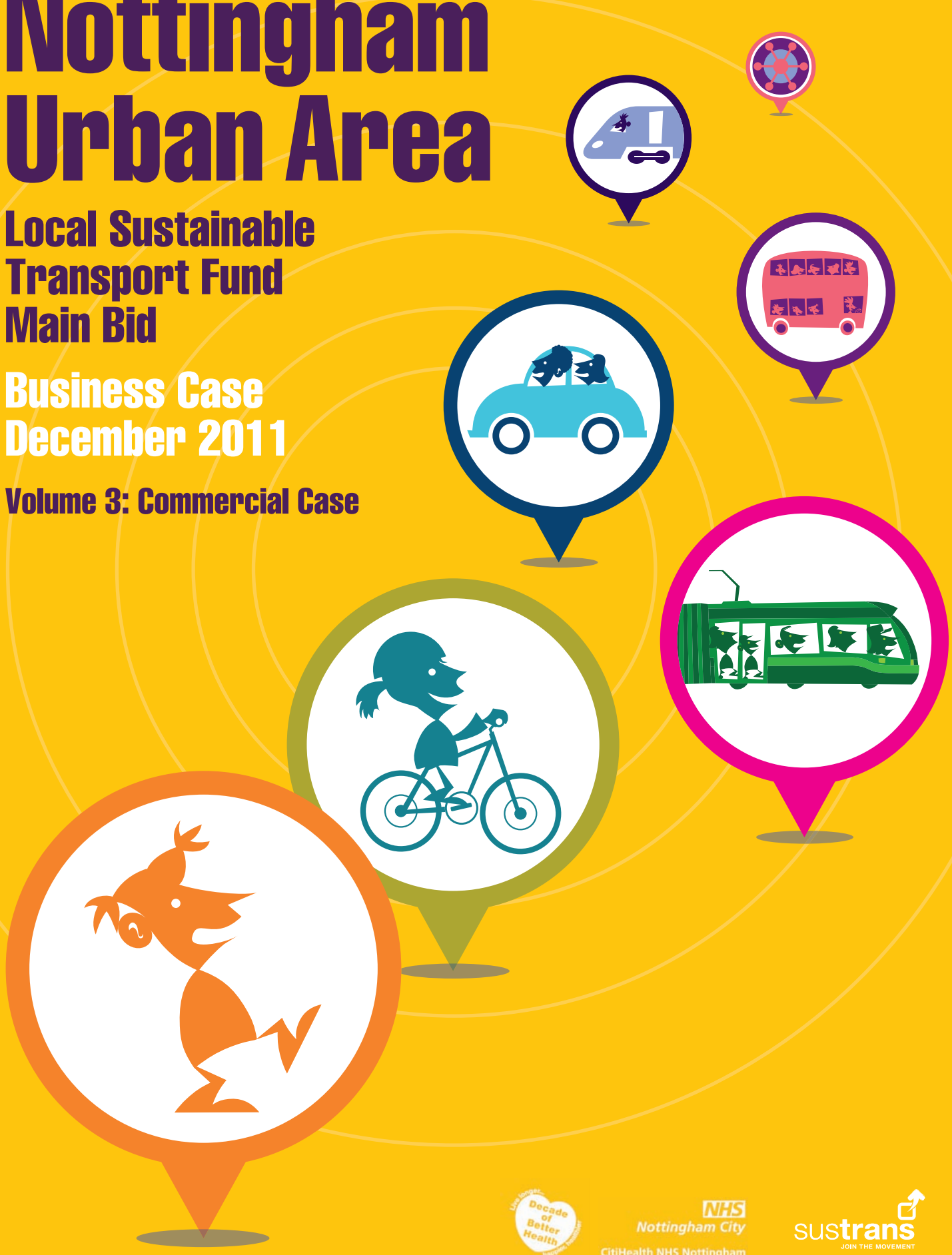
Nottingham Urban Area

Local Sustainable Transport Fund Main Bid

Business Case December 2011

Volume 3: Commercial Case



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Volume 3: Commercial Case

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1. Introduction

The purpose of the commercial case is to evidence the commercial viability of the proposals and set out the intended approach to procurement.

