

PLYMOUTH CITY COUNCIL

Subject: Contract award for local bus services
Committee: Cabinet
Date: 6 August 2013
Cabinet Member: Councillor Coker
CMT Member: Anthony Payne (Director for Place)
Author: Debbie Newcombe, Public Transport Officer
Contact details Tel: 01752 307790
email: Debbie.Newcombe@plymouth.gov.uk
Ref: Subsidised Bus Services 2013
Key Decision: Yes
Part: I

Purpose of the report:

The report summarises the recent tender process for the commissioning of the following local bus services across the city:

7D, 13, 14, 18, 19, 25, 27, 28B, 31, 39, 43B and 52.

The existing contracts expired in 2012 and are currently operated under permitted contract extensions.

There is a separate private report detailing the outcome of the tenders and recommendations for awarding contracts for specific bus services.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

Pioneering Plymouth - the competitive tender process ensures the best possible value for money for the provision of these services. The tender process took on board a number of recommendations from the recent Growth and Prosperity Overview and Scrutiny Panel review of subsidised routes such as improving the assessment criteria used, increasing the length of contracts to achieve better value for money and increasing the notice period for both the Council and contractor to ensure more time to consider alternative options should a contract end prematurely.

The provision of bus services to communities and new links across the city helps to encourage the use of sustainable transport instead of private cars which in turn will help reduce carbon emissions.

Growing Plymouth – effective public transport provision is an enabler for growth and a number of the routes subsidised offer opportunities for residents to access employment. Particularly the newly extended service 14 is designed to link up communities across the City with key employment sites such as the Dockyard, Langage and Derriford. Certain shift start and finish times were considered as part of designing the service timetable.

Caring Plymouth – the Council’s subsidised bus services cover the majority of the City in some form linking wards and offering journey opportunities that are not provided by the commercial bus network for a variety of reasons from access to healthcare, education, employment, shopping and social reasons. The links and therefore journey opportunities would not exist without the Council’s intervention.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

The total budget available is £2,463,000 over five years.

This is made up of £698,190 for the Plymouth Connect, service 14, which is part funded by the Department for Transport’s Local Sustainable Transport Fund, Section 106 from the Vision Development in Devonport and a proportion of the Council’s subsidised bus service budget. This service will be recommended in the Part II report to be contracted initially for 20 months with an option to extend the contract for up to 5 years.

All other bus services will be funded wholly by the Council’s subsidised bus service budget. In addition to the existing budget the Council will receive a devolved grant from the Department for Transport as detailed in section 5.5 of this report.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

N/A

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? No

However, the Council’s subsidised bus provision is covered by the Equality Impact Assessment undertaken for the Bus Strategy as part of our Local Transport Plan 2 and updated for Local Transport Plan 3. It can be found here <http://www.plymouth.gov.uk/eiabusstrat.pdf>

Recommendations and Reasons for recommended action:

Cabinet is recommended to note the report and consider it in conjunction with the private part 2 report, which is to be considered later in the agenda, and award the contracts accordingly.

Alternative options considered and rejected:

N/A

Published work / information:

Subsidised Routes and Through Ticketing Scrutiny Report available here:

<http://www.plymouth.gov.uk/mglInternet/documents/s44335/Subsidised%20bus%20routes%20and%20through%20ticketing-%20report%20of%20the%20Growth%20and%20Prosperity%20Overview%20and%20Scruti.pdf>

Background papers:

None

Sign off:

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Originating SMT Member Clive Perkin													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

I. INTRODUCTION

- 1.1 The Council supports a number of bus services across the City either in their entirety or specific extensions to existing commercial services, such as an evening service. The Council's policy for the provision of such services has a criterion that takes into account a range of factors including topography, historic service provision, car ownership levels in a particular area and where the cost per unique passenger (those without an alternative direct service within 400 metres of their existing stop and access to a minimum of an hourly service) does not exceed a set threshold which is currently £1.99.
- 1.2 Ward Councillors and members of the public regularly provide suggestions to the Public Transport Team on ideas for bus routes. Any feedback received over the last three years has been considered and where possible was included as part of the tender process.
- 1.3 This report summarises a tender process undertaken for the majority of the Council's existing routes and a new cross city link which expands the service 14, which for the purpose of this report is known as the Plymouth Connect.

