

Local Transport Strategy - Annex 3

**Policy for the Procurement of  
Public Transport Services**

Falkirk Council

May 2006

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# 1. Introduction

## BACKGROUND

- 1.1 Falkirk Council is committed to improving the scope, attractiveness and use of public transport services throughout the Local Authority area. The Falkirk Local Transport Strategy 2006-2009 (LTS) sets out the Council's overall public transport strategy and key policies.
- 1.2 The key priorities for Falkirk Council in the procurement of public transport services are:
- ◆ Journeys to and from work, training and education;
  - ◆ Journeys to and from shopping areas, social centres, health centres and hospitals;
  - ◆ Services for elderly and disabled people; and
  - ◆ Services to assist leisure, recreation and tourism.

## WHY IS A PROCUREMENT STRATEGY NEEDED?

- 1.3 The Transport Act 1985 requires all Local Authorities to publish a Statement of Public Transport Policies for the procurement of financially supported public transport services to complement those provided by commercial operators. The document is required to help guide the procurement of public transport passenger services and to make sure that all relevant services are within legislative constraints, cost effective and that they cater for educational and social needs.
- 1.4 The 1985 Transport Act also requires Falkirk Council to consult with neighbouring Local Authorities, public transport operators and the general public on its policies.

## AIMS AND OBJECTIVES OF THE PROCUREMENT STRATEGY

- 1.5 The main objectives of the procurement strategy are to provide adequate information on the following topics:
- ◆ Categories and priorities of journeys to be provided for;
  - ◆ Types of service considered (conventional, demand responsive, etc.);
  - ◆ Timetabling requirements (generalised or specific);
  - ◆ Cross boundary services;
  - ◆ Financial and usage criteria;
  - ◆ Fare levels;
  - ◆ List of tenderers;
  - ◆ Contract awards;
  - ◆ Vehicle specifications (including wheelchair accessibility);

- ◆ Contract compliance; and
- ◆ Contract administration requirements.

### **Methodology**

1.6 The following methodology was utilised for the project:

- ◆ A review of the existing legislative and policy documentation was undertaken to establish what were the existing requirements;
- ◆ A review was also undertaken of existing policy documentation from other Local Authorities, and published guidance, to identify 'best practice';
- ◆ Initial policy proposals were identified and presented to the Council in an interim report for comment

### **AIM OF THIS REPORT**

1.7 This document outlines the Council's commitment to the development of passenger transport services in the Falkirk Council area and is designed to inform commercial and voluntary sector operators and help promote a good working relationship between the Council, transport operators and the general public.

### **REPORT STRUCTURE**

1.8 The report has been divided into three further sections following this introduction as follows:

- ◆ Section two – gives an overview of the legislative and policy issues associated with the procurement strategy;
- ◆ Section three – lists the documents that were used in the process of a best practice review;
- ◆ Section four – details the constituents of the proposed policy document.

## 2. Legislative and Policy Context

- 2.1 This section states what the Council's responsibilities are under existing legislation with regard to the procurement of public transport services. It also provides a brief review of the existing requirements for Falkirk Council under present policy documentation.

### RELEVANT LEGISLATION

#### Transport Act 1985

- 2.2 The operation of local bus services in the UK is determined by The Transport Act 1985. The provisions of the Act became effective in October 1986, from which date the bus industry in the UK, outwith London and Northern Ireland became "deregulated".
- 2.3 Under Part I of the Act any person may register and operate a local bus service, subject to certain conditions.

