

ANGUS COUNCIL

CHILDREN & LEARNING COMMITTEE – 21 MAY 2019

SCHOOL CONVEYANCE CONTRACTS – PROCUREMENT AUTHORITY REQUEST

**JOINT REPORT BY DIRECTOR OF SCHOOLS & LEARNING AND DIRECTOR OF
INFRASTRUCTURE**

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 limits.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) Homologate the decision of the Director of Infrastructure to procure the school conveyance contracts, due for renewal in July 2019 for a period of up to five years and indicative estimated value of £10,000,000,(ten million pounds) as detailed in this report; and
- (ii) Notes that the Director of Legal & Democratic Services, in consultation with the Director of Infrastructure, subject to the above, will award the contracts on the terms and conditions deemed acceptable in accordance with Financial Regulations.

2. ALIGNMENT TO THE COUNCIL PLAN 2019-2024/LOCAL OUTCOMES IMPROVEMENT PLAN 2017-2030

This report contributes to the following local outcomes contained within the Council Plan 2019-2024 and Local Outcomes Improvement Plan 2017-2030:

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

3. BACKGROUND

- 3.1 The Standing Orders for the Council authorise the Director of Schools & Learning to authorise school transport arrangements for all children and young people who are entitled to such transport statutorily, or as a result of Council policy and to award contracts for such transport in accordance with Financial Regulations.
- 3.2 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 Arbroath, Carnoustie, Monifieth and Sidlaw areas are due for renewal for August 2019, as are a number of contracts for children and young people with additional support needs.

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 Homologation of the decision to procurement contracts for the provision of home to school transport is sought rather than authorisation. It was deemed essential that a procurement process was entered into without delay, to ensure that school transport provision, beginning in August 2019, was organised and confirmed to pupils at the earliest opportunity to ensure continuity and accuracy.
- 4.3 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 forty-one 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, Aberdeenshire, Dundee, Fife or Perth and 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. 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 83 school transport conveyance contracts which require to be tendered.
- 4.7 Any contracts required for full size bus/coaches will, 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 require 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. This approach is consistent with our previous school transport tender exercises.
- 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 formed of Dundee City Council and Perth and Kinross Council Transport Teams. From that consultation it is evident that those contracts under review meet the requirements of Angus children and young people and not those of the other Councils. Where services enter other local authority areas there is currently no potential for collaborative procurement 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 have been advertised on Public Contracts Scotland from 12 April 2019 until 10 May 2019. As the estimated value of the contracts is above the EU services threshold the relevant EU procurement procedures will apply. Any capable local bus/taxi/private hire car operator was identified and steps were 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 out with 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; and
 - 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 Schools & Learning revenue budget for 2019/20 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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