2. PLYMOUTH CONNECT

- 2.1 The Council was successful in securing funding through the Local Sustainable Transport Fund (LSTF) on submission of its Plymouth Connect bid. Plymouth Connect provides the opportunity to build on the objectives set out in the Council's third Local Transport Plan. The Plymouth Connect project area focuses on the corridor between the communities of Devonport and Stonehouse in the west, through the city centre to Cattedown, Coxside, Plymstock and Plympton in the east. The project will link communities together through improvements in walking, cycling and bus networks. Improving connectivity between these communities and providing sustainable travel options for trips to employment and leisure opportunities on both sides of the city and along the waterfront is crucial to improving equality of access for areas in the western side of the city and tackling the environmental, social and economic challenges that currently exist.
- 2.2 The Plymouth Connect package is a three tiered approach to achieving a shift in travel behaviour towards more sustainable modes – provision of sustainable facilities, encouraging greater use of facilities and raising awareness. To help achieve these objectives Plymouth Connect includes an element of 'kickstart' funding to support a new bus service through the project area with the inclusion of Langage Business Park as a key employment site. This funding is further supported by Section 106 monies from the Vision development at Devonport and an element of the Council's subsidised bus budget currently allocated purely to the existing service 14 which is to be expanded.
- 2.3 The Plymouth Connect service 14 which was tendered provides links to the following locations: Derriford Hospital, Ham, Torpoint Ferry, Devonport, Mutton Cove, City College, Millbridge, City Centre, Coxside, Cattedown, Plymstock, Plympton and Langage.

3. CURRENT SITUATION

- 3.1 The Council currently subsidises 15 bus routes across the city, as shown on the attached map. 12 of these routes are affected by this tender and full details of these routes can be found in Table 1 below. Within the table the current weekly subsidy assumes a standard week without any Bank Holidays and the subsidy per passenger is based on the average annual subsidy for the year 2012/13.

Table 1. Current costing per route.

Service	Brief Route Details	Days/Hours of Operation	Current Operator	Current Weekly Subsidy	Subsidy Per Passenger
7D	City Centre – Cattedown – Plymstock – Hooe	Monday to Friday Daytime	Target Travel	£697.65	£1.09
13	City Centre – Weston Mill – Saltash Passage	Monday to Friday Daytime	Plymouth Citybus	£649.35	£0.53
14	City Centre – Devonport – Ham – Derriford – Derriford Hospital	Monday to Friday Daytime	Target Travel	£1,491.85	£1.01
18	City Centre – Plymstock – Elburton	Monday to Friday Daytime	Target Travel	£740.55	£1.53
19	City Centre – Marsh Mills – Merafield – Plympton Ridgeway	Monday to Friday Daytime	Target Travel	£675.00	£1.01
25	City Centre – Barbican – Hoe	Summer Sundays Only	Plymouth Citybus	£164.03	£0.98
27	City Centre – Deer Park – Derriford Hospital	Sunday Daytime	Plymouth Citybus	£127.72	£0.56
27/28	City Centre – Deer Park/ Egguckland – Derriford Hospital	Sunday to Thursday Evening Only	Plymouth Citybus	£442.77	£0.77
31	City Centre – Ford – Beacon Park – Ford Shops	Monday to Friday Daytime	Plymouth Citybus	£469.45	£0.66
39	City Centre – Hartley Vale – St Peters Road – Crownhill	Monday to Friday Daytime	Target Travel	£783.50	£1.46
43B	City Centre – St Budeaux – West Park – Holly Park	Daily Evenings Only	Plymouth Citybus	£500.98	£0.65

52	Plympton – Leigham – Estover – Derriford Hospital	Monday to Friday Daytime	Target Travel	£858.65	£1.02
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3.2 The three services not included within this tender are:

- The St Budeaux Taxibus which has not been tendered as it is a bespoke service negotiated directly with the taxi company following a separate tender process.
- Service PR3 operating between the George Junction Park and Ride, Marjon and Derriford Hospital on Mondays to Fridays. This service is paid for by S106 funding.
- Service 48 operating between Wembury and Burrator Reservoir via Plymstock and the City Centre on Sundays and Bank Holidays. This service is paid for by S106 funding from a development in the South Hams.

4. OVERVIEW AND SCRUTINY RECOMMENDATIONS

4.1 Last year the Overview and Scrutiny Management Board set up a Task and Finish Group to carry out a review into subsidised bus routes and through ticketing . The review was undertaken over four separate occasions throughout October, November and December 2012 culminating in a report to Cabinet in February 2013. This report is included as a background paper to this report. Through the process the Council's Public Transport Team presented the process used for subsidising bus routes and this was not challenged by the group. A total of 14 recommendations were made to Cabinet and all were accepted. The relevant recommendations to subsidised services are listed here and wherever possible were incorporated as part of the tender process:

