

<b>Director of Highways, Transport &amp; Planning</b>	<b>Ref No: OKD36 (19/20)</b>
<b>February 2020</b>	<b>Key Decision: Yes</b>
<b>Concessionary Travel Scheme - Award of bus pass manufacture and administration contract</b>	<b>Part I</b>
<b>Report by Executive Director Place Services and Director of Highways, Transport &amp; Planning</b>	<b>Electoral Divisions: All</b>

### **Summary:**

The English National Concessionary Travel Scheme is a national statutory bus travel concession that allows eligible older and disabled people to travel free of charge on local bus services. As a Travel Concession Authority, the Council is responsible for issuing approximately 160,000 eligible residents with a free bus pass. The Concessionary Bus Travel (Permits)(England) Regulations 2008 set out the specification of the England-wide bus passes. Travel Concession Authorities are responsible for producing passes that comply with the standard design as specified in the regulations for their concessionaires.

The Council has been responsible for administering the scheme since responsibility transferred from lower tier to upper tier local authorities in 2011. The Council's current contract to administer the scheme and manufacture bus passes ends in March 2020 and cannot be extended further. Following an option appraisal, it is recommended that the Director of Highways, Transport & Planning approves the decision to purchase Concessionary Travel administration and bus pass manufacturing services via the West Midlands Combined Authority framework.

### **West Sussex Plan:**

The issue of free bus passes to disabled and elderly residents improves outcomes by making it easier for residents to access goods and services in the community and remain independent in later life.

### **Financial Impact:**

The proposed route to market is the West Midlands Combined Authority (WMCA) Framework Agreement for Smart Passes (Ref 2015/S 184-334764) using Lot 1 and Lot 4.

The anticipated spend for the administration and manufacture of bus passes for the Concessionary Travel Scheme is approximately £0.200m per annum which will continue to be met from within the existing service budget.

The proposed contract length is 3 years with the option to extend by up to two annual extensions, making the total contract duration 5 years.

The anticipated total value of the contract is therefore £1m.

## **Recommendation**

That the Director of Highways, Transport & Planning approves the decision to call-off from the WMCA Framework Agreement and award the contract to Euclid Ltd for the manufacture and provision of statutory older persons' and disabled persons' bus passes, starting from 1 April 2020 for a period of 3 years with the option to extend by up to two annual extensions, for a further 2 years (maximum duration 5 years).

## **Proposal**

### **1. Background and Context**

- 1.1 The English National Concessionary Travel Scheme (ENCTS) is a statutory concession managed by the Department for Transport. As a Travel Concession Authority (TCA) the Council is obliged to assess residents for eligibility and issue free travel passes to qualifying residents.
- 1.2 The current administration and bus pass manufacturing contract ends on 31<sup>st</sup> March 2020 and needs replacing as it cannot be extended further.
- 1.3 The annual spend through the current contract is £0.200m per annum.
- 1.4 In 2015, WMCA established an OJEU-compliant Framework Agreement for a range of services linked to the provision of smart card passes to transport services.
- 1.5 This Framework is used by a number of Local Authorities in the UK to provide the required infrastructure to administer, operate and report on smart card usage.
- 1.6 To best replicate the current contract provision, the Council would need to access Lot 1 and Lot 4 of the Framework Agreement. These Lots have been awarded to a single supplier (Euclid Ltd) without the need to operate a further competition.
- 1.7 There is the opportunity to combine other bus pass requirements beyond the Concessionary Fares Scheme (e.g. school bus passes) to ensure wider contract coverage on spend in this area.

### **2. Proposal Details**

- 2.1 It is proposed that the Council procures the new ENCTS administration and bus pass manufacturing service using Lot 1 and Lot 4 of the WMCA Framework Agreement.
- 2.2 The initial terms of the contract will be 3 years with the option to extend by a further 2 years.
- 2.3 The benefits of the proposed arrangements are:
  - o Fully compliant route to market

- The service specification is robust and aligns with the Council's requirements
- Rapid mobilisation in time for 1 April 2020.

