

Proposed awards of subsidised local bus service contracts

Date of meeting 21 June 2019

Date of report 19 June 2019

Report by Assistant Chief Executive

1. Object of report

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

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

2. Background

Members have been provided with a report to the Partnership outlining the background to recent contract awards and subsequent circumstance surrounding the need to re-tender three specific services as detailed in the report. This resulted in the need to yet again re-tender services, and given the initial tender prices received, centrally review both the service provision, value for money and affordability.

3. Current Position

Attached at Appendix 1 are the proposed award of contracts to replace the three contracts referenced in the previous paper. Members attention is drawn to the increased costs of these contracts, following the original decision. In addition, to address further changes in the commercial market, two further contracts to maintain social links are proposed.

Given the marked increase in costs and the circumstances surrounding the need to re-tender, it is essential that SPT undertake a more detailed analysis of the network in the area affected. Details of this will be reported to a future committee.

The proposed awards value at Appendix 1 is £9,057,340 over the duration of the contracts, equating to additional annual costs of £506,705. Whilst this can be accommodated in the current year budget, it does minimise the scope to address any unexpected market changes. These matters will continue to be monitored.

4. Recommendation

The Partnership is recommended to agree the award of the contracts detailed in Appendix 1.

5. Consequences

Policy consequences

In line with Regional Transport Strategy.

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 these contracts will result in additional costs of £366,869 in 2019/20 when compared with previous projections for these contracts.</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>

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For further information, please contact Alex Scott, Bus Services Manager on 0141 333 3388

Appendix 1

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
9592H1	M18/M91/M92/ M93/M94/600	Glasgow DRT (Group A)	Shuttle Buses Ltd. - Option	Op bus	Op bus	5	£3,047,625.00	£607,189.66	£483,996.50	£123,193.16
9593J	M15/M96/900/13/ 211/230/399	South Lanarkshire DRT	JMB Travel Ltd - Option (5 years)	Op bus	SPT bus	5	£4,070,000.00	£810,881.23	£705,691.48	£105,189.75
9618	M93/600	Glasgow North East and East Dunbartonshire DRT	J D Coaches - Option (7 years)	Op bus	N/A	7	£848,484.00	£120,879.91	£0.00	£120,879.91
W033F	15	Anniesland - Milngavie	McGill's Bus Service	Op bus	N/A	2	£150,014.00	£72,904.00	£43,151.89	£29,752.11
W130C	147/147A/247	Monklands Hospital - Cumbernauld - Kirkintilloch/Kilsyth	McGill's Bus Service	Op bus	Op bus	3	£941,217.00	£311,740.66	£184,050.88	£127,689.78