

Finance and Resources Committee

10.00am, Thursday, 12 May 2016

Provision of a City Wide Car Sharing Scheme

Item number	7.8
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks the approval of Committee to appoint City Car Club Ltd, to provide a city wide car sharing scheme for the City of Edinburgh Council. It will commence on 1 July 2016, for a period of four years, with an optional extension of up to a further three periods of 12 months each. The contract for the provision of these services in Edinburgh, has an estimated cost to the Council of £299,939.84 over four years. It is estimated that the indicative costs for the extension period of three years will be £224,954.88 based on the current costs.

Links

Coalition pledges	P44 , P50
Council priorities	CP2 , CP7 , CP11 ,
Single Outcome Agreement	SO1 , SO2

Provision of a City Wide Car Sharing Scheme

Recommendations

- 1.1 It is recommended that Committee approves the appointment of City Car Club Ltd, to provide a city wide car sharing scheme for the City of Edinburgh Council. It will commence on 1 July 2016, for a period of four years, with an optional extension of up to a further three periods of 12 months, each undertaken at the sole discretion of the Council.

Background

- 2.1 The Council has always had a commitment, within its Local Transport Strategy, to encourage the more efficient use of cars through measures such as parking controls, management of the road network and promotion of car sharing. It is the Council's vision that, by 2030, Edinburgh's transport system will be one of the greenest, healthiest and most accessible in northern Europe. Car sharing is viewed as an integral part of achieving the Council's ambitious goals for transport.
- 2.2 In 1999, Edinburgh introduced the first pay as you drive car sharing scheme in the UK. Over the past 17 years the Council has worked in partnership with various service providers to develop, promote and sustain the growth of car sharing in Edinburgh.
- 2.3 Edinburgh has a single supplier, membership based, pay as you drive car sharing scheme operated by City Car Club Ltd. The scheme is currently the second biggest in the UK with over five thousand members, both private and corporate, and approximately 160 shared vehicles available to members.
- 2.4 Within the car sharing fleet, there is a dedicated pool of cars for exclusive use by Council employees during office hours. The Council pays a monthly fee for the pool car arrangement and receives reduced membership fees and discounted hourly rates of hire.
- 2.5 This model offered best value to the Council when the scheme was first introduced, augmenting existing transport options for staff whilst also helping to promote the relatively new concept of car sharing across the city. The pool car arrangements allow staff to make informed choices about their mode of travel, offering an alternative to private car use, when the use of public transport may not be practicable. Staff can also access car club vehicles outwith the dedicated pool cars on a pay as you go basis.

- 2.6 The scheme is administered by the Parking Operations Team within the Place Directorate. This work relates to associated Traffic Regulation Orders, utilising developers contributions under Section 75 of the Town and Country Planning (Scotland) Act 1997, lining, signing and enforcing parking places and ensuring the provision of car sharing continually improves for all users in the city.
- 2.7 The Council currently provides on street parking places for exclusive use by City Car Club Ltd vehicles, allowing members to have a reliable pick up and drop off point and ensuring accessibility for all road users to the scheme.
- 2.8 Continuing to provide a car sharing scheme in Edinburgh supports the Council's approved transport policies and encourages all road users to consider whether or not ownership or use of a private vehicle is attractive or necessary in a modern, connected city, with fully integrated public and active travel transport options.
- 2.9 The appointment of a suitably qualified and experienced service provider, to deliver a car sharing scheme, will further improve the city's reputation as being at the forefront of developing innovation and encouraging the use of shared, environmentally friendly vehicles and utilisation of public transport and active travel options.

Main report

- 3.1 As car sharing is now firmly established and widely used across Edinburgh, the original commercial arrangements have become outdated. A new commercial framework was required to ensure that the city's car sharing scheme is fit for the future and that the Council is receiving best value from any new commercial arrangements that are in place.
- 3.2 The main objectives of procuring this service were to deliver value for money to the Council and environmental benefits, such as the introduction of maximum average fleet emissions and the provision of a minimum of 12 electric vehicles.
- 3.3 A competitive procurement exercise also provided an opportunity for the Council to meet the agreed 2015/16 budget savings targets for this service, which were predicted to come from a combination of reducing Council staff usage and savings from the new contract.
- 3.4 Commercial and Procurement Services, conducted the tender and evaluation process in accordance with Council Contract Standing Orders and The Public Contracts (Scotland) Regulations 2012. A full Official Journal of the European Community (OJEU) tender exercise, was undertaken by placing an OJEU Contract Notice on the Public Contracts Scotland Portal, as a single stage procedure on 16 November 2015.
- 3.5 Ten organisations noted their interest in the Invitation to Tender (ITT). Two organisations submitted responses to the ITT by the tender closing date of 6 January 2016.

