

## Record of officer decision

<b>Decision title:</b>	<b>Award of Public Bus Contracts – September 2019</b>
<b>Date of decision:</b>	<b>29 August 2019</b>
<b>Decision maker:</b>	Director for economy and place
<b>Authority for delegated decision:</b>	Delegated authority was agreed by cabinet member 9 August 2017 that: E. the director for economy, communities and corporate be authorised to award contracts for future passenger transport services tendered in accordance with agreed policies and approved budgets.
<b>Ward:</b>	Countywide
<b>Consultation:</b>	<p>Consultations have been undertaken to establish the concept of the core bus network, as set out in the LTP and subsequent consultations to help prioritise bus services in the event that funding is insufficient to maintain bus services at current levels.</p> <p>Officers had regard to these priorities in progressing the retendering and briefing the cabinet member for transport and regulatory services.</p> <p>The cabinet member briefing took place 18 June 2019 after the first round tendering. The first round tendering had incorporated all of the subsidized service contracts and an additional commercial service (406) which the operator had given notice of intention to withdraw. The briefing explained that the lowest cost bid for this package (incorporating the commercial service) was £319k/year - £77k more than the available budget.</p> <p>Noting that the package option incorporating the commercial service could not be afforded within available budget, the cabinet member supported the following approach on the basis that it was expected to achieve a contract value close to the current expenditure level:</p> <p>to retender the services not including a replacement 406 service which would allow for further vehicle efficiencies and a reduction in the number of vehicles needed from 5 to 4. The implications of this being:</p> <p>Services 401 and 406 would cease and be replaced by a new 404 service. This would offer an hourly service between Leominster and Barons Cross rather than the current half hourly services.</p> <p>Services 402 and 403 would reduce in frequency from 1 hourly to 2 hourly.</p> <p>A subsequent briefing was provided to the cabinet member for infrastructure and transport (following changes to cabinet portfolios 21 June). This took place 23 July 2019 and set out the outcome of the second round tendering which confirmed that the services with reduced frequency as described above could be afforded. The briefing also included proposed communications for local members and parish councilors and for bus users. The cabinet member supported this approach noting the support of the previous cabinet member.</p>
<b>Decision made:</b>	<p>To award Contract 313 – Leominster area bus services to Lugg Valley Travel Ltd for a 7 year term commencing 2<sup>nd</sup> September 2019.</p> <p>The total annual value of the contract is £245k replacing contracts 270,274 and 291</p>

	<p>which had an annual value of £243k.</p> <p>The contract comprises route numbers 76, 76A, 402, 403, 404, 490, 494, 495, 501, 502, 504.</p>
<b>Reasons for decision:</b>	The subsidized bus services operating in the Leominster area are reaching their termination date and retendering has been undertaken to secure continuity of service.
<b>Highlight any associated risks/finance/legal/eq quality considerations:</b>	<p>Retendering has been undertaken in accordance with contract procedure rules utilizing the adopted passenger transport policy, and the passenger transport Dynamic Purchasing System.</p> <p>Two rounds of tendering were undertaken as the lowest bid for the first round was £77k greater than the current cost of contracts and available budget. The second round service specification removed route 406 (a commercial service which the operator is planning to withdraw) and required frequency reductions on routes 402,403 and 404 to secure a bid within current budget levels. This resulted in a total annual cost of £245k compared with existing contract cost of £242,796. The additional annual cost of £2,204 can be afforded within the bus route subsidy budget.</p> <p>Communications will be issued to local members and parish councils in advance of changes. The incumbent operator will provide information on services in advance to changes and timetable information would be updated at bus stops and online to ensure users would be made aware of any changes which might affect their journeys.</p> <p>There is a risk that complaints will be received from affected bus users and these will be responded to by the team. Information will be available about alternative transport options including the local community transport scheme which can arrange door to door transport if required.</p>
<b>Details of any alternative options considered and rejected:</b>	<p>The following options were considered and rejected:</p> <p>Support all existing contracted services and also provide support for the 406 route which is a commercial service which the operator intends to withdraw – rejected on the basis that it would cost £77K more than the available budget</p> <p>Support all of existing contracted services without any service changes – this would require an additional vehicle and would cost around an additional £60k/year. It was rejected on the basis that it was not affordable within available budget.</p>
<b>Details of any declarations of interest made:</b>	None

Signed

Richard Ball  
Director for Economy & Place

Date: 29 August 2019