



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Streetscene & Engineering Cabinet Board

28th February 2020

Report of the Head of Engineering & Transport

David W. Griffiths

Matter for Decision

Wards Affected: All Wards

Passenger Transport Local Bus Framework

Purpose of the Report:

To seek approval to amend the current process for the procurement of subsidised local bus services.

Executive Summary:

Bus services, which are not commercially viable, are subsidised by the Local Authority via a Welsh Government Grant. This Grant is known as the Bus Services Support Grant (BSSG). The Grant amount has been £312k since 2014. From this Grant, the Council subsidise 16 bus routes via 12 contracts.

In 2021, the Council will need to retender all local bus routes which are currently subsidised via the Grant.

The previous round of tendering by the Integrated Transport Unit (ITU) Section was undertaken by the 'reverse auction' method to procure the local transport routes.

Routes are put out to tender for a contract life of five years and the successful operator with the lowest bid are awarded the contract for a single or multiple routes for that period of time.

Each time we go out to tender, operators have to submit their information and documentation to be evaluated, the whole process can take up to five months.

However, on the past two occasions, the ITU went out to tender using this method, the costs came in extremely high and we had to go out to tender a second time to secure lower prices. To ensure continuity of service, this had to be done by operators submitting quotes because of the time constraint of the 'reverse auction' process. Quotes by this method are only valid for one year, then the process has to be started again the following year.

Approval is requested to move from the 'reverse auction' process to instating a framework for subsidised passenger transport.

The main difference for a framework is operators apply to come onto the framework, they then submit their information and documentation at the time of application. These are evaluated and operators remain listed for the life of the framework; in this case four years. Once operators are accepted onto the framework, they can then put in quotations for any contracts the section put out for local bus services via mini-competition for the life of the framework.

It would still be in the section's power to reject any quotations they felt were abnormally high. We could then go out for further quotations via mini-competition and be able to award for five years.

Background:

Bus services which are not commercially viable are subsidised by the Local Authority via a Welsh Government Grant. This Grant is known as the Bus Services Support Grant (BSSG). The Grant amount has been £312k since 2014. From this Grant, the Council subsidise 16 bus routes via 12 contracts.

In 2021, the Council will need to retender all the routes which are currently subsidised. As the Grant has not increased, it has effectively reduced due to inflation over the last number of years. It is therefore anticipated that the subsidy we pay for each route will increase significantly.

Previously, the Integrated Transport Unit (ITU) Section has undertaken the 'reverse auction' method to procure the local transport routes.

Routes are put out to tender for a contract life of five years. The successful operator with the lowest bid will be awarded the contract for a single or multiple routes that period of time. Each time routes are put out to tender, operators have to submit their information. This process can take up to five months.

The Council use an e-tender process via Welsh Government's Bravo Solutions. This method along with the 'reverse auction' should ensure bus operators bid against each other to hopefully reduce the cost for the Council.

However, on the past two occasions, the ITU went out to tender using this method the costs came in extremely high and we had to go out a second time to secure lower prices. To ensure continuity of service this had to be done by operators submitting quotes due to the time constraint of the reverse auction process.

Bus Operators also have the opportunity to reject routes they have won within the cooling-off period should they choose to do so. Again, this would lead to the section having to go out for quotations. However, quotes obtained through this process are only valid for one year. This in turn leads to the whole e-tender process having to be done again the following year.

Approval is requested to move from the 'reverse auction' process to instating a framework for subsidised passenger transport.

Operators apply to come onto the framework and it is proposed that the framework remains live for four years. Once operators are accepted onto the framework, they can put in quotations for any mini competitions the section put out for local bus services.

In doing this, it would negate the need to have bus operators bid against each other to secure a route. They would also only need to submit their documentation once rather than submit their documentation every time the Council need to procure a bus route. The life of the framework is four years. If a bus operator should go out of business or decide to hand a route back, then ITU section can immediately request quotes from other bus operators on the framework rather than having to go through the whole procurement process.

