



## Report of the Cabinet Member for Environment & Infrastructure

Cabinet - 15 February 2024

### Contract Award Report - Contracts for Local Bus Services

<b>Purpose:</b>	This report details the outcome of recent tenders for Local Bus Services and seeks approval to award contracts.
<b>Policy Framework:</b>	Joint Transport Plan for South West Wales (2015-2020)
<b>Consultation:</b>	Legal, Finance, Commercial Services and Access to Services.
<b>Recommendation(s):</b>	It is recommended that:  1) The tender prices recommended by the Tender Evaluation Panel and set out in Schedule B be accepted as representing the Most Economically Advantageous Tenders.  2) Contracts be awarded to the companies as set out in Schedule B.
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#### 1.0 Introduction

- 1.1 The Welsh Government has provided additional funding for local bus services post-Covid, initially through its Bus Emergency Scheme and then, from 25<sup>th</sup> July 2023, the Bus Transition Fund. A successor Fund is to be introduced from 1<sup>st</sup> April 2024. However, Local Authorities have already been advised of the available funding for the 2024/2025 Financial Year.

- 1.2 The Welsh Government has stipulated that any local bus service that continues to require this funding must be underpinned by a Local Authority contract from this date. Therefore, local bus operators have been asked to:
- i. identify which services they can continue operating purely on a commercial basis, i.e. without the additional funding, and
  - ii. which services they deem to not be commercially viable because passenger numbers and revenues are still at lower levels than pre-Covid.

The Council has therefore invited tenders for the continued operation of the services which are deemed to not be commercially viable.

- 1.3 The Council's contracts for socially necessary local bus services were due to be re-tendered from 1<sup>st</sup> August 2024. All of these require the additional Welsh Government funding. Therefore, the opportunity has been taken to also re-tender these contracts from 1<sup>st</sup> April 2024 to ensure that sufficient funding from the Welsh Government's successor Fund is available to continue to support them.

- 1.4 The proposals for replacement contracts include 36 Lots in total. 26 of the lots (numbered 1 to 26 inc) relate to the Council's socially necessary local bus service contracts and the other 10 (numbered 51 to 60 inc) relate to the services that local bus operators have deemed to no longer be commercially viable.

Within the 36 lots, there are a number of timetable options, which means that not all of the lots will be let.

A summary of the lots being offered for tender is detailed in Schedule A.

- 1.5 The new contracts are to be let from 1<sup>st</sup> April 2024 and shall terminate on 31<sup>st</sup> March 2028. Contracts for all lots may be extended for a further period of up to 12 months. The Welsh Government intends to legislate to franchise local bus services, implementing the new procurement mechanism across Wales on a regional basis from 2026 onwards. Therefore, if the local bus services in the City & County of Swansea are franchised whilst the new contracts are still in place, the Council can terminate them either in whole or in part by serving 98 days' notice on contractors.
- 1.6 The estimated value of the new contracts is approximately £3,844,595.24 per annum and approximately £21,243,815.60 over their maximum 60 months term. Cabinet approval is therefore sought to award these contracts.

## **2.0 Procurement Process**

- 2.1 The estimated value of the new contracts over their term exceeds the European Union threshold under the Public Contract Regulations 2015.

The contracts were advertised in the Official Journal of the European Union (OJEU) via Sell2Wales.

2.2 The 'open' procedure was selected.

2.3 The Invitation to Tender (ITT) was issued on 28<sup>th</sup> November 2023 to Public Service Vehicle (PSV) Operators via the eTenderWales Portal.

### **3.0 Tenders Received**

3.1 Three companies submitted tenders by the return date of 3<sup>rd</sup> January 2024.

3.2 The tenders were opened by Commercial Services in accordance with Contract Procedure Rules.

### **4.0 Evaluation**

4.1 Tenders were evaluated by two Officers from the Integrated Transport Unit.

4.2 All tenderers submitted compliant tenders.

4.3 The evaluation of the tenders received was undertaken in accordance with the criteria set out in the Invitation to Tender documents as a two stage process.

