

ANGUS COUNCIL

CHILDREN & LEARNING COMMITTEE –24 FEBRUARY 2022

SCHOOL CONVEYANCE CONTRACTS

JOINT REPORT BY DIRECTOR OF EDUCATION & LIFELONG 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) Authorise the Director of Infrastructure to procure the school conveyance contracts, due for renewal in July 2022 for a period of up to five years and indicative estimated value of £6,500,000, as detailed in this report; and
- (ii) notes that subject to the above, the Director of Education and Lifelong Learning, in consultation with the Director Legal & Democratic Services, will award the contracts on the terms and conditions deemed acceptable in accordance with Financial Regulations.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/COUNCIL PLAN

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

- an inclusive and sustainable economy;
- a reduced carbon footprint; and
- safe, secure, vibrant and sustainable communities.

3. BACKGROUND

- 3.1 The Standing Orders for the Council authorises the Director of Education and Lifelong Learning to arrange school transport conveyance 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 twice on an annual basis up to an overall maximum contract length of 5 years. Contracts in the Forfar and Kirriemuir catchment areas are due for renewal for the academic year beginning in August 2022.
- 3.3 Furthermore, there are several school transport conveyance contracts throughout Angus for children and young people with additional support needs also due for renewal for the academic year beginning in August 2022.
- 3.4 Members will be aware, from Information Report No 351/21 Schedule 4 to Communities Committee in November 2021, of the introduction of a new statutory travel scheme, allowing 5 to 21 year olds access to free bus travel from 31 January 2022. This scheme does not have

an immediate impact on the proposed school conveyance contracts which are the subject of this report.

- 3.5 As noted in Report No 351/21 Schedule 4 the impacts of the Free Bus Travel for Under 22s will be monitored over the next financial year and actions taken accordingly. For example, an assessment will be made to determine whether more school transport routes would offer a better service, and greater value, by operating as local bus service routes and being funded as such, rather than being funded as a school service. This will require extensive review and a fundamental change in the School Transport Policy for which committee approvals would be required.

4. PROCUREMENT AUTHORITY

Objectives

- 4.1 The provision of replacement school transport conveyance contracts services is essential 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 because the services are not profitable and will not be provided by bus/taxi companies 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.
- 4.3 The supply has been analysed, through recent tender exercises and it is considered that the market for this supply is reasonably competitive, with twenty three 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.
- 4.4 The impact on the locally based supply chain of going to tender for this requirement has also been analysed and is considered to be minimal. While two of the operators are national companies, all operators have depots in Angus, Aberdeenshire, Dundee, Fife or Perth and Kinross Council areas. 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.
- 4.5 The tendering exercise will be divided into Lots, with each contract representing an individual Lot – there are currently 49 school transport conveyance contracts which require to be tendered. These contracts cover a wide geographic area and have different time requirements, as well as varying vehicle specifications. To tender the individual requirements as Lots will support flexibility of supply and achieve the most competitive pricing by allowing suppliers with a focus on only part of the requirement to bid for that supply alone.
- 4.6 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 closed school contract. This takes account of the Public Service Accessibility Regulations (PSVAR) 2000, which require local bus service vehicles to be fully 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.
- 4.7 The contract contains an annual price review mechanism, which enables revision to the tendered rates based for inflation 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

- 4.8 No national Procurement Scotland or Scotland Excel contracts currently exist to meet this requirement.
- 4.9 Consultation has previously taken place with our Tayside Procurement Consortium (TPC) Partners formed with 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.
- 4.10 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 Schools and Learning Committee for noting only.
- 4.11 The contracts will be advertised in Public Contracts Scotland from 15 April 2022 until 13 May 2022. As the estimated value of the contracts is above the EU services threshold, the relevant EU procurement procedures will apply.

Sustainable Procurement Considerations

- 4.12 The Scottish Government's Sustainability Test will be utilised to identify any additional sustainable procurement measures that could be incorporated within the contract requirements or conditions of contract.
- 4.13 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, although these would be out with the requirements of this contract

Procurement Procedure and Contract Award Criteria

- 4.14 The procurement of the required school conveyance services will be via a single-stage, 'open' procedure. The first stage will be an assessment based on the 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.
- 4.15 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 fully 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; and

- 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 based on 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 £6,500,000 over the potential whole life of the contracts, including the assumption that options to extend are actioned, based on the previous relevant expenditure. The costs for these contracts will be contained within the Education and Lifelong Learning revenue budget for 2022/23 and beyond.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Information Report No 351/21 Schedule 4 Introduction of Scotland Wide Free Bus Travel for Under 22s - Communities Committee – 23 November 2021

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