



Cabinet Member for Environment and Infrastructure Management

Cabinet - 16 May 2019

Contract Award Report Tender for the Provision of Park and Ride Bus Services

Purpose:	To provide details of the outcome of the tendering process and to seek approval to award contracts.
Policy Framework:	Local Transport Plan (2015-2020)
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: 1) the Tender recommended by the Tender Evaluation Panel and set out in Schedule A be accepted as representing the Most Economically advantageous Tender 2) A contract be awarded to Tenderer 1 as set out in Schedule A
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Legal Officer:	Debbie Smith
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1. Introduction

- 1.1 The park and ride car parks at Landore and Fabian Way are currently linked to the city centre by bespoke park and ride bus services which operate under contract to the Council at an annual cost of £431,300. The services run at a 15 minute frequency between 7am and 7pm on Mondays to Saturdays with additional journeys on Saturdays and a Sunday Service in the Christmas period.
- 1.2 The current bus service contracts expire on 16 June 2019.
- 1.3 In order to reduce costs, it has previously been agreed that the provision of these services be reviewed and an alternative means of serving the

sites using commercially operated public bus services be investigated. A budget savings target of £200,000 per year has been implemented in line with this.

- 1.4 These proposals were part of the consultation on the budget savings in 2016/17 when 76% of respondents agreed with the proposal to :
Introduce a park and ride service integrated with commercial local bus services. This will increase flexibility of the service by increasing the frequency of services operating from the sites and the number of city centre locations where passengers can be dropped off and picked up on their return.
- 1.5 Tenders have therefore been invited for a 'Concession' contract which would allow bidders access to the 2 park and ride car parks with their commercial local bus services in exchange for a share of the income generated from park and ride customers.
- 1.6 The Tender Specification required bus services between Fabian Way and Landore Park and ride sites and the City Centre to be at the same frequency as present but also gave bidders the opportunity to provide links to additional destinations such as the University Campuses at Singleton and the Bay, the hospitals at Morriston and Singleton, the Civic Centre and Guildhall.
- 1.7 Fees for park and ride to the City Centre were to remain at £2.50(for a car and up to 4 passengers) but tenderers were required to indicate the level of fares for other destinations. Currently the fees for park and ride are paid at the car parks but these would be payable on the bus under the new arrangements with the tenderer required to provide a share of the revenue collected to the Council. The share of the revenue would be used by the Council to cover the costs of operating the 2 car parks.
- 1.8 Tenders were to cover the period 17 June 2019 to 16 June 2024, with an option to extend for up to a further 2 years.

2. Procurement Process

- 2.1 The estimated value of the new contract over the full term exceeds the European Union threshold under the Public Contract. Regulations 2015. The contract was advertised in the Official Journal of the European Union (OJEU) via Sell2Wales.
- 2.3 The 'open 'procedure was selected and the Invitation to Tender(ITT) was issued on 4 September 2018 via the eTenderWales Portal.
- 2.4 The tenders were opened by Commercial Services in accordance with Contract Procedure Rules.
- 2.5 One tender was received by the return date of 2 October 2018.

3. Evaluation

- 3.1 The Tender received was evaluated by two officers from the Integrated Transport Unit with support from an Officer of the Commercial Services Team.
- 3.2 The Tender received was compliant.
- 3.3 The evaluation of the Tender was undertaken in accordance with the criteria set out in the Invitation to Tender as a 2 stage process.
- 3.4 At stage 1 of the process, a Quality Evaluation was carried out to ensure that the tenderer was able to demonstrate a minimum understanding of key operational requirements. The Quality Evaluation was based on the assessment of 6 Method Statement questions as follows:
- i. Vehicle resourcing and bus links
 - ii. Fares and ticketing
 - iii. Staff training and competence
 - iv. Supervision of staff
 - v. Management reporting and performance management
 - vi. Emergency and inclement weather operating procedures.
- 3.5 Tenderers were required to obtain a minimum score of 18 from the maximum 30 marks available for the 6 Method statement questions in order to proceed to the Price evaluation. Any tenders failing to achieve a score of at least 18 would be rejected without further evaluation.
- 3.6 The Tender received achieved the required marks in the Quality Evaluation and proceeded to stage 2 of the process, the Price Evaluation.
- 3.7 The Price Evaluation was based on the sum of money the tenderer was prepared to offer the Council for access to the park and ride car parks by their commercially operated local bus services as follows:
- Revenue payment per annum to the Council (based on 2017/18 park and ride income)
 - The percentage of any additional revenue generated each year (above the 2017/18 park and ride income level) that the tenderer would pay to the Council.
- 3.8 In the tender received, the revenue payment offered to the Council per annum from ticket sales to park and ride customers was £0. The percentage of any additional revenue generated from park and ride customers that the tenderer was prepared to offer the Council was stated at 0%.
- 3.9 This was not considered acceptable as it did not reflect the value the Council was seeking from the Park and Ride service and would not achieve the agreed financial savings target.

