

Title of meeting: Cabinet Member for Transport Decision Meeting

Date of meeting: 11 July 2023

Subject: Portsmouth Park & Ride Tender

Report by: Felicity Tidbury, Assistant Director for Economy, Transport and Planning

Report Author: Paul Walker, National Bus Strategy Delivery Manager

Wards affected: All wards

Key decision: Yes

Full Council decision: No

1. Purpose of paper:

- 1.1. The purpose of this paper is to seek approval for the award of the park and ride bus operation contract.

2. Recommendations:

It is recommended that the Cabinet Member for Transport:

- 2.1. **Approves the award of the Portsmouth park and ride contract (that is to approve funding for the PR1 bus service package) to commence Sunday September 1st 2024 as detailed in section 6 of this report; and**
- 2.2. **Agrees to the award of the Contract (as set out in Exempt Appendix B) and delegates authority to the Assistant Director of Transport in consultation with Cabinet Member for Transport and Section 151 Officer, to finalise the required contracts;**
- 2.3. **Notes that the Cabinet Member for Transport and opposition spokespersons will be consulted on any proposed future changes.**

3. Background

- 3.1. The Council has powers under the Transport Act 2000 to specify bus services in a particular area and let contracts for their provision to bus operators, including making voluntary arrangements as a transport authority, this includes the provision of bus routes for specific purposes including park and ride.
- 3.2. Portsmouth's Park & Ride service commenced operation on 5 April 2014 and currently has 665 car parking spaces. It provides a frequent, reliable, high-quality

bus link between the Portsmouth Park & Ride site adjacent to the M275 at Tipner and the city centre, with stops for Portsmouth International Port; Charles Dickens birthplace; the city centre; Nelson Gate; and The Hard Interchange for the Historic Dockyard and Gunwharf Quays.

- 3.3. Nearly half of all traffic entering the city passes the Park & Ride on the M275. The provision of park & ride supports mode shift from the private car to sustainable modes of transport, directly supporting the objectives in the adopted Portsmouth Transport Strategy (LTP4), particularly the "deliver cleaner air" objective - through helping to reduce vehicle traffic volumes through the Portsmouth Clean Air Zone in the city centre; and also the objective to "support business and protect our assets".
- 3.4. Park & Ride plays an important role in enabling sustainable growth and regeneration in the city by intercepting traffic before it reaches the city centre, helping to ensure that growing numbers of visitors can get into the city quickly and conveniently whilst minimising delays and congestion.
- 3.5. At the Cabinet Member for Transport Decision meeting on 20th March 2024 it was agreed that a procurement be undertaken to retender the service. This report outlines the outcome of this process.
- 3.6. An openly advertised competitive tender process has been actioned in full compliance with the Public Contracts Regulations (2015), the council's Contract Procedure Rules and the council's governance processes. Tenders were received from multiple operators against a range of bidding options - vehicle type, timetable frequency & hybrid services with a view to attain best value whilst ensuring that essential travel links for existing and potential users would be maintained. All tenderers were provided with up-to-date demand information and price variations reflect individual operator costs and their own view of the potential of a particular service.

4. Park and Ride services

- 4.1. The current service (PR1) operates with a daily frequency of every 15 minutes between 7:00 and 19:15 on weekdays, with later starts at the weekends and an earlier finish on Sundays.
- 4.2. As summarised in 3.5 above tenderers were invited to submit bids for one, all or any combination of Lot and Sub-Lot bidding options. These options vary in terms of service level (existing, reduced or enhanced timetable), vehicle type (Euro VI diesel buses or electric buses) and service type (dedicated or non-dedicated re-directed existing service).
- 4.3. In order to address financial objectives, the tender award criteria was price focused with significant variances in scheduling, dedicated service and vehicle specification addressed via the use of clearly specified Lotting options with high quality bars set within the specification. Qualitative evaluation aspects covered elements such as resourcing, mobilisation, contingency, social value, work force management, vehicles, partnership working, continuous improvement, etc. For options which involve re-direction of existing services a higher focus was placed on qualitative assessment to address varying route, frequency and capacity considerations.