The main difference for a framework is when operators apply to come onto the framework, they are then evaluated at the time of application and they then remain live on the framework for four years.

It would still be in the section's power to reject any quotations they felt were abnormally high. ITU could then go out for further mini-competitions and still be able to award a contract.

Once the opportunity to apply to get onto the framework is closed, local operators who are successful in their application will have a form of security that no new applications can be accepted for the life of the framework.

Financial Impacts:

There will be a financial saving to the Authority as the 'reverse auction' process costs circa £4K per auction.

Integrated Impact Assessment:

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

The first stage assessment, attached at Appendix A, has indicated that a more in-depth assessment is not required. A summary is included below:-

The proposed administrative change will not impact on the public. The proposition is a variation to the procurement process.

Valleys Communities Impacts:

No implications.

Workforce Impacts:

No implications.

Legal Impacts:

Any procurement process undertaken will be in compliance with the Public Contract Regulations 2015 and all applicable transport legislation.

Risk Management Impacts:

There is a slight risk that no bus operators will apply to enter the framework agreement, however, previous tendering exercises have suggested the risk of this is low. This also applies to other methods of tendering.

Consultation:

There is no requirement for external consultation on this item.

Recommendations:

That Delegated Authority be granted to the Head of Engineering and Transport to:-

- Enter into a Framework Agreement with bus operators for the provision of local bus services to Neath Port Talbot County Borough Council.
- Enter into any call off contracts from the framework for local bus services.

Reasons for Proposed Decision:

To make the tendering process more efficient and to reduce the cost to the Local Authority, a framework will generate more opportunities and greater flexibility for local bus operators when tendering for subsidised bus routes.

The introduction of the framework will save Officers time by negating the need to evaluate information supplied by bus operators every time a route is required by the Council. A mini-competition is a quicker and simpler method for all involved.

Implementation of Decision:

The decision is proposed for implementation after the three day call in period.

Appendices:

Appendix A – First Stage IIA

List of Background Papers:

None.

Officer Contact:

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Appendix A

Impact Assessment - First Stage

1. Details of the initiative

Initiative description and summary: Passenger Transport Local Bus Framework - Change of Procurement Process	
Service Area:	Integrated Transport Unit
Directorate:	Environment and Regeneration

2. Does the initiative affect:

	Yes	No
Service users		✓
Staff		✓
Wider community		✓
Internal administrative process only	✓	

3. Does the initiative impact on people because of their:

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age		✓				
Disability		✓				
Gender Reassignment		✓				
Marriage/Civil Partnership		✓				
Pregnancy/Maternity		✓				
Race		✓				
Religion/Belief		✓				
Sex		✓				
Sexual orientation		✓				

4. Does the initiative impact on:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		✓				
Treating the Welsh language no less favourably than English		✓				

5. Does the initiative impact on biodiversity:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		✓				
To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc.		✓				

6. Does the initiative embrace the sustainable development principle (5 ways of working):

	Yes	No	Details
Long term - how the initiative supports the long term well-being of people		✓	
Integration - how the initiative impacts upon our wellbeing objectives		✓	
Involvement - how people have been involved in developing the initiative		✓	
Collaboration - how we have worked with other services/organisations to find shared sustainable solutions		✓	
Prevention - how the initiative will prevent problems occurring or getting worse		✓	

7. Declaration - based on above assessment (tick as appropriate):

A full impact assessment (second stage) is not required	✓
Reasons for this conclusion	
A full Impact Assessment is not required as the proposed administrative change will not impact on the public. The proposition is a variation to the procurement process.	

A full impact assessment (second stage) is required
Reasons for this conclusion

	Name	Position	Date
Completed by	Peter Jackson	Integrated Transport Manager	6.2.20
Signed off by	David W. Griffiths	Head of Engineering & Transport	7.2.20