

**CONTRACT AWARD  
REPORT – PART I**



**Plymouth City Council Non-  
Commercial Routes Network –  
January 2023**

**Procurement Reference No.  
21767**

## Table of Contents

1. Introduction	3
2. Background	3
3. Procurement Process	3
4. Tender Evaluation Criteria	4
5. Summary of Evaluation	8
6. Financial Implications	9
7. Recommendations	9
8. Approval	
<b>Error! Bookmark not defined.</b>	
9. Appendices	11
9.1 Appendix I: Highest scoring tenderer for each lot and the combined contract value	11

## **1. INTRODUCTION**

This report is presented in connection with the Non-Commercial Routes Options report. It provides the proposed contract award for each corresponding option under the Non-Commercial Routes Options report.

## **2. BACKGROUND**

On 7 March 2022, an Executive Decision was signed by the Leader, recommending the following course of action:

- Approval of the Business Case for retendering the affected routes
- Authorisation of the procurement process to be followed
- Delegation of the cancellation of the procurement process to the Service Director for Strategic Planning and Infrastructure and
- Delegation of the award of the contract(s) and subsequent management of the contract(s) to the Service Director for Strategic Planning and Infrastructure

The tender documents were dispatched for prospective tenderers on 6 May 2022.

The Non-Commercial Routes Options report sets out the future options for which routes would continue to be funded through the non-commercial routes budget and the consequences of reducing the non-commercial routes budget (including financial and service provision). Based on the option Cabinet choose, the contract awards requiring approval are set out in this report.

## **3. PROCUREMENT PROCESS**

In May 2022 a total of eleven Lots were put out to tender covering all services in table three. All routes were tendered on a like for like basis, with a number of options included for most routes based on customer feedback, knowledge developed over the current contract term, both in terms of routes and patronage, and potential funding sources that may help support some routes over a longer period of time. Operators were also given the opportunity to submit their own innovative proposals and package prices.

Tenders were dispatched on 6 May 2022 with a return date of 1 June 2022. The contract was tendered through Devon County Council's (DCC) Dynamic Purchasing System (DPS), which is Plymouth City Council's approved process for tendering local bus services.

The main benefits of using the DPS are as follows

- The Council do not need to undertake a full public procurement process that is subject to the Public Contract Regulations 2015 (PCR 2015) as this has already been done by Devon County Council in setting up the DPS
- The DPS provides a more similar and quicker route to market as suppliers listed on the DPS have already been assessed for their financial stability, track record, experience and technical & professional ability, before being awarded a place on the DPS
- The DPS offers the opportunity to a wider audience, providing the ability for new operators to consider tendering
- The use of the DPS has potential to allow longer contracts (up to eight years) and hence encourage a wider base of tenderers and investment in better vehicles
- The process has already been trialled for Plymouth bus service contracts in previous tenders including the last full retendering exercise in 2020

- Cost savings to Plymouth City Council if compared with undertaking our own procurement process in accordance with the PCR 2015
- Our own approval processes at the point of contract award still apply.

It is proposed that the contract(s) to be awarded will be awarded to March 2024, with the option to extend in annual increments for up to a further 6 years.

#### **4. TENDER EVALUATION CRITERIA**

Within the specification there were a number of options within each Lot. Operators were required to bid for the services as set out in the specification but were also encouraged to submit package prices where they were bidding on more than one Lot. Packages needed to offer better value than prices for individual Lots.

All options under each Lot and operator packages were then assessed on the basis of price, quality and social value.

Operators were also given the opportunity to submit their own innovative proposals where this would offer better value to the Council.

The methodology used to evaluate the submissions received is set out below.

Initially operators were asked the following 'pass/fail' questions:

- Please confirm that you will meet the Core Requirements for all Lots (Clause B3.1 as stated in the Pre-Qualification Questionnaire document of Devon County Council's Provision of Passenger Transport Dynamic Purchasing System (CPI 185-15)) throughout the duration of this contract.
- Please confirm that you will meet the specific core requirements for all Lots (Clause B3.6 as stated in the Pre-Qualification Questionnaire document of Devon County Council's Provision of Passenger Transport Dynamic Purchasing System (CPI 185-15)) throughout the duration of this contract.
- Please confirm that all vehicles will be fitted with Integrated Transport Smartcard Organisation (ITSO) compliant electronic ticket machines throughout the duration of this contract.
- Please confirm that all vehicles will be fitted with electronic destination displays capable of displaying the destinations stated in the specification for each Lot tendered for.
- Please self-certify whether you already have, or can commit to obtain, prior to the commencement of the contract, the levels of insurance cover as required by the Public Passenger Vehicles Act 1981 and the Road Traffic Acts 1972 and 1974:
- Who will manage this contract if you are successful?
- Please confirm you will be able to provide all of the following information: Total Revenue, Total Patronage and Total Concessionary Patronage

The PQQ required operators to provide information on insurance, vehicle maintenance procedures, driver licensing, driver CPC and customer care training, Traffic Commissioner hearings, and previous contract performance. In addition they were required to state their policies and procedures in respect of Health and Safety and Equality and Environmental requirements. No further evaluation of these items was therefore required.

