



Proposed award of subsidised local bus service contract

Date of meeting 9 June 2023

Date of report 19 May 2023

Report by Chief Executive

1. Object of report

To recommend the Committee approve the award of a subsidised local bus service contract. This paper affects the North Lanarkshire Council area.

2. Background to report

As reported to the Operations Committee of 28 April 2023¹ the Committee was recommended to agree to the award of contract W162A, Service 92 Motherwell – Ravenscraig Circular service to Stuarts Coaches Ltd at the contract price of £1,123,200 for the contract period 16 July 2023 until 14 July 2029.

This contract was procured on behalf of North Lanarkshire Council (NLC) and associated with the Section 75 agreement for the funding and development of a bus service(s) to penetrate the Ravenscraig Development. The contract and associated service is fully funded by NLC S75 development contributions.

The successful bidder, Stuarts Coaches Ltd, has since notified of its intention not to proceed with the contract award, intimating significant operational cost increases since the bid submission.

3. Outline of proposals

Following the withdrawal by Stuarts Coaches Ltd, the previous tender analysis was revisited.

At a total contract value of £1,185,596 the bid from ARG Travel now represents the best value available. The contract and associated service is to be fully funded by NLC, consistent with previous decision. The duration of the contract is 6 years.

Copies of the timetable are available on request. Specific details on contract W162A are attached at Appendix 1 with the current and contract renewal costs shown.

4. Committee action

The Committee is recommended to agree the award of the contract detailed in Appendix 1, noting that the award of contract W162A is subject to the approval of North Lanarkshire Council and associated funding.

¹ https://www.spt.co.uk/media/ysvkctbo/ops280423_agenda10.pdf

5. Consequences

Policy consequences	<i>In line with the Regional Transport Strategy and SPT's framework for local bus services.</i>
Legal consequences	<i>Contract will be awarded subject to the approval North Lanarkshire Council. SPT's terms and conditions for transport contracts will apply.</i>
Financial consequences	<i>This contract award will be fully funded by North Lanarkshire Council via section 75 funding.</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>The contract will contribute positively to carbon reduction through encouraging modal shift.</i>

Name	Neil Wylie	Name	Valerie Davidson
Title	Director of Finance & Corporate Support	Title	Chief Executive

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

APPENDIX 1

Section 75								
contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)
W162A	92	Motherwell - Ravensraig (GROSS COST)	ARG Travel	Operator	N/A	6	£1,185,596.31	£196,968.08
							£1,185,596.31	£196,968.08