

Commissioning and Procurement Sub-Committee– 15 September 2020

Subject:	Approval to tender for Linkbus Services in 2020/21		
Corporate Director(s)/ Director(s):	Chris Henning, Corporate Director of Development and Growth		
Portfolio Holder(s):	Councillor Adele Williams, Portfolio Holder for Adult Care and Local Transport		
Report author and contact details:	Mark Garlick, Public Transport Policy, Transport Strategy, 0115 876 4675, mark.garlick@nottinghamcity.gov.uk		
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:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> 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: £10.6m (Gross), £9.1m (Net).			
Spending of £0.91m is also required in the current financial year, until the Tender process can be completed, to maintain the services.			
Wards affected: All	Date of consultation with Portfolio Holder(s): TBC		
Relevant Council Plan Key Theme:			
Nottingham People			<input checked="" type="checkbox"/>
Living in Nottingham			<input checked="" type="checkbox"/>
Growing Nottingham			<input checked="" type="checkbox"/>
Respect for Nottingham			<input type="checkbox"/>
Serving Nottingham Better			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p><u>APPROVAL TO TENDER</u></p> <p>Approval is sought to tender for the operation of contracts for 11 subsidised “Link” bus services in three separate tenders. These serve a high number of elderly and disabled residents and also provide access to jobs and education, in areas of the City that are away from the commercial bus network. The cost of these contracts is currently £1.93m gross per year (£9.64m over 5 Years). The new contracts will be awarded by competitive tender. It is expected that these services will be placed in two discrete tenders: one for all ten Locallink and Worklink routes, operated by electric buses; and one for the Easylink Dial-a-Ride service. The tenders will be of a size that is appropriate to giving economies of scale to each operation and the type of vehicle required.</p> <p>The services carry 420,000 passengers each year, of which a high proportion are concessionary pass holders.</p> <p>The bus services to be tendered are listed in the attached Appendix. The new tenders would come into operation from April 2021.</p> <p><u>APPROVAL TO SPEND IN 2020/21</u></p> <p>The tender was previously approved at CPSC on 11 November 2018, but circumstances have caused a delay to the tender process. The services have continued in operation with the incumbent contractor and the services need to be supported until the tender process can be completed. To continue operating the service will require a spend of £913,500 from 15 September 2020 until 31 March 2021. A spend of £783,000 has been required to cover the operation of services from 1 April 2020 until 14 September 2020.</p>			

Exempt information: None

Recommendation(s):

- 1** To undertake a procurement process for the Locallink, Worklink, and the Easylink City Dial-a-Ride service as detailed in the attached Appendix.
- 2** To approve a further £913,500 current spending on the bus services during the 2020/21 financial year, until the tender process can be completed and the new contract awarded.
- 3** To delegate authority to the Corporate Director of Development and Growth to award and sign contracts to the successful bidder(s) following the outcome of the tenders (for 3+1+1 years), subject to the costs being within current budget levels.

1 Reasons for recommendations

- 1.1 To tender the services as required by Procurement Regulations.
- 1.2 To approve current spend on the bus services that is necessary to keep them operating in 2020/21, and until the tender process can be completed.
- 1.3 A new provider(s) will be identified following the outcome of the tender process.
- 1.4 Within the tender process, opportunities for efficiency savings in providing these services will be sought. The tender process will ensure that the most cost-effective provision of the services can be ensured.

2 Background (including outcomes of consultation)

- 2.1 The need to tender the contracts was discussed at a meeting with the Portfolio Holder on Monday, 17 August 2020.
- 2.2 The need to tender the contracts was previously approved at the CPSC meeting of 11 November 2018. It was agreed that services should continue to be provided, but that more cost effective ways of provision should be examined. It was stressed that this report seeks permission to tender these services, and not to award any contracts without further consideration of the price. It was also stated that the Council could terminate any contracted that is awarded with 90 days' notice.
- 2.3 To enable all parts of the City, to have a given public transport accessibility, to vital services and employment sites. This reflects that over half its residents have no access to a car.
- 2.4 The services are disproportionately used by those with mobility issues and, as such, save the City Council from providing more expensive forms of specialist provision.
- 2.5 All Link bus services are monitored throughout their contract for usage and performance.
- 2.6 The total cost of running these contracts is expected to be £10.61m (Gross) in total. This is based on running for a maximum of 5 years. Revenues collected on

the services are around £300,000 annually, or £1.5m over 5 years. This reduces the net cost to £9.11m over 5 years.

- 2.7 To maintain the services until the tender process can be completed, and approval to spend £913,500 from 15 September 2020 until 31 March 2020 is required.

3 Other options considered in making recommendations

- 3.1 Withdrawing services due to rising costs was rejected, as it would lead to disruption for passengers and the removal of access to public transport for some residential and employment areas of the City, where commercial services would be more than 400m from residents.

4 Finance colleague comments (including implications and value for money/VAT)

- 4.1 This report seeks approval to go out to tender and to delegate authority to the Corporate Director to award the contract as long as the net cost is within the current budget allocation. As there is no additional funding available either corporately or from the service this must be kept within the current budget for the Public Transport.
- 4.2 Finance colleagues will support the service on receipt of the tenders to ensure that budget considerations and value for money for the Council are taken into account.

Susan Tytherleigh
Finance Business Partner
20 August 2020

5 Legal and Procurement colleague comments (including risk management issues, and including legal, Crime and Disorder Act and procurement implications)

- 5.1 Procurement colleagues will assist with the tendering exercise to ensure that fully compliant contracts are entered into.
Paul Ritchie, Procurement Category Manager, tel. 64194. 30/07/2020.
- 5.2 The current contracts for Link Bus Service are due to re-tendered to continue the Council's commitment of providing public transport accessibility to bus services within the City and to ensure compliance with the Public Contracts Regulations.

The report seeks approval to undertake a tender process to establish contracts for the services as detailed within the Appendix. The proposal is for an initial contract term of 3 years with 2 further options to extend for up to 1 year each time at the Council's sole discretion subject to available funding, which is hoped will allow the Council to manage the contract efficiently, ensuring value for money and flexibility in delivery of the service.

Legal services will continue to work with the service area and procurement colleagues during the tender process to ensure that the requirements are accurately developed within the contractual arrangements with the chosen provider(s).

Dionne Scream, Solicitor, Legal Services. 31/07/2020.

6 Social value considerations

- 6.1 Withdrawing the services was rejected, as it would lead to disruption for passengers and the removal of access to public transport from some areas of the City, where commercial services would be more than 400m away from residents

7 Regard to the NHS Constitution

- 7.1 N/A

8 Equality Impact Assessment (EIA)

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

No
An EIA is not required because:

Yes
Attached as Appendix 2, and due regard will be given to any implications identified in it.

9 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 9.1 **None**

10 Published documents referred to in this report

- 10.1 None