Tenderers passing all the pass/fail criteria had their remaining responses evaluated to determine the most economically advantageous quotation based on the pricing, quality and social value criteria that are linked to the subject matter of the contract.

#### **Award Criteria and Methodology**

##### **Award Criteria**

The evaluation was undertaken in accordance with the following criteria, weightings and methodology.

### **PRICE – 70% weighting**

Evaluation was based on comparison of pricing schedules.

Tenderers were required to complete Schedule 2 – Pricing Schedule for each relevant Lot, providing a Gross Cost and Net Subsidy for the options within.

#### **Gross Cost Contract Price Per Annum**

The gross cost price is the total cost of operating the service with no allowance for revenue. If tenderers are successful, Plymouth City Council will pay the gross cost price, minus the actual revenue taken, which the operator will be required to declare. Concessionary fares reimbursement is not be paid on gross cost contracts.

#### **Net Subsidy Contract Price Per Annum**

The net subsidy price is the cost of providing the service minus revenue. Plymouth City Council will pay their net subsidy price regardless of the actual level of revenue, which the operator will retain. They will also receive concessionary fares reimbursement.

#### **Evaluation**

Evaluation between Gross Cost and Net Subsidy was undertaken independently of each other for each option within each Lot.

Tenderers' scores for both Gross Cost and Net Subsidy (excl' VAT) for all options were calculated based upon the lowest prices submitted by Tenderers.

Tenderer's scores were determined by the evaluation of the relative competitiveness of the criteria stated within Schedule 2 – Pricing Schedule multiplied by the relative weighting.

#### **PRICE: Total Tender Sum – 70%**

The Tenderer's Total Tender Sum for Gross Cost and Net Subsidy submission for each option within each Lot were evaluated using the scoring system below:

$$\left( \frac{\text{Lowest Total Tender Sum}}{\text{Tenderer's Tender Sum}} \right) \times \text{Weighting} = \text{Weighted score}$$

The Tenderer with the lowest price was awarded the full score available for each criteria stated, with the remaining Tenderers gaining pro-rata scores in relation to how much higher their prices are when compared to the lowest price.

The lowest price tendered between Gross Cost or Net Subsidy will determine which offers best value for money to the Council for the term of the Contract.

### **QUALITY – 20% weighting**

The quality element of the evaluation required operators to demonstrate the strength of proposals to comply with the Council's specification - evaluation made on contract delivery proposals submitted in response to the requirements set out in specification and taking into consideration the Council's aims for the service.

**Scored Questions** - Each Method Statement was evaluated in accordance with the following sub-criteria and weightings

**MS1: Emission Standards****Weighting 10 %****MS2: Breakdown Response Times****Weighting 10 %****TOTAL****Weighting 20 %**

Method Statements were evaluated using the scoring system below:

Response	Score	Definition
Excellent	5	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement/outcomes and provides details of how the requirement/outcomes will be met in full.
Very good	4	Response is particularly relevant. The response is precisely detailed to demonstrate a very good understanding of the requirements and provides details on how these will be fulfilled.
Good	3	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements/outcomes will be fulfilled.
Satisfactory	2	Response is relevant and acceptable. The response addresses a broad understanding of the requirements/outcomes but lacks details on how the requirement/outcomes will be fulfilled in certain areas.
Poor	1	Response is partially relevant and poor. The response addresses some elements of the requirements/outcomes but contains insufficient/limited detail and explanation to demonstrate how the requirements/outcomes will be fulfilled.
Unacceptable	0	No or inadequate response. Fails to demonstrate an ability to meet the requirement/deliver the required outcomes.

Tenderers must achieve a weighted score of 2 or more for each scored item. Any scored criteria item receiving less than 2 will result in the Tender being rejected and Tenderer being disqualified from the process.