4. Post Tender Negotiations

- 4.1 Clause 1.10 of the Instructions to Tenderers states:
In the event that full cost of recovery of the operating costs for Fabian Way and Landore is not proposed by any tenderer, the Council reserves the right to enter into post tender negotiations with the highest commercial tenderer in order to reach a mutually agreeable position. All negotiations shall be conducted in accordance with the Public Contract Regulations 2015.
- 4.2 In accordance with this Clause, post tender negotiations were conducted with the Tenderer by officers from the Integrated Transport Unit and the Commercial Services Team to try to reach a mutually agreeable position. These have been carried out to the satisfaction of the Responsible Officer.
- 4.3 The outcome of the negotiations has resulted in a best and final Offer from the Tenderer to divert their commercially operated bus services via the park and ride car parks at Landore and Fabian Way on route to and from the city centre at a frequency in line with the original tender specification. The Tenderer has submitted a cost to the Council for implementing these diversions to accommodate the park and ride customers.
- 4.4 Under the proposed arrangements, payment for the use of the park and ride service will be made at the car parks as per the existing arrangements. This means that the Council will retain the fees paid by the park and ride customers and can use this income to offset the cost of diverting the bus services and managing the car parks.
- 4.5 The Offer also provides bus links to the University Campuses, Singleton and Morrison Hospitals, the Civic Centre and Guildhall. Journeys to these destinations will be at an additional cost to the customer (payable on bus) but will allow the park and ride car parks to be utilised by a wider audience than just city centre shoppers and commuters.
- 4.6 The bus service from Fabian Way currently terminates at Princess Way but under the new proposals the main City Centre stop would be the Bus Station with peak journeys also stopping at Princess Way.
- 4.6 The current park and ride buses have a distinctive livery and are easily identifiable to customers. There will be a need under the proposed arrangements, to ensure that services operating via the park and ride car parks maintain this visibility. The Offer therefore includes a one off cost to the Council for refurbishing and repainting vehicles to include the park and ride branding.
- 4.7 The Tenderer will also provide all the marketing for the new services at bus stops, on their website and through social media.

5. Equality and Engagement Implications

- 5.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 5.2 An Equality Impact Assessment Screening Form was completed for the retendering exercise, with the agreed outcome that a full Equality Impact Assessment Report is not required. This is because the current contracts are being replaced with similar arrangements.

6. Financial Implications

- 6.1 Council has agreed that the provision of park and ride bus services should be reviewed and a savings target of £200,000 per year has been set. The budget allocated to fund park and ride bus services has been reduced to reflect this decision and is £248,900 for 2019/20.
- 6.2 The post tender negotiated offer recommended for acceptance is £264,937 for year one plus an additional one off cost of £30,000 for refurbishing and repainting buses to include the park and ride branding. This compares to a current annual cost of £431,300 for the dedicated park and ride bus services and represents a saving of £166,363 in year one over previous cost but £16,000 more than budgeted contract cost, excluding the one off vehicle costs.
- 6.3 The full term value of the contract over a 5 year period would be £1,436,587 and over 7 years would be £2,060,070. This includes the additional £30,000 one off cost in year 1 and allows for an estimated 3% indexation of the contract price from year 2.
- 6.4 The shortfall of £16,037 between the allocated budget of £248,900 for the bus service and the recommended contract costs will be funded from efficiencies proposed for the day to day operation of the park and ride car parks. These will include a saving in staffing costs by reducing the staff presence on site from all day to a security presence during the evenings only, and by limiting the opening hours of the park and ride terminal building. The current allocated budget for the day to day running of the car park and building is just under £380,000 per year so management has identified this area to identify the required annual budget savings to cover

both the ongoing costs of the bus service diversions and the one off vehicle costs of £30,000 in year 1.

7. Legal Implications

- 7.1 The Responsible Officer is satisfied that the tender process has been undertaken in accordance with the City and County of Swansea's Contract Procedure Rules and the Public Contracts Regulations 2015 (as amended) and recommends the award of the Contract in accordance with the same.
- 7.2 The contract will be prepared by Legal, Democratic Services and Business Intelligence. All contractual liabilities/ obligations will be covered by the contract documentation.

Background Paper: None

Appendices:

Schedule A – Details of Tender Recommended for Award.

Schedule B - Equalities Impact Assessment Screening Form

Tender for the Provision of Park and Ride Bus Services

Contract CCS/18/105

Schedule A

Tender Recommended for Award.

Tenderer Number 1

Monday to Saturday Bus Services to/from car parks	Cost per annum
Landore	£163,567
Fabian Way	£101,370
Total	£264,937

Additional One Off Vehicle Painting Costs	
Landore	£12,500
Fabian Way	£17,500
Total	£30,000