

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Environment and Transport
Date:	24 July 2012
Title:	Procurement Approval: Public Bus Dynamic Purchasing System Interim tendered contract for Bordon – Haslemere Bus Service to maintain the service until bus subsidy contracts in the area are due for renewal
Reference:	4081
Report From:	Director of Economy, Transport and Environment

Contact name: Sue Knight

Tel: 01962 846922

Email: sue.knight@hants.gov.uk

1. Executive Summary

- 1.1. The purpose of this paper is to seek approval to procure and spend for an emergency contract for 6 months followed by an approval to procure and spend for a 15 months contract with a combined estimated value of £220,000 for both contracts. This proposal is in accordance with the County Council's Contract Standing Orders and Constitution.
- 1.2. The report proposes a plan of action to ensure that transport services continue to support access to work, education, retail and health for the villages/towns affected, thereby supporting quality of life and well being whilst achieving value for money. The service provided will also reflect the current financial situation and reduced budget availability.
- 1.3. Following the outcome of the Surrey Bus Service Review for the adjacent parts of that county in May 2012, the operator of the commercial 18 bus service between Aldershot, Bordon and Haslemere advised that it would withdraw the section between Bordon and Haslemere from September 2012. They would continue to run the 18 on a commercial basis from Bordon to Aldershot but would reduce the frequency of journeys to Bordon from every 30 minutes to hourly.
- 1.4. The County Council has held discussions with the current operator, Stagecoach, to provide an emergency service from Bordon to Haslemere serving Lindford, Headley, Headley Down, and Grayshott for a period of six months, and then will procure a bus service under the Public Bus Dynamic

Purchasing System for a period of 15 months following the same timetable until local bus subsidy contracts are renewed in May 2014.

2. Contextual information

- 2.1. The County Council's Contract Standing Orders (CSO 3) requires that 'The commencement of a procurement process for a Contract is subject to the prior approval of the relevant decision maker who has the authority to give such approval under the Constitution.' Approval to procure for framework agreements and dynamic purchasing systems and approval to procure and spend for contracts is required by the Executive Member where they have a value, or estimated value, in excess of £1 million or are less than that but are significant in terms of the local authority's budget for the service or function to which the decision relates. In this case the contracts for which approval is sought have an estimated value which is below £1 million but have a significant impact on budgets and services.
- 2.2 Framework agreements and dynamic purchasing systems are not linked to specific one-off purchases or projects but provide for the ongoing routine goods and services requirements of a large number of individual budget holders, either through direct call-offs or mini-competitions as required by each framework agreement or dynamic purchasing system. Therefore, the framework agreement/dynamic purchasing system values are only estimates and actual expenditure will be determined by the actual commitments made by budget holders. Framework agreements and dynamic purchasing systems therefore only require approval to procure and not approval to spend. However approval to procure and spend will be required in relation to each separate contract called-off under the framework/dynamic purchasing system given that those contracts will include contractual obligations in relation to payment for services/goods/works. Approval for these individual 'call-off' contracts will be sought from the Executive Member where the value, or estimated value, of the individual contracts exceeds £1 million. Likewise, approval to procure and spend is required from the Executive Member in relation to any other contracts in excess of £1 million which are to be procured individually and have not been called-off under a framework agreement.
- 2.3 A dynamic purchasing system is similar to a framework agreement except that new suppliers may join, whereas a framework is closed to new suppliers. Where the dynamic nature of the supply market means that without new suppliers there is insufficient competition to derive best value, dynamic purchasing systems are a more appropriate procurement solution than a framework. Dynamic purchasing systems are compliant with European Procurement Regulations and County Council Contract Standing Orders.
- 2.4 Approval is obtained prior to advertising a contract since the advert, at which point tender documentation is published, is the point of commitment to the process and visibility to the supply market. The tender documentation sets out the specification of the service and evaluation scoring scheme and the evaluation must be conducted strictly in accordance with the published scoring scheme. There is therefore no discretion at the award stage as to how

to award the contract or any scope to change the service specification. The approval encompasses all aspects of the procurement process including the award stage.

- 2.5 If there are variations to the items approved then decisions on these will be taken by the Director of Economy, Transport and Environment in consultation with the Executive Member. Revised approvals may be required due to amendment of the estimated values, new partners joining framework agreements, dynamic purchasing systems or contracts or a more appropriate procurement approach being developed as the requirements for operation of, and participation in, the contract have been clarified.