#### *Policy Statement on Supported Services*

- 2.4 However local transport authorities have a duty under Section 63 of the Act:

*'(a) to secure the provision of such public transport services as the council consider it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose; and*

*(b) to formulate from time to time general policies as to the description of services they propose to secure under paragraph (a) above.'*

#### *Administration of Policy Statement*

- 2.5 In exercise of this duty, the Act in the following Section states:

*'64 – (1) When considering from time to time the formulation of policies for the purpose of section 63 of this Act, any local transport authority shall consult-*

*(a) with every Passenger Transport Authority, or local transport authority whose area may be affected by such policies; and*

*(b) Either with persons operating public transport services within their area or with organisations appearing to the council to be representative of such persons.*

*(2) As soon as practicable after any occasion when they formulate new or altered policies for those purposes, any such local transport authority shall publish a statement of all policies so formulated by them on that or any previous occasion which they propose for the time being to follow in the performance of their duty to secure services under section 63.*

*(3) When any such local transport authority publish such a statement, they shall send a copy of the statement-*

*(a) to each Authority or local transport authority whom they were required to consult under section (1)(a) above; and*

*(b) to each person or (as the case may be) organisations whom they consulted under subsection (1)(b) above;*

*In relation to the formulation of their policies on the occasion in question.*

*(4) The local transport authority shall also-*

*(a) cause a copy of the statement last published by them under subsection (2) above to be made available for inspection (at all reasonable hours) at such places as they think fit; and*

*(b) Give notice, by such means as they think expedient for bringing it to the attention of the public, as to the places at which a copy of the statement may be inspected.'*

#### *Contents of Policy Statement*

2.6 In the development of policies under Section 63 the local transport authority is further instructed within that Section:

*(5) For the purpose of securing provision of any service under this Section any local transport authority shall have powers to enter into an agreement providing for service subsidies; but their power to do so-*

*(a) Shall be exercisable only where the service in question would not be provided without subsidy; .....*

*(6) A local transport authority shall have power to take any measure that appear to them to be appropriate for the purpose or in connection with promoting, so far as relates to their area-*

*(a) the availability of public passenger transport services other than subsidised services and the operation of such services, in conjunction with each other and with any available subsidised services, so as to meet any public transport requirements the local transport authority consider it appropriate to meet; or*

*(b) The convenience of the public (including persons who are elderly or disabled) in using all available public passenger transport services (whether subsidised or not).*

*(7) It shall be the duty of a local transport authority in exercising their power under subsection (6) above, so to conduct themselves as not to inhibit competition between persons providing or seeking to provide public passenger transport services in their area.'*

- 2.7 Local transport authorities are instructed under subsection 63(5)(b) and Section 92 of the Act as to how they should exercise their powers for service subsidies (further instructions are provided by the other enactments as below). These may be further prescribed within various regulations published by the DfT and Scottish Executive.

### **Transport (Scotland) Act 2001**

- 2.8 The Transport (Scotland) Act 2001 states in Section 79 that:

*'(1) The Scottish Ministers may issue guidance to-*

*(d) local transport authorities in relation to the preparation of local transport strategies;*

*and such authorities shall have regard to any such guidance.*

*(2) Guidance issued under this section shall be published in such manner as the Scottish Ministers consider appropriate; and the Scottish Ministers may at any time vary or revoke guidance issued by them under this section.'*

- 2.9 Section 82 of the Act defines a "local transport strategy" as '*any strategy prepared, in accordance with guidance issued under section 79 of this Act, by a local transport authority relating to transport in their area*'.
- 2.10 Section 48 within Part 2 'Bus Services' of the Act further interprets "relevant general policies" in relation to a local transport authority as '*the authority's local transport strategy and the policies formulated by them from time to time under section 63 of the 1985 (Transport) Act*'.

### **Local Government in Scotland Act 2003**

- 2.11 This Act defines a duty (Sections 1 and 2) for all local authorities to secure best value in the delivery of its services. The Act states in Section 1 that:

*'(2) Best value is continuous improvement in the performance of the authority's functions*

*(3) In securing best value, the local authority shall maintain an appropriate balance among-*

*(a) the quality of its performance of its functions;*

*(b) the cost to the authority of that performance; and*

*(c) the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.*

*(4) In maintaining that balance, the local authority shall have regard to-*

*(a) efficiency;*

*(b) effectiveness;*

(c) economy; and

(d) the need to meet the equal opportunity requirements.

(5) *The local authority shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.*

(6) *In measuring the improvement of the performance of a local authority's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.'*

- 2.12 Section 2 requires local authorities to have regard to any guidance provided by Scottish Ministers on the performance of their duties under Section 1.

