

**ANGUS COUNCIL**

**CHILDREN & LEARNING COMMITTEE – 10 JANUARY 2017**

**SCHOOL CONVEYANCE CONTRACTS – PROCUREMENT AUTHORITY REQUEST**

**JOINT REPORT BY STRATEGIC DIRECTOR, CHILDREN & LEARNING AND HEAD OF  
TECHNICAL AND PROPERTY SERVICES**

**ABSTRACT**

This report seeks authority for the procurement of school conveyance contracts which are due for renewal and where the maximum value of the contract is above the Chief Officer's delegated authority limit.

**1. RECOMMENDATION(S)**

It is recommended that the Committee:

- (i) note the school conveyance contracts due for renewal in April 2017, at an indicative estimated value of £10,000,000 for a full five year period of operation from August 2017 to July 2022, the contracts being awarded initially for three years with an option to extend on an annual basis up to five years; and
- (ii) agree that these services are reviewed and that a contract renewal exercise is undertaken as appropriate to secure replacement service provision on the basis outlined in this report and in accordance with the process stated in Section 16.8 of the Financial Regulations.

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/CORPORATE PLAN**

This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Our communities are safe, secure and vibrant
- Our carbon footprint is reduced

**3. BACKGROUND**

- 3.1 School conveyance contracts are generally tendered on a 3-yearly basis with an option to extend on an annual basis for up to a maximum 5 years. Contracts in the Brechin, Montrose, Forfar and Kirriemuir areas are due for renewal for August 2017 as are a number of contracts for children with additional support needs. These new contracts will take account of the asymmetric day being introduced from August 2017.

**4. PROCUREMENT AUTHORITY**

**Objectives**

- 4.1 The provision of replacement contracted school conveyance services is an essential requirement to ensure the statutory requirements for the provision of home to school transport are met. No alternative delivery to procurement of the required supply is appropriate here because the services are not profitable and will not be provided by any bus/taxi company on a commercial basis.
- 4.2 The following Angus Council policies support and/or are relevant to this procurement:

- Home to School Transport Policy which details entitlement criteria for school transport.
  - Public Transport Policy Statement which details that: (i) where appropriate season tickets for children and young people will be purchased on registered bus services, (ii) that school services can be registered as local bus services and (iii) that the council will secure best value for money taking into account the full range of the Council's responsibilities.
- 4.4 The supply has been analysed and it is considered that the market for this supply is reasonably competitive as has been established in recent tendering exercises. It is considered that there are thirty-nine potential key bus and taxi suppliers for these contracts. A competitive tender approach to the procurement is therefore considered to be likely to deliver best value to the council for this requirement.
- 4.5 The impact on the locally-based supply chain of going to tender for this requirement has also been considered and is considered to be minimal. While two of the companies are national companies, all operators have depots in Angus, Dundee or Perth & Kinross. It is not considered that any of the incumbent suppliers' turnovers are so dependent on these contracts that their viability is at risk from the loss of that business.
- 4.6 The tendering exercise will be divided into lots – each contract representing an individual lot. At the present time the requirements are not exactly known as transport applications are not received until March 2017 thereafter the tender specification detailing route, timetable, vehicle size etc are drawn up and tenders sought. These contracts cover a wide geographic area, different time requirements and varying vehicle requirements. To tender the individual requirements as lots will support flexibility of supply and achievement of most competitive pricing by allowing suppliers with a focus on only part of the requirement to bid for that supply alone. There are currently 54 mainstream and 21 additional support needs contracts in place which are due for re-tender.
- 4.7 Any contracts required for full size bus/coaches will, as was the case last year, be tendered on the basis of being operated as a registered local bus service available to the general public and also tendered to operate as a non-registered school contract. This takes account of the Public Service Accessibility Regulations (PSVAR) 2000, which requires local bus service vehicles to be fully disabled accessible while non-registered school contract vehicles do not have to comply with this legislation. By tendering for contracts to operate as local bus services and also tendering on an alternative basis for operation as non-registered school contracts the Council will be able to determine the costs and impacts of each option and make award decisions accordingly.
- 4.8 The contract contains an annual price review mechanism which enables revision to the tendered rates based on market conditions primarily in respect of labour, fuel, vehicle tax and insurance, purchase of motor vehicles and maintenance of motor vehicles.

#### **Sourcing Route/Collaborative Opportunities**

- 4.9 No national Procurement Scotland or Scotland Excel contracts currently exist to meet this requirement.
- 4.10 Consultation has previously taken place with our Tayside Procurement Consortium (TPC) Partners Dundee City Council and Perth and Kinross Council's Transport Teams. From that consultation it is evident that these contracts are meeting the requirements of Angus children and not those of the other Council's. Where services enter their authority areas there is currently no potential for collaborative procurement at present under the banner of Tayside Procurement Consortium.
- 4.11 The procurement is not considered to be a 'major procurement' in terms of Financial Regulation 16.8.4. Approval of this report would mean that the contracts can be accepted without the need for further approval by the relevant committee. In accordance with the arrangements the contract awards will be reported to the Children and Learning Committee for noting only.

- 4.12 The contracts shall be advertised in Public Contracts Scotland in April 2017. As the estimated value of the contracts is above the EU services threshold of £164,176 the relevant EU procurement procedures will apply. Any capable local bus/taxi/private hire car operator will be identified and steps taken to alert them to the bidding prior to the advertisement of the tender opportunity.

#### **Sustainable Procurement Considerations**

- 4.13 The Scottish Government's Sustainability Test will be utilised to identify any additional sustainable procurement measures which could be incorporated within the contract requirements or conditions of contract.
- 4.14 Due to the employing nature of the contracting operators organisational status it is not thought to be feasible for operators to offer community benefits. This however does not prohibit operators from voluntarily offering such benefits but these would be outwith the requirements of this contract

#### **Procurement Procedure and Contract Award Criteria**

- 4.15 The procurement of the required local bus services will be via a single stage 'open' procedure. The first stage will be an assessment based on the newly introduced European Single Procurement Document (ESPD) which will address:
- Pass/fail assessment against minimum requirements for must hold a PSV Operator Licence issued by the Traffic Commissioner or a Taxi /Private Hire Car Operator's Licence issued by a Local Authority.
  - Pass/fail assessment against minimum requirements that the operator must have or can commit to obtain, prior to the commencement of the contract, the levels of insurance cover indicated in the relevant Contract Notice.
- 4.16 Bids satisfying these criteria will then be evaluated on the basis of the most economically advantageous tender (MEAT) having regard to the following criteria which are weighted according to importance. Price is to be given a weighting of 95%, with the other quality criteria listed below given a total weighting of 5%. Once the tenders have been evaluated, as noted below, then an acceptance will be issued to the tenderer providing the highest MEAT score within each Lot.

#### **Quality Criterion**

- Maximisation of Passenger Benefit – 2%: Tenderers to indicate additional quality provision in respect of the vehicles to be used over and above the minimum requirements of the contract through the provision of CCTV.
- Environmental Management – 2%: Tenderers to identify what steps they intend to take over the life of the contract to reduce fuel use, lower carbon emissions and reduce pollution
- Fair Work Practices – 1%: Tenderers to indicate how they commit to fair work practices for workers engaged in the delivery of the contract.

#### **Price Criterion**

- The weighted price of 95% will be evaluated on the basis of the lowest total price received in each Lot.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 The estimated total cost for the provision of home to school conveyance contracts as detailed in this report is in the region of £10,000,000 over the whole life of the contracts, including any option to extend, based on the previous relevant expenditure. The costs for these contracts will be contained within the Children & Learning revenue budget for 2017/18 and beyond.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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