



COUNCIL EXECUTIVE

PROCUREMENT ARRANGEMENTS – PROVISION OF LOCAL BUS SERVICES

REPORT BY HEAD OF FINANCE AND ESTATES

A. PURPOSE OF REPORT

To seek the Council Executive's approval to commence tendering procedures for the procurement of a one year framework agreement, with an anticipated start date of 1 October 2014, with possible three year extension, for local bus services as detailed in the report, employing the evaluation methodology and criteria detailed in the recommendation below.

B. RECOMMENDATION

It is recommended that the Council Executive approves:

- 1) The use of the Open Procedure whereby all suppliers expressing an interest in the local bus services contract will be invited to tender for the three routes in the report.
- 2) The award criteria as set out in Section D of the report.

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)	Tenders will be issued, received and analysed in accordance with Standing Orders of West Lothian Council and the Public Contracts (Scotland) Regulations 2012.
III Implications for Scheme of Delegations to Officers	None.
IV Impact on performance and performance Indicators	This contract will help to provide a more responsive transport service in support of the council's public transport provision.
V Relevance to Single	Passenger transport services assist in delivering

Outcome Agreement

several SOA outcomes by providing access to employment, shopping and leisure opportunities.

Performance, activities and actions contribute to the delivery of:

SOA2 - We realise our full economic potential with more and better employment opportunities for our people.

SOA10 - We live in well designed, sustainable places where we are able to access the services we need, are relevant.

SOA15 – Our public services are high quality, continually improving, efficient and responsible to local people’s needs.

VI Resources - (Financial, Staffing and Property)

The council has an annual revenue budget of **£79,711** for supporting the bus services detailed in this report.

VII Consideration at PDSP

None.

VIII Other consultations

The specification has been provided by Operational Services, who will also participate in the evaluation. The Corporate Finance Manager was consulted on budget implications. Legal Services and the Community Benefits Officer were consulted on inclusion of community benefit clauses. The financial management unit advised on minimum liability cover requirements.

D. TERMS OF REPORT

Background

The three local bus service routes were previously due to expire on 30 September 2014, with a possible extension period of up to 24 months.

Route Number	Description
1	Linlithgow town service Monday - Saturday
24	Juniper Green – Livingston Monday - Saturday
7	Armadale town service Monday - Saturday

The operator, notified the council they will not accept any extension proposal, having given 3 months written notice, so it is proposed to undertake a tender for these services.

The services being tendered are direct replacements of current council local bus services. The tender represents an interim contract to allow for the re-aligning of all council wide local bus services so that they end within the same timescales.

Historically the council has awarded passenger transport contracts on a “minimum subsidy” basis, whereby the council pays a fixed amount per month to the contractor and the contractor retains any fares revenue taken. However, in this instance

tenderers will be invited to submit bids on a “minimum cost” basis (whereby the tender price is the price required to operate the service and all fare revenues are submitted to the council) as well the traditional minimum subsidy basis. This strategy has been used in previous tenders and proven beneficial in delivering savings to the council.

In House Capability

It is not possible to provide the local bus service from the in-house resources available to Operational Services.

Procurement Issues

The requirement will be advertised in accordance with the European Union Directives. It is proposed that the Open Procedure is used whereby all suppliers expressing an interest in the contract will be invited to tender.

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

Price	- 70 %
Quality	- 30 %

The evaluation criteria are proposed following consultation with Public Transport. The criteria above are weighted in this manner to reflect the importance of overall cost of provision of the services whilst still placing significant importance on service quality, health and safety and sustainability elements of the evaluation. Regulatory items such as licensing shall be dealt with using mandatory criteria within the tender.

The results of the tender exercise will be presented to Council Executive in August 2014, before contract award, if there are any fundamental changes proposed to existing service provision.

The anticipated start date for the contract is 1 October 2014.

Sustainability Considerations

Following the Community Benefits in Procurement Procedure approved by the Council Executive on 4 June 2013, bidders will be required to detail any social, economic and environmental benefits which they will provide as part of their offer over the contract period.

For this contract it is proposed to incorporate a generic, non evaluated Community Benefits clause into the contract documentation. While this element does not form part of the Quality Scoring criteria, the Council will expect the successful Contractor to deliver such benefits as part of the Contract, and will be monitored as such, although having completed market research and following consultation with the Community Benefits Lead Officer, initial investigations indicate that there is no scope for a definitive Community Benefits clause directly related to the ‘core purpose’ of this contract.

Budget Implications

An annual revenue budget of **£79,711** per year is available within Operational Services for the provision of support to the local bus services covered by this report.

E. CONCLUSION

It is recommended that the Council Executive approves the application of the

evaluation methodology detailed in Section D above for the tendering of the Contract for local bus services.

F. BACKGROUND REFERENCES

A copy of the tender specification for this contract is available on request from the Corporate Procurement Unit.

Appendices/Attachments: 1

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