

**REPORT TO:** Cabinet

**DATE:** 10<sup>th</sup> June 2010

**SUBJECT:** Bus / Taxi - Framework Agreements

**WARDS AFFECTED:** All

**REPORT OF:** J G Black  
Operational Services Director

**CONTACT OFFICER:** Garry Lewis  
Head of Specialist Transport  
0151 934 4601

**EXEMPT/  
CONFIDENTIAL:** No.

**PURPOSE/SUMMARY:**

To obtain approval to extend the current Bus Route framework agreement for a period of 12 months.

**REASON WHY DECISION REQUIRED:**

To provide an ongoing contractual arrangement for the transportation of vulnerable residents by external bus companies until 31<sup>st</sup> August 2011.

**RECOMMENDATION(S):**

That Cabinet agree;

- 1) The extension of the current Bus Route framework agreement for a period of 12 months from 1<sup>st</sup> September 2010.
- 2) A formal procurement exercise is carried out to procure a new combined Bus and Taxi routes contract to operate from 1<sup>st</sup> September 2011 onwards.

**KEY DECISION:** No

**FORWARD PLAN:** No

**IMPLEMENTATION DATE:** Following the expiry of the "call-in" period for the minutes of the meeting.

**ALTERNATIVE OPTIONS:**

None – carrying out a formal re-tendering procedure would not, at this time, incorporate new 'optimised routes' and may take up to 6 months to complete.

**IMPLICATIONS:**

**Budget/Policy Framework:** None

**Financial:**

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>	<b>2013/ 2014 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

**Legal:** An extension period of up to 24 months is allowed within the current Bus Route framework agreement.

**Risk Assessment:** Not Applicable

**Asset Management:** Not Applicable

**CONSULTATION UNDERTAKEN/VIEWS**

Central Purchasing

FD 407 - The Interim Head of Corporate Finance & Information Services has been consulted and has no comments on this report.

**CORPORATE OBJECTIVE MONITORING:**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity	√		
4	Improving Health and Well-Being	√		
5	Environmental Sustainability	√		
6	Creating Inclusive Communities	√		
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People	√		

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

N/A

## Background

1. The current Bus Route framework agreement, which resulted from a Cabinet Member Report, dated 21<sup>st</sup> July 2005, by Tony Yates (then Finance Director) and Ashley Heller (then Head of Specialist Transport Services) is scheduled to end on 31<sup>st</sup> August 2010 but includes the option to extend the contractual arrangement for a up to a maximum of 2 years.
2. The Specialist Transportation Unit (STU) delayed the process of carrying out a formal re-procurement exercise for Bus Routes until the result of the Transport Software tender became known.
3. This information technology (IT) software is required in order to be able to produce the most efficient routes, via the 'route optimisation' aspect of this software, based on current service data.
4. Unfortunately the decision to procure new software, following the tender exercise, was delayed until the beginning of April. Therefore there is not enough time to carry out a formal procurement (tendering) process, to comply with Council Contracts Procedure Rules and European Procurement guidelines, for a new Bus Route agreement to be in place by the 1<sup>st</sup> September 2010.
5. In addition to the above the core period of the current Taxi Framework Contract expires on 31<sup>st</sup> August 2011. It is therefore deemed appropriate to complete 'route optimisation' prior to procuring a replacement combined Taxi and Bus Route agreement to commence from 1<sup>st</sup> September 2011.
6. The use of 'route optimisation' will enable more efficient routes to be created and included in tender documents. It is envisaged that this will achieve savings under future contractual arrangements.
7. The STU section will, subject to approval, conduct a formal procurement exercise for a combined routes contract over the coming months, incorporating fully optimised route information.
8. It is also envisaged that the STU section will be able to make use of new optimised routes towards the end of 2010, during the 12-month extension period, therefore achieving savings during this financial year. This may not be achievable if a new contract was established that was not based on optimised routes.
9. The STU section should also be able to make savings by using optimised route information and applying this to the current Taxi contract.

## **Tendering Process**

10. The STU section is seeking approval to conduct a formal procurement process, advertised in the Official Journal of the European Union (OJEU), during the extension period. This will enable a new combined Bus and Taxi Routes contract to be awarded and to commence from 1<sup>st</sup> September 2011.

## **Financial implications**

11. The current costs associated with the contract for 'bus routes' is ~£2.4m annually, therefore Cabinet approval is required to extend the existing contractual arrangement.
12. The implementation of the route optimisation process may enable the STU to reduce expenditure on existing Bus Route and Taxi contracts during the 2010/11 financial year.
13. Further efficiencies should be generated from September 2011 under a new contractual arrangement.