### **European Commission Regulation**

- 2.13 Existing British and Scottish legislation on the procurement and funding of supported bus services is in accordance with the European Commission Regulation 1191/69.
- 2.14 The Commission has been actively reviewing the existing Regulation for some years. A proposal for change (COM(2005) 319 final) has now been published by the Commission and is subject to consultation. If a change in Regulation is approved by the Commission then this is likely to have an impact on the details of how supported bus services may be procured by Falkirk Council.

### **NATIONAL POLICY GUIDELINES**

#### **Scotland's Transport Future – June 2004**

- 2.15 The Scottish Executive published a transport white paper in June 2004. This has a vision for Scotland's transport future which is *'An accessible Scotland with safe, integrated and reliable transport that supports economic growth, provides opportunities for all and is easy to use.'*
- 2.16 The Executive suggests in relation to the delivery of the vision:

#### *Paragraph 4.40*

*Most bus services are provided commercially and the market approach encourages entrepreneurship and provides the incentive for operators to innovate, to put on new services and to provide new types of service.*

#### *Paragraph 4.41*

*The £18 million Bus Route Development Fund announced in April 2004 aims to improve the frequency and quality of bus services. The scheme will involve local government and bus operators working together to develop existing and new local services to encourage more people on to buses.*

#### *Paragraph 4.42*

*The Transport (Scotland) Act 2001 provides options for local transport authorities to use in relation to local bus services. These include quality partnerships and quality contracts.*

#### *Paragraph 4.43*

*Bus priority measures are often very important in enabling buses to combat congestion. Initiatives by transport authorities include bus priority lanes, priority at traffic lights and junctions, new and improved bus stations, interchanges and shelters, raised kerbs to ease boarding, and park and ride facilities. Initiatives in response by bus operators include increased frequencies, increased numbers of low-emission and low-floor buses and improved ticketing and passenger information.*

### **Regional Transport Strategy**

- 2.17 The Regional Transport Strategy (RTS) for the South East Scotland Transport Partnership (SESTRAN) sets out the vision, aims and objectives for strategic transport in the region. SESTRAN is a statutory partnership of eight local authorities including Falkirk Council with an emphasis on travel to and from the City of Edinburgh. The current strategy document was produced in March 2003. A revised RTS is currently under preparation and will be a statutory document as required by legislation.
- 2.18 The general objectives of the existing RTS are to:
- ◆ Reduce the number of people commuting in single occupancy vehicles in South East Scotland;
  - ◆ Minimise the overall need for travelling by car;
  - ◆ Maximise public transport provision;
  - ◆ Improve safety for all road and transport users;
  - ◆ Enhance community life and social inclusion;
  - ◆ Maintain existing infrastructure; and
  - ◆ Enhance movements of freight by rail and other non-road modes.

### **LOCAL POLICY GUIDELINES**

- 2.19 Local policy guidelines for public transport are included in the following documents:
- ◆ Falkirk Council Strategic Community Plan;
  - ◆ Sustainable Falkirk Strategy;
  - ◆ Falkirk Council Structure Plan; and
  - ◆ Falkirk Council's Local Transport Strategy.

## **Falkirk Council Strategic Community Plan 2005-2010**

- 2.20 The Falkirk Council Strategic Community Plan outlines the vision and strategic priorities for the future of all communities in the Falkirk Council area and has been developed in partnership with a number of strategic organisations and partners.
- 2.21 The strategic community plan helps inform the direction of policy development in terms of the associated partner agencies and organisations and lists a number of specific themes and aims and identifies a number of target areas.
- 2.22 The five priority themes detailed within the strategic community plan are as follows:
- ◆ Improving the Performance of the Local Economy and Tourism;
  - ◆ Enhancing Lifelong Learning and Opportunity;
  - ◆ Creating a Sustainable Local Environment and Improving Transport;
  - ◆ Regenerating Our Communities
  - ◆ Enabling our Citizens to Live Safely; and
  - ◆ Improving Health and Wellbeing.
- 2.23 The transport priority detailed in the document is as follows:
- ◆ Promoting a safe and efficient multi-modal transport system that minimises impact on the environment.
- .
- 2.24 Specific tasks detailed within the strategic community plan include:
- ◆ Improving the road network and related infrastructure in key areas;
  - ◆ Continuing implementation of traffic management measures;
  - ◆ Promoting green travel initiatives;
  - ◆ Continuing support for bus services and infrastructure
  - ◆ Continuing to implement measures to improve access to railway stations including car parking; and,
  - ◆ Continuing to develop the local countryside path network.

