



Proposed award of subsidised local bus service contracts

Committee Operations

Date of meeting 4 May 2018

Date of report 26 April 2018

Report by Assistant Chief Executive

1. Object of report

To recommend the Committee approves the award of contracts for the renewal of a number of subsidised local bus services.

This paper affects Argyll and Bute, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City, North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire and West Dunbartonshire council areas.

2. Background

SPT subsidises bus services which are not provided by the commercial market but which are considered socially necessary in accordance with adopted guidelines. A proportion of these contracts, approximately one third of the total number of supported services, are shortly due to expire and tenders have been sought for their renewal.

In seeking tenders, as always SPT has reviewed whether the services are providing value for money, could be supported on a commercial basis, and whether there remains a sustainable requirement. In addition, SPT has reviewed the recent terms of its tendering offer and the associated contract conditions and lease terms.

As in previous tender exercises, operators wishing to bid must submit compliant tenders, but optional tenders are also considered, whereby the operator may submit an optional contract specification which offers efficiency savings. It is also encouraged and permissible for operators to package contracts where this may provide better value for money. Tenders were also invited for contracts where the vehicle(s) could be provided by SPT if it was to provide a more cost effective outcome.

Following an internal review, the invitations to tender were structured to provide for a longer contract period thus allowing tenderers to consider a longer term priced solution. In addition, the terms of SPT vehicle provision was amended to ensure that the original stated outcomes of the policy of reduced total cost while improving the market offering were achieved. The vehicle(s) could be provided to the operator on a full repairing lease basis for the lifetime of the contract, but with title in the vehicle(s) transferring to that operator for an agreed value at the end of the contract term.

Previously, vehicles reverted to SPT at end of contract but the revised approach involving transfer of title is designed to offer benefits to both SPT and operators by encouraging lower contract costs on the one hand, while on the other the contractors gain a vehicle(s) asset at the end of the contract term. Contracts will be reviewed on an ongoing basis to ensure that they continue to provide relevant services and meet need.

This report details the results of the tenders received and the recommended action. This was a significant exercise, involving the preparation of 78 contract specifications for the renewal of 49 contracts. 524 tender bids were received from 16 tenderers.

Based on the analysis of all submissions, including whether SPT were requested to provide buses has resulted in an overall annual saving of £22,554 compared to the cost of the current services. This can be accommodated within the subsidised bus budget for 2018/19.

In addition, a number of contracts currently served by SPT vehicles will be operated from the renewal date by operator-owned vehicles and this will result in the vehicles currently on lease being returned to SPT for reallocation to other services where vehicles are nearing or beyond the replacement life or for disposal.

3. Outline of proposals

Copies of all timetables are available on request.

Specific details of individual contracts are attached at Appendix 1, with the current cost and revised cost shown.

4. Committee action

The Committee is recommended to approve the contract awards as detailed in Appendix 1.

It should be noted that the award of the contract[s] is subject to satisfaction of the requirements of the mandatory standstill period for EU advertised public sector contracts.

5. Consequences

Policy consequences: *In line with Regional Transport Strategy.*

Legal consequences: *Contracts will require to be finalised.*

Financial consequences: *Can be contained within the agreed budget.*

Personnel consequences: *None.*

Equalities consequences: *None directly.*

Risk consequences: *Approach has sought to minimise risk and provide stability.*

Valerie Davidson
Assistant Chief Executive

Gordon MacLennan
Chief Executive

For further information, please contact Alex Scott, Bus Services Manager on ext 3388