## **Factors taken into account**

### **3. Consultation**

- 3.1 Internal advice has been sought from Procurement & Contract Services Team.
- 3.2 A procurement specialist investigated and analysed multiple options and recommended the WMCA as the best option for the Council.

### **4. Financial (revenue and capital) and Resource Implications**

- 4.1 The revenue consequences of the proposals are shown below:

	<b>Year 1 2020/21 £m</b>	<b>Year 2 2021/22 £m</b>	<b>Year 3 2022/23 £m</b>	<b>Year 4 2023/24 £m</b>	<b>Year 5 2024/25 £m</b>
Revenue Budget	0.200	0.200	0.200	0.200	0.200
Change from Proposal	0.000	0.000	0.000	0.000	0.000
Revised Budget	0.200	0.200	0.200	0.200	0.200

- 4.2 The proposed rates under the new framework equate to a 1% increase over 2012 levels; the cost of the service will therefore continue to be met from within the existing £0.200m ENCTS administration and bus pass production budget.
- 4.3 The proposed contract will be managed by Transport Bureau from existing resource.
- 4.4 There are no capital costs associated with this activity.

### **5. Legal Implications**

- 5.1 The Council has a statutory duty to provide ENCTS.
- 5.2 Under the Council's Scheme of Delegation, functions in relation to the Administration of ENCTS have been delegated to Director of Highways, Transport & Planning Group.
- 5.3 Given the value of the proposed contract is above the relevant EU Thresholds for the supply of Services (as referred to in the Public Contract Regulations 2015) the Council is required to competitively tender for these Services.
- 5.4 To comply with this requirement, it is proposed that the Council utilises the West Midlands Combined Authority framework to lawfully procure these services.

- 5.5 The Council's Commercial Legal Services have reviewed the terms and conditions of the framework agreement and are satisfied that they align with the requirements set out in Section 10 of the Council's Standing Orders on Procurement and Contracts.

## **6. Risk Implications and Mitigations**

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
Service failures result in inability to provide a statutory responsibility	The recommendation to procure via the WMCA framework will enable the Council to continue to work with a leading national supplier with a proven track record in quality and reliability
Service failures to elderly and disabled residents results in significant reputational damage	As above, the recommendation to procure via WMCA will enable the Council to continue to work with a leading national supplier with a proven track record in quality and reliability
Service continuity risks before, during and after transitional arrangements between contracts	This risk is minimised by buying from the WMCA framework because the Council will continue to work with the same key supplier with no break in service.
Legal & Financial risks of running a national procurement exercise	By joining an existing Local Authority framework where compliant OJEU procurement has already been completed these risks have effectively been nullified. The costs of joining the framework are a known factor and have been assessed as being value for money.

## **7. Other Options Considered (and reasons for not proposing)**

- 7.1 Options were considered:
- a) Do nothing;
  - b) to run a separate procurement for West Sussex requirement;
- 7.2 Option a) has been discounted because it would place the Council in a non-compliant position.
- 7.3 Option b) has been discounted due to the resource and time implication associated with running this process.

## **8. Equality and Human Rights Assessment**

- 8.1 The English National Concessionary Travel Scheme is designed to provide assistance to people with the protected characteristics of age and disability.

The assessment of applications for bus passes needs to be done quickly and accurately.

- 8.2 Bus passes issued are required to meet the national ITSO technical specification and remain reliable throughout the five-year period of issue. By contracting this statutory service with a supplier with a proven track record in quality and reliability the Council will be fulfilling its responsibilities.

## **9. Social Value and Sustainability Assessment**

- 9.1 This procurement recommendation helps to embed sustainability in the Council's business by promoting the use of public transport and making public transport (bus) networks more sustainable in the long term.
- 9.2 This procurement promotes the Council's environmental ambitions by promoting greener ways to travel. This procurement promotes local businesses and the local economy as the supplier is located within a short distance of Chichester.

## **10. Crime and Disorder Reduction Assessment**

None

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**Appendices:** None

**Background papers:** None