



### Withdrawal of tender bids for subsidised local bus services

**Date of meeting** 21 June 2019

**Date of report** 20 May 2019

#### Report by Assistant Chief Executive

#### 1. Object of report

To advise the Partnership of the withdrawal of several recent tender bids for subsidised bus services and to seek its approval for any eventual awards for these contracts being done under delegated powers.

#### 2. Background

SPT subsidises bus services not provided by the commercial market but which are considered socially necessary in accordance with adopted guidelines. These contracts are awarded on a rolling basis, with a proportion of them renewed in July of each year. Tenders are invited some months in advance in order that proposals to award can be considered by the Operations Committee.

At its meeting on 26 April 2019, the Operations Committee agreed the award of 23 such contracts, with a total value of £16,698,911, and, in the days that followed, SPT officers began the normal practice of notifying the successful tenderers.

In the course of this exercise, three bus operators withdrew their tender bids for certain contracts. One operator cited difficulties in resourcing the contract, another felt that fares revenue projections were incorrect and a third declined to provide a reason.

Details of the contracts involved are given in the table below:

Contract	Description	Current Operator	Successful Tenderer
9592G1	Glasgow area MyBus	McGill's Buses	McColl's Travel
9593G1	Hamilton/EK MyBus	McGill's Buses	Stuart's Coaches
W130A	Service 147/247 (Coatbridge - Cumbernauld - Kirkintilloch)	McGill's Buses	Blue Bus

This was in fact the second invitation to tender in respect of these contracts, since the first round had resulted in prices which were considered excessive and they had therefore been retendered in an effort to achieve a more satisfactory outcome.

The matter is being drawn to the attention of the Partnership in order to highlight the difficulties posed by the withdrawal of these tender bids and since the timescales involved in retendering, analysing bids, seeking approval to award and the lodging of service registration documents with the Traffic Commissioner will now be challenging if there is to be no break in service continuity at renewal date on 14 July 2019.

In order to overcome the problem of the now-abbreviated timescales, it is proposed that if acceptable tender bids are received, the Partnership agrees to delegate the authority to award these and a few other contracts, including some linked to current movements in the commercial bus market, to the Assistant Chief Executive.

### 3. Recommendations

The Partnership is recommended to:

- a) note the withdrawal of tender bids in respect of contracts 9592G1, 9593G1 and W130A; and
- b) in view of abbreviated timescales, agree to delegate authority to the Assistant Chief Executive to award upcoming tender bids for these and other contracts which are due to commence in July 2019 in order to ensure continuity of service to passengers.

### 4. 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>None directly.</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 MacLennan  
**Title** Chief Executive

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