



Proposed award of subsidised local bus service contracts

Committee Operations

Date of meeting 27 January 2023

Date of report 9 January 2023

Report by Chief Executive

1. Object of report

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

This paper affects services delivered in Glasgow, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, 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 the approved framework. A proportion of these contracts are due to expire in July 2023 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, or amended in situations where this may improve connectivity and overall sustainability.

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.

Notwithstanding the above, SPT were recently notified by First Bus that they had elected not to operate a significant number of SPT Supported Services from 5th February 2023 onwards, namely services 189/190, 14, 59, 93, 193, 210, 244, 251, 49 and M4. The operator has cited lack of driver availability currently. SPT have notified the operator of our intention to terminate these contracts, due to the breach of contract by First Bus, and to re-advertise accordingly. These tenders were not included in the procurement exercise referenced in this report.

3. Outline of proposals

Of the 14 advertised contracts, it is proposed to award 10 at this stage with a total contract value of £2,916,594 as detailed in Appendix 1. This will result in an annual increase cost of £49,159 to the subsidised bus budget, when compared to the current annual contract value.

It should be noted that the prices submitted for the four remaining contracts were considered excessive. With that in mind, these contracts will be re-tendered in an effort to achieve sustainable submissions.

Members are advised that a number of contracts currently utilising SPT vehicles will be operated from the renewal date by operator owned vehicles.

Copies of all timetables are available on request. Specific details of individual contracts are attached at Appendix 1, with the current cost and contract renewal cost shown.

A further tendering exercise, inclusive of the contracts / services which First Bus have elected not to operate is underway, with a further update to the committee planned in due course.

4. Committee action

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

5. Consequences

Policy consequences	<i>In line with the Regional Transport Strategy and SPT's framework for local bus services.</i>
Legal consequences	<i>All contracts will be awarded subject to SPT's conditions of contract for transport contracts.</i>
Financial consequences	<i>The award of the contracts detailed in this committee paper will result in additional costs of £35,646 in 2023/2024.</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>
Climate Change, Adaptation & Carbon consequences	<i>As proposals support a continuation of existing local bus services an EIA has therefore not been undertaken.</i>

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Name Valerie Davidson
Title **Chief Executive**

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

APPENDIX 1

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
0906L	46	Castlemilk - Rutherglen - Parkhead - Queenslie	First Glasgow <i>Award subject to confirmation operator has adequate driver resource</i>	Operator	Operator	2	£200,720.00	£100,360.00	£156,433.16	-£56,073.16
2829R	71A	Torrance - Glasgow	McGill's Bus Service	Operator	Operator	3	£188,119.00	£62,706.33	£64,742.60	-£2,036.27
2857J	118	Hardgate - Gartnavel Hospital	McCull's Travel Ltd	Operator	SPT	2	£127,632.00	£63,816.00	£56,492.50	£7,323.50
4953K	30/A 31/A	Lanark - Leadhills - Wanlockhead	Stuarts Coaches Ltd (Option)	Operator	SPT	3	£468,000.00	£156,000.00	£152,984.00	£3,016.00
W057D	11	Clydebank - Gartnavel Hospital	First Glasgow <i>Award subject to confirmation operator has adequate driver resource</i>	Operator	Operator	3	£143,520.00	£47,840.00	£43,673.76	£4,166.24
W065F	1/A 2/A X6A X7	Kilmacolm - Bridge of Weir - Houston - Linwood - Johnstone Greenock - Kilmacolm	McGill's Bus Service	Operator	Operator	3	£939,310.00	£313,103.33	£258,564.80	£54,538.53
W122A	M4	Anniesland - Partick	First Glasgow <i>Award subject to confirmation operator has adequate driver resource</i>	Operator	SPT	3	£157,560.00	£52,520.00	£44,243.16	£8,276.84
W141A	578A	Upper Inverkip - Wemyss Bay - Upper Skelmorlie	Millport Motors	Operator	Operator	3	£195,500.00	£65,166.67	£46,238.92	£18,927.75
W144B	38	Kilwinning - Ayrshire Central Hospital	Shuttle Buses (Option)	Operator	Operator	5	£236,340.00	£47,086.90	£38,535.12	£8,551.78
W155A	343	Cumbernauld T/C - Seafar - Greenfaulds	PVT Transfer	Operator	Operator	3	£259,893.00	£86,631.00	£84,163.04	£2,467.96
							£2,916,594.00	£995,230.23	£946,071.06	£49,159.17