The commercial case sets out:

- Track record of delivery;
- Procurement options and application to LSTF workstrands;
- How value for money will be achieved.

2. Track Record of Delivery

Nottingham City Council has a proven track record for the delivery of sustainable transport schemes through effective partnership working with a range of organisations across the public, private and third sectors.

Evidence of successful partnership delivery includes:

- With other local authorities through joint delivery of cross boundary small scale LTP projects (typically joint maintenance, local highway improvements, public transport, footway and cycleway schemes, and Liftshare car share scheme);
- With private sector organisations through delivery of major infrastructure projects including Nottingham Express Transit Line One and the development of NET Phase Two, the Nottingham Station Hub but also securing funding support from the private sector for Worklink bus services and the award of sustainable travel grants for private sector employers to support sustainable transport measures;
- Through formal partnerships such as conurbation wide Big Wheel marketing programme, travel planning and smarter choices measures via the Greater Nottingham Transport Partnership, coordinated bus improvement schemes with operators through Bus Quality Partnership arrangements and speed enforcement and delivery of road safety schemes through the Nottinghamshire Road Safety Partnership;
- With the third sector such as delivery of UCycle national demonstration project in partnership with the sustainable transport charity Sustrans, cycle training with Ridewise social enterprise and bike recycling scheme via the Framework Housing Trust.

These examples demonstrate knowledge and relevant experience of delivery of both infrastructure and service improvements through joint commissioning.

3. Procurement Options

The LSTF Main Bid comprises a number of theme-based work packages which individually contain a set of projects. The projects aim to deliver a variety of outputs such as simple transport infrastructure schemes, cycle training and integrated Smartcards. As such, there is no “one-size-fits-all” type procurement route which could be applied across the entire bid.

In light of this, a number of procurement models have been assessed for the delivery of measures contained within the Main Bid. Likely procurement options are listed below. Each element of the package will be procured via one or more of these routes.

1) In-house/direct;
2) Through a Partnership organisation;
3) Building on existing contractual arrangements and Framework Agreements (established through previous competition);
4) Quotations and Competitive Tendering as appropriate.

These options are expanded in Table 1.1 outlining how they would work in practice, giving examples of current delivery arrangements for existing projects and sample LSTF elements.

Table 1.1: Existing Practice and Application to LSTF Workstrands

Route	Existing Practice	Relevant LSTF Elements
In-house/direct	• Delivery of LTP small scale infrastructure schemes (Small scale infrastructure schemes are designed in-house and constructed by the authority's Direct Labour Organisation, procured through a Highways Framework Contract which is reviewed biennially to ensure value for money is maintained) • Training for people with special needs to use public transport • Linking the Journey project developed through work with the RNIB (Recent winner of the Winner of Claudia Flanders Memorial Award for Accessibility – UK Bus Awards 2011) • Data collection team	Typically highway infrastructure related elements particularly related to liveable neighbourhoods and development low carbon transport network e.g. roll out of 20 mph limits and cycle infrastructure improvements Inclusive Accessibility – travel training and support for vulnerable groups Indicator monitoring
Through a Partner	• Big Wheel marketing transport programme and events coordination via Greater Nottingham Transport Partnership • Delivery of UCycle programme coordinated by Sustrans sustainable transport charity • Cycle training provided by Ridewise social enterprise • RCAN wheels to work programme	Delivery of specialist services typically related to community smarter travel hubs service delivery, personal travel planning and active travel solutions.
Existing Contractual Arrangements	• Bus replacement programme • Smartcard ticketing/back office system	Integrated ticketing element and electric bus purchase and other infrastructure linked to development of a low carbon transport network
Tendering	• Procurement of specialist services such as transport modelling and existing smarter choices elements	Typically active travel solutions elements, eco driving support and establishing City car club

The preferred procurement routes for each element have been identified and are presented in the following table.