The Council had decided to take a '**consensus**' scoring evaluation approach to this procurement. This means that, following the independent evaluation of submissions where there is a difference in individual evaluator scoring for one or more individual questions, a moderation session will take place to arrive at an agreed, consensus score. In the event that the evaluators cannot agree on a final score, the score awarded by the majority will be the consensus score.

**SOCIAL VALUE – 10% weighting**

Social value commitments were assessed based on a combination of quantitative and qualitative assessment.

**SV1- Total Social Value Commitment (£) – 5.00%**

The Tenderer's Total Social Value Commitment was evaluated using the quantitative scoring system below:

$$\left( \frac{\text{Tenderer's Total Social Value Commitment (£)}}{\text{Highest Total Social Value Commitment (£)}} \right) \times \text{Weighting} = \text{Weighted score}$$

**SV2 – Social Value Method Statements – 5.00%**

The method statements submitted in support of the social value commitments made in SVI were allocated a single score for all method statements and the appropriate weighting was then applied. The weighted score was rounded to **2** decimal places.

The qualitative responses were evaluated using the below scoring system:

Response	Score	Definition
Excellent	5	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement/outcomes and provides details of how the requirement/outcomes will be met in full.
Very good	4	Response is particularly relevant. The response is precisely detailed to demonstrate a very good understanding of the requirements and provides details on how these will be fulfilled.
Good	3	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements/outcomes will be fulfilled.
Satisfactory	2	Response is relevant and acceptable. The response addresses a broad understanding of the requirements/outcomes but lacks details on how the requirement/outcomes will be fulfilled in certain areas.
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### **Total Evaluation Methodology (100% of weighting)**

To determine the overall total score and corresponding ranking for each Tenderer, it was necessary to add the total weighted price score with the total weighted quality score and the total weighted social value score.

### **Information only questions**

In addition to the above, Tenderers were also asked the following questions which were required for information only:

- Please confirm the renewal date for your PSV Operator's Licence.
- Please confirm that your proposed fare chart is attached.
- Please confirm the type of ticket issuing system will you use?
- Please describe your proposed vehicles, (principal and back-up 1 and 2 etc. as appropriate).

- Please confirm that you will be in possession of the above vehicles at the time of the commencement of the contract? If no, please state when you will obtain the stated vehicles and please attach details of your interim vehicles
- Do or will all of the vehicles specified belong to you? If not, please give details of ownership. If you nominate a vehicle belonging to another operator, you must ensure that there is a suitable agreement with that operator and that access to the vehicle is no less than if it were under your ownership. Please attach a copy of this agreement.
- How many drivers do you intend to allocate to the roster for this contract (including sickness and holiday cover)?
- Please describe the uniform that your drivers will wear?
- Please confirm whether your drivers have undergone customer care training incorporating disability awareness training. Please give details:
- Please confirm that all drivers allocated to this contract hold a current valid Driver CPC?
- With what type of destination display are the proposed vehicles equipped (e.g. electronic)?
- Where will your vehicles be maintained?
- Please indicate from which operating depots you would respond to breakdowns or service failures and, if applicable, indicate any arrangements you have with depots of other operators or agents.
- Please give the telephone number which members of the public may call in order to obtain information from you and the days and hours when this is staffed. Please indicate if and when an answerphone is in operation.
- Please give any additional telephone number(s), including mobiles, which the Council may call and the days and hours when these are staffed. Please indicate if and when an answerphone is in operation.
- Apart from vehicles, will any aspect of your service not be in place in time for the start of the Contract? If so, please indicate any delays and when the service feature would be introduced and please give details of your interim arrangements.
- Can you confirm how you adhere to the routine maintenance guidelines issued by DVSA and where this has been and will be taking place throughout the duration of the Contract?
- What special features and/or benefits does your submission contain for the benefit of your passengers?

## **5. SUMMARY OF EVALUATION**

The tender package was submitted electronically via the DPS on 6 May 2022 with a submission response date of 12 noon on 1 June 2022.

Devon County Council advised us that there were thirty-three suppliers registered on the DPS for this opportunity who were eligible to bid, and that five of these suppliers belong to a PL postcode. Out of the thirty-three suppliers eligible to bid on this opportunity, twelve looked at it, with four submitting prices.

The Tender submissions were evaluated in accordance with the overall evaluation strategy set out above, and were independently evaluated by Council Officers. The resulting scores are contained in the confidential Part II paper.

During the evaluation, it was evident that the suppliers providing a response to the tender did not fully understand the TOMs calculator which was used to determine their Social Value score,



resulting in submissions being returned either incorrect or incomplete. Professional advice was sought from the Procurement Team who advised that post tender clarifications directly to the suppliers would need to be submitted. Where this was required responses were received and their submissions were subsequently passed onto the Procurement Team to input the scores.

