

AGENDA MANAGEMENT SHEET

Name of Committee	Leader Decision Making Session
Date of Committee	29 June 2010
Report Title	Tenders for Passenger Transport Services (Stratford Park and Ride)
Summary	<p>The bus operations contracts of the Stratford Park and Ride service, in addition to the Stratford town service routes 19 and 222, are all due to expire in November 2010. County Council officers have undertaken procurement aimed at rationalising these 3 bus services into new bus service contracts as follows:-</p> <ol style="list-style-type: none"> 1. TO/11128/11/10: Trinity Mead – Stratford Town Centre – West Green Drive; and 2. TO/11129/P&R/10: Stratford Park and Ride/Stratford Town Centre – Justin’s Avenue. <p>Due to an oversight, approval from Portfolio Holders to commence the procurement process was not sought.</p> <p>The total combined contract value of the preferred tender is £2.9million. Therefore, in order to secure the continued operation of the Stratford Park and Ride service, this report requests the following:-</p> <ol style="list-style-type: none"> 1. Retrospective approval to the procurement process in relation to the tender of these contracts; and 2. Approval to proceed with awarding these contracts.
For further information please contact	<p>Nigel Whyte Transport Planner/Project Manager Tel. 01926 412094 nigelwhyte@warwickshire.gov.uk</p>
Would the recommended decision be contrary to the Budget and Policy Framework?	Yes/No
Background Papers	None.

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s) Councillor P Balaam }
(With brief comments, if appropriate) Councillor R Cockings } for information
Councillor R Hobbs }
Councillor K Rolfe }
- Other Elected Members Councillor J Appleton }
Councillor R Chattaway } for information
Councillor C Davis }
Councillor M Gittus }
Councillor B Moss }
- Cabinet Member Councillor A Cockburn – for information
(Reports to The Cabinet, to be cleared with Councillor M Heatley
appropriate Cabinet Member) Councillor C Hayfield
- Chief Executive
- Legal J Pollard - comments incorporated.
- Finance D Clarke
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals Paul White, C Barclay - (Procurement) – agreed.

FINAL DECISION

YES/NO

(If 'No' complete Suggested Next Steps)

Details to be specified

Agenda No 2

Leader Decision Making Session – 29 June 2010

Tenders for Passenger Transport Services (Stratford Park and Ride)

Report of the Strategic Director for Environment and Economy

Recommendation

That the Leader agrees the following:-

1. Grant retrospective approval to the procurement process in relation to the tender of the following contracts:-
 - (i) TO/11128/11/10: Trinity Mead – Stratford Town Centre – West Green Drive; and
 - (ii) TO/11129/P&R/10: Stratford Park and Ride/Stratford Town Centre – Justin's Avenue.
- 2 Grant approval to proceed with awarding these contracts, which have a combined total value of £2.9million. This would secure the continued operation of the Stratford Park and Ride service.

1. Introduction

- 1.1 The Stratford Park and Ride commenced operation in November 2005, under a five year Single Operational Contract with Johnsons Coaches, which covers both the operation of the bus service and the management of the site. In order to enable cost savings, the subsidised Service 222 (Town Centre – Trinity Mead – Bridgetown) was extended to serve the Stratford Park and Ride site via Timothy's Bridge Road and Mason's Road.
- 1.2 The bus operations contracts for both the Stratford Park and Ride and the Service 222 town service are due to expire in November 2010. In addition, the existing Service 19 town service (Town Centre – West Green Drive – Justin's Avenue – Town Centre) is also due to expire in November 2010. Therefore, County Council officers undertook contract procurement proceedings, with the purpose of rationalising the three bus services in order to achieve cost savings.
- 1.3 For the avoidance of doubt, the rationalisation revolves essentially around the number of contracts rather than the number of bus routes. In terms of the bus routes covered, the size of this particular bus network remains broadly unchanged, and it is not therefore, an area where savings would necessarily be anticipated.

1.4 The three budgets that would meet the total cost of the combined contracts are a combination of the following:-

- (i) Stratford Park and Ride revenue support;
- (ii) Passenger Transport revenue support; and
- (iii) Children, Young Persons and Families School Transport budget.

2. Evidence of Growth on the Stratford Park and Ride

2.1 The Stratford Park and Ride has now established a loyal and increasing customer base consisting of both local commuters and tourists. The scheme has been successful in contributing towards the delivery of County Council objectives in terms of increasing bus patronage, encouraging modal shift from car to public transport, reducing congestion, improving the local environment of the town centre and promoting the economic vitality of the town. The two tables below demonstrate the growth of the Stratford Park and Ride service:-

2.2 **Table 1: Patronage (Nov 2005 to April 2010)**

Stratford Park and Ride						
Actual Number of Passenger Journeys per Month						
Month	2005	2006	2007	2008	2009	2010
Jan		2,372	7,306	6,781	7,888	7,833
Feb		3,100	7,447	7,383	8,023	8,672
Mar		3,184	8,900	8,775	8,916	10,622
Apr		7,404	10,604	10,047	12,384	12,929
May		6,529	8,834	9,497	10,939	12,776
Jun		6,070	8,565	8,800	9,742	
Jul		7,724	6,757	10,790	11,362	
Aug		9,282	11,807	13,382	13,851	
Sep		7,135	8,666	10,073	13,108	
Oct		6,845	7,712	9,747	11,290	
Nov	543	7,116	8,098	9,636	9,957	
Dec	2,965	9,201	9,095	8,643	9,355	
Total	3,508	75,962	103,791	113,554	126,815	52,832