Proposed award of subsidised local bus service contracts

Appendix 1

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
0902G	7A	Rutherglen - Bankhead - Glasgow	McGill's Bus Service Ltd (7 yr option)	operator	operator	7	£155,134.00	£22,101.28	£21,532.16	£569.12
0906H	46	Castlemilk - Shettleston - Greenfield - Queenslie	First No.1	operator	operator	3	£312,964.00	£104,321.33	£95,797.00	£8,524.33
0914K	89/90	Glasgow Inner Circle	First No.1	operator	operator	3	£324,324.00	£108,108.00	£110,601.40	-£2,493.40
0917C	65	Bridgeton - Glasgow	McGill's Bus Service Ltd (7 yr option)	operator	operator	7	£315,833.00	£44,995.39	£45,424.60	-£429.21
2835K	27	Kilsyth - Glasgow	First No.2 (option)	operator	operator	3	£15,413.00	£5,104.94	£5,577.52	-£472.58
2876H	343 / 346	Cumbernauld Local / Cumbernauld - Wardpark	JD Coaches	operator	operator	3	£200,880.00	£66,960.00	£78,630.76	-£11,670.76
4980H	14	Rutherglen - Fernhill	McGill's Bus Service Ltd (7 yr option)	operator	operator	7	£172,655.00	£24,597.42	£37,906.44	-£13,309.02
6266U	343	Ayr - Cumnock - New Cumnock	Western Buses Ltd	operator	operator	3	£389,259.00	£129,753.00	£132,785.12	-£3,032.12
6269M1	1/2/6	Ayr - Hillfoot - Hayhill - Marchburn	Western Buses Ltd	operator	operator	3	£52,299.00	£17,433.00	£14,394.12	£3,038.88
6603S3	337	Beith - Kilmarnock	McGill's Bus Service Ltd (7 yr option)	operator	SPT (1)	7	£427,609.00	£60,919.64	£115,687.52	-£54,767.88

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
6790J	361	Dunure - Ayr - Straiton	Western Buses Ltd	operator	SPT (2)	3	£633,945.00	£211,315.00	£192,314.72	£19,000.28
6941Y	347	Rankinston - Drongan - Coylton - Ayr	Shuttle Buses Ltd	operator	operator	3	£256,826.00	£85,608.67	£95,578.08	-£9,969.41
6942R	356	Cumnock - New Cumnock - Bellsbank	Western Buses Ltd	operator	SPT (1)	3	£499,893.00	£166,631.00	£102,591.84	£64,039.16
6951J	352	Ayr - Dalmellington - Burnton	Western Buses Ltd	operator	operator	3	£30,045.00	£10,015.00	£9,923.68	£91.32
8812G	316	Helensburgh - Coulport	Garelochhe ad Coaches	operator	operator	3	£67,500.00	£22,500.00	£21,788.52	£711.48
9561G1	DRT + 132 / 202 / 248	Central Lanarkshire DRT M19 / M98 / M99 /400	McGill's Bus Service Ltd	operator	SPT (5)	5	£2,717,040.00	£539,259.85	£532,187.76	£7,072.09
9571G1	DRT + 208 /218	Dumbarton DRT M10 / 950	McGill's Bus Service Ltd	operator	SPT (1)	7	£966,252.00	£137,281.70	£153,598.12	-£16,316.42
9574J1	DRT + 81	Glasgow North West DRT - M18/M92/R850	McGill's Bus Service Ltd	operator	SPT (2)	7	£1,287,538.00	£182,928.90	£218,900.76	-£35,971.86
9575F1	DRT	North Ayrshire DRT M12 / M22 / M32 / M42	Shuttle Buses Ltd	operator	SPT (2)	7	£1,259,093.00	£178,887.53	£187,629.00	-£8,741.47
9581G1	DRT / X50	Three Valleys DRT 900	McGill's Bus Service Ltd	operator	SPT (2)	7	£1,467,613.00	£208,513.32	£192,520.12	£15,993.20
9590E1	DRT / 103	DRT - Greater Glasgow	McCull's Travel Ltd	operator	SPT (1)	7	£786,830.00	£111,790.05	£110,784.44	£1,005.61
9603E1	DRT + 344/A / 348 / 349 / 403A/B	Lanarkshire Area DRT M19 / M90 / M98 / M99 /400 / 800	McGill's Bus Service Ltd	operator	SPT (4)	3	£1,417,725.00	£469,564.97	£286,161.72	£183,403.25

