

## Report to Chief Officer, Highways and Transportation

**Date:** 30<sup>th</sup> July 2019

**Subject: Request to Waiver of Contract Procedure Rule 15.2 (tender evaluation) in respect of the procurement of Leeds Public Bike Hire Scheme using a 100% Quality Evaluation**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. Subsequently in February 2017 the Executive Board resolved to pursue the establishment of a public bike hire scheme by agreement with a preferred operator. Following the unexpected withdrawal of the preferred operator from this market the situation was reviewed and alternative procurement proposals for a scheme were examined.
2. Endorsement to pursue the establishment of a public bike hire scheme was reaffirmed and authority to proceed with the preparation of tender documentation was given by the Executive Board on 17<sup>th</sup> April 2019. The Council are seeking a scheme that will not require any additional capital investment or ongoing revenue support, and will be procured via a Concession contract. Procurement is being undertaken by the Council's Corporate Procurement and Commercial Services team to prepare the contract.
3. Since there will be no pricing schedule included in the tender (e.g. no weighting for price) the Procurement team have recommended that tender evaluation be carried out on quality criteria alone, and 19 quality questions have been prepared for this purpose. However, in order for the tender to be issued on a 100% quality evaluation basis, a waiver of CPR 15.2 is required.
4. The purpose of this report is to seek a waiver of CPR 15.2 in order that the evaluation of tenders received in respect of the Leeds Public Bike Hire Scheme be determined on a 100% quality basis to ensure that the highest quality and most appropriate provider is awarded the contract.

## **Recommendations**

In respect of the Leeds Public Bike Hire Scheme, the Chief Officer of Highways and Transportation is recommended to approve the waiver of the following Contracts Procedure Rule:

- Contracts Procedure Rule 15.2 – Tender evaluation

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek a waiver of CPR 15.2 to allow the tender evaluation panel for the Leeds Bike Hire Scheme to base their decision on a 100% quality basis with no weighting for price.

## **2 Background information**

- 2.1 The ambition for the city to introduce a bike hire scheme was identified as part of the legacy from the 2014 Tour de France Grand Depart, and is also mirrored in the Council's Cycling Starts Here Strategy
- 2.2 In February 2017 the Executive Board resolved to support the establishment of a Bike Hire Scheme for the city. The Board agreed to;
- a proposal to reach an early agreement with an operator (ofo) for a trial 12 month operation in Leeds
  - give authority to the Chief Officer Highways and Transportation to oversee the establishment, monitoring and review of a partnership arrangement with ofo
- 2.3 Following this approval a range of options within the bike hire sector were investigated including exploratory meetings with operators and key organisations leading to a preferred scheme model. However, following the preferred operator's unexpected withdrawal from the UK market, the scheme due to launch in July 2018 did not proceed. As a result a detailed review of the Council's options was undertaken which indicated that there was a continued and evolving market for this service and that procurement through an open OJEU tender that has the potential to meet the ambition for a bike hire scheme that meets the city's requirement both operationally and financially has been identified.
- 2.4 On 17th April 2019 the Executive Board endorsed its commitment to establish a bike hire scheme for the city and gave its approval for the formal tender process to commence in compliance with the Council's procurement procedure rules and in adherence to the Official Journal of the European Union (OJEU) competitive tender process.
- 2.5 Tenderers will be asked to propose solutions to meet the Council's bike share specification through a concession contract, which transfers all the financial risk of providing and operating the scheme to the winning contractor. The programme aims to have a scheme launch in spring 2020.
- 2.6 Whilst it is not possible to prevent any business from setting up a bike hire scheme, it is important for the Council to play a proactive role in the establishment of a scheme where the Council can take precautions to be satisfied that the quality and competence of the operation reflects the city's ambitions and expectations. The Council will therefore, through the procurement process, invite contractors with CoMoUK Accreditation to submit bids to operate a Council supported scheme. (CoMoUK are an independent national body responsible for co-ordinating shared transport modes in the UK. All reputable UK bike hire operators have

CoMoUK Accreditation that requires that they will not operate in any locations without the express consent of the Local Authority).

- 2.7 It is proposed that tenders will be issued in August 2019; evaluation of tenders in September/October; and Executive Board approval to appoint in November 2019. The contract will be awarded before the end of 2019 with a scheme launch date planned for Spring 2020.

