



### Proposed award of subsidised local bus service contracts

**Committee**            Operations

**Date of meeting**    26 April 2019

**Date of report**    16 April 2019

#### Report by Assistant Chief Executive

##### 1. Object of report

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

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

##### 2. Background

SPT subsidises bus services not provided by the commercial market but which are considered socially necessary in accordance with adopted guidelines.

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

Members will recall that the Operations Committee was informed on 25 January 2019 that a tendering exercise had taken place in relation to contracts due for renewal in July 2019 but that the prices submitted for a number of them were considered excessive, leading to overall additional costs of £842,000. Since acceptance of all of the contract bids received at that point would have exceeded the draft funding available for 2019/20, those viewed as excessive were retendered in an effort to achieve a more satisfactory outcome. In some cases, the contract specifications were amended before retendering.

In tandem with that, a wider needs analysis has been undertaken, with particular consideration given to patronage levels and, in that context, whether specific contracts represent continuing value for money.

As a result of this review, it is proposed that contract 9605B1 is cancelled in view of low patronage with effect from 13 July 2019 (also referenced in the Amendments paper to be considered at this meeting). The contract was initially introduced to offer an additional vehicle resource when required for the MyBus services across East, North and South Ayrshire. It is important to emphasise that this contract only supplemented the core MyBus services in the area, which are unaffected.

It is also proposed that contract LS044S which provides a single return journey Monday – Friday on service 904 (East Kilbride – Hamilton - Motherwell – Edinburgh) is not renewed after its expiry on 13 July 2019. The annual cost of £51,000 for this service level and the small number of passengers make its continuation unsustainable.

In addition to these, and in accordance with normal procedure, additional adjustments to contracts will be made where required for effective delivery of services.

Details of the 23 contracts which are recommended for award are provided in Appendix 1 of this paper. The total contract value is £16,698,911 and will result in additional costs of £35,234 in 2019/20.

#### 4. Committee action

The Committee is recommended to agree:

- a) the award of the contracts detailed in Appendix 1
- b) that contract 9605B1 is cancelled with effect from 13 July 2019
- c) that contract LS044S is not renewed after its expiry on 13 July 2019

#### 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 the committee paper will result in additional costs of £35,234 in 2019/20 to SPT.</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 Alex Scott, Bus Services Manager on ext 3388

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
9592G1	M18/M91/M92/ M93/M94/600	Glasgow DRT (Group A)	McColl's Travel Ltd	Op bus	Op bus	5	£2,605,665.00	£519,136.32	£483,996.24	£35,140.08
W140A	166	Neilston - Paisley - Gallowhill	McGill's Bus Service	Op bus	Op bus	5	£181,965.00	£36,253.56	£58,357.52	-£22,103.96
9593G1	M15/M96/900/13/ 211/230/399	South Lanarkshire DRT	Stuarts Coaches Ltd - Option 2 (7 years)	Op bus	SPT bus	7	£4,216,800.00	£600,749.59	£613,202.20	-£12,452.61
9594F1	M11	Inverclyde DRT	McColl's Travel Ltd	Op bus	SPT bus	5	£1,002,970.00	£199,825.44	£197,696.20	£2,129.24
W119A	330/331	Greenock - Pennyfern/ Branchton	McGill's Bus Service (Sole tenderer)	Op bus	SPT bus	5	£247,125.00	£49,235.63	£42,168.36	£7,067.27
9595F	M93	Glasgow North East DRT	JD Coaches - Option 2 (7 years)	Op bus	SPT bus	7	£561,792.00	£80,036.12	£161,301.40	-£81,265.28
9598F	M10/M18/M91/ M93/M94/600/850	Glasgow DRT (Group C)	McColl's Travel Ltd	SPT bus	SPT bus	7	£1,100,449.00	£156,776.30	£172,448.64	-£15,672.34
W038G	70	Paisley - Hunterhill, Todholm, Dykebar, Lochfield	Gibson Direct	Op bus	Op bus	3	£84,662.00	£28,040.92	£22,927.84	£5,113.08
W043D	264	Paisley Town Centre - Ferguslie Park - Phoenix Retail Park	McGill's Bus Service - Option (5 years)	Op bus	Op bus	5	£53,130.00	£10,585.29	£8,022.04	£2,563.25
W051D	10/20	Hawkhead - Paisley - RAH / Johnstone - RAH - Paisley	McGill's Bus Service	Op bus	Op bus	3	£36,048.00	£11,939.46	£10,908.04	£1,031.42
W060D1	DRT1	Skelmorlie/Wemyss Bay/Inverkip DRT	Shuttle Buses Ltd (option)	Op bus	Op bus	1	£48,020.00	£48,020.00	£56,500.08	-£8,480.08
W060D2	576/578	Greenock - Upper Skelmorlie - Largs	McGill's Bus Service - Option (5 years)	Op bus	Op bus	5	£318,120.00	£63,380.23	£35,700.08	£27,680.15
W126B	106	Coatbridge Town Centre - Shawhead	McNairns Coaches Ltd (option)	Op bus	Op bus	3	£117,000.00	£38,751.59	£72,436.00	-£33,684.41
5627P2	521	Bishopton - Linburn - Erskine	McGill's Bus Service	Op bus	Op bus	5	£382,245.00	£76,156.09	£48,966.32	£27,189.77
W045F	49/124/153	Silverburn - Shawlands /Govan - North Cardonald /Glasgow - Silverburn	Glasgow Citybus	Op bus	Op bus	3	£450,906.54	£149,344.84	£88,970.96	£60,373.88
W065E	1/1A/2/2A/X6A/X7	Kilmacolm - Bridge of Weir - Houston - Linwood - Johnstone / Greenock - Kilmacolm	McGill's Bus Service - Sole tenderer	Op bus	Op bus	4	£951,592.00	£236,759.73	£229,534.24	£7,225.49
W129B	329	City Centre - Roystonhill - Stobhill Hospital	McGill's Bus Service	Op bus	Op bus	3	£156,261.00	£51,755.24	£32,178.64	£19,576.60
W130A	147/147A/247	Monklands Hospital - Cumbernauld - Kirkintilloch/Kilsyth	Blue Bus Ltd	Op bus	Op bus	3	£551,999.00	£182,827.69	£184,050.88	-£1,223.19
W131B1	213	Airdrie - Coatbridge - Bargeddie - Baillieston	McGill's Bus Service	Op bus	Op bus	3	£140,162.00	£46,423.08	£58,760.00	-£12,336.92

## Package 17348

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
4199F	235/236	Bellshill - Holytown - Harthill	Stuart's Coaches Ltd	Operator	Operator	5	£3,492,000.00	£695,724.14	£774,139.08	-£78,414.94
9597F	R400/M99/M90	Cumbernauld DRT	Stuart's Coaches Ltd	Operator	SPT	5				
9603H1	M19/M90/M98/M99/400 +344/A,348,349,403/A/B	Lanarkshire Area DRT	Stuart's Coaches Ltd	Operator	SPT	5				
W022F	365/366/367	Harthill - Shotts - Newmains - Wishaw - Ravensraig Sports Centre	Stuart's Coaches Ltd	Operator	Operator	5				