



CABINET – 1ST APRIL 2014

**EXCEPTION TO THE CONTRACT PROCEDURE RULES FOR
THE OPERATION OF PARK AND RIDE LOCAL BUS SERVICE
CONTRACTS - URGENT ACTION BY THE CHIEF EXECUTIVE**

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of Report

1. The purpose of this report is to advise the Cabinet of urgent action taken by the Chief Executive, in consultation with the Leader of the Council, to approve an exception to the Contract Procedure Rules to enable contracts with Roberts Coaches for the operation of Park and Ride Local Bus Services to be extended for a period of 15 months from November 2014.

Recommendation

2. That the urgent action taken by the Chief Executive, in consultation with the Leader, to extend the current contracts with Roberts Coaches for the provision of Park and Ride Local Bus Services until February 2016 be noted.

Reason for Recommendation

3. The County Council's Contract Procedure Rules (Rule 5 (b) (ii)), in cases of urgency, provide for the Chief Executive, in consultation with the Leader or Deputy Leader, to direct that an exception be made subject to this being reported to the next meeting of the Cabinet.

Timetable for Decisions (including Scrutiny)

4. The Park and Ride bus contracts are due to expire in November 2014. The urgent decision to extend the contracts was made in order for a managed review of services to be completed and recommendations from the review to be incorporated into the new bus service contract for the service operation. The extension needed to be approved before the end of March 2014 to guarantee the contract price extension offered and it will allow time for the review of these contracts in accordance with the managed review which aims to reduce the services to having no cost to the public purse over the next 3 years.

Policy Framework and Previous Decisions

5. The three Park and Ride sites are a long term service provision to reduce congestion and help deliver sustainable travel objectives in the third Local Transport Plan (LTP3).
6. Approval to construct and operate Park and Rides from Enderby (opened in late 2009) and Birstall (summer 2011) was given by Cabinet in October 2005. Meynell's Gorse has been open and operating since 1999.
7. Local bus service contracts have been invited and awarded for five years and Meynell's Gorse has been extended for a 3½ vehicle (three all day buses and a fourth bus for peak time travel) contract between January 2013 and November 2014 by the Director of Corporate Resources.
8. The contract to operate Enderby and incorporate Birstall into this operation was awarded to Veolia Transport to run up to November 2014. This contract was transferred to Roberts Coaches in late 2012 with the sale of Veolia's Coalville operations to Roberts Coaches, on the same terms and conditions of contract.

Resources Implications

9. The cost of the Park and Ride bus service operation can be met from the existing revenue budget within the Sustainable Travel Group in Environment and Transport. Early actions arising from the managed service review, if implemented, should reduce the budget for the operation of Park and Ride in the 2015/16 financial year.
10. The contract is for £1.1 million/year gross. The net overall cost shared between the City and County Councils is presently around £500,000/year, taking into account fares income and site costs. The gross cost of the extension is £1.375 million.
11. The Director of Corporate Resources has been consulted on the contents of this report.

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PART B**Background**

12. Discussions concerning a contract extension for Park and Ride have taken place with Corporate Procurement and approval had been requested for an extension to be approved by Director of Corporate Resources. Prices have been sought from Roberts for three periods of extension - 6, 12 and 15 months.
13. These discussions suggested that Cabinet agreement was needed to extend the Park and Ride bus operation contract from November 2014 to January 2016 but too late to be included for Cabinet's consideration on 5 March.
14. As an exception to the Contract Procedure Rules, an extension was proposed to extend the current park and ride contracts with Roberts Coaches. The contracts are funded on a 50:50 basis by the City and County Councils. The Park and Ride bus contract is valued at just under £1.1m per year for this 10 vehicle contract.
15. Local Bus Service contracts can run for up to 8 years under rules introduced in the 2008 Local Transport Act – section 70.
16. The extension needed to be approved before the end of March 2014 to guarantee the contract price extension offered.
17. Chief Executive approval, to enable us to meet contract price guarantee, in accordance with Contract Procedure Rule 5 (b) (ii), has been given following consultation with the Leader of the Council due to its urgency.
18. The proposed extension will allow for a managed review of the service provision, by the City Mayor to be completed. This is likely to be spring 2014 at the earliest. A 12 month extension would provide time to consider any decisions from the managed review and a 15 month extension would allow continued operation past the critical Christmas operation to the beginning of 2016. New contracts normally require 12 month lead-in periods, to allow for the acquisition of new vehicles.
19. The present contract is due for renewal in November 2014. This is already too close to allow effective introduction of any new service. Earlier commissioning of a new service would not have been appropriate given the City Mayor's desire for a service review that would probably lead to changes to the service.
20. The City Mayor's stated intention is to reduce Park and Ride subsidy to zero within 3 years, which is a key purpose behind the managed review. Current annual funding is running at around £500,000 split 50:50 between the city and county councils; this subsidy covers, in addition to the bus contract, the site operation costs at Meynells Gorse, Enderby and Birstall.
21. A 15 month extension is preferred for a number of reasons:
 - Guarantees and fixes costs of contract operation for the next 21 months
 - Allows the recent investment of £20,000 in new ticket machines (Wayfarer ETMs) to benefit service monitoring

- Allows time to consider what a revised Park and Ride offer might be as the economy improves
- Doesn't tie the council in to a 5 year contract that may need major revisions and contract renegotiation in the next 12-24 months
- Allows an operational break point in February 2016
- Offers reasonable comparison against current equivalent tender costs - unlikely to be achieved at a lower cost based on recent tenders and current bus contract costs.
- Provides continuity of operation
- Allows investigation of an A426 routing option from Enderby to incorporate the Leicester Royal Infirmary on a direct park and ride route.

Background Papers

None

Relevant Impact Assessments

None

Equal Opportunities Implications

None