### **3 Main issues**

#### **Reason for Contracts Procedure Rules Waiver**

- 3.1 During the preparation of the tender documents it was determined, in conjunction with Corporate Procurement and Legal Services teams, that because the Council were making no direct financial investment into the scheme - that a concession contract evaluated on 100% quality would be the most appropriate way to proceed.
- 3.2 Tenders for the contract will be evaluated by a panel consisting of representatives from Highways and Transportation, City Centre Management, West Yorkshire Combined Authority and the University of Leeds.
- 3.3 Authority is now being sought to waive CPR15.2 to allow the tender evaluation panel for the Leeds Bike Hire Scheme to base their decision on a 100% quality basis with no weighting for price. This will ensure that tenderers proposed scheme solutions will not be hindered by pre-determined and arbitrary price thresholds, and the decision will be based on the overall quality of the proposed scheme.

#### **Consequences if the proposed action is not approved**

- 3.4 The request for a waiver is a procedural and administrative requirement to comply with CPR rules. If approval is delayed it will not be possible to proceed to issue the Leeds Bike Hire Scheme tender documents in accordance with the agreed programme.

#### **Advertising**

- 3.5 The Tender documentation will be published in the OJEU – Official Journal of the European Union.

### **4 Corporate Considerations**

#### **4.1 Consultation and Engagement**

- 4.1.1 The H&T Engineering Services section have been consulted and Council's Corporate Procurement and Commercial Service is providing the necessary advice and services.
- 4.1.2 The request for a CPR 15.2 waiver is a procurement procedure that must be implemented before the tender documents can be issued. The request has arisen following consultation with the council's Commercial and Procurement Services team.

## 4.2 **Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening Tool has been completed (attached as Appendix1). The screening showed that a full Equality and Diversity Impact Assessment was not required as equality and diversity have already been considered as part of the procurement process.

## 4.3 **Council policies and City Priorities**

- 4.3.1 The proposed procurement will contribute directly to the delivery of key outcomes within the Best Council Plan, The Climate Emergency, The Transport Strategy, and the Leeds Cycling Starts Here Strategy.
- 4.3.2 The provision of a Leeds Bike Hire Scheme will make significant contributions to Best City Priorities, this is achieved through supporting people across Leeds to make active, healthy and sustainable transport choices.
- 4.3.3 **Climate Emergency:** In March the Council declared a climate emergency. The public bike hire scheme will contribute to building sustainable infrastructure, improving air quality, reducing pollution and noise, and will reduce carbon emissions by transferring journeys from cars to bicycles.

## 4.4 **Resources and value for money**

- 4.4.1 Undertaking a procurement exercise will help achieve value for money through the receipt of competitive tenders. The tender submissions will be evaluated on 100% quality to ensure that the service delivers to all the requirements in the tender documentation.
- 4.4.2 The scheme will be delivered at no financial cost to the Council other than the staff time required to manage the Contract and resources already identified for the delivery of the Cycling Strategy.

## 4.5 **Legal Implications, Access to Information and Call In**

- 4.5.1 The authority to waive Contract Procedure Rule 15.2 will be a significant operational decision and will not be subject to call-in. There are no grounds for keeping the contents of this report confidential within the council's access to information rules.
- 4.5.2 The procurement will be overseen by the council's Procurement and Commercial Services team.

## 4.6 **Risk Management**

- 4.6.1 Highways and Transportation Service are working closely with the Procurement and Commercial Services team to manage the risks associated with the procurement, and a risk register is being kept. The risk of not proceeding with the recommended waiver would be to prevent the bike hire tender documents from being issued and thereby prejudice the achievement of the aim to establish a bike hire service in the city.

## 5 **Conclusions**

- 5.1 This report supports the further development and procurement of public bike hire scheme for Leeds in line with previous resolutions of the Executive Board as part of the continuing development of the Council's Cycling Strategy.
- 5.2 The authority to undertake a procurement exercise for the Leeds Public Bike Hire Scheme was granted by the Executive Board in April 2019 following approval to pursue the establishment of a scheme..
- 5.3 Evaluation of the tenders on a 100% quality basis will ensure that the highest quality and most appropriate provider is awarded the contract.

## **6 Recommendations**

- 6.1 In respect of the the Leeds Public Bike Hire Scheme the Chief Officer Highways and Transportation, is recommended to approve the waiver of the following Contracts Procedure Rule:
- Contracts Procedure Rule 15.2 – Tender evaluation.

## **7 Background documents<sup>1</sup>**

- 7.1 None.

---

<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.