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
9604C	DRT	DRT - Glasgow all areas	McColl's Travel Ltd	SPT (1)	SPT (1)	5	£299,000.00	£59,343.51	£57,908.24	£1,435.27
9605B1	DRT	Ayrshire DRT (all areas) M1 / M12 / M13 / M14 / M22 / M32 / M42 / 500 / 700	Shuttle Buses Ltd	operator	operator	7	£524,512.00	£74,520.83	£83,176.08	-£8,655.25
9606C	DRT	DRT - Renfrewshire all areas	McColl's Travel Ltd	SPT (1)	SPT (1)	5	£299,000.00	£59,343.51	£54,750.80	£4,592.71
9607B	DRT	DRT - South Lanarkshire all areas	Stuarts Coaches Ltd	SPT (1)	SPT (1)	3	£156,600.00	£51,867.52	£69,228.64	-£17,361.12
LS005M	59	Mosspark Glasgow -	McGill's Bus Service Ltd	operator	operator	7	£208,124.00	£29,650.54	£33,932.60	-£4,282.06
LS022E	340	Helensburgh - Vale of Leven Hospital - Royal Alexandra Hospital	McColl's Travel Ltd	operator	operator	3	£143,640.00	£47,880.00	£59,368.92	-£11,488.92
LS026E	381	Kilsyth - Twechar	JD Coaches	operator	SPT (1)	5	£363,244.00	£51,608.44	£48,170.20	£3,438.24
LS076N	312	Coatbridge - Plains - Caldercruix	McGill's Bus Service Ltd (7 yr option)	operator	operator	7	£201,978.00	£28,774.95	£50,928.28	-£22,153.33
LS083H	165	Rutherglen - Cambuslang -	McGill's Bus Service Ltd (7 yr option)	operator	operator	7	£192,031.00	£27,357.84	£56,319.64	-£28,961.80
LS086F	X50	Cumnock - Sorn	Western Buses Ltd	operator	operator	3	£28,917.00	£9,639.00	£9,601.80	£37.20

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
LS087F	42A	Cumnock - Ayr	Western Buses Ltd	operator	operator	3	£44,652.00	£14,884.00	£14,787.76	£96.24
W007C	121	Govan - Victoria Hospital	McGill's Bus Service Ltd	operator	SPT (1)	7	£562,625.00	£80,154.79	£78,823.68	£1,331.11
W008C1	93/193	Coltness - Wishaw - Parkside	First No.2	SPT (1)	SPT (1)	7	£239,676.00	£34,145.62	£34,041.80	£103.82
W017E1	84	Twechar - Kirkintilloch	McCull's Travel Ltd	SPT (1)	SPT (1)	3	£211,704.00	£70,568.00	£69,360.20	£1,207.80
W034B	244	Forgewood - Motherwell - North Lodge	First No.2	operator	SPT (1)	6	£78,362.00	£13,018.61	£9,817.60	£3,201.01
W035B1	251	Larkhall - Overtown - Wishaw General Hospital	First No.2 (7 yr option)	SPT (1)	SPT (1)	7	£309,317.00	£44,067.08	£41,345.20	£2,721.88
W072B	47/A	Carluke Local / Carluke - Lower Braidwood	JMB Travel Ltd	operator	operator	2	£25,986.00	£12,993.00	£11,427.00	£1,566.00
W085E	307	Lochwinnoch - Howwood - Johnstone	McGill's Bus Service Ltd (7 yr option)	operator	operator	7	£217,980.00	£31,054.68	£25,305.28	£5,749.40
W087B1	64/164/364	Halfway - Cambuslang - Carmyle - Glasgow / Newton Farm - Cambuslang - Carmyle - Parkhead	McGill's Bus Service Ltd	operator	SPT (2)	7	£1,112,132.00	£158,440.72	£192,195.12	-£33,754.40
W094B	21	Crosshouse Hospital - Dundonald - Irvine	Shuttle Buses Ltd	operator	operator	3	£190,160.00	£63,386.67	£69,182.88	-£5,796.21

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
W095B	49A	Logan - Cumnock Hospital - Craighens	Coalfield Community Transport	operator	operator	3	£73,689.00	£24,563.00	£43,309.76	-£18,746.76
W097D	374	Shawlands - Clarkston - Silverburn	McGill's Bus Service Ltd (7 yr option)	operator	operator	7	£588,980.00	£83,909.48	£160,047.68	-£76,138.20
W121A2	49	Southpark Village - Silverburn - Govan	McGill's Bus Service Ltd	operator	operator	7	£241,072.22	£34,344.54	£20,020.00	£14,324.54
W122	M4	Anniesland - Partick	First No.1 (5 yr option)	SPT (1)	operator	5	£160,307.00	£31,938.56	£51,912.00	-£19,973.44
W126	206	Coatbridge - Shawhead	McGill's Bus Service Ltd (7 yr option)	operator	operator	7	£117,783.00	£16,780.04	£12,948.00	£3,832.04

Contained within Package 17251										
4856M	255	Netherburn - Hamilton	Whitelaws Coaches Ltd	operator	operator	5	£909,000.00	£181,103.45	£146,257.56	£34,845.89
W075F	253	Coaburn - Hamilton	Whitelaws Coaches Ltd	operator	operator	5				