

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 12 NOVEMBER 2019

PROCUREMENT AUTHORITY FOR LOCAL BUS SERVICE CONTRACTS

REPORT BY DIRECTOR OF INFRASTRUCTURE

ABSTRACT

This report seeks authority for the procurement of local bus service 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) authorises the procurement of local bus contracts A461, A496, A498, A499, A502, A508, A603, A604, A605, A606, A607, A608 on behalf of the Director of Infrastructure; and
- (ii) delegates authority to the Director of Legal and Democratic Services, following consultation with the Director of Infrastructure Services, to agree the terms to the contract awards for the above bus services so as to protect the council's interests and thereafter to execute and deliver the bus services contracts and any other necessary documentation in respect of the bus services contracts on behalf of Angus Council.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Local Outcomes Improvement Plan and Locality Plans:

ECONOMY

- An inclusive and sustainable economy

PLACE

- A reduced carbon footprint
- Safe, secure, vibrant and sustainable communities
- An enhanced, protected and enjoyed natural and built environment

3. BACKGROUND

- 3.1 The award of all local bus contracts outlined in this report were previously agreed by the Communities Committee.
- 3.2 All local bus service contracts are tendered to operate for three years, with the option to extend into years four and five, subject to mutual agreement between the Council and the Operator.
- 3.3 Contract A461 has been extended to its maximum length and is subsequently due to end on 18 January 2020. This contract provides local bus service 20, which operates between Dundee – Forfar – Kirriemuir; and also service 21, which operates via Dundee – Forfar – Brechin – Stracathro. It further provides local bus services 23, 24, 25, which serve Forfar Town.
- 3.4 Contract A496 has been extended to its maximum length and is subsequently due to end on 7 December 2019. This contract provides local bus service 52, which covers Montrose Town.

- 3.5 Contract A498 will reach three years of operation on 29 May 2020 and therefore could be extended by another two years. However it is felt that tendering this contract will allow the market to be tested and therefore to provide best value. This contract provides local bus service 81, which offers a connection between Carnoustie – Monifieth – Forfar.
- 3.6 Contract A499 will reach three years of operation on 29 May 2020 and therefore could be extended by another two years. However it is felt that tendering this contract will allow the market to be tested and therefore to provide best value. This contract provides local bus service 139, which offers an early morning connection only, between Tealing – Inveraldie – Murroes – Dundee.
- 3.7 Contract A502 will reach three years of operation on 30 May 2020 and therefore could be extended by another two years. However it is felt that tendering this contract will allow the market to be tested and therefore to provide best value. This contract provides local bus service 137, 138 and 139, which offers a connection between Auchterhouse – Bridgefoot – Strathmartine Hospital – Dundee and Tealing – Inveraldie – Murroes – Dundee.
- 3.8 Contract A508 will reach three years of operation on 31 May 2020 and therefore could be extended by another two years. However it is felt that tendering this contract will allow the market to be tested and therefore to provide best value. This contract provides local bus services 35, 140 and 141, which offers a connection between Auchmithie – Arbroath and Arbroath – Friockheim – Brechin - Stracathro.
- 3.9 Contract A603 was tendered as a Quick Quote following notification of the closure of the previous operator (MW Nicoll) and was subsequently awarded until 31 May 2020. This contract provides local bus services 47, 47A and 47B, which offers a connection between Ferryden – Montrose - Hillside.
- 3.10 Contract A604 was tendered as a Quick Quote following notification of the closure of the previous operator (MW Nicoll) and was awarded until 31 May 2020. This contract provides local bus service 34, which serves Brechin Town.
- 3.11 Contract A605 was tendered as a Quick Quote following notification of the closure of the previous operator (MW Nicoll) and was awarded until 31 May 2020. This contract provides local bus services 30 and 30B, which offers a connection between Montrose – Brechin – Stracathro/Edzell.
- 3.12 Contract A606 was tendered as a Quick Quote following notification of the closure of the previous operator (MW Nicoll) and was awarded until 31 May 2020. This contract provides local bus service 30, which offers a connection between Montrose – Brechin – Stracathro/Edzell.
- 3.13 Contract A607 was tendered as a Quick Quote following notification of the closure of the previous operator (MW Nicoll) and was awarded until 31 May 2020. This contract provides local bus service 30, which offers a connection between Montrose – Brechin – Stracathro/Edzell.
- 3.14 Contract A608 was tendered as a Quick Quote following notification of the closure of the previous operator (MW Nicoll) and was awarded until 31 May 2020. This contract provides local bus service 30, which offers a connection between Montrose – Brechin – Stracathro/Edzell.

4. PROCUREMENT PROPOSALS

- 4.1 With reference to Financial Regulations 16.8.3, the sourcing strategy for the provision of bus services has been considered, which is summarised below:
- (i) market analysis shows that the Scottish bus market dominated by one supplier but there are a number of locally based operators and we've maximising local supply opportunity by separating the contracts;
 - (ii) the Scottish bus market is heavily regulated which limits the opportunity for collaboration;
 - (iii) provisions for the sustainable procurement duty including fair work practices (social sustainability) and emissions / carbon footprint reduction (environmental) are included in the evaluation criteria; and

- (iv) risk of challenge and risk of poor value are addressed by open competition complying with legal requirements and by transparent evaluation on published criteria which offer the optimum balance of price and quality.

4.2 Based on the above strategy, 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 European Single Procurement Document (ESPD):

- Pass/fail assessment against minimum requirements that the operator must hold a PSV Operator Licence issued by the Traffic Commissioner; 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.

4.3 Bids satisfying these criteria will be evaluated on the basis of the most economically advantageous tender (MEAT) whilst having regard to the following criteria which are weighted according to importance. Price is to be given a weighting of 90%, with the other quality criteria listed below given a total weighting of 10%. Once the tenders were evaluated, as noted below, then an acceptance was issued to the tenderer providing the highest MEAT score within each Lot.

Quality Criterion:

- Maximisation of Passenger Benefit – 5%: 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 – 3%: 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 – 2%: 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 90% was evaluated on the basis of the lowest total price received in each Lot.

4.4 Following the assessment and evaluation of tender returns on the basis of the most economically advantageous price / quality, it is proposed that the Director of Legal and Democratic Services, following consultation with the Director of Infrastructure Services, agree the terms to the contract awards so as to protect the Council's interests and thereafter to execute and deliver the bus services contracts and any other necessary documentation in respect of the project on behalf of Angus Council.

4.5 Based on the agreement of the terms to the contract awards, the A461, A496, A498, A499, A502, A508, A603, A604, A605, A606, A607, A608 bus services' contracts will be awarded.

4.6 This procurement is not considered to be major within the meaning of Financial Regulation 16.8.4 and therefore does not account for a significant part of the Chief Officers approved budget.

5 FINANCIAL IMPLICATIONS

5.1 The estimated total cost of local bus service contracts, as detailed in this, report is in the region of £4,300,000 over the whole five-year lifespan of the contracts, including any option to extend, based on the previous relevant expenditure. The costs for these contracts will be contained within the Roads & Transportation revenue budget for 2020/21 and beyond.

6 HUMAN RIGHTS IMPLICATIONS

There are no human rights implications arising from this report.

7 EQUALITIES IMPLICATIONS

The issues contained in the 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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