

**REPORT:** Executive Board Sub Committee

**DATE:** 20<sup>th</sup> March 2008

**REPORTING OFFICER:** Operational Director (Highways, Transportation and Logistics)

**SUBJECT:** Supported Local Bus Service Contracts

**WARD:** Borough Wide

### **1. Purpose of Report**

For the Sub-Committee to note the award by the Operational Director (Highways, Transportation and Logistics) of seven supported local bus contracts to non lowest price tenderer's.

### **2. RECOMMENDED: That the Sub Committee**

**(1) accept the attached tender report and its conclusions; and**

**(2) support the decision by the Operational Director (Highways, Transportation and Logistics) to award Contracts 200, 281, 282, 292, 290, 251 and 211 to non lowest price tenderer's most able to commence the contracts to the required specification.**

### **3. SUPPORTING INFORMATION**

- 3.1 The Council currently provides over £653,000 in revenue support in the current financial year for supported local bus services within the Borough. The operation of these services is constantly kept under review to ensure maximum value for money. Supported local bus services are tendered for a period of time typically between 3 and 5 years in length. Halton Borough Council is permitted to operate such services under the terms of the 1985 and 2000 Transport Acts.
- 3.2 11 local supported bus service contracts are due for renewal in March 2008. A re-tendering exercise to replace these services was initiated in December 2007. All contracts were advertised using an open tendering system. The existing cost of the contracts up for renewal is £151,645 which equates to 23% of the supported local bus service budget in 2007/8. 4 of the contracts up for renewal are school bus services in the Widnes area. All of the new contracts are due to commence on Thursday 27<sup>th</sup> March 2008.
- 3.3 It is therefore necessary under Procurement Standing Order 3.2 to report to Executive Board Sub Committee the reasons why tenders other than the lowest have been accepted for these contracts. 4 contracts were successfully tendered to the lowest price tenderer, however for a range of operational reasons (set out below), tenders for 7 contracts were

unable to be awarded to the lowest price tenderer. Details of these Contracts and the reasons why these could not be awarded to the lowest tenderer are set out in Appendix One.

- 3.4 A summary of these contracts not awarded to the lowest tenderer are set out below:-

**Contract 200 – (Service 200 Murdishaw / Runcorn East Station – East Runcorn Employment Sites) – Monday to Saturday Daytimes**

<b>Tenderer</b>	<b>Price (Per Year)</b>
A	£63,129
B	£64,025
C	£64,950
<b>D</b>	<b>£74,000</b>
E	£104,740
F	£112,392
G	£117,307

The tender for this service was awarded to Ashcroft Travel for £74,000 per year over a fixed three year period, tenders A, B, and C were not accepted due to a range of operational reasons.

**Contract 211 (Service 13 – Widnes EDZ/ Town Centre to Hough Green Circular)**

<b>Tenderer</b>	<b>Price (Per Year)</b>
A	£21,000
B	£46,800
C	£87,500
<b>D</b>	<b>£92,000</b>
E	£94,850
F	£105,161

The tender was awarded to Halton Traveller Ltd for a fixed price of £92,000 per year with a Contract length of 5 years. Tender A was not compliant and tenders B and C were offered but subsequently declined by operators.

**Contract 251 (Service 14 Hough Green to Widnes Town Centre) – Saturday early mornings.**

<b>Tenderer</b>	<b>Price (Per Year)</b>
A	£1,559
<b>B</b>	<b>£1,846</b>
C	£1,995
D	£4,280

The tender for this service was awarded to Halton Borough Transport Ltd for £1,846 per year for a fixed period of 5 years. Tender A was non compliant.

**Contract 281 (Service 2 The Horns to Halebank) – Schooldays Only**

<b>Tenderer</b>	<b>Price (Per Year)</b>
A	£6,600
B	£6,649
<b>C</b>	<b>£7,030</b>
D	£7,950
E	£9,707
F	£10,950

The tender for this service was awarded to Ashcroft Travel for £7,030 per year over a fixed three year period. Tenders A and B were non compliant.

**Contract 282 (Service 16 West Bank to the Horns) – Schooldays Only**

<b>Tenderer</b>	<b>Price (Per Year)</b>
A	£5,950
B	£6,050
<b>C</b>	<b>£6,100</b>
D	£6,500
E	£7,000
F	£9,573

The tender for this service was awarded to Ace Travel for £6,100 per year for a period of five years. Ace Travel has tendered a low floor fully accessible vehicle. Tenders A and B were non compliant.

**Contract 290 (Service 10 Cronton to Widnes Town Centre) – Schooldays Only**

<b>Tenderer</b>	<b>Price (Per Year)</b>
A	£10,799
<b>B</b>	<b>£10,815</b>
C	£11,190

The tender for this service was awarded to Ashcroft Travel for £10,815 per year based on a fixed three year contract. Tender A was non compliant.