4.4. Other initiatives to reduce Park & Ride deficit outside pure bus operation are also being undertaken. It is proposed that from the first day of operation payment is made on the bus rather than through parking machines and smart cards to be more user friendly as part of value-added proposals.

5. Market Engagement

5.1. In addition to the lotted options, the tender allowed a call-off rate (without exclusivity) to undertake additional services - either as enhancements to the existing or additional services from the site on an ad hoc basis - including for events (such as the recent D-Day commemorations) and also the summer PR3 service & other events.

5.2. The Lots and Sub-Lot bidding options tenders were invited against were as follows:

5.3. Lot 1 – Dedicated Service – Min Euro 6 Vehicles

- *Sub-Lot Option 1A – Existing Service Schedule*
 - Monday to Friday 07:00 - 19:15 (every 15 minutes)
 - Saturday 08:00 - 19:15 (every 15 minutes)
 - Sunday 09:00 - 18:00 (every 15 minutes)

- *Sub-Lot Option 1B - Reduced Service Schedule - Reduced Frequency + Reduced Hrs Sunday.*
 - Monday to Friday 07:00 - 19:15 (every 20 minutes)
 - Saturday 08:00 - 19:15 (every 20 minutes)
 - Sunday 09:00 - 17:00 (every 30 minutes)
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5.4. Lot 2 – Dedicated Service – Fully Electric Vehicles

- Sub-Lot Option 2A – As per Sub Lot 1A
- Sub-Lot Option 2B - As per Sub Lot 1B

5.5. Lot 3 - Non-Dedicated Service - Min Euro 6 Vehicles

- *Sub-Lot Option 3A - As per Sub Lot 1A*
- *Sub-Lot Option 3B - As per Sub Lot 1B*

5.6. Further details of the tender evaluation are provided in business confidential Appendix B due to the legal requirement for the council to ensure that details of bids are treated on a strictly confidential basis at this point in the procurement process.

5.7. The contract is proposed to commence from 1 September 2024 for a base term of 5 years and will have an option to extend by a further 3 years in increments to be agreed, subject to agreement and performance of both parties, up to a maximum total term of 8 years, as permitted under the Transport Act (1985).

6. Reasons for recommendation – Assessment of Options

Lot 1 – Dedicated Service – Min Euro 6 Vehicles

- 6.1. It is proposed that the highest scoring tenderer for Sub Lot 1A is progressed as it maintains the current level of service. Undertaking a full competitive tender process has ensured best value for council tax payers.
- 6.2. The preferred option 1A maintains the current level of service at a cost which is 5% below the base 2023 contract and 15% cheaper than the current interim contract approved at the Cabinet Member for Transport Decision Meeting on 20th March 2024.
- 6.3. The buses used will not be new, but less than two years old on the first day of service. This is because bus specifications have standardised in recent years and therefore little benefit will be accrued from brand new buses. The dedicated vehicles are proposed to be double decked.
- 6.4. As part of the overall park and ride refresh it is proposed that the buses will be branded in a new park and ride livery developed in partnership between the Council and preferred tenderer. The new livery will not include advertising for third parties as this is part of an overall marketing plan to improve advance signing, reduce cost and make using park and ride more user friendly. This includes a review of on-site advertising to be more user friendly and relevant to the Park and Ride with the aim of increasing patronage and therefore income.
- 6.5. It is proposed not to progress option 1B as this proposes a reduced daytime frequency of service. This would lead to a sub-optimal service compared against other comparable park and ride operations and industry best practice. Whilst 12% cheaper due to fuel savings there is no reduction in the number of vehicles, staff and other resources and is therefore less efficient.
- 6.6. The procurement process has allowed for a move entirely or partially to this option over the term of the contract. Changes should be simple and quick to make as there should be no implications in respect of significant changes to the vehicle fleet and driver numbers.

