

**ANGUS COUNCIL**

**CHILDREN AND LEARNING COMMITTEE – 25 FEBRUARY 2015**

**REQUEST TO TENDER FOR SCHOOL CONVEYANCE CONTRACT REQUIREMENTS**

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

**ABSTRACT**

This report seeks approval to tender for replacement school conveyance contracts for services which will terminate in July 2015 and for any additional school transport provision identified as a result of new applications received or changing transport requirements.

**1. RECOMMENDATION(S)**

It is recommended that the Committee:

- (i) note the school conveyance contracts due for renewal in August 2015 and agree that a contract renewal exercise is undertaken as appropriate to secure replacement provision on the basis identified in this report.

**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 conveyance 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. In order to reduce the Council's exposure to significant price increases the Education Committee on 7 March 2013 agreed to extend all contracts to operate up to their maximum length. This decision was taken as 'like for like' mainstream contracts tendered in 2012 increased in contract price by an average of 5.2% at re-tender. By extending the contracts to operate for their full term the Council would not be exposed to these increases, the only additional expenditure would be in relation to (a) the annual inflationary price increase applied to all contracts in April each year and (b) any costs associated with additional transport requirements e.g. associated with new children moving into the area etc. (which apply in any event). (Report 149/13 refers).

**4. CURRENT POSITION**

4.1 Contracts in the Arbroath, Carnoustie and Monifieth areas together with some contracts for children with additional support needs have now operated for their maximum five year duration and are due to be retendered. Contracts conveying scholars to sports facilities are also due to be retendered.

4.2 Since the contracts were originally tendered legislation, in the form of the Public Service Accessibility Regulations (PSVAR) 2000, is now coming into effect which requires local bus service vehicles to be fully disabled accessible. The table below shows the vehicles affected and when the legislative requirements come into force.

<b>Buses and coaches exceeding 22 passengers used to provide a local or scheduled services</b>			
Vehicle type	Schedule	Compliance required now	All vehicles (any age)
Single-deck buses weighing more than 7.5 tonnes	1 and 2	Vehicle first used on or after 31 <sup>st</sup> December 2000 (does not apply if manufactured before 1 <sup>st</sup> October 2000)	In use on or after 1 <sup>st</sup> January 2016
Single-deck buses weighing 7.5 tonnes or less	2	Vehicle first used on or after 31 <sup>st</sup> December 2000 but before 1 <sup>st</sup> January 2005 (does not apply if manufactured before 1 <sup>st</sup> October 2000)	In use on or after 1 <sup>st</sup> January 2015 must comply with Schedules 1 and 2
	1 and 2	Vehicle first used on or after 1 <sup>st</sup> January 2005 (does not apply to Schedule 1 if manufactured before 1 <sup>st</sup> October 2004)	
Double-deck buses	1 and 2	Vehicle first used on or after 31 <sup>st</sup> December 2000 (does not apply if manufactured before 1 <sup>st</sup> October 2000)	In use on or after 1 <sup>st</sup> January 2017
Single-deck and double-deck coaches	3	Vehicle first used on or after 31 <sup>st</sup> December 2000 but before 1 <sup>st</sup> January 2005 (does not apply if manufactured before 1 <sup>st</sup> October 2000)	In use on or after 1 <sup>st</sup> January 2020 must comply with Schedules 1 and 3
	1 and 3	Vehicle first used on or after 1 <sup>st</sup> January 2005 (does not apply to Schedule 1 if manufactured before 1 <sup>st</sup> October 2004)	

#### Notes

- The definition of a coach is a vehicle which does not allow standing passengers.
- Details of the Schedules referred to are shown in Appendix 1 to this report.

4.3 In the forthcoming tendering exercise the implementation of the Public Service Accessibility Regulations (PSVAR)2000 may impact on the availability of accessible vehicles to operate the contracts and subsequently on contract costs. From 1 January 2016 all full sized buses must be fully accessible to disabled persons, services operated by coaches however do not have to comply with DiPTAC features until 2020. In order to determine the effects of the new legislation it is proposed to tender the contracts as follows:

- tender for all vehicles over 16 seats to be operated as local bus services as is currently the practice. A concern in adopting this approach is that operators may have insufficient accessible vehicles to be able to fulfil the contracts. There may be financial implications with this approach through higher contract prices if operators have to purchase new vehicles.
- tender for the contracts to operate as school contracts. This means that the vehicles will not be required to meet the Public Service Vehicle Accessibility Regulations (PSVAR)2000. There may however be financial issues associated with this option as by operating the contracts as local bus services the operators have benefitted from on-bus revenue from fare-payers and also Bus Service Operators Grant (BSOG) which is a grant paid to local bus service operators to help them recover some of their fuel costs (currently 14.4 pence per km for conventional fuel and 17 pence per km for bio-diesel). The loss of these additional revenue streams may impact on contract prices. If the contracts are awarded as school contracts this means that they will no longer be available to the public / farepaying scholars. Any vacant seats could, as happened prior to 2000 when services were first registered, however be offered to scholars not entitled to free home to school transport on a concessionary basis. In addition, if

contracts are awarded on this basis some children may also be entitled to transport on safety grounds. Currently, if a section of road is deemed unsafe for children to walk along and there is a local bus service in place then these scholars are expected to use the local bus service and pay a fare. If there is no local bus service, then as happened prior to 2000 when school buses were registered to operate as local bus services, these children would be entitled to transport on safety grounds.

