
9.0 Procurement procedure 4 – Public transport fare subsidy schemes

9.1 Overview

Introduction

Procurement procedure 4 – Public transport fare subsidy schemes consists of three parts:

- guidelines for understanding the strategic context for the procurement activity
- selecting the supplier(s)
- guidelines for contract forms to be used with the procurement procedure.

In this chapter

This chapter contains the following sections:

Section		Page
9.1	Overview	9-1
9.2	Definition	9-2
9.3	Requirements	9-3

9.2 Definition

Purpose

The public transport fare subsidy schemes procurement procedure covers those activities involving the expenditure of NLTP funds on the purchase of access to fare subsidies. Such activities include:

- concessions for eligible groups of passengers who have particular characteristics that warrant special consideration, such as:
 - age
 - disability
 - beneficiary status
 - discounted taxi fare schemes for people with disabilities who qualify for assistance under the Total Mobility scheme
 - the operation of transportation schemes that do not use taxis for people with disabilities who qualify for assistance under the Total Mobility scheme
 - free off-peak public transport for SuperGold Card holders on eligible services
 - the maintenance and operation of facilities and equipment associated with the Total Mobility scheme, including the purchase and installation of new or replacement wheelchair hoists.
-

9.3 Requirements

Requirements

Approved organisations must follow the requirements below when using this procurement procedure.

Definition

The activity must fit within the definition for public transport fare subsidy scheme procurement.

Strategic context

To use this procurement procedure, an approved organisation must understand the procurement activity's strategic context so the organisation can specify the outputs that are required to deliver the activity.

The detail of any fare subsidy scheme(s), including a schedule of the services where fare subsidies will apply, will be determined through the development of the RPTP. The procurement implications of what is outlined in the RPTP must be addressed in a procurement strategy which has been endorsed by the NZTA.

Selecting the supplier(s)

All approved organisations must use this procurement procedure when purchasing access to fare subsidies. Note that the delivery models and supplier selection methods outlined in the other procurement procedures in this manual do not apply.

Selecting suppliers under this procurement procedure does not involve a competition between suppliers for the right to supply. All suppliers that meet the approved organisation's criteria for joining a fare subsidy scheme must be allowed to join the scheme.

High-level discussion to establish the approach to procurement will occur through the development and review of the RPTP. An approved organisation must publicly engage with members of the community who are eligible to use the subsidised fare scheme and the suppliers of the required services to finalise the detail of all contracts.

An approved organisation should also have ongoing negotiations with suppliers and community groups to continually improve the provision of fare subsidy schemes. Negotiations between the approved organisation (as funder of the subsidised fare schemes), the suppliers and eligible passengers should be used to maximise the value for money outcomes from the scheme.

The contracts for fare subsidy schemes must be reviewed at least once every three years, or sooner if there is a material change in circumstances. For example, a review should be undertaken if a new supplier offers the approved organisation an alternative way to provide the service that could deliver a significant improvement in value for money.

Approved organisations must use the public discussion mechanism described above to make decisions about investments in new or replacement wheelchair hoists for Total Mobility services.

Rules

The rules set out in chapter 10 *Rules* must be followed.

9.3 Requirements continued

Requirements continued

Contracts

The contract stipulates the terms and conditions for the purchase of access to fare subsidies.

The scope and nature of the contracts will vary according to the goods and services to be purchased and the scale and complexity of the fare subsidy scheme. Fare subsidy scheme contracts should cover:

- description of the outputs being purchased
- term of contract
- price and review mechanisms (where applicable)
- processes to remedy defects (including period allowed to remedy defects after the contract end date)
- standard terms and conditions (eg limitation of liability and insurance)
- health and safety requirements
- variations and time extensions
- disputes resolution
- contract default conditions and termination processes
- other issues that may be specific to the individual procurement.

The form the contract takes to manage and deliver an activity is highly individual to that activity, so the decision on contract form rests with the approved organisation.

This manual contains no specific guidance on the contract form to be adopted under this procurement procedure. Approved organisations can adopt the form of contract that best suits their requirements

Approved organisations should refer to the NZTA publication *Total Mobility scheme: a guide for local authorities* for guidelines on best practice for Total Mobility contracts.

Further assistance

Please contact the NZTA if you are unsure whether the activity conforms to the requirements of the public transport fare subsidy schemes procurement procedure, or if you wish to depart from the rules contained here.
