

EXECUTIVE BOARD - 22 DECEMBER 2015

Subject:	Award of contract for the Citylink 1 and 2, Worklink 4 and Centrelink bus services		
Corporate Director(s)/ Director(s):	Sue Flack, Director of Planning and Transport David Bishop, Deputy Chief Executive/Corporate Director for Development and Growth		
Portfolio Holder(s):	Councillor Nick McDonald, Portfolio Holder for Jobs, Growth and Transport		
Report author and contact details:	Chris Hegarty, Team Leader, Public Transport Operations Chris.hegarty@nottinghamcity.gov.uk 0115 8764592		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: X Expenditure <input type="checkbox"/> Income X Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Significant impact on communities living or working in two or more wards in the City	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Total value of the decision: £5.6m (£1.1m per year for up to 5 years including £0.1m in the event of a temporary extension of existing contract)			
Wards affected: Bridge, Dales, Dunkirk and Lenton and St Ann's	Date of consultation with Portfolio Holder(s): 13 November 2015		
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input checked="" type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>The Citylink 1 and 2 and Worklink 4 bus services are currently operated by Nottingham City Transport under a contract with the City Council which is due to end in late 2016. These routes provide access to key employment sites in the city including Boots, Experian and Virgin Media, as well as providing a service to two of the city's main bus based park and ride sites. As part of the Public Transport Big Ticket process, it is anticipated these services will be run by fully electric buses on retender. These are funded by grants and the Workplace Parking Levy, and will be delivered in Summer 2016. There is also currently an associated programme of works to install the necessary charging infrastructure which is also grant funded.</p> <p>At the same time the current agreement between the authority and Trent Barton to operate the Centrelink bus service is also coming to an end. This route provides an important link across the City Centre from Victoria bus station in the north to Broadmarsh bus station in the south. Centrelink is already operating with electric buses.</p> <p>To ensure these services continue to operate it will be necessary to undertake a new tender process to find successful providers for the services. It is felt that a combined tender process will offer considerable opportunities to reduce the overall costs of these services and potentially bring forward innovative solutions from potential operators. It is envisaged that the tender process will seek providers for these services under Lots and may result in up to 4 providers for these services dependant on the manner upon which bids are received. In addition, there will need to be flexibility in the tender options to allow for upcoming major changes relating to the Broadmarsh area, Island site and Southern Growth Corridor schemes, and to facilitate fundamental changes to the City Centre bus network to introduce a low emissions zone over the next 3 years.</p>			

Exempt information:

None

Recommendation(s):

- 1** To authorise the procurement process for the Citylink 1 and 2, Worklink 4 and Centrelink bus services and to delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth to award and sign the necessary contract(s) for the operation of these services for up to 5 years, on a 3+1+1 basis, at the Councils sole discretion with respect to any extension, using electric buses or an alternative agreed with the Council. This will be subject to contract costs being within the estimated spend identified within this report.
- 2** In the event that there is any delay with the implementation of the new electric buses resulting in a delay in the commencement of the new contract(s), to grant dispensation, for operational reasons, from Contract Procedure Rule 5.1.2, in accordance with Financial Regulation 3.29, to extend the existing contract for these services for a temporary period of up to one month, at a cost of no more £0.1m, until the electric buses are available for use on these routes or alternative arrangements are agreed with the preferred operator.

