

Executive

18 May 2017

**Report of the Corporate Director of Economy & Place
Portfolio of the Executive Member for Transport & Planning**

Park & Ride Operator Procurement

Summary

1. This report provides details of the result of the evaluation of the tenders received for the provision of the Park & Ride bus service. Members are asked to approve the award of a contract for the provision of the service to the winning supplier, subject to minor amendments as the result of clarification of terms. Members are also asked to decide which (if any) enhanced specification items should be included at the start of the contract.

Recommendation

2. The Executive is recommended to approve option A:

Subject to minor amendments as the result of clarification of terms:

- a. To agree to delegate authority to the Corporate Director of Economy and Place to enter in to contract with the proposed supplier for the provision of Park & Ride services;
- b. To agree to the option for overnight parking arrangements at the Askham Bar and Monks Cross P&R sites;
- c. To reject at this time the options to extend the hours of site supervision or to provide extended evening P&R bus services;
- d. To delegate authority to the Corporate Director of Economy and Place for the procurement of a maximum of five days of additional Sunday opening hours to cater for special events on a case by case basis in consultation with the Executive Member for Transport and Planning.
- e. To note the additional future years costs (£85k) will be incorporated as growth within the budget that Council will consider in February 2018.

Reason: This course of action will ensure that the continued successful operation of the York Park & Ride network is guaranteed and which balances the Council's ambitions for improvement with a financially sustainable operating model.

Background

Current Position

3. Contracts for the Park & Ride operation were previously tendered in 1995, 2000 and 2007. The current operation commenced in February 2009. A procurement exercise undertaken in 2016 did not deliver any bids which could be accommodated within the Council's financial envelope. Following this, a twelve month extension was agreed with the present provider to enable continuity of service until a revised procurement could be completed.
4. The Park & Ride services have and will continue to be a key element in the transport system in the city. It has been successful (over four million passengers) in contributing towards management of traffic congestion and economic vitality of the city. If the Park & Ride is to continue to provide this essential service, then there needs to be further investment made in the future to maintain and enhance it.

Previous Park & Ride Reports to the Executive

5. Following the 2016 procurement exercise, the Executive gave approval for the undertaking of a comprehensive supplier engagement exercise to establish why the suppliers felt unable to bid for the contract. Following the completion of this exercise, options for a revised procurement of the Park & Ride service were presented to the Executive in December 2016.
6. The Executive approved the recommended approach to procure the service using a similar contractual arrangement to the existing agreement. It was agreed that a fully compliant Open procedure would be employed with a Most Economically Advantageous Tender (MEAT) evaluation methodology used to allow cost and quality elements to be assessed.
7. The services tendered were the management, supervision and provision of vehicles and drivers to enable the Park & Ride to operate from six sites and the maintenance of these sites.

8. The key elements of the tender were:
 - Licence Fee
 - Service management
 - Capacity and frequency of service
 - Customer experience
 - Vehicles & emission standards
 - Fares

In addition, the tender requested that bidders provide prices for a number of optional extras which could be included if affordable.

Key Features of Procurement Process

9. The procurement has been undertaken under the close supervision of the Corporate Procurement Team to ensure that the correct process has been followed at all stages. The OJEU Notice was submitted in February 2017 inviting operators to respond to tender documents. The tender closed in late April 2017.

Options

10. The following options have been considered in this report with the overall financial implication of the recommended option identified. Detailed costing for each additional element is shown in confidential Annex 2. The justification for keeping this detailed information confidential is that if the winning bidder was to withdraw from the process, the Council would have released their financial tendering information to the public, which would prejudice future procurement processes and harm our future interests and commercial position.

Option A

11. Subject to minor amendments as the result of clarification of terms:
 - a. To agree to delegate authority to the Corporate Director of Economy and Place to enter in to contract with the proposed supplier for the provision of Park & Ride services;
 - b. To agree to the option for overnight parking arrangements at the Askham Bar and Monks Cross P&R sites subject to the confirmation of detailed arrangements;
 - c. To reject at this time the options to extend the hours of site supervision or to provide extended evening P&R bus services;
 - d. To delegate authority to the Corporate Director of Economy and Place for the procurement of a maximum of five additional

Sunday opening hours to cater for special events on a case by case basis in consultation with the Executive Member for Transport and Planning.