3. Overview of procurement item

- 3.1. The start date of the emergency single tender contract with the existing operator is 3 September 2012 for an initial period of a 6 months followed by an interim contract for a similar service for 15 months under the Public Bus Dynamic Purchasing System until the Alton area bus subsidy contracts are retendered with a start date of May 2014.
- 3.2. The anticipated County Council spend over both of the contract terms is approximately £220,000.

4. Finance

- 4.1 The proposed cost of the 6 months emergency contract is £60,795. The Leader has advised that he is prepared to assist with a one-off sum drawn from his corporate policy reserve
- 4.2 The annual cost that the operator has given is £121,589. An estimated cost of up to £159,000 for the period of 15 months has been allowed.
- 4.3 This includes an annual sum of £36,000 for Home to School Transport (HTST) which serves both The Holme Primary School in Headley and Mill Chase Community College in Bordon which is met by Children's Services.
- 4.4 The overall effect of these proposals is that all the communities retain their transport service. A commercial service will be retained from Bordon to Aldershot will be retained, but at a reduced hourly frequency.

5 Performance

- 5.1 The proposed tender meets the value for money criteria and provides a service to the affected area within an affordable budget level.
- 5.2 Appendix 1 contains passenger usage data collected by Hampshire County Councils Bus Surveyors.

6 Other key issues

- 6.1 Providing the emergency contract will ensure that there is continued provision of school transport to both Holme Primary, Headley Down and Mill Chase Community College in Bordon with an HTST budget of approximately £36,000 per annum.

7 Consultation

- 7.1 The County Council received a significant amount of correspondence, telephone enquiries and emails when Surrey County Council advised possible transport changes following their review. Residents of Headley and Grayshott were extremely concerned that they would lose what was seen as an important link to both Haslemere and Hindhead for retail, medical and commuter journeys.
- 7.2 Key County Councillors were heavily involved in Hampshire County Council procuring the proposed bus service.

8 Future direction

- 8.1 Following the emergency contract, which will be put in place for six months, Hampshire County Council will procure a similar service with a start date in March 2013 for a period of 15 months the award of which will be subject to a separate decision by the Executive Member. At the end of that period all East Hampshire/Alton tenders are due for re-tender.

9 Recommendations

- 9.1 That, in accordance with the County Council's Contract Standing Orders and Constitution, approval to procure and spend be given for the following two contracts for the provision of bus services in the Bordon – Haslemere area.
- 9.2 Approval be given to procure and spend for an emergency single tender contract with the current operator of up to six months' duration from September 2012 to March 2013, with an estimated value of £60,795, of which £18,000 relates to Home to School Transport.
- 9.3 Approval to procure and spend in respect of a contract of up to 15 months duration from March 2013 with an estimated value of up to £159,000, of which £45,000 relates to Home to School Transport. This contract will be procured under the Public Bus Dynamic Purchasing System.
- 9.4 That a ratio of 80% for price and 20% for quality is applied in tender evaluation of the interim tender referred to in 9.3 above.

9.5 That the Director of Economy, Transport and Environment be given delegated authority to agree any variations to the items approved referred to at paragraphs 9.2 and 9.3 above, in consultation with the Executive Member for Environment and Transport.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
Public Bus Dynamic Purchasing System Contract	3894	8 May 2012
Executive Member – Environment and Transport		
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. An assessment of the impacts in this service area can be found at [EQIA](#). An assessment was also undertaken as part of the Bus Subsidy Review in July 2011.
- 1.2. It is considered that the issues covered by this report will not have impacts requiring further specific actions by the Council above those already established in its existing policies and working procedures.

2. Impact on Crime and Disorder:

- 2.1. It is considered that the proposed decision will have no impact on crime and disorder.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Delivering an effective public transport system, within available funding levels, provides an alternative to use of the private car.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

An effective public transport alternative matches provision to need and minimises carbon emissions.

Service 18 Bordon – Haslemere Passenger Usage Data

Whitehill (Prince of Wales) to Haslemere

				Local Authority Passes
Sundays & B/H	57			
Mon - Fri	253	316	79948	34.26%
Schooldays	190	52	9880	0.78%
School Hols	63	6	378	3.13%
Saturdays	52	224	11648	44.20%
Projected Annual Passenger Usage			101854	Total L.A. Passes year = 32611
				Yearly % of L.A. Passes = 32.02%

Reason For Travel Analysis - Weekly (school days)

	Mon - Fri Daytime	Mon - Fri Evening	Sat Daytime	Sat Evening	Sunday	Total	%
Employment	521		43			564	27.4%
Shopping	354		86			440	21.3%
Education	499					499	24.2%
Medical	63		1			64	3.1%
Social / Other	400		94			494	24.0%
Total	1837		224			2061	