- 3.7 In the ITT it was stated that the contract would be awarded to the top scoring supplier, on the basis of the Most Economically Advantageous Tender, with 30% of the overall score being given to quality and 70% given to price. The 70% price was split into four sections, two for income generation and two for costs.
- 3.8 This ratio was agreed to ensure maximisation of the savings to support the Council's budget, whilst also taking into account the quality of service to the general public and the Council.
- 3.9 The tender submissions received were evaluated individually by the three members of the evaluation team in terms of quality. Fourteen areas were evaluated, each having different weightings and being scored between 0 and 4, in accordance with the Evaluation Criteria Scoring Definitions included in the ITT. Further details of the procurement process, including the members of the evaluation team, and the fourteen evaluation areas and their respective weightings, is provided in Appendix 1.
- 3.10 On completion of the individual evaluation process a consensus meeting was attended by the members of the evaluation team and the contract administrator from Commercial and Procurement Services. Individual evaluation scores for responses to the quality questions were reviewed and debated and a consensus score reached for each. The appropriate weighting was then applied to each to arrive at a final quality score for each bidder.
- 3.11 Following completion of the quality analysis the pricing bids were opened and subjected to a cost analysis. The cost analysis was split into four sections to ensure that best value was achieved both for the Council and for the general public who use this service. The provider with the highest gain share offering based on the estimated future turnover was awarded a maximum of 10%. The provider offering the highest parking permit price was awarded 20%. The provider offering the lowest cost to provide a car sharing service to the Council was awarded 20% and the provider offering the lowest cost to provide a car sharing service to the general public was awarded 20%.
- 3.12 The quality scores were then combined with the scores from the cost analysis to give an overall score for each bidder out of a maximum of 100. The results are detailed in the table below.
- 3.13 Due to there only being two bids submitted, the actual prices are not included for reasons of commercial sensitivity.

Tenderer	Price Score	Quality Score	Overall Score
City Car Club Ltd	66.6%	25.5%	92.1%
Bidder B	53.2%	15%	68.2%

- 3.14 The bidder with the higher overall score which represents the most economically advantageous tender is City Car Club Ltd.
- 3.15 City Car Club Ltd demonstrated a full understanding of the requirements for delivering a successful car sharing scheme in Edinburgh.

Measures of success

- 4.1 Service users will have access to a fleet of vehicles suitable to their varied car sharing requirements.
- 4.2 Council staff will have access to a fleet of vehicles suitable to their varied car sharing requirements.
- 4.3 Service user satisfaction will continue to improve and membership numbers will continue to grow.
- 4.4 Increased availability and use of hybrid or electric vehicles helping to achieve the Council's and National greenhouse gas targets of reducing emissions year on year.
- 4.5 The Scottish Government's commitments to tackling climate change are set out in the Climate Change (Scotland) Act (2009). This requires a minimum 42% cut in emissions by 2020 (including international aviation and shipping) and defines annual emission targets from 2010-2050. The commitments represent the most stringent reduction targets in the UK.
- 4.6 Financial savings (as detailed in 5.1 below).

Financial impact

- 5.1 The overall total saving for this project over the initial four years is £1,095,260.
- 5.2 The costs associated with procuring this contract are estimated at from £10,001 to £20,000 based on the moderate value and risk route.
- 5.3 The contract will generate an estimated £947,772 of income over the initial four years. This figure is based on a combination of parking permit fee per vehicle, forecast at £430,272, and gain share payable based on revenue projections, forecast at £517,500.
- 5.4 It is estimated that this contract will generate savings to the Council of £36,872 per annum. This figure is based on a reduction of the current number of block booked vehicles from nine to six vehicles, saving £20,600 per annum, and a reduction on the current cost of car club memberships and variable costs such as hourly charge and mileage costs, saving £16,272 per annum.
- 5.5 Block booked vehicles were retained for staff use in the areas where they are heavily relied upon and reduced where either there was limited use, alternative transport was available or other car club vehicles were located nearby.
- 5.6 Whilst previously budgeted savings targets of £160,000 have not been fully realised in 2015/16, a new staff usage policy facilitated a reduction in overall staff costs of £44,599 across 2014/15 and 2015/16.

- 5.7 In addition to the Council's financial benefit, this contract will deliver savings to the general public members of Edinburgh's car club by reducing membership fees by approximately 25%. It is also anticipated that further savings will be made by the general public through the reduction in costs of hourly and mileage charges, estimated to be in the region of 20% to 30%.

Risk, policy, compliance and governance impact

- 6.1 Parking Operations will be responsible for contract management and will monitor the performance of the service and any risks or issues that arise throughout the duration of the contract.