Option B

12. Subject to minor amendments as the result of clarification of terms:
 - a. To agree to delegate authority to the Corporate Director of Economy and Place to enter in to contract with the proposed supplier for the provision of Park & Ride services;
 - b. To agree to the option for overnight parking arrangements at the Askham Bar and Monks Cross P&R sites subject to the confirmation of detailed arrangements;;
 - c. To accept the options to extend the hours of site supervision at all Park & Ride sites and to provide extended evening P&R bus services on the Askham Bar and Monks Cross routes;
 - d. To delegate authority to the Corporate Director of Economy and Place for the procurement of a maximum of five additional Sunday opening hours to cater for special events on a case by case basis in consultation with the Executive Member for Transport and Planning.

Option C

13. To reject the result of the procurement process and to ask officers to seek a further extension to the existing contract and to commence a new procurement exercise.

Analysis

Park & Ride Specification

14. Following the 2016 procurement exercise, the 2017 specification was revised in response to the issues raised by the eight companies consulted through the supplier engagement process. Variation from the previous procurement process included:
 - Relaxation of vehicle capacity requirements
 - Market freedom to determine the vehicle type used (e.g. single deck, double deck, articulated bus, etc)
 - Allowing bidders to nominate a contract start standard Park & Ride fare of between £2.80 and £3.10
 - Retention of all current Park & Ride bus stopping points

- Reduction of the level of supervision at Park & Ride sites to AM only
- Provision of a costed Authority proposal for management of the Park & Ride site maintenance, reducing the risk of tendering for bidders.

15. A copy of the specification is provided in Annex 1.

Tender Evaluation

16. The evaluation process was designed to compare the price and quality of the tenders using a MEAT approach with a 50:50 quality/cost split.

Quality Element

17. The quality element questions (as broken down in Table 1 below) were scored by a panel of three officers on a 0-5 basis and added to the % out of 10 for the base fare proposal to give a maximum possible score of 50%.

Table 1

	Category	Number of Questions in Category	Category Weighting
1	General	3	1.25%
2	Capacity	2	5.00%
3	Service Management	6	5.00%
4	Customer Interface	7	10.00%
5	Vehicles	2	1.25%
6	Depot	1	1.25%
7	Mobilisation	1	1.25%
8	Ultra-Low Emission Vehicles	1	15.00%
9	Supplementary information		Pass/Fail
10	Base Fare Proposed	1	10.00%
	Total	24	50.00%

Cost Element

18. The cost element was scored as per the breakdown at Table 2 (below), with the best bid (highest licence fee or cheapest extra costs) receiving full marks and then other bids to receive a % score relative to the best bid.

Table 2

1	Tendered annual licence fee	45.00%
2	Optional Extras	5.00%
	Price Element Total	50.00%

Results of Evaluation

19. Following confirmation that all bids received were compliant and valid, Officers undertook a full and comprehensive evaluation. The winning supplier scored highest over all evaluation categories.

Key Features of the Winning Supplier's Proposals

20. The winning supplier's proposals include the provision of new buses, additional capacity, and improved emissions standards. The key features of the new service are identified at Table 3 below.

Table 3

Licence Fee	£50,000 per annum indexed with inflation	
Number of Vehicles	Proposed	Current
	<u>Articulated</u> , Euro VI 6 new buses (for use on the Rawcliffe Bar service due to low bridges)	<u>Articulated</u> , Euro EEV 15 buses
	<u>Double deck</u> , Euro VI 18 new buses (replacing single deck & articulated buses)	<u>Double deck</u> None currently in use on Park & Ride
	<u>Single deck diesel</u> None proposed	<u>Single deck diesel</u> , Euro EEV 11 buses
	<u>Single deck</u> , fully electric 11 buses	<u>Single deck</u> , fully electric 11 buses