Lot 2 – Non-Dedicated Service - Fully Electric Vehicles

- 6.7. Lot 2 is proposed not to be progressed. The financial cost to the council would be in the region of around 14% above the Lot 1A cost with vehicles coming online within 12 months of the start of the contract but prices applying from day one. Further a reduced service using electric vehicles on a reduced 20 min frequency would be 3% more expensive than the comparable 15 minute frequency but still represents a 12% saving against the interim contract arrangement, albeit with reduced service provision.
- 6.8. With the current roll-out of 62 electric vehicles in the city and progression to an electric fleet through bids with partners it is proposed that this is the natural progression to park and ride electrification over time - especially as the buses used for park and ride will be Clean Diesel Euro VI engines which are fully CAZ

complaint. The procurement process has allowed for the council to move to this option over the term of the contract, although this may not be as financially advantageous where the operator electric vehicle capital cost is spread over only a proportion of the 8-year term.

Lot 3 – Operator Alternatives linked to other services

- 6.9. Lot 3 is also proposed not to be progressed. The submitted bid would lead to a non-dedicated service, higher cost than 1A with any benefit accrued to bus passengers outside of the city.

7. Integrated Impact Assessment

- 7.1. An Integrated Impact Assessment was completed in June 2024 and is found in Appendix A and identifies the following impacts:
- The continuation of park and ride supports modal shift from private car and supports cleaner air.
 - Some services may support individuals in accessing employment, education and training.

8. Procurement implications

- 8.1. As stated within Section 3 above the procurement process actioned has been undertaken in full accordance with the process set out within the procurement documents as well as the council's rules, governance processes and wider procurement regulations. The procurement process has been directly supported at all stages by the council's Procurement Service.
- 8.2. Whilst the evaluation of bids has been completed and the award recommendation has been subject to the council's governance approvals it should be noted that no correspondence has been issued to bidders to inform them of the council's decision as this cannot be actioned without approval of the recommendations set out within this paper.
- 8.3. If approval is granted to proceed the council will issue award decision notification to the bidders immediately after which the council is required under the Public Contracts Regulations (2015) to observe a mandatory 10 day standstill period. On the basis that correspondence is issued to bidders on 12th July 2023 and no substantive legal challenges to the council's award decisions are received the standstill period will expire at 23:59 on 22nd July 2023 after which the council may lawfully enter into contract with the preferred bidder.
- 8.4. Until the standstill period has successfully completed the council must maintain strict confidentiality in respect of the identity of the bidders and the contents of the bids or risk impacting upon the integrity of the procurement process and breaching the Public Contracts Regulations (2015).

9. Legal implications

- 9.1. The Council has powers under the Transport Act 2000 to enter into this contract.

- 9.2. The Council also has its own requirements in relation to the procurement process as set out in the Contracts Procedure Rules which form part of the Council's constitution.
- 9.3. The Council undertook a compliant procurement process, and the results of that process are contained in the recommended awards decision set out in Appendix C. The Cabinet Member can either accept the award recommendations or choose not to award the contracts; to deviate from this would mean that the Council was not acting in accordance with PCR and therefore could be subject to a challenge under the procurement legislation from an aggrieved bidder.
- 9.4. The details of the tender exercise contain commercially confidential information and so are not subject to publication. In addition, the Council will observe a standstill period in accordance with PCR, which will commence when the Council notifies bidders of its chosen contractors. Consequently, the Council cannot at this stage publicise who the successful bidder/s are as this needs to form part of the regulated procurement process.
- 9.5. The conditions of contract have been drafted by legal services.
- 9.6. The expenditure for the contact will exceed 25% of the relevant transport budget accordingly the Council will publish a notice notifying the me public of the decision 28 days before the contract is awarded (Pt 3, s8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012).

10. Director of Finance's comments

- 10.1. Where the cost to operate park and ride services exceeds the income generated, the deficit will be funded from the parking reserve.



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Signed by:

Appendices:

Appendix A - Integrated Impact Assessment (IIA)

EXEMPT Appendix B - Award recommendations

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Cabinet Member for Transport Decision meeting 20 th March 2024	https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?MIId=5442
Portsmouth's Bus Service Improvement Plan (BSIP)	Public transport - Travel Portsmouth
Portsmouth Transport Strategy 2021-2038	Portsmouth Transport Strategy 2021-2038

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: