of over £250,000, as otherwise (if not included) these contracts would need consultation with the lead cabinet member prior to officer approval, resulting in a significant time commitment from the lead cabinet member.
- 1.6 The Council’s scope to reduce overall costs of bus service 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 whether 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).
- 1.7 The specific bus service and home to school contracts to be procured in accordance with this report are set out in Appendix 1.

Options

- 2.1 OPTION 1: To approve the proposed procurement and award of the proposed transport contracts set out in Appendix 1. Contracts are typically up to 7 years in duration.
- 2.2 OPTION 2: To procure and award shorter term contracts. 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.

Risks

- 1.1 To enable communities to access essential services the Council needs to be able to procure transport contracts with a total value in excess of £250,000. Restricting contract values by reducing contract lengths would not provide value for money, resulting in reduced accessibility to essential services and lower quality vehicles.
- 1.2 Failure to procure the contracts set out in Appendix 1 would have a disproportionately adverse impact on young, disabled and older people who use local bus services.
- 1.3 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.

Financial implications

- 4.1 As stated in Risk 3.1 and 3.3, best value for each contract is not achieved without the ability to procure and award long term contracts with a value of above £250,000. A series of shorter term contracts would lead to higher prices from operators over the long term. A longer term contract does not contain any additional risk or liability to GCC as we retain a notice to terminate clause of 90 days in each contract.

Climate change implications

- 5.1 The council has declared a Climate Emergency and as part of its action plan it is reviewing measures to reduce transport emissions. Public transport services account for approximately 1% of these emissions in Gloucestershire so they have an important role in the council's strategy to reduce car based emissions by enabling people to switch to a greener form of transport. Newer vehicles, whether fossil or alternative fuel, are a long term large investment for all transport providers. By issuing long term contracts we give the operator security and confidence that they can invest in newer, cleaner vehicles to help the Council achieve its emission savings target and improve local air quality. Short term contracts lead to existing, older, lower end vehicles being used, which invariably emit far more emissions than newer vehicles. Procurement of long term contracts will therefore improve the ability of the Council to reduce greenhouse gas emissions and help to tackle climate change.

Equality implications

- 6.1 A standing Equalities Impact Assessment exists for transport services. This has been reviewed prior to this report.
- 6.2 Cabinet Members should read and consider the Equalities Impact Assessment in order to satisfy themselves as decision makers that due regard has been given.

Data Protection Impact Assessment (DPIA) implications

- 7.1 No personal data is included in the tender process for either mainstream home to school or bus service contract tender specifications. There are no implications for this report.

Social value implications

- 8.1 The majority of operators on the Transport DPS are Gloucestershire-based companies who put a significant amount of time and resource into the local economy by employing thousands of drivers, passenger assistants, office staff and managers. They also invest significantly in training and development of their staff (including apprenticeships). All drivers of larger vehicles having to undertake and pass the professional CPC qualification.
- 8.2 ITU incorporate social value into all of their contracts, and are committed to leveraging ITU spend in optimising social value. ITU will be incorporating formal social value measures in all above threshold value contract going forward and using current measures include the categories "Serving Deprived Areas¹" and "Facilities Served²".
- 8.3 Many operators also work with and contribute to local charities, and most of our Community Transport operators are charities in their own right due to the exceptional service they offer to their local area, areas that are less likely to have regular transport services due to their extremely rural and sparsely populated nature.
- 8.4 Transport providers also contribute significantly to the economy in a second way by offering residents a chance to move around the county to look for training, education and employment. The transport services directly deliver social value. A healthy transport network is vital to a growing local economy and also to give people a chance to stay connected. Many residents, in particular the young and the old, and those with disabilities, do not have access to a car so the only way they can travel to meet family and friends, access health appointments and take part in leisure activities is by using the public transport network.

1 Description from the Transport DPS: "This will be scored by calculating the number of most deprived Super Output Areas (SOA) that a service runs through, and dividing it by the total number of SOA on the route. A deprived SOA is defined by being in the Country's top 40% most deprived SOA."

2

Description from the Transport DPS: "Weighting will be given to tender submissions that serve more sites than defined within the option timetable. Facilities will include Health sites, Education sites, and Employment sites. Each will be scored with an equal weighting. Tender submissions will be scored proportionally against the highest scoring bid received for that tender."

Consultation feedback

9.1 An extensive consultation process has taken place with the bus operators during the establishment of the Transport 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.

Officer recommendations

10.1 To approve the proposed procurement and award of the proposed transport contracts set out in Appendix 1 and to note the summary set out in Appendix 2 to this report of the contracts that have been awarded to date via the Transport DPS.

Performance management/follow-up

11.1 As agreed in the Cabinet decision of 24/07/19, the council's ITU department will update Cabinet again in 2022 with:

- (a) an up-to-date list of all contracts awarded via the Transport DPS;
- (b) an update on the status of all contracts to be awarded as per Appendix 1; and
- (c) seek approval from Cabinet to procure and award the next tranche of transport contracts with a lifetime value of over £250,000.