	<u>Double deck</u> , fully electric 3 new buses	<u>Double deck</u> , fully electric None currently in use on Park & Ride
	<u>Others</u> 4 additional Double deck diesel-electric hybrids for peak Saturdays (from city fleet)	<u>Others</u> Diesel buses from the city fleet are currently used for peak Saturdays
Type of Vehicle	Mercedes Benz Citaro G articulated Alexander Dennis Enviro 400MMC Optare Versa EV Optare MetroDecker EV	Mercedes Benz Citaro G articulated Wright-Volvo B7RLE Optare Versa EV
<p>The new contract introduces 3 fully electric double deck buses to the York Park & Ride network. All diesel buses used on the Park & Ride network will be Euro VI. Additionally, by replacing 9 articulated buses with double-deck vehicles, significant improvements to fuel efficiency will be achieved.</p>		
Service capacity	Greater capacity on Askham Bar, Designer Outlet, Monks Cross & Rawcliffe Bar. Similar capacity to current service on the Grimston Bar and Poppleton Bar routes.	
Service Management	Dedicated manager for service + single supervisor at each site – two sites with full time supervision, four sites with AM only supervision but with a PM mobile supervisor to address issues arising at any sites.	
Service frequency	Services throughout the day at a 10 minute frequency or better, dropping to every 15 minutes in the evening.	
Fare	The adult P&R return fare will increase from £2.90 to £3.10 in year 1, increasing within prescribed limits at the operator's discretion.	
Branding	Dedicated Park & Ride brand – Indicative designs presented in the bid. Final designs to be agreed.	
Ticketing	In addition to the existing cash, mobile phone app and smart ticket options, contactless bank card ticketing to be introduced	
Marketing	An annual budget committed for marketing & promotion of the service for the life of the contract of at least £75k per annum.	

Enhanced Specification

21. A number of items to enhance the Park & Ride service were included in the tender as optional extras to allow accurate costs to be established and enable the improvements to be instructed if affordable. These costs are outlined in confidential annex 2.
22. Members may wish to delay a decision on the additional items for consideration as part of the annual budget for future years. The recommendations are based on the items' contribution to service improvement and affordability within the contract.

Full Time Supervision at all Sites

23. The winning supplier has committed to a comprehensive supervision offer at Monks Cross Park & Ride. Further, they have committed to supervision for almost all of the day at Poppleton Bar. For the remainder of the sites, a dedicated supervisor will be in place until 13:30 each day (14:30 on Sundays). During the afternoon and evening, a mobile supervisor will be available and will have access to a vehicle to attend to issues arising at any of the sites.
24. For the past two months the current supplier has trialled withdrawal of PM supervisors at the four sites with very limited negative feedback. Given the scale of cost and the limited impact of the reduction in coverage, it is not recommended to take up this item.

Later Evening P&R Services to 23:00 at Askham Bar P&R or at Monks Cross P&R

25. To encourage longer visits to the city an option to extend the opening hours at one or more Park & Ride sites to 23:00 Monday to Saturday was included. This was largely in response to customer surveys and consultation with Visit York and others who indicated that such a move would potentially facilitate growth of the city centre evening economy.
26. Alternative prices were sought for provision of the later services on Friday and Saturday evenings only, with lower resulting costs for both services.
27. Members have the option to note the prices offered with a view to employing these options at a later stage. This is particularly

relevant with regard to the situation at Monks Cross as the Stadium development is likely to increase demand for evening Park & Ride travel.

Provision of Enhanced Sunday services 0900 – 2000

28. The last bus on a Sunday is significantly earlier than on Monday – Saturday. This item was included to enable the Council to request services for days when there is likely to be higher, later demand resulting from particularly busy Sunday events in York.

Overnight Parking Provision at Askham Bar & Monks Cross

29. This item requires that the supplier, working in partnership with the Council, provides the opportunity for Park & Ride users to park overnight in a secure parking environment. The site is only to be opened during bus operating hours and would enable a maximum 3 day parking duration.
30. The supplier would retain any overnight parking revenue but an annual per site fee would be payable to the Council.
31. This item would require capital expenditure to implement an entrance barrier system enabling such an arrangement. This has been budgeted for within the 2017/18 Capital Programme.
32. The ability to park overnight, would provide an opportunity for visitors to the City to park at a Park & Ride site en-route to their hotel accommodation or to access the rail network for a journey elsewhere lasting more than one day. This would reduce reliance on city centre parking, would produce pressure on the city centre highway network and would be attractive to hoteliers, B&B providers, etc. It would also, potentially, increase the attraction of York Station as an access point to the national rail network.

Additional Peak Saturdays (No cost)

33. The provision of additional capacity (approx. 4/ 5 vehicles) on specified days (Easter Saturday, August Bank Holiday Saturday, St Nicholas Fayre Saturday and all following Saturdays up to Christmas Day) is included in the core specification.

Boxing Day

34. The provision of a 15 minute frequency bus service operating from Askham Bar, Designer Outlet and Monks Cross on Boxing Day is included in the core specification.

Summary of Option A implications

35. Table 4 below indicates the optional service elements included under option A. Costs are provided in Confidential Annex 2.