## **Sustainable Falkirk Strategy**

- 2.25 The Council demonstrates a commitment to promote sustainable development through the Sustainable Falkirk Strategy and through the integration of sustainable development principles into other areas of policy. One of the priorities of Sustainable Falkirk is 'Greener Transport' with the stated objective '*To reduce the need for travel but where travel is necessary, to reduce the proportion of travel undertaken by car and where car travel is necessary, to reduce the environmental impact of that travel*'.
- 2.26 The Policy for Procurement of Public Transport Services, in supporting the provision of bus services to supplement the commercial networks and focussing on priority groups and communities, contributes to the objectives and actions of the Sustainable Falkirk Strategy.

## **Falkirk Structure Plan**

- 2.27 The current Falkirk Structure Plan was approved in June 2002, and sets out the proposed development strategy for the period up to 2020.
- 2.28 The development strategy has been built around four strategic themes, namely:
- ◆ Economic prosperity;
  - ◆ Sustaining communities;
  - ◆ Environmental quality; and
  - ◆ Sustainable transport.
- 2.29 Within the sustainable transport section the following key objectives are noted:
- ◆ Reduce the proportion of journeys made by car and increase the proportion by foot, using public transport and cycling;
  - ◆ Ensure that wherever possible new development is located so as to reduce the need to travel and be accessible by people walking, cycling or using public transport;
  - ◆ Safeguard land for infrastructure that will encourage journeys to be made on foot, cycling or using public transport; and
  - ◆ Promote the completion of key links in the strategic and local road network.

## **Falkirk Council Local Transport Strategy 2006-2009**

- 2.30 Falkirk Council published its second Local Transport Strategy (LTS) in 2006 based on guidance provided by the Scottish Executive.
- 2.31 The Council's vision for transport is to:
- To provide a transport network both within the Council area and linking to surrounding areas, which allows people a reasonable choice of travel options as part of a safe, reliable, convenient, accessible and sustainable transport system. To enable people to travel when and where they wish, regardless of their level of income, physical ability or access to a car. To achieve a transport system that caters for the car, but is not dominated by it.*

### *Transport Problems*

- 2.32 The LTS identifies a number of transport issues affecting the Falkirk council area. These are as follows:
- Increasing car dependence;
  - Environmental quality;
  - Community Regeneration and Social Inclusion;
  - Safety; and,

Transport infrastructure.

### *Transport Objectives*

- 2.33 From the above analysis of the transport issues, a number of objectives for transport have been developed. These are:

OBJECTIVE 1: To support the growth of the local economy in a sustainable way.

OBJECTIVE 2: To contribute to community regeneration through promoting social inclusion.

OBJECTIVE 3: To protect the environment by minimising the impact that transport can have on it and to improve health by promoting more active travel.

OBJECTIVE 4: To improve safety for all those using the transport network.

OBJECTIVE 5: To improve integration between different forms of transport.

### *Policy on Bus Service Provision*

- 2.34 The LTS notes that Falkirk Council took on a number of previously commercial services that the main local bus operator ceased providing in 2001. The Council also carried out a revision of its contracted bus service to provide better links between settlements and employment areas. These changes came into place in August 2005 and are funded as part of the Council's £1.5 million annual spend on bus service provision (2005/06).

- 2.35 In the LTS, POLICY PT1 states:

*'The Council will continue to work with local bus operators to ensure that the bus network, and services offered, are comprehensive and meet the needs of the travelling public when making journeys in and beyond the Falkirk Council area.'*

### *Previous Policies on Supported Bus Services*

- 2.36 The previous procurement policy document was adopted by Central Regional Council in December 1987, and was inherited by Falkirk Council.

