

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Executive Member for Environment and Transport
<b>Date:</b>	11 September 2012
<b>Title:</b>	Procurement Approval: Picket 20 Bus Service
<b>Reference:</b>	4207
<b>Report From:</b>	Director of Economy, Transport and Environment

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**1. Executive Summary**

- 1.1. The purpose of this paper is to seek approval to procure and spend for a contract for a public bus service between the Picket 20 development and Andover town centre. The contract will be for a maximum of 2 years and 2 months, with an initial value of £85,000 through a budget release option. The service will be procured under the Public Bus dynamic purchasing system.
- 1.2. The report proposes a plan of action to ensure that transport services are provided to the proposed development at Picket Twenty in Andover in order for residents to access work, education, retail and health amenities, thereby supporting quality of life and well being whilst achieving value for money. The service will also reflect the budget availability from the proposed developer contributions which is incumbent on the occupation of the development.
- 1.3. It is proposed to obtain costings for both a budget release and also for a full timetable option in order to ascertain what can be achieved for the funding that will be realised when occupation is progressing.

**2. Contextual information**

- 2.1. Picket 20 is a new development to the south east of Andover. On full completion of the development, the number of dwellings will be 1100. At present there are approximately 60 dwellings occupied.
- 2.2. The development will have a dedicated access road for a local public bus service via an underpass which is currently being constructed.

- 2.3. The first developers contribution payment of £85,000 was triggered by the occupation of 50 dwellings. The next payment will be triggered by the occupation of 200 dwellings. It is anticipated that the site will not be fully occupied for between 10 – 12 years, with payment trigger points of 400, 600, 800, 1000 and 1100 dwellings. Total funding will be in the region of £1,000,000.
- 2.4. The desired level of public bus service, hourly Monday to Saturday, may not be achievable with the current available funding of £85,000. To try and best utilise the available funding, a budget release tender will seek to provide the greatest level of service by giving operators the chance to provide a service to Picket 20 in conjunction with any commercially operated buses in the Andover area.
- 2.5. A tender will also be issued to ascertain the cost of providing the desired level of service. This will provide an indication of costs for when the next payment trigger point is reached.
- 2.6. To align any services with the current Andover local bus contracts, any new contracts issued will be for a maximum period of 2 years and 2 months.
- 2.7. 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.
- 2.8. 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.

2.9. 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.

2.10. 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. Picket 20 is a new development, and therefore this service has not previously been procured .
- 3.2. The Budget Release tender will inform what level of service could be obtained within the level of funding available.
- 3.3. The start date of the budget release contract is expected to be in October 2012 for an initial 1 year term, with options to extend for a further 1 year and 2 months to align with when the Andover area is retendered with a start date of 7<sup>th</sup> December 2014.

### **4. Finance**

- 4.1. The proposed cost for the budget release is £85,000 for the first year.
- 4.2. The developer contributions which are to be paid are dependant on the number of occupied houses. The first payment of £85,000 for 50 dwellings has been received, with further payments being received as and when occupation of the required number of homes has been reached. The total monies eventually received will be in the region of £1,000,000 and the anticipated time frame will be between 10 – 12 years.

### **5. Performance**

- 5.1. The proposed budget release tender will provide a service to the new development and specific key destinations within the town centre.

## **6. Other key issues**

- 6.1. The bus service is dependant on the use of the newly constructed underpass. This work converts a section of Picket Twenty Lane to a Bus Only link and provides turning heads. The feeder road will be re-surfaced to enable use by buses and this work will be completed at the same time as the underpass.

## **7. Future direction**

- 7.1. As the development will continue to expand and further funding is realised, a timetable that incorporates early, late and school journeys could be considered. It is hoped that this service will then become commercial following the pump priming of the initial developer funding.

## **8. Recommendations**

- 8.1. To approve a bus service for Picket Twenty development in Andover for a period of 1 year with option to extend to a maximum period of 2 years and 2 months to align with the Andover area retendering in December 2014.
- 8.2. To investigate the option, and costing, of initially providing a Taxishare service to the development.
- 8.3. That approval be given to procure and spend in respect of the contract for Picket Twenty, Andover, of up to 2 years 2 months duration with an estimated value of £85,000, all of which is funded by developers contributions.
- 8.4. That authority be delegated to the Director of Economy, Transport and Environment to agree any variations in the contract in consultation with the Executive Member for Environment and Transport.

Rpt/4207/SK

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

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u> Public Bus Dynamic Purchasing System Contract	<u>Reference</u> 3894	<u>Date</u> 8 May 2012
<b>Direct links to specific legislation or Government Directives</b>		
<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.)

<u>Document</u>	<u>Location</u>
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 [Safe and efficient transport systems in Hampshire](#)

An assessment of the impacts in this service area was also undertaken as part of the Bus Subsidy Review in July 2011.

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:**

It is considered that the 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