

Finance and Resources Committee

10.00am, Thursday, 5 March 2020

Award of Contracts for Supported Bus Services

Executive/routine	Routine
Wards	All
Council Commitments	19

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 approves the award of four contracts for supported bus services which were undertaken as mini-competitions utilising the Supported Bus Services Framework Agreement for an initial period of two years, to commence in June 2020, with two further optional 12 month extensions:
 - 1.1.1.1 Award one contract to Edinburgh Coach Lines Ltd for fully subsidised service 13 at a cost of £219,000 annually (£876,000 for the full contract term including extensions); and
 - 1.1.1.2 Award three contracts to First Scotland East Ltd for fully subsidised service 20 at a cost of £499,200 annually (£1,996,800 for the full contract term including extensions), fully subsidised service 63 at a cost of £370,240 annually (£1,480,960 for the full contract term including extensions) and fully subsidised service 68 at a cost of £78,000 annually (£312,000 for the full contract term including extensions).
 - 1.1.2 notes the details of the contract awards to deliver on the coalition commitment to enhance services in rural west of the city while ensuring that the fully subsidised services are provided within the current budget allocation.

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Executive Director of Place

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Award of Contracts for Supported Bus Services

2. Executive Summary

- 2.1 Following approval by [Finance and Resources](#) Committee in June 2018 of a Framework Agreement for the Supply of Supported Bus Services, this report provides the results of a tendering process undertaken to procure new fully subsidised bus services and the measures taken to deliver service improvements within the overall context of the existing budget allocation.

3. Background

- 3.1 On 12 June 2018, a Framework Agreement for the Supply of Supported Bus Services in the city was approved by Finance and Resources Committee. The Framework Agreement compiled a list of transport providers eligible to bid to operate future routes via mini-competitions to achieve best value for the Council.
- 3.2 In March 2019 meetings were held with a number of Community Councils to help gather feedback regarding existing bus service provision and inform the procurement process.
- 3.3 To deliver on the coalition commitment to enhance bus service provision in the south west of the city, Framework suppliers were invited to provide costs for different route options in this part of the capital to determine overall affordability.
- 3.4 This report provides the outcomes of the tendering process and due to the overall amount of the contract awards, as required by Council Standing Orders, Committee are asked to approve these. In addition, it also highlights the improvements to service in the south west of the city and the measures taken to deliver these within the current Supported Services budget allocation.

4. Main report

- 4.1 The Council funds supported bus routes, principally for reasons of social inclusion and the support of local communities to enhance public transport connectivity, accessibility, and encourage modal shift to a more sustainable method of travel. Supported bus services perform an important function by filling in gaps in the commercial bus network.
- 4.2 The current annual budget allocation for the provision of all supported bus services stands in the region of £1.549m. This amount includes an additional £250,000 allocated to enhance provision in rural west Edinburgh and options to provide residents in Currie and Balerno improved connectivity to St John's Hospital in Livingston and improved interchange connectivity to the city centre for residents of Ratho were included in the tender documents.
- 4.3 This amount provides financial subsidy for a combination of stand-alone routes, cross boundary services, and service enhancements such as timetable frequency enhancements.
- 4.4 Between 16 October and 18 December 2019, the Council conducted five separate mini competitions for fully subsidised separate bus contracts requiring renewal on the Public Contracts Scotland (PCS) website inviting bids of the seven providers listed in the Framework Agreement for Supported Bus Services. Details of the existing routes are shown below:
 - 4.4.1 Service 13 (Findlay Gardens to Quarry Retail Park);
 - 4.4.2 Service 20 (Chesser to Gyle);
 - 4.4.3 Service 20 (Ratho Village);
 - 4.4.4 Service 63 (Queensferry to Riccarton); and
 - 4.4.5 Service 68 (Gyle Centre to Turnhouse).
- 4.5 Whilst providers were asked to price all routes on a like for like basis, to respond to community feedback for improved connectivity, providers were asked to provide costs for the additional options outlined below:
 - 4.5.1 A single combined Service 20 (Chesser to Ratho Village) and an option including a route extension to include a stop at Ingliston Park and Ride so that residents of Ratho would have enhanced interchange options to bus and tram to the city centre; and
 - 4.5.2 Service 63 (Extend to Balerno Terminus).

- 4.6 Tenders were received from five providers. The bids were evaluated on the basis of the most economically advantageous tender (MEAT), with a weighting of 70% for price and 30% for quality. This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.
- 4.7 A summary of tendering and the tender evaluation process is attached at Appendix 1.
- 4.8 The contracts will be managed by officers within the Public Transport section of Place who will track benefits and monitor key performance indicators.

5. Next Steps

- 5.1 Subject to approval, it is anticipated that the new services will be operational, following the required 77 day registration period required by the Traffic Commissioner, in June 2020.

6. Financial impact

- 6.1 The current revenue budget for supported bus services is an estimated £1.549m per annum.
- 6.2 The contracts which are to be awarded within this report are for a combined total of £1,166,440 per annum.
- 6.3 As the prices submitted confirmed that cost savings could be obtained, the options to include the Ingliston and Balerno extensions could be delivered within budget limits delivering good value to the Council when considered in the context of the enhancements to the Services 20 and 63.
- 6.4 The estimated total cost of all supported service provision including the planned enhancements for the Services 20 and 63 is around £1.539m per annum.
- 6.5 It is intended to review funding contributions currently provided for service enhancements with Lothian Buses to explore potential future cost savings.
- 6.6 The costs associated with procuring these contracts are estimated to be between £10,001 to £20,000.

7. Stakeholder/Community Impact

- 7.1 Input from local communities including meetings with Community Councils in March 2019, helped shape the options that bus operators were asked to provide costings for to the Council.

- 7.2 Financially supporting bus services has positive impacts by making public transport available for a variety of groups including the elderly, disabled, ethnic minorities, those on low incomes or unemployed, and those in urban peripheries or more rural environments to enhance inclusion, accessibility and mobility.
- 7.3 As part of the Terms and Conditions for Supported Bus Services, the Council requires operators to deploy fully accessible and environmentally friendly vehicles on supported routes to contribute to ease of access for all and better air quality and reductions in carbon emissions to help deliver a healthier environment.
- 7.4 The Council's Low Emission Zone (LEZ) proposals and associated vehicle requirements were highlighted to operators as part of the tendering process and submissions were costed accordingly.
- 7.5 By way of Community Benefits achieved in respect of these contracts, First Scotland East Ltd have committed to providing educational bus tours for primary and secondary pupils or voluntary groups on their Bright Bus Tours of Historic Edinburgh and the provision of a bus as a mobile community centre outreach project, whilst Edinburgh Coach Lines Ltd have committed to providing local community sponsorship.

8. Background reading/external references

- 8.1 Framework Agreement for Supported Bus Services report (F&R Committee Tuesday 12 June 2018 on CPOL.

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Process.

Appendix 1 – Summary of Tendering and Tender Evaluation Process

Contract	Supported Bus Services – Service 13 Findlay Gardens to Quarry Retail Park	
Contract Period	Two years, to commence in June 2020, with two further optional 12 month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£876,000.00	
Procurement Route Chosen	Mini competition utilising the Supported Bus Services Framework Agreement	
Tenders Returned	Four	
Name of Recommended Supplier	Edinburgh Coach Lines Ltd	
Price / Quality Split	30% Quality	70% Cost
	<p>This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.</p> <p>Replicate Existing Route – 55%</p> <p>Sustainability – 20%</p> <p>Business Continuity – 15%</p> <p>Community Benefits – 10%</p>	
Evaluation Team	Three Council Officers from Public Transport Team	

Contract	Supported Bus Services – Service 20 Chesser to Ratho Village including extension to Ingliston Park & Ride (Option 2)	
Contract Period	Two years, to commence in June 2020, with two further optional 12 month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£1,996,800.00	
Procurement Route Chosen	Mini competition utilising the Supported Bus Services Framework Agreement	
Tenders Returned	One	
Name of Recommended Supplier	First Scotland East Ltd	
Price / Quality Split	30% Quality	70% Cost
	<p>This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.</p> <p>Option 2 Chesser to Ratho Village including extension to Ingliston Park and Ride – 55%</p> <p>Sustainability – 20%</p> <p>Business Continuity – 15%</p> <p>Community Benefits – 10%</p>	
Evaluation Team	Three Council Officers from Public Transport Team	

Contract	Supported Bus Services – Service 63 Queensferry to Riccarton including extension to Balerno Terminus (Option 2)	
Contract Period	Two years, to commence in June 2020, with two further optional 12 month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£1,480,960.00	
Procurement Route Chosen	Mini competition utilising the Supported Bus Services Framework Agreement	
Tenders Returned	Two	
Name of Recommended Supplier	First Scotland East Ltd	
Price / Quality Split	30% Quality	70% Cost
	<p>This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.</p> <p>Option 2 Queensferry to Riccarton including extension to Balerno Terminus – 55%</p> <p>Sustainability – 20%</p> <p>Business Continuity – 15%</p> <p>Community Benefits – 10%</p>	
Evaluation Team	Three Council Officers from Public Transport Team	

Contract	Supported Bus Services – Service 68 Gyle Centre to Turnhouse	
Contract Period	Two years, to commence in June 2020, with two further optional 12 month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£312,000.00	
Procurement Route Chosen	Mini competition utilising the Supported Bus Services Framework Agreement	
Tenders Returned	Five	
Name of Recommended Supplier	First Scotland East Ltd	
Price / Quality Split	30% Quality	70% Cost
	<p>This weighting was agreed on the understanding that a greater emphasis towards price at the mini-competition stage is appropriate to highlight commerciality and the need to obtain best value given the higher percentage given to quality to gain entry to the Framework Agreement.</p> <p>Replicate Existing Route – 55%</p> <p>Sustainability – 20%</p> <p>Business Continuity – 15%</p> <p>Community Benefits – 10%</p>	
Evaluation Team	Three Council Officers from Public Transport Team	