

8. PROCUREMENT ARRANGEMENTS - PROVISION OF LOCAL BUS SERVICES

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Estates providing an update on the tender outcome and setting up of a four year framework agreement for council funded local bus services.

The Head of Finance and Estates explained that the tender was carried out following approval of the weighted evaluation criteria by Council Executive in October 2015. The tender was divided into 49 separate lots, each lot representing one full or part local bus service currently under contract and all due to expire on 31 March 2016.

Current expenditure on local bus services was £2.278 million per year and budget savings of £1.94m for 2016-17 in relation to Public Transport were approved by Council on 29 January 2015. Therefore total budget savings for local bus services was £913,000 to be delivered in 2016-17. This meant that there was a budget of £1.211 million available in 2016-17 against existing costs of £2.278 million

The procurement process was intended to support council efforts to achieve the required savings whilst ensuring that as many areas continued to be served. The tender asked for offers to be submitted for direct replacements of current council funded local bus services as well as for revised and redesigned services.

The tender closed on 14 December 2015. There were seven tenders submitted but one was deemed non-compliant and the tenderer later withdraw from the tender process. The remaining six tender submissions were assessed against the set selection and award criteria and were successful in being invited onto the framework agreement for the services they bid for. Only one lot for various services over the Christmas and New Year period received on bid, whilst the remaining 48 lots received bids from two or more tenderers as shown in Appendix 1 attached to the report.

The framework agreement set out the terms and conditions under which legally binding contracts would be made throughout the term of the agreement. The framework did not bind the council to purchase services; the council could decide to use the framework agreement.

The Head of Finance and Estates continued to provide details of the net cost findings and option appraisals including like for like services, revised and redesigned services and revised and redesigned services plus the remaining 35 unchanged services. To summarise none of the optional appraisals, providing service provision comparable with current service provision would be able to operate within a budget of £1.211 million in 2016-17.

The awarding of contracts would commence once approval was given for the final compliment of local bus services to be provided. Also in order to

allow local bus operators sufficient time to register services and commence service provision from 1 April 2016, the latest date for completion of contract awards was 18 February 2016.

It was recommended that Council Executive :-

1. Note the tender outcome and setting up of a four year framework agreement for council funded local bus services;
2. Note the net cost findings and option appraisal exercise carried out;
3. Note that a separate report was being considered by Council Executive recommending changes to the current service provision, commencing 1 April 2016; and
4. Agree the necessary procurement action should be taken to implement the service provision agreed by Council Executive.

Decision

To approve the terms of the report