

Wards Affected:

All Wards

AWARD OF CONTRACT - BUS STOP IMPROVEMENT DELIVERY

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Executive Summary:

This report seeks to obtain approval to award a contract to allow delivery of the Bus Stop Delivery programme during financial years 2013/14 and 2014/15.

Cabinet approval to tender the contract via the Midlands Highways Alliance Medium Scheme Framework (MSF1) was given in February 2013.

The initial contract term is for two years, expiring in March 2015. The estimated value of work issued in Year One is £405,000 with £487,000 in Year Two (total £892,000 Capital).

There is an option to extend the contract for a further two years at a value up to £483,000 (Capital) per annum (total £974k).

Work will only be committed once spend approval has been given, with the funding coming from the Local Transport Plan funds in Quality Bus Initiative and Rural/Urban Bus Stop Upgrades.

The potential term value over 4 years is £1,866,000 (Capital).

1 Recommendation(s)

- 1.1 That the contract for Bus Stop Improvement Delivery be awarded to the bidder who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation as named in **Annex A**.
- 1.2 That any recommendation to extend this contract is bought back to this committee for a decision in good time.

2 Context

- 2.1 As part of Milton Keynes Council's Local Transport Plan 3, the installation of raised kerbs at existing/new bus stops across the network provides improved accessibility to bus services within the Borough, a proven benefit when encouraging patronage growth. The Public Transport offer is further enhanced by introducing bespoke shelters that can incorporate Real Time Information screens in appropriate locations.

2.2 This tender exercise sought a contractor to undertake the work starting as early as possible in 2013/14 to deliver these infrastructure benefits. The work is typically implemented in one of three scenarios which were obtained in the tender:

2.2.1 Introduction of new raised kerbs, bus stop pole with flag (Inc timetable case) to indicate stopping point and bus stop clearway marking.

2.2.2 Introduction of new raised kerbs, new standard MKC bus shelter, resurfacing of area around stop, landscaping and bus stop clearway marking.

2.2.3 As 2.2.2, but requiring the introduction of a new lay-by and potentially new lit footpath link.

2.3 A number of works packages will be will be created by the Project Manager covering agreed locations across the Borough. Each works package will comprise of at least eight of the bus stop types each time being issued to the winning contractor. The submitted prices will be used to value each works package and allow the budget to be managed using these costs.

2.4 For ease of assessment, each bus stop type was given a weighting to indicate the likelihood of such work being issued and then an overall price was calculated for comparison. A breakdown of these weighting's are shown below:

Bus Stop Type	Weighting Percentage
2.2.1 – Simple Bus Stop	35%
2.2.2 – Bus Stop w/Shelter	60%
2.2.3 – Bus Stop w/new layby	5%

2.5 A breakdown of submitted costs is included in **Annex B**.

3 Background

3.1 The Council's Contract Procedure Rules (CPR's) were revised in January 2012. This procurement has applied those requirements.

3.2 Decision to Proceed to Tender

3.2.1 This procurement was approved to proceed to Tender by CPC on 05/02/13 and is consistent with Council's policy in the Local Transport Plan 3 approved by Cabinet in June 2011.

3.3 Consultation

3.3.1 The specification and evaluation criteria for this contract were developed following a detailed understanding of what is required on-street to overcome the obstacles to increased bus use. This was achieved through

feedback from key stakeholders including elected members, parish councils and the Milton Keynes Bus User Group.

3.3.2 Historically, it has taken too long to undertake this type of work and feedback from Parishes and Ward Members highlighted this. The procurement strategy was to overcome this and provide a more proactive process to implement improvements.

3.4 Market engagement and lessons learnt

3.4.1 Before this tender commenced, a 'Tester' scheme was tendered through the MHA to gauge interest, seek prices and implement under a more rigid contract framework primed the framework of the forthcoming tender requirements.

3.4.2 Lessons learnt from the old contract were:

- A slightly revised costing method was required when creating schedule of rates for submission.
- Reducing the number of quality criteria helps provide more meaningful proportions for assessment.
- Works packages need to be at least eight bus stops in size to provide construction efficiencies.
- One contractor managing workloads and payments for subcontractors made for simpler implementation on the client's behalf.

3.5 Tender Evaluation

3.5.1 The contract was advertised on the Council's E-Tendering system on 28/02/13 and 3 tenders from the available 4 framework members were returned on 22/03/13.

3.5.2 The Tenders were evaluated by a suitably qualified and experienced panel of officers including Senior Passenger Transport Officer – Implementation and two external technical consultants, all who undertook this process with the previous contract and were part of the design process.

3.5.3 The Evaluation criteria and scores for all tenders are attached at **Annex C**. A summary of the Risk Assessment is set out in section 4.2.3.

