

DATA LABEL: OFFICIAL - PUBLIC



COUNCIL EXECUTIVE

SCHOOL BUS TENDERS AUGUST 2022

REPORT BY HEAD OF OPERATIONAL SERVICES

A. PURPOSE OF REPORT

The purpose of this report is to inform Council Executive of the outcome of the large vehicle school transport tender process and to agree to the award of school transport contracts within available budget for 2022/2023 onwards.

B. RECOMMENDATION

It is recommended that Council Executive:

1. Note the outcome of the large vehicle school transport tender process;
2. Note the available budget for large vehicle school transport;
3. Note that the current network cannot be met within the available budget;
4. Consider the large vehicle school transport network options and agree the network option to award school transport contracts.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Focusing on our customers' needs; being honest, open and accountable; providing equality of opportunities; making best use of our resources; working in partnership
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	Section 51 of the Education (Scotland) Act 1980, as amended, requires education authorities to make such arrangements as they consider necessary for the provision of transport to and from school.
III	Implications for Scheme of Delegations to Officers	None
IV	Impact on performance and performance Indicators	None
V	Relevance to Single Outcome Agreement	None
VI	Resources - (Financial, Staffing and Property)	The available recurring budget for large vehicle mainstream school transport is £2,580,000 per annum.

VII	Consideration at PDSP	This report has not been considered at PDSP.
VIII	Other consultations	Financial Management Unit and Corporate Procurement Unit.

D. TERMS OF REPORT

D.1 Background

The mainstream school bus contracts are due to expire in June 2022. The contracts were let in 2016 and initially contracted for 4 years plus the possibility of a 1-year extension. In June 2020, the contracts were varied to utilise the 1-year extension given the impact of the COVID 19 pandemic on transport suppliers as well as the uncertainty of the education model in school session 2021/22. Similarly, in May 2021 Council Executive agreed to a final 1-year extension of the school bus contracts to June 2022 in order to support the school transport market recognising the impact the pandemic had on timescales for redesigning and retendering the school bus network.

A tender process was therefore required to renew the contracts under the council's Dynamic Purchasing System for Large Vehicle School Transport. It was anticipated that there would be an increase the tender prices submitted by transport operators due to recent market changes and pressures including the impact of the COVID 19 pandemic, national driver shortage and significant increase in the cost of fuel.

Given this, there was a requirement to undertake a flexible tender process that provides for various options should the tender prices for the existing network exceed the available budget for large vehicle mainstream school transport.

D.2 Large Vehicle School Transport Tender Options

In order to provide flexibility in the tender process the Passenger Transport Service undertook a service review to identify possible amendments which would rationalise the school bus contracts and could therefore reduce the overall cost of the network. This review highlighted routes which are currently provided over and above policy for non-entitled pupils which may no longer be justified should the tender returns exceed available budget. These routes were provided based on historical agreements or where footway infrastructure was previously unavailable which has now been upgraded.

Additionally, the review considered the suitability of providing fare-paying options for non-entitled pupils. The Mainstream Home to School Transport Policy states that spare seating capacity on any transport to and from school may be offered on a fare paying basis. The Council currently offers the option of fare paying on 41 of the 86 school bus routes.

The policy also states that "transport provided for non-entitled pupils may be withdrawn at any time in order to allow the Council to meet its obligations in terms of this policy, or its meet its obligations to achieve best value".

Following the outcome of the service review, the following 8 networks were designed and tendered on the Dynamic Purchasing System:

	Network	Description
1.	Like for like	Where the routes and capacities reflect the current contracted routes.
2.	Removal of fare paying	Where all options for fare paying are removed. All other routes and capacities remain unchanged.
3.	Removal of non-policy routes	Where the routes provided over and above policy are removed. All other routes and capacities remain unchanged.
4.	Removal of non-policy and fare paying	Where all routes provided over and above policy and fare paying routes are removed. All other routes and capacities remain unchanged.
5.	Rationalised	Where all areas remain served however capacities and routes have been rationalised. This would retain fare paying options but numbers of seats may be reduced.
6.	Rationalised and removal of fare paying	Where all areas for entitled pupils remain served however capacities and routes have been rationalised and options for fare paying are removed.
7.	Rationalised and removal of non-policy	Where all areas for entitled pupils remain served however capacities and routes have been rationalised with routes over and above policy removed.
8.	Rationalised and removal of fare paying and non-policy	Where all areas for entitled pupils remain served however capacities and routes have been rationalised with both fare paying options and routes over and above policy removed.

