

Record of officer decision

Decision title:	Cancellation of public bus contract procurement for September 2020 services and extension of existing contract to allow further assessment in response to COVID 19
Date of decision:	13 May 2020
Decision maker:	Director of Economy & Place
Authority for delegated decision:	In line with section 3.7.9 all necessary decisions in the case of emergencies of the constitution
Ward:	Countywide
Consultation:	<p>Chief finance officer, county solicitor, senior procurement and legal officers and cabinet member for infrastructure and transport.</p> <p>Members were consulted during the Passenger Transport Review reported to Cabinet in April 2017 which set out the approach to the provision of services for public transport.</p>
Decision made:	<p>The decision has been taken to:</p> <p>Cancel the procurement of public bus services contract number 317 which included the following services: 426 – Leominster to Hereford 437 – Tillington to Hereford 446 – Almeley & Eardisley to Hereford 453 – Mordiford & Fownhope to Hereford 454 – Holme Lacy & Woolhope to Hereford 477 – Holmer & Tillington Common to Hereford City</p> <p>Issue a written confirmation to the operator which had been evaluated as the preferred bidder having provided the lowest compliant bid confirming that the council is not proceeding with the procurement and confirming that this is to provide the council with further time to assess the longer term impacts of the Covid 19 emergency including ongoing public transport service needs, aspirations of the administration and the council's emerging financial situation.</p> <p>Extend the contract with existing contract holder for these services for a period of up to 12 months in accordance with the provisions of Public Contract Regulations 2015 Section 72 (1 c).</p> <p>Notify all operators invited to submit tenders for this contract of the decision to not proceed with the procurement.</p>
Reasons for decision:	To provide the council with further time to assess the longer term impacts of the COVID 19 emergency including ongoing public transport service needs, aspirations of the administration and the council's financial situation.
Highlight any associated risks/finance/legal/equality considerations:	<p><u>Financial Risks</u></p> <p>Whilst the retendering of this contract has been progressed and identified a preferred bidder which would have reduced the annual cost of this contract by around £12K (around £85k over the lifespan of the contract)</p>

	<p>it is considered prudent not to enter into a new long term contract which would have an overall value of over £2M (for 7 year period) at the current time due to significant uncertainties resulting from the COVID 19 emergency.</p> <p><u>Legal risks</u> Whilst the existing contract was due to end by September 2020, legal advice has confirmed that this contract can be legally extended for the period of 12 months in accordance with the provisions of the Public Contracts Regulations section 72 (1c).</p> <p>Legal advice has also confirmed that whilst the retendering of the contract had reached an advanced stage with a Notification of Intention to Award being issued to the lowest compliant bidder the Notification also confirms that any award would be subject to the council's internal governance procedures and the Notification did not constitute a contractual commitment. As such the legal advice is that the Notification it does not commit the council to any binding legal obligations allowing the council to cancel the procurement process.</p> <p><u>Service risks</u> By seeking to extend the current contract by a period of 12 months it is considered that the council will have sufficient time to understand any financial pressures resulting from the COVID 19 emergency and implications for this service area and aspirations of the administration in respect of public transport provision. This would help reduce the risks of progressing a longer term contracting decision at the current time whilst these issues remain uncertain.</p>
Details of any alternative options considered and rejected:	To proceed with the award of the contract. This is not recommended for the reasons set out in this decision.
Details of any declarations of interest made:	None

Signed

Richard Ball
 Director for Economy & Place

Date: 13 May 2020