1 REASONS FOR RECOMMENDATIONS

- 1.1 To allow the continued operation of these important services without any disruption for customers.
- 1.2 To allow the services to be procured in a more cost effective manner.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The Citylink, Worklink and Centrelink services form part of the Councils larger Linkbus network. These services fill the gaps in the main commercial bus network across the city, ensuring the 43% of Nottingham residents who do not have access to a car are able to reach key facilities and opportunities.
- 2.2 The Citylink 1 and 2 and Worklink 4 services provide access to a number of key employers in the city which are poorly served by the commercial bus network. These include Boots, Experian, VF Northern European and Paraaxel, all of which provide direct financial support for these services. They also deliver the main bus based park and ride service for Nottingham which helps reduce the number of vehicles entering the City Centre and, therefore, has a positive impact on traffic congestion and related air pollution issues.
- 2.3 The Centrelink service links the major employers as well as shopping and leisure facilities in the City Centre with the 2 bus stations helping to reduce the number of bus movements within the central area itself, whilst at the same time ensuring access to this area is maintained for all, including those with restricted mobility.
- 2.4 The 4 services currently carry over 2.3 million passengers a year, and are fully integrated with the other local bus and tram services in the city helping make them commercially viable and free from Council subsidy.
- 2.5 As part of the tender process it is anticipated that the routes and timetables on these services may change slightly to better meet customer requirements, and incorporate the wider changes taking place in the city centre. Potential alterations could include extending the Centrelink service to include the rail station and island site, altering the Citylink services so that they terminate at the bus stations, and extending the operating hours of the Worklink service. Bidders will also be given an opportunity to suggest further changes as part of the tender process.

2.6 The Centrelink service is currently operated using electric buses and it is anticipated that this will continue under the new contract arrangement. It is also anticipated that the Citylink services will also be operated by electric vehicles from the new fleet of 13 Council owned buses which are due to arrive in summer 2016. Use of electric buses will help the Council meet its wider cost saving and carbon reduction targets.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 To continue with the current arrangements. This was rejected as the existing contract is due to expire in 2016 and the services may require alterations in their routing and timetable to take account of changes in customer requirements and the future layout of the city centre road network. There is also a need to make savings from the operation of these services as part of the Public Transport Big Ticket, which can be done by their change over to electric vehicles and further network integration.

3.2 To withdraw the services altogether. This was rejected as there is a considerable demand for these services to access employment which is not being met by the current commercial network. Whilst the commercial sector might deliver some elements of these services commercially this could result in additional costs to the Council.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 The cost of retaining the existing arrangements to operate the Citylink, Worklink and Centrelink services until the new contracts begin can be met out of the existing public transport budget. Dispensation from Contract Procedure Rule 5.1.2, in accordance with Financial Regulation 3.29, to extend the existing contract for these services until the new contract begins is required for operational reasons.

4.2 The actual cost of the new 3 year contract (with the potential to extend for 2 years, to a total of 5 years) to operate the service from September 2016 will not be known until the tenders are returned. Currently the combined cost to operate these services is approximately £1.1m a year. Procuring the four services together will allow potential operators to come forward with original ideas which it is anticipated will lower the cost of providing the service. The anticipated introduction of more electric buses on the services is expected to reduce operating costs by £0.200m. Together with other changes to the whole Linkbus network, and further expansion of the charging network, it is forecast that a total of £0.500m will be saved, in line with the Big Ticket Programme. The timing and scope of the tenders may be influenced by budget setting discussions still to be concluded.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 The services are being put out to tender in line with the requirements of the Transport Act 1985 and European Procurement regulations.

5.2 A fully compliant open EU OJEU process will be undertaken for the procurement of the new services and there are no legal issues with the proposed procurement. Advice will be provided by the Corporate Procurement and Legal Teams in respect

of the tender process and contractual arrangements. Support will continue to be provided to the report author during the process until the contract is awarded.

- 5.3 The request for dispensation from Contract Procedure Rule 5.1.2, in accordance Financial Regulation 3.29 (for operational reasons), to allow a temporary extension of the existing contract in the event of a delay implementing the new electric buses, is supported, on the basis that any extension will only be temporary and all efforts will be made to ensure timely delivery of the required buses and completion of the new contract without the need for an extension where possible.
- 5.4 All bus service contracts will be monitored throughout their contract life for usage and performance.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 Not applicable.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 Withdrawing the services due to cost considerations was rejected as it would lead to disruption for passengers as a result of the removal of public transport to certain parts of the city.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 Not applicable

9 EQUALITY IMPACT ASSESSMENT (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No
An EIA is not required because the report does not contain proposals for major changes to the current bus services .

Yes

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 11.1 None

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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