### **Falkirk Council Guidelines on Contract Standing Orders**

- 2.37 The Council's Guidelines on Contract Standing Orders are a requirement of the Local Government (Scotland) Act 1973. The guidelines are used to ensure that uniform contracting procedures are in place throughout the Council area and that proper protection is given to those dealing with contractual matters. Falkirk Council revised its guidelines on contract standing orders in June 2005.

- 2.38 The guidelines cover the following topics:

- ◆ Competition;
- ◆ Award of Contracts;
- ◆ Advertising;
- ◆ Tendering Procedures;
- ◆ Contract Values;

- ◆ Tendering Procedure;
- ◆ Contract Monitoring; and
- ◆ Variations to Contracts and Claims.

### 3. Review of Best Practice

- 3.1 A review has been undertaken of relevant guidance relating to best practice on the procurement of public transport services. The main references were:
- ◆ “Monitoring Local Bus Service Tenders in England – Final Report 2004”, DfT (Atkins), 13 May 2005;
  - ◆ “Monitoring Local Bus Service Tenders in England – Bus Tendering Good Practice”, DfT (Atkins), 21 February 2005;
  - ◆ Local Government in Scotland Act 2003;
  - ◆ “National Procurement Strategy for Local Government”, Office of the Deputy Prime Minister, 2003;
  - ◆ “Local Authority Bus Contracts, Price Expenditure and Competition Survey”, ATCO, 2003;
  - ◆ “Guidance on Part 2 (Bus Services) of the Transport (Scotland) Act 2001”, Scottish Executive (CBP/Scotney), 2001;
  - ◆ Transport (Scotland) Act (2001);
  - ◆ Bus Service Operators’ Grant (England) Regulations, 2000;
  - ◆ “From Workhorse to Thoroughbred, A Better Role for Bus Transport”, DfT, 1999;
  - ◆ “Local Authority Procurement of Local Bus and Community Transport Services”, TAS, June 1999; and
  - ◆ Transport Act (1985).
- 3.2 Draft and final procurement policy documents prepared for other local authorities have also been consulted. These included the documents (or sections of documents) for Central Region, Lothian Regional Council, Falkirk Council and Strathclyde Passenger Transport.

## 4. Proposed Strategy for Support for Bus Services

### OVERVIEW

4.1 From a best practice review and a review of existing procurement requirements and policies the constituents of the recommended procurement strategy have been separated into four elements:

- ◆ The main priorities for Falkirk Council in terms of public transport provision (General Priorities for Intervention);
- ◆ The quality requirements of the Council in relation to the services;
- ◆ The administrative requirements of the Council; and
- ◆ Support for other transport services.

### GENERAL PRIORITIES FOR INTERVENTION

4.2 It will not be financially possible for the Council to accede to all identified needs for the provision of supported bus services to meet social necessity or desirability. However the Council will utilise its funds for the provision of supported bus services among the following socially necessary priorities. This list has been separated into two levels of priority:

- ◆ Level One – Priority Services; and
- ◆ Level Two – Additional Services.

4.3 The Council may secure bus services, subject to sufficient estimated or actual demand in accordance with the following priorities:

#### Level One – Priority Services

- ◆ Supporting travel to schools for non-entitled children, where resources (operational and financial) permit; and
- ◆ Providing a basic level of access for communities to centres of employment, shops and other facilities in areas where, without Council intervention, there would be no alternative public transport options.

#### Level Two – Additional Services

- ◆ Providing services which link settlements or communities directly in circumstances where travel on the commercial networks, though possible, entails circuitous routeing and change of vehicles with poor connections;
- ◆ Supporting services to complement the restraint of private vehicles in Falkirk town centre;
- ◆ Providing any other socially desirable services that have been ratified by the Council;
- ◆ Subject to resources and cost effectiveness, the Council will consider serving significant new areas of development; and
- ◆ The Council will consider giving financial support to encourage more integration with rail services in the Falkirk area.