2.3 **Table 2: Revenue (Bus Ticket Sales - Nov 2005 to April 2010)**

Stratford Park and Ride						
Total Revenue per Month (including Concessionary Fare Reimbursement)						
Month	2005	2006	2007	2008	2009	2010
Jan		£2,921	£6,669	£6,907	£7,166	£9,592
Feb		£4,016	£7,384	£7,479	£7,496	£9,781
Mar		£4,130	£8,987	£9,190	£8,260	£12,252
Apr		£8,836	£11,800	£9,928	£16,775	£17,094
May		£6,781	£9,477	£9,514	£16,769	£15,720
Jun		£5,951	£8,990	£8,648	£13,943	
Jul		£7,784	£7,077	£10,801	£17,243	
Aug		£10,150	£13,398	£14,109	£19,865	
Sep		£7,454	£9,383	£10,024	£15,910	
Oct		£7,593	£8,123	£9,250	£13,964	
Nov	£707	£7,622	£8,197	£8,903	£11,561	
Dec	£3,855	£9,308	£9,690	£8,026	£11,267	
Total	£4,561	£82,547	£109,176	£112,779	£160,220	£64,439

3. **Cost Performance - Stratford Park and Ride (2009/10)**

3.1 **Table 3: Cost Performance in 2009/10**

STRATFORD PARK AND RIDE – COST PERFORMANCE IN 2009/10	
Revenue:	
Total Number of Passenger Journeys	129,115
Total Revenue (Bus Ticket Sales and Other Income)	£184,733
Expenditure:	
Bus Contract Costs	£259,390
Property Costs (e.g. Business Rates and Utilities)	£90,647
Third Party Payments	£2,498
Capital Debt Charges	£66,240
TOTAL EXPENDITURE	£418,775
SUBSIDY REQUIREMENT (Stratford Park and Ride revenue support budget)	£234,042

4. **Details of the Tenders**

- 4.1 The procurement process in relation to the bus contracts commenced in March 2010. However, due to an oversight, approval was not sought from Cabinet to commence this process. In order to rectify the matter, in accordance with the new Contract Scheme of Delegation protocol introduced in April 2010, this report seeks retrospective approval to commence the procurement process from the Leader, as the combined total contract value of the contract is £2.9million.

4.2 The tender process was undertaken in accordance with the County Council's Contract Standing Orders and procurement procedures. Information around the OJEU advert (open tendering procedures were used, whereby the invitation to tender were open to any bus operator who expressed an interest), number and range of tenders received and the evaluation process are all documented and available if required. It was agreed at the outset that this type of operation would not be appropriate for tendering through the e-auction process at such an early stage of this new approach to procurement.

4.3 Details of the tenders to be awarded:-

TO/11129/P&R/10: Stratford Park and Ride/Stratford Town Centre – Justin's Avenue:-

(i) Requires a total four high quality vehicles provided by the bus operator, each with a capacity of 45 seats, which is a higher capacity than the current vehicles operating the Stratford Park and Ride. The length of the contract would be seven years.

TO/11128/11/10: Trinity Mead – Stratford Town Centre – West Green Drive:-

(ii) Requires a total of two vehicles provided by Warwickshire County Council, under our 'County Links' brand. The length of the contract would be seven years.

4.4 It is planned to separate responsibilities for site management from the bus operations contract. Instead, site management will be undertaken 'in-house' by WCC Facilities and Asset Management Group.

4.5 Under the terms of an agreed Service Level Agreement, WCC Facilities and Asset Management Group will charge a £66,480 per annum to manage the Stratford Park and Ride site. This cost includes TUPE arrangements concerned with transferring the three existing Site Supervisors to the County Council.

4.6 Separating the bus service and site operation contracts will deliver benefits to the operation of the Stratford Park and Ride in terms of offering improved standard of customer care, in addition to increased flexibility and control over the operation of the site, particularly in preparation for the delivery of the proposed Stratford Parkway Rail Station, which would share the Stratford Park and Ride site. Separating the two contracts will also provide independent monitoring of the bus service contract.

4.7 **Table 4: Cost Performance in 2011/12 (including bus contract costs and Service Level Agreement)**

Stratford Park and Ride – Projected Cost Performance in 2011/12	
Revenue:	
Projected Total Number of Passenger Journeys	147,174
Projected Total Revenue (Bus Ticket Sales)	£194,707
Expenditure:	
Bus Contract Costs	£174,260
Service Level Agreement	£66,480
Property Costs (e.g. Business Rates and Utilities)	£96,866
Capital Debt Charges	£66,240
TOTAL EXPENDITURE	£403,846
PROJECTED SUBSIDY REQUIREMENT	£209,139

5. Financial Implications

- 5.1 The financial implication of the proposed decision is that the total combined value of the contracts is £2.9million. Cost savings have been achieved by integrating Justin's Avenue into the Stratford Park and Ride/Service 222 route to alleviate the current requirement for an additional vehicle to be provided during the AM and PM peak times.

PAUL GALLAND
Strategic Director for Environment and Economy
Shire Hall
Warwick

16 June 2010