

ANGUS COUNCIL

CHILDREN AND LEARNING COMMITTEE – 23 FEBRUARY 2016

REQUEST TO TENDER FOR SCHOOL TRANSPORT CONTRACT REQUIREMENTS

JOINT REPORT BY STRATEGIC DIRECTOR – PEOPLE AND HEAD OF TECHNICAL & PROPERTY SERVICES

ABSTRACT

This report seeks approval to tender for replacement school transport contracts for services which will terminate in July 2016 and for any additional school transport provision identified as a result of new applications received or changing transport requirements.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) agree that a contract renewal exercise is undertaken to secure replacement transport provision on the basis identified in this report for the school transport contracts due for renewal in August 2016
- (ii) approve the decision for mainstream contracts to operate under contract exemptions with the existing contractors for a further year until the revised secondary school day implications are established.

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

- 2.1 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 transport contracts are generally tendered on a three yearly basis with a third of the Council's area being tendered each year. The contracts are awarded for 3 years with an option to extend on an annual basis up to a maximum 5 years. Contracts in the Brechin and Montrose Areas together with a number of contracts for children with additional support needs have operated for their full 5 years and are due for renewal. Council wide work is currently in process as part of a Tier 1 review to explore financial efficiencies across transport provision.

4. CURRENT POSITION

- 4.1 A report was presented to this Committee on 10 November 2015 (report 434/15 refers) informing Members of proposed changes to the secondary school week. Full Council decided at its meeting on 10 December that consultation is taken forward in this regard and this is in process. A number of primary and secondary school contracts are presently connected and it is possible that future agreed changes to the secondary school day will impact on the way some school transport contracts operate. Until agreement is reached about the structure of the secondary school day, it is appropriate that only one year contracts are tendered at this time for mainstream school transport provision. It is not considered that such short-term contracts would achieve good value for money for the Council therefore this must be viewed as a short time measure which will lead to better value. Mainstream contracts will be operated under contract exemptions with the existing contractors for a further year until the revised school day implications are established and Tier 1 reviews from Transforming Angus are

complete. These mainstream contracts will then be re-tendered for the 2017-18 academic session. Contracts for children with additional support needs will be re-tendered for the 2016-17 academic session as they are operated on a stand-alone basis.

5. PROCUREMENT AUTHORITY

- 5.1 The provision of replacement contracted school transport contracts is an essential requirement to ensure that 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.
- 5.2 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.
- 5.3 The supply has been analysed and it is considered that the market for this supply is relatively competitive as has been established in recent school and local bus service tendering exercises. It is considered that there are 42 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.
- 5.4 The impact on the locally based supply chain of going to tender for this requirement has also been considered and is minimal. While two of the bus 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 the business.
- 5.5 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 2016 thereafter the tender specification detailing route, timetable, vehicle size etc are drawn up and tenders sought. The tenders are predominantly for services for children with additional support needs. Some contracts will also be required in other areas as a result of changing/new transport requirements. 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. For 2016-17 there are currently 11 contracts in place for transport of children with additional support needs which are due for re-tender.
- 5.6 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.
- 5.7 No national Procurement Scotland or Scotland Excel contracts currently exist to meet this requirement.
- 5.8 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.

- 5.9 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.

Key Terms Proposed

- 5.10 It is envisaged that the contracts will commence on 16 August 2016 for a three year period with an option to extend for a further two years.
- 5.11 The value of the supply for home to school contracts is estimated at £300,000 per annum and £1,500,000 over the whole life of the contracts, including any option to extend, based on previous relevant expenditure.

Procurement Procedure

- 5.12 An open tender procedure is considered to be the best means of procuring the required supply. This is intended to generate the highest interest in bidding for the contracts. All suppliers would be fully licensed by the Traffic Commissioner or in the case of taxi operators via the Council's Civic Licensing Committee who will have checked the quality of the suppliers.
- 5.13 The contract opportunity will be openly advertised as an EU tender on the Public Contracts Scotland portal in accordance with Council policy as a means of securing good competition to deliver best value for money.
- 5.14 The Tender Notice for home to school transport will be placed on the Public Contract Scotland website on 25 March 2016 with the contracts being returned on 25 April 2016 (a Prior Information Notice (PIN) is in place and electronic tendering undertaken to achieve this timescale). The replacement contracts will then be awarded under delegated power with a start date of 16 August 2016.

Contract Evaluation and Award Basis

- 5.15 Completed tenders returned to the Council shall be evaluated and the contracts awarded on the basis of lowest cost, all quality aspects being written into the tender specification.
- 5.16 The Corporate Procurement Manager has been consulted on the proposed procurement process and outline requirement and is satisfied that that this approach is suitable and likely to produce best value for the Council.

Procurement Risks

- 5.17 A risk assessment has been undertaken for this tender and, other than the normal risks inherent in any contract, no significant risks have been identified.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications of this re-tendering exercise are currently not known. This expenditure will however be contained within the People, School Transport Revenue budget for 2016-17 and beyond.

7. HUMAN RIGHTS

- 7.1 There are no human rights implications arising from this report.

8 EQUALITIES IMPLICATIONS

- 8.1 The issues contained in this report fall within an approved category that has been confirmed as exempt from an equalities perspective.

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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List of Appendices: None