4.4 The Council ranked tenderers for each Lot on the basis of 20% Quality and 80% Price.

4.5 At stage one of the process, the Council undertook a Quality evaluation to ensure tenderers were able to demonstrate a minimum understanding of key operational requirements. The Quality evaluation was based on the assessment of seven Method Statement questions, as follows:

- Support Structure
- Staff Training and Competence (two questions)
- Vehicle Resources and Maintenance (four questions)
- Supervision of Staff
- Passenger Issues
- Management Reporting and Performance Management
- Emergency and Inclement Weather Operating Procedures

4.6 Tenderers were required to achieve a minimum score of three from the maximum five marks available for each method statement question in order to proceed to the Price evaluation. Tenderers failing to achieve the minimum score for each question would be rejected.

4.7 At stage two of the process, tenderers who achieved the required marks in the Quality evaluation proceeded to the Price evaluation.

4.8 For each Lot, the lowest tender price received was allocated the maximum score of 80. The remaining tender prices were scored downwards according to their relationship with the lowest price. These were then added to the Quality scores (out of 20) to achieve a total score out of 100.

## **5.0 Outcome of Evaluation**

5.1 29 contracts are to be awarded as individual Lots. 22 relate to the Council's socially necessary local bus service contracts and the other seven to the services that local bus operators have deemed to no longer be commercially viable.

5.2 The summary of scores for the individual lots being recommended for acceptance is detailed in Schedule B.

## **6.0 Integrated Assessment Implications**

6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, 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 Acts.
- 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.
- Deliver better outcomes for those people who experience socio-economic disadvantage.
- Consider opportunities for people to use the Welsh language.
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

6.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

6.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

6.4 An Integrated Impact Assessment Screening Form was completed for the re-tendering exercise, with the agreed outcome that a full Integrated Impact Assessment report is not required. This is because all of the

current contracts are to be re-let due to a statutory obligation. The Screening Form is shown as Appendix C.

## **7.0 Financial Implications**

- 7.1 The cost of the tender prices recommended for acceptance is £3,844,595.24 per annum or £21,243,815.60 over their maximum five year term. This makes provision for indexation of contract prices at an estimated 5% per annum from April 2025 onwards.
- 7.2 The contracts are being funded from three revenue budgets:
- a. The Council's Transport Support Budget of £1,380,600.00 per annum, where £1,080,600.00 applies.
  - b. The Council's Park & Ride Bus Service Budget of £248,900.00 per annum in its entirety.
  - c. The Welsh Government's successor to the Bus Transition Fund. Swansea Council acts as the Lead Authority for the South West Wales Region for financial matters and is receiving £10,058,100.00 from the Welsh Government's successor Fund for the 2024/2025 Financial Year. The funding is being shared between the four South West Wales Local Authorities, who are also tendering / re-tendering local bus contracts from 1<sup>st</sup> April 2024. There is sufficient funding from this Fund for Swansea Council to meet the balance of the additional costs of £2,515,095.24 for the contracts being let.

## **8.0 Procurement and Legal Implications**

- 8.1 The Responsible Officer is satisfied that the tender process has been undertaken in compliance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules, and recommends approval in accordance with those Rules.
- 8.2 The contracts are to be prepared by Legal, Democratic Services and Business Intelligence using the Council's Standard Terms and Conditions for Transport Services. All contractual liabilities / obligations will be covered by the contract documentation.

