



### Proposed award of subsidised local bus service contracts

**Committee** Operations

**Date of meeting** 29 January 2021

**Date of report** 31 December 2020

#### Report by Assistant Chief Executive

#### 1. Object of report

To recommend the Committee approve the award of a number of subsidised local bus service contracts.

This paper relates to services in Argyll & Bute, East Ayrshire, East Dunbartonshire, Glasgow City, North Ayrshire, South Ayrshire, and South Lanarkshire council areas.

#### 2. Background

SPT subsidised bus services are not provided by the commercial market but are considered socially necessary in accordance with adopted guidelines. A proportion of these contracts are due to expire in July 2021 and tenders have been sought for their renewal.

Prior to seeking replacement contracts, SPT analyse existing provision, reviewing performance data for each specified journey within each service, to align provision with actual demand. In addition, the opportunity is also taken to determine whether contracts can be amalgamated in situations where this may improve connectivity or reduce costs.

Operators wishing to bid must submit compliant tenders but optional prices are also considered, whereby the operator may submit an option which offers efficiency savings to SPT. It is also permissible for operators to package contracts where this may provide better value for money.

#### 3. Outline of proposals

Of the 36 advertised contracts, it is proposed to award 15 at this stage with a total contract value of £4,215,960.65 as detailed in Appendix 1. This will result in an annual saving of £1,566.45 to the subsidised bus budget when compared to the current annual contract value.

Whilst this initial set of contracts due for renewal represents a reduction in costs compared with the current position, it should be noted that the prices submitted for the remaining contracts were considered excessive. With that in mind, those contracts not recommended will be re-tendered in an effort to achieve a more satisfactory outcome.

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 agree the award of the contracts detailed in Appendix 1, noting the award of contract 6965F is subject to the approval of South Ayrshire Council, for an apportioned funding contribution for home to school transport.

#### 5. Consequences

Policy consequences	<i>In line with Regional Transport Strategy.</i>
Legal consequences	<i>All contracts will be awarded subject to SPT's terms and conditions for transport contracts, together with vehicle lease agreement, where applicable.</i>
Financial consequences	<i>The award of the contracts detailed in this committee paper will result in additional costs of £12,086 to SPT in 2021/22 and net savings of £10,330 in 2021/22 to South Ayrshire Council.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>Seeks to reduce the incidence of social exclusion by supporting socially necessary bus services.</i>
Risk consequences	<i>None directly.</i>

**Name** Valerie Davidson  
**Title** Assistant Chief Executive

**Name** Gordon MacIannan  
**Title** Chief Executive

*For further information, please contact Gordon Dickson, Head of Bus Strategy & Delivery on 0141 333 3407.*

**APPENDIX 1**

<b>contract</b>	<b>service no</b>	<b>service description</b>	<b>operator</b>	<b>bus (proposed)</b>	<b>bus (current)</b>	<b>term (years)</b>	<b>contract price</b>	<b>annualised price (proposed)</b>	<b>annualised price (current)</b>	<b>variance</b>
0906J	46	Castlemilk - Shettleston - Queenslie	Kevins Coaches Ltd	Operator	Operator	3	£258,504.00	£85,619.16	£108,405.96	-£22,786.80
0914L	189/190	Glasgow Inner Circle	McColls Travel Ltd	Operator	Operator	3	£374,520.00	£124,044.84	£114,497.24	£9,547.60
6266V	343	Ayr - Cumnock - New Cumnock	Western Buses Ltd (Option)	Operator	Operator	3	£396,387.00	£131,287.41	£132,128.88	-£841.47
6790K	361	Dunure - Ayr - Straiton	Western Buses Ltd (Option)	Operator	Operator	3	£747,270.00	£247,503.44	£223,577.64	£23,925.80
6917K	110	Kilmarnock - Troon	Western Buses Ltd (Option)	Operator	Operator	3	£149,569.00	£49,538.78	£45,299.80	£4,238.98
6942S	356	Cumnock - New Cumnock - Bellsbank	Western Buses Ltd (Option)	Operator	Operator	3	£519,312.00	£172,001.43	£173,103.84	-£1,102.41
6951K	352	Ayr - Dalmellington/Burnton	Western Buses Ltd (Option)	Operator	Operator	3	£29,922.00	£9,910.47	£9,974.12	-£63.65
6965F	362	Girvan/Girvan Academy - Pinmore - Colmonell	Shuttle Buses Ltd (Option)	Operator	Operator	3	£299,610.00	£99,870.00	£129,767.04	-£29,897.04
8812H	316	Helensburgh - Coulport	Garelochhead Minibuses & Coaches Ltd	Operator	Operator	3	£89,976.00	£29,800.97	£27,517.36	£2,283.61
LS087G	42A	Cumnock - Drongan - Ayr	Western Buses Ltd (Option)	Operator	Operator	3	£42,970.00	£14,232.10	£15,739.88	-£1,507.78
W017F	84	Kirkintilloch - Twechar	McColls Travel Ltd (Option)	Operator	SPT	6	£432,078.00	£71,782.93	£75,127.00	-£3,344.07
W039E	205	Hairmyres Hospital - Blantyre - Hamilton - Torr Farm	ARG Travel	Operator	SPT (2)	5	£209,534.65	£41,746.37	£30,589.00	£11,157.37
W040D	332/333	Kilmarnock - Fenwick/Galston (332) / Kilmarnock - Moorfield (333)	Shuttle Buses Ltd (Option)	Operator	Operator	3	£257,400.00	£85,253.50	£80,346.76	£4,906.74
W083Q	172/A	Halfway - East Kilbride Bus Station	Hobson Travel Ltd	Operator	SPT	3	£142,778.00	£47,289.53	£38,966.72	£8,322.81
W103B1	141	Partick Bus Station - Gartnavel Hospital	McColls Travel Ltd	SPT	SPT	4	£266,130.00	£53,022.07	£59,428.20	-£6,406.13

<b>Out</b>	<b>Returned</b>				
1	5	£4,215,960.65	£1,262,902.99	£1,264,469.44	-£1,566.45