3.5.4 The MEAT evaluation of tenders resulted in the following results (the actual names of suppliers their pricing and a break down of the Quality shown in the Confidential Annex A and B)

	Quality score (out of 50)	Price score (out of 50)	Total score (out of 100)	Ranking
Company A	20	50	70	3
Company B	43	35.5	78.5	2
Company C	44	39.7	83.7	1

3.5.5 The 50% Quality assessment focused on three criteria; Understanding the Project (20%), with particular evidence of the Milton Keynes working environment required; Delivery Assurance (20%), with evidence of similar schemes required and how they were delivered on time/on budget; Health and Safety (10%), with evidence required on scheme-specific risk mitigation. This assessment is available as a background paper.

3.5.6 After analysis of both cost and quality it was agreed by all assessors that whilst Company A provided the lowest priced submission, the Quality submission was non-specific to the tender and did not provide a full understanding of the quality required resulting in the low score. The submission offered a very inflexible way of working and the resource for delivery was unidentified. As MEAT analysis is designed to ensure the council obtains best value for its investment, it was assessed that in the absence of the required quality that a heightened risk to the reputation of the council existed if the contractors were not able (as assessed) to fully meet the standards required by the council in delivering a high profile programme of works on budget.

3.5.7 In the analysis of Company B and C, both submissions provided confidence that a good job would be done and went that extra step to show willingness to work with the Client to improve delivery and help the process. With both submissions presenting a similar high quality, the scoring of the price element determined the Most Economically Advantageous Tender.

3.5.8 Subsequent to the tender exercise, MKC have held discussions with the MHA regarding the quality of submission by Company A. Additional feedback will be provided to further explain the authority's expectations and that each framework member needs to continually submit quality bids when tendering. Moving forward, the MHA will investigate the possibility of incorporating tender scores in the performance of framework suppliers in addition to the contract outputs.

3.6 Contract Management

3.6.1 The Senior Client Officer for this contract is the Senior Passenger Transport Officer. The contract terms and conditions are based on the NEC3 Short Contract as per the approved MHA contract method.

3.6.2 The key governance processes include

- Monthly meetings comprising council officers, contractor and the design staff to ensure the delivery of the scheme, to manage the contract and to allow Early Contractor Involvement when developing new works.
- Agree and monitor performance measurement through contract specific Key Performance Indicators on a monthly basis, which is a contractor requirement under the MHA Medium Schemes Framework.
- All works will have a retention fee of 5% placed upon them. This is in addition to the client's monitoring of completion progress which has to be approved before appropriate funds are released.
- The standard Break Clauses of the NEC3 contract apply.
- All new assets created will be registered on the Council's Asset Management Plan.

4 **Implications**

4.1 Policy

This proposal is consistent with the Corporate Plan (2012-2016) which includes the theme "Visiting MK" with an outcome of "Efficient, accessible and integrated internal transport" and priority to "Deliver quality and sustainable public transport initiatives and information". In addition, approved and adopted policies contained within, the Local Transport Plan (2011-2031), and the Bus Strategy (December 2008) seek to encourage greater use of alternative forms of transport to the car through improved marketing and publicity of bus services via the application of new technologies:

The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

4.2.1 The value of the contract was based on 85% of the likely budget available in the forthcoming financial years from the Local Transport Plan Capital settlement to be spent on new Public Transport infrastructure. Work will only be secured through this contract once Spend Approval has been given and all work packages will be priced against the submitted rates within the tender. Works will be issued only up to the budget available, as indicated in the table below.

Scheme	Resource Allocation in Capital Programme	Amount available to this contract
QBI – 13/14	£400,000	£309,091
Rural/Urban – 13/14	£124,320	£96,065
QBI – 14/15	£500,000	£386,364
Rural/Urban – 14/15	£142,979	£100,384
Total	£1,1167,299	£891,904

4.2.2 The key OPPORTUNITY secured by this contract is the ability to reduce the delivery time by having a competent contractor onboard. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

4.2.3 The key THREATS for awarding this contract have been assessed as:

Risk	Likelihood	Mitigation
Potential challenge by the unsuccessful tenderers	L	Detailed additional report written providing overview of MEAT outcome. Provides more structured feedback and justification to all bidders.
Call-in of decision by Members/Public	L	Well evidenced decision and process outlined in detailed additional report.

The governance measures set out in 3.6.2 provide a basis to conclude that these threats, properly managed represent a LOW Likelihood.

Y	Capital	N	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

Delivery of the project will fit in with the Carbon & Energy Management policy which includes an action (9) "Use vehicles with low fuel consumption and pollution-reducing technology and ensure their regular servicing and energy

conscious operation. Promote and facilitate the use of alternative modes of transport”.

4.4 Legal

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

4.5 Other Implications

Encouraging greater use of alternative forms of transport to the car through improved accessibility and improved infrastructure allows better access to essential services for all people, especially those without access to a car. All buses new since 2001 have to be compliant to the disability aspects of the Equality Act 2010, but improved boarding/alighting facilities will only aid the passenger experience in Milton Keynes.

Y	Equalities/Diversity	Y	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	Y	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers:

Decision to Proceed to Tender 05/02/13

Local Transport Plan 3 (June 2011)

Adopted MKC Bus Strategy (Dec 2008)