- **Subsidised Services Recommendation 1**
In order to deliver a more stable subsidised bus network tendered services will generally be offered contracts of 3 years with an option to extend for a further two years and all will be subject to a 120 day notice period (an increase on the current 56 day statutory clause).
- **Subsidised Services Recommendation 2**
The Sustainable Transport Team is asked to provide greater levels of detail in the tendering process for all subsidised services in order to provide more clarity for bidders about how the council will be scoring the process.
- **Additional Recommendation 4**
Following the expected devolution of Bus Service Operators Grant (BSOG) funding from Operators to Local Authorities in respect of subsidised services the recommendation is made to permanently ring fence this funding towards the provision of subsidised bus services.
- **Additional Recommendation 5**
Sustainable Transport Officers are requested to notify the relevant ward members when the continuation of an individual subsidised bus service becomes at risk.

- **Additional Recommendation 7**

Sustainable Transport Officers continue to incentivise the bus operators to increase passenger numbers by offering net contracts for subsidised bus services as opposed to gross, where possible and suitable.

5. PROCUREMENT PROCESS

- 5.1 In view of the relatively low number of potential bidders for this contract approval was granted to use the open tender procedure.
- 5.2 In view of the estimated contract value, an OJEU notice was published on 19 February 2013 and Invitations to Tender (ITT) were dispatched on 22 February 2013 in accordance with the following timeline, included within the tender documents (please note the last three stages have been delayed since the tender was issued, bus operators have been advised):

Table 2. Procurement timetable.

Activity	Date
OJEU Notice Submitted for publication	19 February 2013
OJEU Notice Published	22 February 2013
Dispatch of ITT	22 February 2013
Deadline for ITT Clarifications	22 March 2013
Deadline for Responses to Clarifications	28 March 2013
Return of ITT	9 April 2013
Evaluation of ITT	10-12 April 2013
Post Tender Clarifications	16 April 2013
Selection of successful Tenderer	19 April 2013
Democratic Process and Standstill period	13 June 2013
Contract Award	14 June 2013
Contract Mobilisation	01 September 2013

- 5.3 This has been a multi-lot tender, with each lot representing one bus service but in some cases with two options for a particular route.
- 5.4 Tenderers were invited to bid for any individual Lot or to submit a combination bid for multiple or all Lots contained within the tender.
- 5.5 In view of changes to the way in which Bus Services Operators Grant is administered from January 2014, whereby local authorities will receive a grant from the Department for Transport (DfT) to reimburse these costs to operators in respect of subsidised bus services as opposed to operators receiving a direct payment from the DfT, operators were asked to submit prices to take account of this change. As the amount the Council will receive is not currently defined we have estimated it will be 80% of the current value. This will be £72,000 per annum.

6. TENDER EVALUATION METHODOLOGY

6.1 The evaluation criteria for this procurement was published in the tender documentation.

6.2 This was broken down into the following sections:

- Information Only Questions and Schedules
 - Organisation Identity
 - Organisation Information
 - Equalities and Diversity Policy
 - Timescales
 - Contract Information and Management Schedule

- Pass/Fail Questions and Schedules
 - Compliance with EU Legislation/UK Procurement Legislation
 - Financial Standing
 - Insurance
 - Health & Safety
 - Data Protection
 - Proposed Contracts, Collaborations and Partnerships
 - Completion and Acceptance of Schedules 1-7

6.3 Scored Questions

The following sections contained mandatory questions and responses were evaluated and scored. For some questions responses were evaluated in terms of risk.

Table 3. Assessment criteria.

Section	Weighting (%)
Prime Contractor/Sub-Contracting	5%
Quality Management	10%
Environmental Management	5%
Health & Safety Management	10%
Equalities & Diversity	5%
Disputes	10%
Business Capability	30%
Recent Contracts/References	15%
Safeguarding Vulnerable People	10%

6.4 Finally each individual Lot was evaluated against the following high level evaluation criteria. Full details of this can be found at Appendix I.

Lot 1 – Plymouth Connect Service

Commercial Factors

- Price – 55%
- Delivery Arrangements – 5%

Technical Factors

- Vehicle Age – 10%
- Vehicle Quality – 10%
- Branding and Publicity (for commencement of service) – 10%
- Ongoing Marketing Plan – 10%

Lots 2-12 – All Other Services

Commercial Factors

- Price – 65%
- Delivery Arrangements – 5%

Technical Factors

- Vehicle Age – 10%
- Vehicle Quality – 10%
- Publicity and Marketing Plan – 10%

7. SUBSIDISED BUS SERVICE NETWORK MAP

7.1 One map follows this report showing the Council's current subsidised bus network. Commercial bus services are not shown.