D.3 Outcome of Tender Process

The large vehicle school transport tender closed on Wednesday 18 May 2022. All bids have been evaluated and ranked based on 90% price and 10% quality. The following table summarises the forecasted annual cost of each network option based on the 1st ranked bid:

	Network	# of Routes	Annualised Cost	Variance from Annual Budget
	Current Network	86	£3,315,885	£455,885
1.	Like for Like Network	86	£3,114,062	£434,062
2.	Removal of Fare Paying	78	£2,732,924	£152,924
3.	Removal of Non-Policy	75	£2,772,414	£192,414
4.	Removal of Fare Paying and Non-Policy	75	£2,661,140	£81,140

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	Network	# of Routes	Annualised Cost	Variance from Annual Budget
5.	Rationalised	76	£2,801,132	£221,132
6.	Rationalised & Removal of Fare Paying	69	£2,478,647	-£101,353
7.	Rationalised & Removal of Non-Policy	67	£2,496,201	-£83,799
8.	Rationalised & removal of Fare Paying and Non-Policy	67	£2,430,387	-£149,613
	Recurring Budget		£2,580,000	

The results of the tender exercise have demonstrated that Network Options 1 to 5 are not affordable within available budget based on the 1st ranked supplier. Should one of those options be agreed then the over-budget element will have to be found from other sources.

Although the Network Options 6 to 8 are within available budget consideration should be given to any movement throughout the contract award and acceptance process; it is unlikely that every contract awarded is accepted by the 1st ranked supplier. As different suppliers have varying capacities it is often found that only a selection of the awarded contracts are accepted at 1st award with the remaining routes then offered to the next ranking supplier.

The annual cost of the network may therefore increase following the completion of the award and acceptance process and any increase in cost would require to be accommodated within the council resources. Network Option 8 would offer the lowest cost option based on 1st ranked supplier, but would result in only the routes delivering the core requirements of the Home to School Transport Policy for entitled pupils being provided, with contracts over and above policy and options for fare paying for non-entitled pupils being removed.

D.4 Available Alternatives for Non-Entitled Pupils

The Mainstream Home to School Transport Policy states that free transport will be provided for pupils where they are attending their catchment school and where their home address is more than 2 miles, for secondary pupils, and 1.5 miles for primary pupils, from the school.

Where a pupil is not entitled to free home to school transport, parent/carers are responsible for ensuring the pupil gets to school.

D.4.1 Suitable Walking Routes

The Council is committed to safe and healthy travel to school, to improving walking and cycling routes to schools and to road safety education in terms of the Curriculum for Excellence. The Council will also take reasonable steps to ensure the suitability of walking routes to schools, including improving lighting and lighting repairs, and cutting back vegetation.

The standard criteria for suitable routes are that they are of adequate width, have an all-weather surface, and are street lit.

A review of available suitable walking routes has been undertaken for all non-policy and fare paying options and it has been confirmed that a suitable walking route exists for non-entitled pupils.

D.4.2 Young Persons' Free Bus Travel Scheme

In January 2022, the Scottish Government launched a free travel scheme for young people under the age of 22. This scheme provides young people with free travel on public bus services registered with the Traffic Commissioner. Dedicated school contracts are not eligible for use on this scheme.

West Lothian is served by a wide ranging commercial local bus network providing options for local journeys to and from most areas within the county.

The commencement of the Young Persons' Free Bus Travel Scheme provides most non-entitled pupils with alternative bus option on the public network free of charge although this may be a slightly different times and/or locations to the current school bus routes.

The Passenger Transport Service will continue to engage with the local bus operators and request that connections to local school areas are reviewed and, where possible, connections improved in order for pupils to take full effect of the free bus scheme for home to school journeys.

D.5 Consideration at PDSP

Due to timing of the tender process this report has not been considered at the Development and Transport PDSP.

E. CONCLUSION

The school bus contracts are due to expire in June 2022 therefore, a tender exercise is required to renew the contracts. It was anticipated that there would be an increase the tender prices submitted by transport operators due to recent market changes and pressures therefore a range of network options were included in the tender to provide flexibility should the tender results exceed the available budget.

The result of the tender exercise has demonstrated that the current network cannot be met within existing budget and therefore amendments are required to the school network. Network Options 6 to 8 would be affordable based on 1st ranked supplier, but would see routes provided over and above policy and/or fare paying options for non-entitled pupils being removed in order to ensure that provision can be met within the available mainstream school transport budget.

Alternative options are available for non-entitled pupils such as suitable walking routes and free travel on public routes through the Scottish Government Young Persons' Free Bus Travel Scheme.

F. BACKGROUND REFERENCES

None

Appendices/Attachments:

None

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