Equalities impact

- 7.1 An Equalities and Rights Impact Assessment was undertaken with due regard to the protected characteristics outlined in the Equalities Act 2010.
- 7.2 Awarding a contract for car sharing in Edinburgh will encourage motorists to consider their travel choices further and make alternative modes of transport, other than private vehicles, more attractive.
- 7.3 Car sharing encourages and improves accessibility to transport which may not be affordable to those who do not own a private car.
- 7.4 The proposals may make car ownership a less attractive option and encourage car sharing or alternative modes of travel like walking, cycling or public transport modes. Evidence shows that the introduction of a car sharing vehicle can reduce the number of privately owned vehicles on the network. This has a good environmental impact which benefits all residents.
- 7.5 The proposals acknowledge the role a car club can provide giving accessibility to users with mobility difficulties or those drivers who are unable to drive manual vehicles. The proposals allow for the inclusion of automatic vehicles and vehicles large enough to store a wheelchair.

Sustainability impact

- 8.1 The impacts of this report have been considered in relation to Climate Change (Scotland) Act 2009 Public Bodies Duties and the outcomes are summarised below. Relevant Council sustainable development policies have been taken into account and would be met in the following ways: The Supplier:
- is required to make every effort to minimise the impact of the delivery of these services on the environment;

- shall use their best endeavours to achieve the efficient use of energy and, where possible, to maximise the use of biodegradable or recycled products;
 - shall have their own environmental policy to demonstrate compliance; and
 - shall apply (i) the minimum mandatory standards for CO2 emissions for the relevant vehicle category from the Government Buying Standards and (ii) the Cleaner Road Transport Vehicles (Scotland) Regulations 2010 for any new vehicles acquired for use in the delivery of this service.
- 8.2 The sustainability and community benefits which are anticipated to be brought about through the delivery of this contract are:
- Removal of diesel vehicles from Edinburgh car club fleet;
 - Introduction of maximum average fleet emissions of 99g/km;
 - Requirement for minimum of 12 electric vehicles;
 - The delivery of modern apprenticeships;
 - Two work experience placements per year; and
 - Provision of mentoring to local organisations and individuals.

Consultation & Engagement

- 9.1 The specification for this service was written after consultation between Commercial and Procurement Services and Parking Operations. Members of both teams met and consulted with other local authorities and met with users of car sharing schemes and charities such as Living Streets, which supports car sharing.
- 9.2 Parking Operations consulted with [Car Plus](#), a not-for-profit, environmental transport Non Governmental Organisation regarding the provision of a car sharing scheme contributing to the '[Developing Car Clubs in Scotland: The next five years](#)' policy document. Officers from both Commercial and Procurement Services and Parking Operations attended the [Shared Transport Conference](#) where Edinburgh's Car Sharing scheme was discussed with transport professionals, providers of shared mobility services and users of Car Sharing Schemes.
- 9.3 Parking Operations manage and promote the annual general meeting for users of the car sharing scheme in Edinburgh and feedback from users informed the development of the service specification.

Background reading/external references

None required.

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Links

Coalition pledges	P44 - Prioritise keeping our streets clean and attractive P50 - Meet greenhouse gas targets, including the national target of 42% by 2020
Council priorities	CP2 - Improved health and wellbeing: reduced inequalities CP7 - Access to work and learning CP11 - An accessible connected city
Single Outcome Agreement	SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
Appendices	Appendix 1 – Summary of Tendering and Tender Evaluation Process

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Provision of a City Wide Car Sharing Scheme
Contract period	1 July 2016 – 30 March 2023 – (including a 3x1 year optional extension)
Contract value	£299,939.84 (over initial 4 years) plus an indicate cost of £224,954.88 for the 3 year extension period
Standing Orders observed	2.4 Requirement to advertise 5.1.b Selection of the most economically advantageous tender
Portal used to advertise	www.publiccontractsscotland.co.uk
EU Procedure chosen	Open
Tenders returned and compliant	2
Recommended supplier/s	City Car Club Ltd
Primary criterion	Most economically advantageous tender to have met the qualitative and technical specification of the client department
Mandatory Criteria	<ol style="list-style-type: none"> 1. Appropriate Insurances 2. Environmental Policy 3. Management of Health & Safety at Work Regulations 4. Experience & Expertise 5. CarPlus Accreditation 6. Fleet Emissions

<p>Evaluation criteria and weightings</p>	<p>Written responses were provided for the following award criteria areas:</p> <ol style="list-style-type: none"> 1. Delivery Of The Contract – 10% 2. Complaints Procedure – 5% 3. Collaboration, Monitoring & Dispute Resolution - 5% 4. Meeting KPI's & Targets – 10% 5. Management Information – 10% 6. Car Club Growth – 10% 7. Future Services & Technologies – 10% 8. Quality Assurance – 5% 9. Business Continuity – 5% 10. The Environment – 10% 11. Continuous Improvement – 5% 12. Equalities – 5% 13. Booking System – 5% 14. Community Benefits - 5%
<p>Evaluation Team</p>	<p>Parking Operations Manager, Place Project Officer, Strategic Planning Senior Professional Officer, Place</p>