**Background Papers:** None

### **Appendices:**

Schedule A - Details of Individual Lots being offered for tender

Schedule B - Summary of scores of Individual Lots being recommended for acceptance

Schedule C - Equalities Impact Assessment Screening Form

## Contracts for Local Bus Services

Tender Reference Number: CCS/23/275 (PT 24-29)

## Details of Individual Lots being offered for tender

Lot Numbers	Service No(s) and Times of Operation
1	3A, City Centre to Mumbles, Sunday Evenings
2	4A, City Centre to Morriston Hospital, Sunday Evenings
3	5, City Centre to Cwmdonkin, 49, City Centre to North Hill & 54, City Centre to Parc Llewellyn, Weekday Daytime
4	6, City Centre to Port Tennant & 16, City Centre to Penclawdd, Sunday Daytime
5	6, City Centre to Port Tennant & 20, City Centre to Derlwyn, Sunday Evenings
6	7, City Centre to Marina & Maritime Quarter, Weekday Daytime
7	12, City Centre to Townhill & 25, City Centre to Blaen-y-Maes, Sunday Evenings
8	14, City Centre to Pennard, Weekday Evenings
9	14, City Centre to Pennard, Sunday Daytime
10	15, City Centre to Gowerton & 30, City Centre to Trallwn, Monday to Friday Daytime
11	16, Swansea to Pontarddulais, Weekday Evenings
12	24, City Centre to Morriston Hospital, Weekday Daytime
13	24 & 35, City Centre to Morriston Hospital, Weekday Daytime
14	28, City Centre to Penplas, Weekday Evenings
15	31, City Centre to Morriston, Sunday Evenings
16	35, City Centre to Llangyfelach, Weekday Daytime
17	36, City Centre to Morriston, Sunday Evenings
18	41 & 42, Clase to University, Weekday Early Mornings
19	43, City Centre to Morriston Hospital & 54, City Centre to Parc Llewellyn, Weekday Daytime
20	45, City Centre to Morriston Hospital, Weekday Daytime
21	46, Morriston to Gorseinon area, Weekday Daytime
22	111, Swansea to Llanelli, Weekday Evenings
23	111, Swansea to Loughor, Sunday Evenings
24	115, 116, 117, 118 & 119, Swansea to North & South Gower, Weekday Daytime
25	115, 117, 118 & 119, Swansea to South Gower, Weekday Daytime
26	116, Swansea to North Gower, Weekday Daytime
51	6, City Centre to Port Tennant & 20, City Centre to Derlwyn, Weekday Evenings
52	14, City Centre to Pennard, Weekday Daytime
53	16, Swansea to Pontarddulais, Weekday Daytime

54	31, City Centre to Morrision & 33, City Centre to Trallwn, Weekday Daytime & Evenings
55	31 & 36, City Centre to Morrision, Sunday Daytime
56	31 & 36, City Centre to Morrision, Sunday Daytime
57	34, City Centre to Enterprise Park, 51, City Centre to Fabian Way P&R & 52, City Centre to Landore, Weekday Daytime
58	7, City Centre to Maritime Quarter & 16, Swansea to Pontarddulais, Weekday Daytime
59	14, City Centre to Pennard, Weekday Daytime & Evenings
60	3A, City Centre to Mumbles, Weekday Evenings

## Contracts for Local Bus Services

Tender Reference Number: CCS/23/275 (PT 24-29)

## Summary of scores of Individual Lots being recommended for acceptance

Lot Numbers	Tenderer Numbers	Scores	Annual Contract Rates (£)
1	2	100	14,570.08
2	2	100	11,159.68
3	3	100	68,544.00
4	1	100	17,615.36
5	1	100	13,600.16
6	1	100	80,055.72
7	1	100	11,791.92
9	2	100	23,395.12
10	3	100	69,291.20
11	1	100	122,412.24
12	1	100	198,667.44
14	2	100	43,455.06
15	2	100	7,720.72
16	2	100	103,247.46
17	1	100	12,715.92
18	1	100	17,757.18
19	2	100	328,120.74
20	2	100	195,154.56
21	3	100	106,870.50
22	1	100	96,876.54
23	1	100	15,494.64
24	2	100	1,075,400.28
51	1	100	50,838.84
54	1	100	244,423.62
55	1	100	67,989.04
57	1	100	569,707.74
58	1	100	73,222.74
59	1	100	159,453.54
60	1	100	45,043.20

Lot Numbers 8, 13, 25, 26, 52, 53 and 56 are not being let. This is because they constitute timetable variations to other lots in the tendering exercise, which are being let instead.