

7. PROCUREMENT ARRANGEMENT – PROVISION OF LOCAL BUS SERVICES

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Estates seeking approval to commence tendering procedures for the procurement of a two year contract, with a possible two year extension, for council wide local bus services, employing the evaluation methodology and criteria detailed in the recommendation below.

The report recommended that the Council Executive approve the application of the weighted evaluation criteria set out in Section D as the award methodology for the tender for the supply of local bus services.

The report advised that the services being tendered, were replacements for current council local bus services. Historically the council had awarded passenger transport contracts on a “minimum subsidy” basis, whereby the council paid a fixed amount per month to the contractor and the contractor retained any fare revenue taken. However, in this instance contractors who wish to tender would be invited to submit bids on a “minimum cost” basis as well as the traditional minimum subsidy basis, as research indicated that “minimum cost” contract may be financially advantageous.

The report went on to advise that the requirement would be advertised in accordance with the European Union Directives. It was proposed that the Open Procedure was used, whereby all suppliers expressing an interest in the contract would be invited to tender.

The following award criteria would be applied at the tender stage:

Price	60%
Quality/Specification	30%
Environment Sustainability	10%

The criteria detailed were weighted in this manner to reflect the importance of overall cost of provision of the services whilst still placing significant importance of the quality and sustainability elements of the evaluation. Regulatory items such as licensing would be dealt with using mandatory criteria within the tender.

The contract would be divided into individual routes in order to encourage participation from the widest range of suppliers possible. The anticipated start date for the contract was 1 October 2012.

In conclusion the report advised that the annual expenditure on local bus services was currently £2,250.000 per annum and due to the importance of the services covered by the contract, the results of the tender exercise would be presented to Council Executive in August.

Decision

To approve the terms of the report.