**Contract 292 (Services 2A/19 Halebank to Widnes Vicarage Road)  
– Schooldays Only**

<b>Tenderer</b>	<b>Price (Per Year)</b>
A	£7,950
B	£8,100
C	£8,175
<b>D</b>	<b>£8,225</b>
E	£10,009

The tender for this service was awarded to Ace Travel for £8,225 per year for a fixed 5 year period. Ace Travel has tendered the operation of a low floor fully accessible vehicle. Tenders A, B and C were non compliant.

**4. POLICY IMPLICATIONS**

4.1 There are no specific policy implications arising from this report.

**5 OTHER IMPLICATIONS**

**Resource Implications**

5.1 Despite operational cost increases over the last twelve months (principally fuel and insurance), the Council received very competitive tenders for straight forward replacement of existing contracts. Arriva (North West and Wales) have given notification that one previously supported service will be operated commercially. The new cost of the straightforward contract replacements is £131,169 as opposed to the current cost of £133,879. This is testament to the continued competitive nature of the local bus service market in the area.

5.2 The proposed improvement to the service 13 (Contract 211) has led to an increase in the annual contract price from £17,767 per year to £92,000 per year. The additional cost of this contract will be borne in full by a grant from the NWDA, and specific developer contributions.

**Social Inclusion Implications**

5.3 The supported bus service contracts set out in this report provide a range of key socially necessary bus services which are not provided commercially by bus companies.

**Best Value Implications**

5.4 There are no specific Best Value implications arising from this report.

**6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

**6.1 Children and Young People in Halton**

No significant impact.

## **6.2 Employment, Learning and Skills in Halton**

No significant impact.

## **6.3 A Healthy Halton**

No significant impact.

## **6.4 A Safer Halton**

No significant impact.

## **6.5 Halton's Urban Renewal**

Local Supported Bus Service Contract 211 will provide a key public transport link to Widnes Waterfront EDZ, thereby providing enhanced access to new employment opportunities, and supporting the continued regeneration of the Borough.

## **7.0 RISK ANALYSIS**

7.1 There are no specific risks associated with the contents of the report. All contracts have been competitively tendered within the scope of the Transport Acts 1985 and 2000.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 The Supported Bus Service network seeks to improve access to employment, health, education / training and retail for key socially excluded and vulnerable communities within the Borough.

## **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
<b>Local Bus Tender Round December 2008</b>	<b>Transport Co-ordination, Rutland House, Halton Lea</b>	<b>David Hall (Section Leader – Transport Co-ordination)</b>

## Appendix One

**Detailed Description per contract behind the award to the non-lowest price tenderer.**

**1. Contract 200 – (Service 200 Murdishaw / Runcorn East Station – East Runcorn Employment Sites) – Monday to Saturday Daytimes.**

This Contract was offered to tenderers A, B and C on a successive increasing cost basis. However all three tenderers declined to accept the tender due to a wide range of operational reasons (lack of suitable vehicle availability and lack of suitable driver resources).

**2. Contract 211 (Service 13 – Widnes EDZ/ Town Centre to Hough Green Circular)**

This contract was offered to tenderers A, B and C on a successive increasing cost basis, but were unable to be awarded for the following reasons:-

- Tenderer A was non compliant – did not offer to run the service during the time periods tendered;
- Tenderer B was offered but declined the contract due to the lack of suitable operating staff; and
- Tenderer C was offered but subsequently declined the contract due to the lack of suitable operating staff.

**3. Contract 251 (Service 14 Hough Green to Widnes Town Centre) Saturday early mornings.**

It was not possible to offer the Contract to tender A on the basis of price as the bid was non compliant. The tenderer did not guarantee to operate the correct vehicle as specified in the Contract.

**4. Contract 281 (Service 2 The Horns to Halebank) – Schooldays Only**

The tenders submitted by tenderers A and B were non compliant as they offered to operate vehicles which did not have sufficient seating capacity needed for the service.

**5. Contract 282 (Service 16 West Bank to the Horns) – Schooldays Only**

The tenders submitted by tenderers A and B were non compliant as they offered to operate vehicles which did not have sufficient seating capacity needed for the service.

**6. Contract 290 (Service 10 Cronton to Widnes Town Centre) – Schooldays Only**

The Contract was not awarded to the lowest price tenderer A as the vehicle this operator was proposing to use was non compliant with that set out in the tender.

**7. Contract 292 (Services 2A/19 Halebank to Widnes Vicarage Road) – Schooldays Only.**

The tenders submitted by tenderers A, B and C were non compliant as they offered to operate vehicles which did not have sufficient seating capacity needed for the service.