

10 October 2018		ITEM: 11 (Decision 110482)
Cabinet		
Procurement of Local Bus Services		
Wards and communities affected: All	Key Decision: Key Decision	
Report of: Councillor Aaron Watkins, Portfolio Holder for Environment and Highways		
Accountable Assistant Director: Julie Nelder, Assistant Director – Highways, Fleet and Logistics		
Accountable Director: Julie Rogers, Director for Environment and Highways		
This report is Public		

Executive Summary

This report sets out the proposals for the procurement of bus services 11, 374 and 265 which terminate on 31 March 2019.

This report is to seek approval for the tendering of these services for a period of 3 years, with a further option to extend for a period of up to 24 months. The new contractual arrangement will commence on 1 April 2019.

The reason it is proposed to offer a contract of 3 years with extensions is in order to encourage more operators to bid for the contract which may reduce costs to the Council.

1. Recommendation(s)

- 1.1 That Cabinet give approval to commence a tender process for the provision of local bus services 11, 374 and 265.**
- 1.2 Agree delegated authority for award of contract to the Director of Environment and Highways in consultation with the Portfolio Holder.**

2. Introduction and Background

- 2.1 Local bus services are provided on a commercial basis by bus operators. Where these services do not meet the needs of local people, local authorities have a responsibility to consider the needs not met and provide additional services and / or journeys in those areas concerned. (**Transport Act 1985:**

To secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose.)

This is the situation for routes 11, 374 and 265, which cover Bulphan, West Tilbury, East Tilbury, Linford, Horndon-on-the-Hill and Fobbing.

- 2.2 The annual cost to the Council of the current number 11 bus service is £243,927 and £196,968 for service 374. The cost for service 265 is £22,800. The total cost to the Council for these bus routes over a 12 month period is £463,635. Fares are collected by the bus operator and retained by them. The revenue risk remains with the bus operator ensuring that the budget cost to operate the services is fixed. This form of contract encourages the operator to maximise patronage, with revenue protection being the operator's responsibility and may reduce the impact on commercial service revenue between common stops. (The operator collects and keeps all fares whether from out tendered services or their commercial routes) This has been the case with existing contracts.

3. Issues, Options and Analysis of Options

- 3.1 The tender documentation will include options for a range of frequencies for service 11 and 374 to be costed for consideration. The current frequency on service 374 is every 90 minutes and for the 11 it is 105 minutes. We will tender for both the 11 and 374 on the current route and frequency and include an option to reroute service 11 to improve the frequency for communities between Stanford-le-Hope and Basildon jointly with service 374 and increase the number of destinations for all passengers, whilst recognising new potential demands with the proposed Integrated Medical Centres. (Currently services 11 operates via the A13 between Horndon-on-the-Hill and Five Bells) This will reduce the overall frequency of service 11 but will offer at least a 120 minute service within the budgeted resources.
Ticket information from the operator has been analysed and the results show that passenger distribution throughout route 11 is fairly consistent in the communities it serves and avoids duplication of commercial services in all but one section (Wood view to Chadwell Cross Keys).
- 3.2 Service 265 provides a service linking Bulphan with Orsett and Grays 3 days per week with a morning and afternoon journey.
- 3.3 The awarding of the contract will consider maximum frequencies within the budget allocation. Prior to the award, ward members and bus user group members will be consulted on the new service levels through the website press release, printed timetables and roadside information. Social media will also be used to inform residents of impending changes.

3.4 Continuous monitoring of the services will be undertaken to assess their effectiveness and to ensure any changes to demand are identified and implemented

4. Reasons for Recommendation

4.1 The recommendation to tender these services will allow the Council to provide local residents with continued access to travel where no commercial services operate in those specific areas or where no direct links for these communities exist.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 This report has been shared with PT and R Overview and Scrutiny Committee

5.2 This report covers a standard tender of existing bus services.

5.3 The Council will invite tenders for a range of frequency options for services 11 and 374 (60, 90,120 and 180 minute) including the route change to service 11 enabling an increase the number of destinations for its users.

5.4 The Council will also invite tenders for service 265 on the current frequency.

5.5 Operators will given the opportunity to offer alternative timetables for consideration.

6. Impact on corporate policies, priorities, performance and community impact

6.1 Procurement of these services will enable the Council to support local bus services and provide access to employment, education, healthcare, shopping and other facilities.

6.2 The procurement procedure that will be applicable to this procurement opportunity will be the Open Procedure (Services). The applicable threshold for the Open Procedure (Services) is £181,302.

7. Implications

7.1 Financial

Implications verified by: **Carl Tomlinson**
Finance Manager

The budget for Local Bus Services is. £510,203 on budget codes ET011 2608 and ET011 4118.

7.2 Legal

Implications verified by: **Kevin Molloy**
Contracts Solicitor

The proposal is that provision of bus services shall be procured as required by the Transport Act 1985, to provide a service for 6 communities who would otherwise be without otherwise service. When tendering for bus service contracts. The Council must ensure that the process is conducted in a fair and transparent way that complies with the requirements of the Public Contract Regulations 2015 and the Council's Contract Procedure Rules. Legal support can be provided so as to ensure the procurement is carried out in a lawful manner and that the Council's interests are protected.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement & Project Monitoring Officer

These bus services enable direct links for all members of the community in the areas concerned in order to carry out essential functions of daily life. Direct services offer greater convenience for all members of the community.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

N/A

9. Appendices to the report

None

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