## **New Developments**

- 4.4 The foregoing policies would deal with existing development but would provide for new types of development only within existing bus routes (or where they could easily be adjusted). Given the Council's existing level of funding for bus services, it is not practical to expect it to provide significant additional bus services to new development, particularly where that is peripheral to areas currently served.
- 4.5 Under the Scottish Executive's current policies (SPP 17 and the Guide to Transport Assessment for Development Proposals in Scotland), the possible need for such services would be considered by the Transport Assessment submitted by the developer. Where the development requires new services, these would be provided by the developer in whole or in part. In the case of a new hospital or health centre, the Transport Assessment would also need to comply with the Regional Transport Strategy.

## **Education and Social Work Transport**

- 4.6 Falkirk Council is required by the Transport Act 1985 to consider Education and Social Work transport. Many pupil travel arrangements are directly related to public transport services and Local Authorities have a statutory duty to obtain best value for money in terms of public transport procurement. The process of transferring young people to schools includes the following arrangements:
- ◆ Entitled – dictated by the distance the pupil has to travel;
  - ◆ Ordinary – no entitlement to free transport or concessionary transport. A fare is paid by pupils.
- 4.7 School transport in the Falkirk Council area is arranged by the Council's Transport Planning Unit, with the majority of services arranged by either purchasing season tickets on commercial bus services or by securing local bus contracts which enables fare paying pupils to travel, as well as adults. These arrangements help avoid the need for duplicate services and offer additional travel opportunities to the general public.
- 4.8 Social Work travel to day-centres is also arranged by the Council's Transport Planning Unit and other trips are assisted by the concessionary travel scheme which gives free bus travel to many disabled people.

## **Accessible Transport**

- 4.9 The Council will encourage the provision of accessible transport and where appropriate "non-conventional" transport (such as Post Buses and similar shared transport facilities) services.

## **QUALITY REQUIREMENTS**

### **Changes to Commercial Bus Services**

- 4.10 The Council will evaluate all changes to commercial bus services, but will only take remedial action if it considers that the resulting network is particularly deficient.

## **Vehicle Specification and Accessibility**

- 4.11 The Council places great emphasis on making bus services increasingly accessible, easy to use and welcoming.
- 4.12 The Council will specify the characteristics which must be provided on buses used on supported services and these will include:
- ◆ Vehicles that are within a specified age limit;
  - ◆ Vehicles that have destination blinds;
  - ◆ Services that have an identified livery or identity; and
  - ◆ Vehicles that are cleaned regularly.
- 4.13 Vehicles will be required to meet the current legislation on accessibility<sup>1</sup>. The Council may enhance this specification in particular circumstances with particular reference to the guidelines of the Disabled Persons Transport Advisory Committee (DPTAC).
- 4.14 In addition, the Council will work closely with voluntary organisations and other transport providers to provide door-to-door transport for people with mobility difficulties who are unable to use conventional transport services. Currently the Council helps to fund Dial-A-Journey Ltd. and Central Shopmobility Ltd.
- 4.15 While the Council will normally require operators of supported services to provide vehicles to the required specification, there may be circumstances where the Council makes vehicles available which are operated and maintained by the operator.

## **Customer Care**

- 4.16 The Council will also seek improvements in service delivery and will encourage bus operators to send their employees on regular customer care and awareness courses.

## **Timetabling**

- 4.17 The service provider must provide the service in accordance with the timetable detailed by the Council at the start of the contract. The service provider may augment this service in agreement with the Council at no cost to the Council and as long as it reflects all the other requirements of the Council within this policy document and in the individual contract requirements.

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<sup>1</sup> Transport (Scotland) Act 2001

## **Fare Levels**

- 4.18 On minimum subsidy contracts (those where the operator retains the ticket revenue), fares may not exceed levels set by the Council. On minimum cost contracts (where fare revenue is returned to the Council) a fare table will normally be drawn up by the Council. The fare levels set by the Council will normally reflect the level of fares on commercial services in the area.