Table 1.2: Proposed procurement routes

Ref	Work Description	Procurement Options
Workstrand A – Enhanced Smartcard/Personalised Travel Planning		
A4	Smartcard ticketing	Extension of existing card issue, back office and reimbursement arrangements
A5	Ways to Work	Commissioning of specialist provider (ie. Rural Community Action Nottinghamshire who provide Wheels to Work elsewhere in the county)
A6	Educational Travel Training	To be delivered in-house
A7	Homemovers Packs and Personalised Journey Planning	To be delivered mainly in-house with opportunities for local suppliers for print and other associated materials
A8	Inclusive Accessibility	Work with user groups, confidence training and mystery shopper elements to be delivered in-house plus specialist consultancy support for @ccessadvsr web/app tool to be developed by ITP Consultants
Workstrand B –Community Smarter Travel Hubs		
B2-5	Establish Community Hubs	Based on Key Component model Neighbourhood Smarter Travel Co-ordinator (NSTC) will be commissioned from third sector providers through invited tender. NSTC will commission annual intervention programme for local and specialist providers via quotations. Annual programme will be approved by LSTF Programme Board through Service Level Agreement. All contracts will be let through NCC.
B6	Places for People	Commissioning packages of minor traffic management, road safety and public realm improvement measures. To be delivered through in-house arrangements and existing framework for highway works prioritised following community engagement.
Workstrand C – WorkSmart		
C2	Green Bus Purchase	Delivered through existing contractual arrangements for new bus purchase
C3	Cycle Infrastructure	To be delivered through in-house arrangements and existing framework for highway works
C4	Electric Vehicle Charging Infrastructure	To be procured through a competitive tendering procedure linked to use of existing Midlands Plugged in Places framework contract
C5	ECO driving business support	To be procured from specialist provider through tendering/quotations
C6	City Car Club	Evidence being gathered from other Core cities to determine optimal procurement route. Likely to be some form of competitive tender.
Workstrand D – Active Travel Solutions		
D2	Co-ordinated cycling Programme	Combination of routes including: - Extension of Ridewise Contract for cycle training activities - Commissioning Sustrans for BikeIT (unique supplier) - Continue Framework Housing Trust bike recycling programme and expand to Hubs
D3	Active Travel Events	Commissioned via GNTP from existing supplier lists with opportunities for local suppliers to quote for goods and services Perfect Motion events company coordinating Cycle Live activities on a commercial basis with gap funding support and sponsorship
Workstrand E – LSTF Programme Management		
E2	Recruit Manager	Appointment following Selection and Recruitment process (to be hosted in-house)
E3	Monitoring and Evaluation	In-house monitoring team. Perception studies commissioned externally following competitive tendering exercise Interface with DfT appointed organisations depending on evaluation model

3. Achieving value for money

In support of programme delivery and to support value for money, assistance and guidance will be sought using the Core City Network and joint procurement, where appropriate, with other successful LSTF bidders where programmes overlap/coincide.

Programme delivery will be informed by best practice from elsewhere. This has proved invaluable to projects such as UCycle where it has been possible to learn from an existing University cycle loan scheme example already operational in Leeds to allow the largest student bike loan scheme in the country to now be established in Nottingham within a very short period of time.

The authority has a strong commitment to sharing of experience and good practice with other authorities and delivery agencies with the opportunity to link our experience with the implementation of the UK's first workplace Parking Levy scheme which is of considerable interest to a growing number of local authorities both in the UK and further affield.

The City Council has a developing arrangement with Leicestershire County Council under the East Midlands Shared Services Agreement to provide shared financial monitoring and human resources services. This will provide significant benefits throughout the delivery of the LSTF through the development of a more efficient financial system to control ordering, purchasing and payments.

As lead authority Nottingham City Council will be responsible for all financial management, monitoring and authorisation of all transactions and contractual arrangements between internal and external organisations to ensure compliance with all relevant legal and financial regulations relating to the procurement and commissioning of goods and services.

The key principles driving the procurement process linked to wider LSTF objectives are:

- Ensuring cost-effectiveness and value for money;
- Supporting local employment and creation of jobs;
- Provide training opportunities particularly for young people and increase skills;
- Increasing capacity of the third sector;
- Reduce carbon impacts.