The evaluation commenced on 6 June 2022 and was completed on 9 June 2022.

The resulting scores are contained in the confidential Part II paper.

## 6. FINANCIAL IMPLICATIONS

That the contracts are awarded to correspond with the option approved under recommendation I of the Cabinet report. The Council will draw down S106 funding to support a number of these routes. Should the contract extension options be enacted, further S106 monies would need to be sought through developments to help support any such extensions.

## 7. RECOMMENDATIONS

Under option I as set out in the Cabinet report, it is recommended that new contracts are awarded as follows:

Lot	Service Number	Route	Operator	Annual Cost	Contract Expiry Date
Lot 8	52	Plympton to Derriford via Coypool Park and Ride	Stagecoach Southwest	£118,082 NET	31 March 2024
Lot 11	Saltram Meadow	TBC – City Centre to Plymstock Broadway via Saltram Meadow TBC – City Centre to Hooe via Saltram Meadow TBC – City Centre to Elburton via Saltram Meadow	Stagecoach Southwest	£215,469 NET	31 March 2024

Under options 2, 3, 4 and 5 as set out in the Cabinet report, it is recommended that new contracts are awarded as follows:

Lot	Service Number	Route	Operator	Annual Cost	Contract Expiry Date
Lot 8	52	Plympton to Derriford via Coypool Park and Ride	Stagecoach Southwest	£118,082 NET	31 March 2024
Lot 10	200	City Centre to Coypool Park and Ride	Stagecoach Southwest	£99,400 NET	31 March 2024
Lot 11	Saltram Meadow	TBC – City Centre to Plymstock Broadway via Saltram Meadow TBC – City Centre to Hooe via Saltram Meadow	Stagecoach Southwest	£215,469 NET	31 March 2024

		TBC – City Centre to Elburton via Saltram Meadow			
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Under option 6 as set out in the Cabinet report, it is recommended that new contracts are awarded as follows:

Lot	Service Number	Route	Operator	Annual Cost	Contract Expiry Date
Lot 6	27	City Centre to George Park and Ride via Lower Compton, Efford, Eggbuckland, Mainstone and Asda	Plymouth Citybus	£201,857 NET	31 March 2024
Lot 8	52	Plympton to Derriford via Coypool Park and Ride	Stagecoach Southwest	£118,082 NET	31 March 2024
Lot 10	200	City Centre to Coypool Park and Ride	Stagecoach Southwest	£99,400 NET	31 March 2024
Lot 11	Saltram Meadow	TBC – City Centre to Plymstock Broadway via Saltram Meadow TBC – City Centre to Hooe via Saltram Meadow TBC – City Centre to Elburton via Saltram Meadow	Stagecoach Southwest	£215,469 NET	31 March 2024

Under options 1 to 6 in the Cabinet report, contracts will not be awarded for the following services:

Lot	Service Number	Reason
Lot 3	19	Poor performance in regards to cost per passenger. Existing Non-Commercial Routes budget and S106 has been fully allocated.
Lot 4	31	Poor performance in regards to cost per passenger. Existing Non-Commercial Routes budget and S106 has been fully allocated.
Lot 5	39	Poor performance in regards to cost per passenger. Existing Non-Commercial Routes budget and S106 has been fully allocated.
Lot 7	44A	Poor performance in regards to cost per passenger. Existing Non-Commercial Routes budget and S106 has been fully allocated.
Lot 9	54	Poor performance in regards to cost per passenger. Existing Non-Commercial Routes budget and S106 has been fully allocated.

## 8. APPROVAL

Cabinet to approve the award of the contracts as set out in the report relating to the agreed option for implementation

## 9. APPENDICES

### 9.1 Appendix I: Highest scoring tenderer for each lot and the combined contract value

<b>Lot</b>	<b>Service Number</b>	<b>Operator</b>	<b>Cost for Initial Contract Period 03/01/23 – 31/03/24</b>	<b>Cost for Combined Extension Periods if Enacted 01/04/2024 – 31/03/2030</b>	<b>Contract Expiry Date</b>
6	27	Plymouth Citybus	£51,265	£1,211,142	31/03/2024
8	52	Stagecoach Southwest	£29,989	£708,492	31/03/2024
10	200	Stagecoach Southwest	£24,850	£596,400	31/03/2024
11	4 (Saltram Meadow)	Stagecoach Southwest	£52,975	£1,292,814	31/03/2024