## **ADMINISTRATIVE REQUIREMENTS OF PROCURING SUPPORTED BUS SERVICES**

- 4.19 Supported services procured by the Council will normally be conventional local bus services. However the Council may amend this to a demand responsive or other type of service in accordance with specific service requirements.
- 4.20 Supported bus services will normally be procured by open competitive tendering. Operators who have expressed an interest in providing services in the area and have passed an appropriate quality threshold will be invited to tender.
- 4.21 However the Council may also negotiate with bus operators to achieve a 'best value' solution (within the requirements of Falkirk Council Guidelines on Contract Standing Orders):
- ◆ By modifying an existing supported service;
  - ◆ By modifying an existing commercial service;
  - ◆ By providing a new small scale service; and
  - ◆ By providing an emergency service for a limited period.
- 4.22 Contracts will normally be for full service provision. However the Council may modify its requirements in accordance with the needs of specific services.
- 4.23 The Council has established comprehensive "Standard Conditions of Contract for Supported Bus Services" to cover both conventional and fully accessible services. These documents are available on request. Instructions for tendering, which are sent to potential tenderers as part of the tender package, give full details of envisaged contracts and the tendering procedure to be followed.

## **Award of Contracts**

- 4.24 Falkirk Council will generally award tender contracts on the basis of the lowest tender. However, if the Council considers that this is not the most effective use of available funds then the contract might be awarded to the tenderer which offers 'best value' or the service/contract might be reassessed before being retendered. Reasons for rejecting the lowest tender might include a history of unreliable or unsafe operations, inferior vehicle specification or an inferior package of proposals.
- 4.25 Contracts will normally be awarded for a three year period. However the Council may vary this period in accordance with individual service requirements.
- 4.26 Full details of each contract award (successful tender, number of tenders, highest and lowest price etc.) will be sent to anybody who requests this information.

### **Cross Boundary Services**

- 4.27 The Council may support cross boundary services by supporting the service on its own, by procuring the service with a financial contribution from another Council, or by providing a financial contribution to a service procured by another Council. Where a service is jointly supported by two or more Councils the usual method of calculating respective financial responsibilities will be by the amount of bus mileage in each area.

### **Financial and Usage Criteria**

- 4.28 The Council will normally confine its funding to journeys which have an average usage of at least four passengers.
- 4.29 The service provider will maintain records of usage and revenue on the service in the form requested by the Council at the start of the contract, and supply this data to the Council at monthly intervals.

### **List of Tenderers**

- 4.30 The Council will invite operators to seek inclusion on its formal list of tenders. Data will be held on computer and will include address and telephone numbers as well as the size of vehicle and area of operation of any contracts an operator might be interested in. In this way, tender information will automatically be sent to all operators who have previously expressed an interest. In addition, documents will be sent to anyone who requests them. Data will be protected under the Data Protection Act 1998.

### **Contract Compliance**

- 4.31 Operators must meet the conditions of contract specified by the Council. Failure to do so will lead to deductions being made from support payments, or in serious or persistent cases, to the contract being terminated prematurely. The scale of reductions for failure to meet contract requirements will be defined in the contract documentation of the individual service.
- 4.32 If the service provider is unable to provide a suitable vehicle they must make all reasonable efforts to obtain an alternative vehicle that conforms to regulations, and if this is not possible then the provider must inform the Council as soon as possible in accordance with the contract.
- 4.33 Operators who have demonstrated that they have been unable to meet their contract obligations may be excluded from tendering for further contracts for a defined period of time. Where it can be proven that a new operator is essentially the same company that previously lost its licence, it may be treated in a similar fashion.

## **Payments and Contract Management**

- 4.34 Contracts will normally be established on a minimum subsidy basis, but the Council may utilise minimum cost or other forms of contract where appropriate.
- 4.35 Contract payments will normally be expressed in terms of monthly costs. However, where services are primarily to meet education requirements, the payments will be expressed in terms of the actual service day costs.
- 4.36 The payments to operators will be made at four weekly or monthly regular intervals, and such payments will normally be made not later than one month from the final day of the period being charged for, subject to timely submission of invoices.