Table 4

Item	Included
Tendered licence fee	Included
Askham Bar Extended Opening	Not included
Monks Cross Extended Opening	Not included
Enhanced site supervision	Not included
Overnight parking at Askham / MX	Included
Enhanced Sunday operating hours	Case by case

Summary of Option B implications

36. Table 5 below indicates the optional service elements included under option B. Costs are provided in Confidential Annex 2

Table 5

Item	Included
Tendered licence fee	Included
Askham Bar Extended Opening	Included
Monks Cross Extended Opening	Included
Enhanced site supervision	Included
Overnight parking at Askham / MX	Included
Enhanced Sunday operating hours	Case by case

Option C implications

37. The financial or service delivery implications of rejecting this procurement process and returning to the market for a third occasion can not be forecast. They do, however, carry a significant level of risk in terms of both the short and longer term continued delivery of the York Park & Ride network.
38. If the Executive decides to reject this procurement no arrangements exist for the continued delivery of Park & Ride services beyond January 2018.
39. Members should also note that there is a legal risk in seeking a further extension to the existing contractual arrangement. This is due to the restriction placed upon local transport authorities setting the maximum term for local bus service contracts.

Consultation

40. In preparation for the issuance this procurement process, the Procurement, Legal, Financial, Property, Transport and Air Quality teams within the Council all worked closely together to ensure that the proposals are aligned to corporate policy and priorities.
41. All of the operators registering interest in the previous (2016) tender were invited to meet with the Council to discuss alterations which could be made to the contract specification to improve its attractiveness to the market. Eight operators took up this opportunity.
42. Consultation on this report has been held with Procurement, Legal, Financial and Transport to ensure that the proposals are acceptable. No external consultation has been undertaken but a customer satisfaction survey was carried out in December 2015 to determine the views of the existing users, and these were used to inform the preparation of the specification.

Corporate Priorities

43. The Park & Ride service is a key element of the Council's transport strategy set down in the Local Transport Plan. In addition it supports the Council's strategy to increase the use of public and environmentally friendly modes of transport. Park & Ride also

provides the capacity for the City to grow in transport terms to accommodate the emerging Local Plan.

Implications

44. The provision of a successful and efficient Park & Ride service is essential for the continued prosperity of the city and the desire to reduce congestion and improve air quality in the city centre. There are implications across a wide range of areas both within the Council and externally.

Financial Implications

45. The net income and expenditure for 2017/18 and 2018/19 onwards are shown below including estimated income based on the recommended option being accepted.

	2017/18	2018/19
	£'000	£'000
Budget	104	170
Forecast Income	143	85
Variance	+39	-85

46. In 2017/18 there is a forecast surplus of £39k however this is anticipated to be required to fund the residual risk and reward claim relating to Poppleton Bar Park and Ride.
47. In 2018/19 there will be a shortfall of £85k. Should Members accept this tender this will need to be included as further growth in the 2018/19 budget.
48. It is possible that this income can be increased over the course of the contract through increased advertising.
49. **Human Resources (HR)** There are no Human Resource implications for staff employed by the Council.
50. **Equalities** There are no equalities implications if the concessionary fares provision is maintained as existing.
51. **Legal** Legal advice has been provided identifying the procurement, contractual and competition issues which have been addressed in the contract documents. It is proposed to lease the Park & Ride sites to the operator.

52. **Crime and Disorder** There are no crime and disorder implications.
53. **Information Technology (IT)** There are no IT implications. The supply of additional on bus equipment to enable the provision of real time information and the better management of the service is included in the contract.
54. **Property** There are no property implications with the proposed operation.
55. **Other** None.

Risk Management

56. In compliance with the Council's risk management strategy the main risks that have been identified in this report are those which could lead to financial loss, non-compliance with legislation, damage to the Council's image and reputation and failure to meet stakeholders' expectations. However measured in terms of impact and likelihood, the score for all risks has been assessed at less than 16. This means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.

Contact Details

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Report
Approved



Date 8/5/17

Specialist Implications Officer(s) *List information for all*

Financial Implications

Patrick Looker

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Procurement Implications

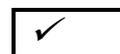
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Wards Affected: *List wards or tick box to indicate all*

All



Additional Information

Background Papers:

Park and Ride Reports to Executive 13 October 2016 and 8 December 2016

Annexes

Annex 1 Park & Ride Specification
(ITT Part 2 Specification Appendix 2 Passenger Numbers –
Smartcard split is available online)

Annex 2a Regulation 5 Notice (regarding confidential annex)

Annex 2 Financial Information (Confidential)