Appendix 1 – Table of Transport Services to be procured under the council's Transport DPS between November 2021 and March 2023

Public Transport Contracts to be Procured				
Service	Current operator	Route	Current annual contract price	Forecast max 7 year value
35	Stagecoach West	Ross-On Wye-Coleford-Monmouth	£ 167,000.00	£ 1,461,250.00
76/77	Stagecoach West	Highworth-Fairford-Cirencester	£ 164,000.00	£ 1,435,000.00
60	Stagecoach West	Gloucester-Dursley-Wotton-Bristol	£ 85,000.00	£ 743,750.00
65	Stagecoach West	Stroud-Dursley-Cam & Dursley	£ 68,000.00	£ 595,000.00
P & Q	Pulhams Coaches	Cheltenham-Charlton Kings	£ 55,400.00	£ 484,750.00
23A/35A/701/707/708	Lydney DAR	Forest Community Tr. Rural Routes	£ 42,762.20	£ 374,169.25
25	Stagecoach West	Gloucester-Cinderford-Dilke-Coleford	£ 40,000.00	£ 350,000.00
24	Stagecoach West	Gloucester-Mitcheldean-Joy's Green	£ 39,000.00	£ 341,250.00
31	Stagecoach West	Gloucester-Cinderford-Coleford	£ 39,000.00	£ 341,250.00
Home to School Contracts to be Procured				
Service	Current operator	Route	Current annual contract price	Forecast max 7 year value
C374BI	Ebley Coaches	Archway School	£ 114,950.00	£ 1,005,812.50
C372BU	Pulhams Coaches	The Cotswold Academy	£ 71,250.00	£ 623,437.50
C372BW	Pulhams Coaches	The Cotswold Academy	£ 71,250.00	£ 623,437.50
C325BJ	Belfitts	Dene Magna School	£ 58,900.00	£ 515,375.00
C360BK	James Bevan	The Dean Academy	£ 56,620.00	£ 495,425.00
C391BD	Denwell	Tewkesbury School	£ 53,010.00	£ 463,837.50
C325BR	Crystal Travel	Dene Magna School	£ 49,400.00	£ 432,250.00
C325BT	Willets	Dene Magna School	£ 47,405.00	£ 414,793.75
C372CC	Pulhams Coaches	The Cotswold Academy	£ 47,025.00	£ 411,468.75
C372BX	Pulhams Coaches	The Cotswold Academy	£ 46,360.00	£ 405,650.00
C332BP	Bakers	Chipping Campden School	£ 45,410.00	£ 397,337.50
C332BL	Pulhams Coaches	Chipping Campden School	£ 45,410.00	£ 397,337.50
C332BQ	Henshaw's	Chipping Campden School	£ 45,410.00	£ 397,337.50
C372CB	Pulhams Coaches	The Cotswold Academy	£ 45,410.00	£ 397,337.50
C332BJ	Bakers	Chipping Campden School	£ 44,650.00	£ 390,687.50
C332BM	Pulhams Coaches	Chipping Campden School	£ 44,650.00	£ 390,687.50
C372BZ	Pulhams Coaches	The Cotswold Academy	£ 44,460.00	£ 389,025.00
C0552A	Crystal Travel	John Masefield High School	£ 43,700.00	£ 382,375.00
C372BT	Pulhams Coaches	The Cotswold Academy	£ 43,225.00	£ 378,218.75
C372CA	Pulhams Coaches	The Cotswold Academy	£ 43,225.00	£ 378,218.75
C339BR	Pulhams Coaches	Cirencester Kingshill School	£ 42,750.00	£ 374,062.50
C332BK	Bakers	Chipping Campden School	£ 42,560.00	£ 372,400.00
C332BN	Bakers	Chipping Campden School	£ 42,558.10	£ 372,383.38
C348BF	Ebley Coaches	Thomas Keble School	£ 42,031.80	£ 367,778.25
C339BQ	Pulhams Coaches	Cirencester Kingshill School	£ 39,900.00	£ 349,125.00
C372BY	Pulhams Coaches	The Cotswold Academy	£ 39,900.00	£ 349,125.00
C325BM	Belfitts	Dene Magna School	£ 39,900.00	£ 349,125.00
C348BD	Ebley Coaches	Thomas Keble School	£ 35,150.00	£ 307,562.50
C325BS	Crystal Travel	Dene Magna School	£ 34,200.00	£ 299,250.00
C348BC	Ebley Coaches	Thomas Keble School	£ 34,200.00	£ 299,250.00

The purpose of this Cabinet report is to gain approval to procure and award the above contracts between November 2021 and March 2023, each for a period of up to 7 years. The estimated 7 year price also includes an assumption for inflation.

Appendix 2 – Summary of Contracts Awarded via the Gloucestershire County Council Passenger Transport Dynamic Purchasing System (DPS) from 1 February 2020 – 23 August 2021

Area of Transport	Number of Contracts	Total Spend so far
Social Care	243	£545,422.17
Mainstream School	110	£748,486.38
Special Educational Needs (SEN)	559	£3,802,766.20
Public Transport	19	£238,441.67
Total	931	£5,335,116.42

This is a summary table of all contracts awarded via the Transport DPS for transport services since its launch in February 2020. They are broken down via the area of transport, the number of contracts in total (this includes contracts that have since ended), and the total spend to date.

Please note that the total spend to date is just that, not an estimate on the total contract value. This is because a high number of contracts particularly in the Social Care and SEN area are terminated early due to ever changing needs of the clients. This is to be expected but it makes it very difficult to estimate a total for a large majority of the network. All of these contracts are far below the £250,000 Officer sign off limit but due to the number of them they represent a large section of total spend.