- 4.4 By tendering for the contracts on the above basis the Council will be able to determine (i) if there are cost or vehicle availability implications through continuing to operate the contracts as local bus services and (ii) the alternative cost of operating the services as school contracts. This means that an informed decision can be taken on the award of these contracts based on the costs and impacts of each option. For most of the contracts, if they reverted back to operate as school contracts this would have little impact as usage by farepaying scholars and adults is negligible. However, a number of areas do have a significant number of fare-paying children travelling. Operators are currently recording detailed information of the farepaying passenger usage for the Transport Team so that the implications can be fully assessed and taken into account at contract award should there be an issue with continuing with the policy of awarding school contracts to operate as registered local bus services.
- 4.5 In addition, operators are being asked to extend contracts operating outwith the tender area for a further year, as outlined in section 3.1 of this report. If they have issues with accepting the extensions because of the Public Service Vehicle Accessibility Regulations (PSVAR)2000 then these contracts will also be retendered as part of the contract renewal exercise. Operators are currently been written to in order to determine which, if any, contracts will be affected.

## **5. PROCUREMENT AUTHORITY**

- 5.1 The Strategic Director – People considers that the provision of replacement contracted school conveyance contracts is an essential requirement to ensure that the statutory requirements for the provision of home to school transport are met. In addition, transport to convey scholars to sporting facilities is also deemed essential. 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 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 scholars 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 2015 thereafter which the tender specification detailing route, timetable, vehicle size etc are drawn up and tenders sought. The tenders are predominantly for services in the Arbroath, Carnoustie and Monifieth areas together with some contracts for children with additional support needs. Some contracts will also be required in other areas as a result of

changing/new transport requirements. Contracts conveying scholars to sports facilities are also due to be retendered. 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 2014/15 there are currently 38 contracts in place for home to school transport provision in the Arbroath, Carnoustie and Monifieth areas and some additional support needs contracts due for renewal together with 27 contracts to sports facilities.

- 5.6 No national Procurement Scotland or Scotland Excel contracts currently exist to meet this requirement.
- 5.7 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.
- 5.8 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 new arrangements the contract awards will be reported to the Children and Learning Committee for noting only.

#### **Key Terms Proposed**

- 5.9 It is envisaged that the contracts will commence on 18 August 2015 for a three year period with an option to extend for a further two years.
- 5.10 The value of the supply for home to school contracts is estimated at £1,058,300 per annum and £5,291,500 over the whole life of the contracts and for transport to sports facilities £38,625 per annum and £193,125 over the whole life of the contracts, including any option to extend, based on previous relevant expenditure.

#### **Procurement Procedure**

- 5.11 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.
- 5.12 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.
- 5.13 The tender programme for home to school transport provision is for the Tender Notice and tenders to be placed on the Public Contract Scotland website on 27 March 2015 with the contracts being returned on 4 May 2015. The replacement contracts will then be awarded under delegated power with a start date of 18 August 2015. The tender programme for sports conveyance contracts is as yet unknown as the requirements have yet to be determined, the start date for these contracts will also be 18 August 2015.

#### **Contract Evaluation and Award Basis**

- 5.14 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.
- 5.15 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**

5.16 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 2015-16 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: Schedule of Accessibility Requirements for Buses and Coaches

## SCHEDULE OF ACCESSIBILITY REQUIREMENTS FOR BUSES AND COACHES

Schedule 1	Schedule 2	Schedule 3
Be fitted with not less than one wheelchair space	Not less than 4 seats designated by signs as priority seats for use by disabled persons.	Be fitted with a route number and destination display in the following positions: On the front of the vehicle On the nearside of the vehicle adjacent to the entrance which is closest to the front of the vehicle
Be fitted with not less than one boarding lift, boarding ramp or shall carry not less than one portable ramp	A communication device within reach of each person seated in a priority seat	Be fitted with a route number display on the rear of the vehicle
Have a wheelchair sign situated on the exterior adjacent to any entrance for a wheelchair user; on the interior adjacent to any exit for a wheelchair user and adjacent to any wheelchair space.	A communication device adjacent to not less than every third row of seats	Where a kneeling system fitted the vehicle shall be fitted with a switch to enable operation of the system.
Have a sign indicating the direction that the wheelchair and wheelchair user shall face during travel and appropriate safety instructions explaining the use of the wheelchair space.	Be fitted with a route number and destination display in the following positions: On the front of the vehicle On the nearside of the vehicle adjacent to the entrance which is closest to the front of the vehicle	
Be fitted with a communication device adjacent to a wheelchair space and in a position readily useable by any person who is using the wheelchair space.	Be fitted with a route number display on the rear of the vehicle	
	Where a kneeling system fitted the vehicle shall be fitted with a switch to enable operation of the system.	