

# CHESHIRE EAST COUNCIL

## Cabinet

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<b>Date of Meeting:</b>	4 <sup>th</sup> March 2014
<b>Report of:</b>	Executive Director of Strategic Commissioning
<b>Subject/Title:</b>	Award of Contract for Supported Local Bus Service 88 Altrincham to Knutsford (Forward Plan Ref. CE 13/14-80)
<b>Portfolio Holder:</b>	Cllr David Topping, Environment

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### 1.0 Report Summary

- 1.1 This report seeks approval to award the contract for bus service 88 between Knutsford and Altrincham until 31<sup>st</sup> March 2019. The full value of this contract is £550,000 and will be fully funded from within the current Public Transport Budget and the Bus Service Operator Grant (BSOG) which has been devolved to the Council from January 2014.
- 1.2 This is the renewal of a current contract.

### 2.0 Recommendation

- 2.1 That Cabinet approve the award of and subsequently entering into a contract for local bus service 88 Knutsford to Altrincham to the successful tenderer at a total cost of £550,000.

### 3.0 Reasons for Recommendation

- 3.1 This is the renewal of a contract which is currently in operation. The fully compliant procurement and tender evaluation has identified the successful tenderer as the preferred bidder.

### 4.0 Wards Affected

- 4.1 Knutsford, Mobberley, Wilmslow West and Chorley, Wilmslow East, Wilmslow Lacey Green

### 5.0 Local Ward Members

- 5.1 Cllr Stewart Gardiner, Cllr Olivia Hunter, Cllr Peter Raynes, Cllr Jamie Macrae, Cllr Gary Barton, Cllr Wesley Fitzgerald, Cllr Rod Menlove, Cllr Don Stockton

## **6.0 Policy Implications**

- 6.1 The award of the contract falls within the Council's Public Transport Support criteria.

## **7.0 Financial Implications**

- 7.1 The current annual cost of the service is £182,900 (£914,500 for the five year period) which is currently funded from within the Public Transport budget. The total cost of the new contract will be £550,000 a saving of £364,500 over the full term of the contract.
- 7.2 However tenders were sought from operators taking no account of Bus Service Operators Grant (BSOG) which has been devolved to the Council from the Department for Transport (DfT) from January 2014. DfT have previously allocated £35,250 per annum to this route which is ring fenced to Public Transport and is guaranteed until April 2017. This will reduce the cost to the Public Transport budget over the contract period to £444,250

## **8.0 Legal Implications**

- 8.1 The Transport Unit has undertaken a full procurement exercise that complies with the Council's Finance and Contract Procedure Rules and the Public Contracts Regulations 2006 to select a service provider.
- 8.2 The Council has power to award a contract under a number of statutes including the general power of competence under the Localism Act 2011, s.111 of the Local Government Act 1972 and s.1 Local Government (Contracts) Act 1997.
- 8.3 The contract with the service provider will operate on the Council's standard terms and conditions for passenger transport services, which includes provisions to safeguard the Council should the service provider not meet the expected service delivery standards.

## **9.0 Risk Management**

- 9.1 The Council's standard terms and conditions for passenger services allows for termination of contract by either side with notice of 84 days, therefore should finances cease to be available there is a relatively short notice period required
- 9.2 The Council's standard terms and conditions for passenger services lays down service delivery standards and procedures to be applied should these standards not be met.

## **10.0 Background and Options**

- 10.1 The currently the service has 129,000 passenger journey per year and is an important link in the North of the Borough.

10.2 At any time a licensed bus operator can register a commercial bus service with the Traffic Commissioner to operate without financial support from the Council, however no such registration has been received for this service.

### **11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Glen Bubb  
Designation: Transport Coordinator  
Tel No: 01270 371487  
Email: [glen.bubb@cheshireeast.gov.uk](mailto:glen.bubb@cheshireeast.gov.uk)