

**Valuing Community
Transport in
Northumberland**
**Community Transport,
Contracts and Added Value**

31 January, 2008

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**Community Transport, Contracts and
Added Value**

THIS SESSION:

- Strategic preparation for contracts
- Adding Value

**NOT "What are contracts, Why do
this, etc."**

- Presentations:
 - Theory (John Taylor)
 - Practice (Liz Prudhoe)

Community Transport and Contracts
TWO ANGLES

- Statutory agencies procuring CT services by means of contracts
- CT operators undertaking non-CT work under contract

**Procuring CT services through
Contracts**

- Small but growing trend (see Hampshire advert in CT magazine, Chester DAR, Milton Keynes PlusBus)
- Reflects:
 - CT now mainstream activity
 - Assures Best Value
 - EU State Aid rules (Maximum €100k over 3 years i.e. £24,800 p.a.)
 - Tougher interpretation by Procurement Officers

Tender for Community Transport Services

The County Council is inviting applications from suitably qualified companies or organisations for inclusion on a select tender list for the above. Details of the tender are given below and companies or organisations should submit their Pre Qualification Questionnaires in Paragraph 4 by 12 February 2008.

1. Contact details of the contracting

local authority

Hampshire County Council, Environment Department
The Castle, Winchester SO23 8UD
Tel: 01962 845728 Fax: 01962 845781
Email: peter.king@hants.gov.uk Web: www.hants.gov.uk

2. Details of the work

Dial a Ride is a door to door service for anyone who finds it difficult or impossible to use ordinary bus services. Call and Go is a flexible bus service for anyone whose travel needs are not met by public bus services.

Dial a Bus is a registered bus service that can divert up to one mile off its route to pick up people with mobility difficulties.

Community Transport Schemes operate, encourage and develop the most effective use of all transport resources within a community and act as a local reference point for increasing and developing the transport opportunities for individuals and groups.

The contract will be split into various lots as stated below and companies or organisations can apply for one or more lot.

1. Basingstoke Community Transport
2. Basingstoke Dial a Ride
3. East Hampshire Dial a Bus/Dial a Ride
4. Eastleigh Dial a Ride
5. Fareham Dial a Ride
6. Gosport Dial a Ride
7. Hart Call and Go
8. Havant Call and Go
9. New Forest Call and Go
10. Rushmoor Dial a Ride
11. Winchester Dial a Ride

The contracts will commence on 1 October 2008 and run for 4 years to 30 September 2012.

The Estimated Total Value of the contracts for 4 years is £3,900,000.

Contractors will need to operate under one or more of the following:

- Public Service Vehicle Operator's Licence (PSV 'O' Licence)
- Small Bus Permit issued under Section 19 of the Transport Act 1985 (vehicles with capacity for between 9 and 16 passengers).

If operating vehicles with capacity for no more than 8 passengers, one of the following would also be acceptable:

- Hackney Carriage Licence
- Private Hire Operator's Licence

3. Where applicable, the legal form to be assumed by the grouping of service providers winning the contract

Joint and several liability.

4. Information to be provided with the application

Pre Qualification Questionnaires are available from the address in 1 above or by email peter.king@hants.gov.uk or by telephone 01962 845728.

Completed Pre Qualification Questionnaires should be sent to arrive no later than 12 February 2007.

Tender documents will be sent out around 10 March 2008 to approximately 10 – 20 companies/organisations.

5. Criteria for the award of the contract

The most economically advantageous tender as stated in the tender documentation.

Procuring CT services through Contracts – Issues for CTs

- Can you define what services you provide / want to provide in quantifiable terms?
- Are you gathering enough management data? (outputs / costs / quality)
- Do you have business models for the different services you run?
 - e.g. what are the unit overhead costs for each output (passenger trip, self-drive hire, etc)?
- Prepare consortium arrangements (cross-county / cross-region)

Undertaking non-CT work under contract

- Contracts worth £20 million p.a. for transport with a care component across North East
- Transfer of Ambulance Car Service to third sector (e.g. Cotswold CVS)
- Potential to:
 - Influence quality
 - Gather economies of scale
 - Consolidate services

Cotswold CVS



Why Add Value to your bid

- Shift playing field from 'lowest cost' towards best value
- Opportunity to spell out CT benefits in concrete terms
- Enables sustainable work packages to be created (peak and off-peak)
- Creates a USP
- NOT an alternative to a competitive bid!

Legal Context for Added Value

- **§2 Local Government Act 2000: economic, social & environmental 'well-being' powers (Community Strategy)**
- **§152 Transport Act 2000: economy, efficiency, effectiveness, congestion, pollution (Bus Strategy)**
- **Guidance from OGC**
 - **Think Smart, Think Voluntary Sector**
 - **Social Issues in Purchasing**
- **Proactive Procurement (from social enterprises) – Cooperatives UK**

Tactical Context for Added Value

- **Where Integrated Transport Unit undertakes tendering, can put different services together (e.g. school + shopper bus)**
- **For all, consider other issues:**
 - **Additional (discretionary) transport**
 - **Environmental**
 - **Social / Employment**
 - **Quality (vehicles / staff training / communication)**
 - **Robustness of service design (e.g. back-up)**
- **Reference back to the purchasing agency's wider objectives (e.g. LTP)**
- **Quantify with suggested £££ value**

Issues for Purchasers

- **Ensure alternative bids / packages can be considered / evaluated**
- **Read OGC and related guidance**
- **Ensure adequate consideration given to quality – within specification and evaluation**
- **If have fixed budget – say so and see what you can get!**
- **Use post-tender negotiation constructively**

Contact

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