Proposed renewal of subsidised local bus service contracts

Committee: Operations

Date of Meeting: 22 January 2010  Date of Report: 13 January 2010

Report by Assistant Chief Executive (Operations)

1. Object of report

To seek approval from the Committee to award tenders for the renewal 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, South Ayrshire and South Lanarkshire Council areas.

2. Background

A number of subsidised local bus contracts are due for renewal in 2010. This report details the results of the tenders received for these contracts and subsequent recommendations. Where tenders were invited for options, only one contract will be awarded.

3. Outline of proposals

Copies of all timetables are available on request.

The Committee is asked to note, that in an attempt to achieve lower tender prices, operators were given the flexibility to package contracts. The Committee is asked to consider the undernoted for award:

(a) Contract 0904B: Mansewood – Glasgow City Centre (service 129)
Contract 3677D: Bargeddie – Glasgow (service 213)
Contract 4800A: Newarthill – Motherwell (service 355)
Contract 4974C: Cambuslang – East Kilbride (service 172)
Contract 4979D: Hamilton Interchange – Hillhouse (service 226)
Contract 4980C: Rutherglen – Fernhill (service 14)
Contract LS027A: Salsburgh – Chapelhall – Monklands Hosp (service 200)
Contract LS047: Carnbroe – Whifflet – Coatbridge (service 16A)

The lowest tender prices for the above contracts were received in the form of Package 14617 submitted by Henderson Travel. The total package price received was £548,034 with the acceptance of an optional combined timetable to be
operated on contract LS027A and new contract LS047. Details of the costs apportioned to each contract within package 14617 are given below together with a summary of each service.

**Contract 0904B : Mansewood – Glasgow City Centre (service 129)**
The cost apportioned to contract 0904 is £84,538 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £28,179 (current annual cost is £33,761).

No changes are proposed to the current timetable that operates an hourly frequency Monday to Saturday between 1900 and 2300 hrs and on Sundays between 0900 and 2300 hrs.

**Contract 3677D : Bargeddie – Glasgow (service 213)**
The cost apportioned to contract 3677D is £38,704 for the contract period 18 July 2010 until 14 July 2012 equivalent to an annual cost of £19,352 (current annual cost is £20,460).

The service operates hourly on Sundays only between 0930 and 2300 hrs. No changes have been made to the timetable.

**Contract 4800A : Newarthill – Motherwell (service 355)**
The cost apportioned to contract 4800A is £106,933 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £35,644 (current annual cost is £67,573).

Minor changes have been made to this hourly evening and Sunday route in response to complaints from members of the public regarding the terminal point at Biggar Road, Newarthill. In response to this, SPT has extended the service to operate from Newhouse Roundabout and the timetable has been slightly amended. Service 355 may also be considered with any developments for Newhouse Industrial Estate.

**Contract 4974C : Cambuslang – East Kilbrie (service 172)**
The cost apportioned to contract 4974D for the contract period 19 July 2010 until 13 July 2013 is £81,666 equivalent to an annual cost of £27,222 (current annual cost is £32,381).

Service 172 operates an hourly frequency Monday to Saturday between 0730 and 1830 hours. No changes have been made to the timetable.

**Contract 4979D : Hamilton Interchange – Hillhouse (service 226)**
The cost apportioned to contract 4979D is £92,157 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £30,719 (current annual cost is £41,569).

Service 226 operates every 30 minutes in the evenings and on Sundays. No changes have been made to the timetable.

**Contract 4980C : Rutherglen – Fernhill (service 14)**
The cost apportioned to contract 4980C is £123,484 for the contract period 19 July 2010 until 13 July 2013 equivalent to an annual cost of £41,161 (current annual cost is £31,846).
Following post tender clarifications with the operator, it was agreed to amend the
departure times of this hourly timetable at no change to the tender price to meet
requests from some residents in the Fernill area to accommodate a number of
schools along the route.

**Contract LS027A : Salsburgh – Chapelhall – Monklands Hosp (service 200)**
The cost apportioned to contract LS027A is £8,223 for the contract period of one
year from 18 July 2010 until 16 July 2011. The current annual cost is £8,274.

The operator submitted a combined optional timetable for contract LS027A and
new contract LS047 that would operate a through route on Saturdays. This
timetable contains minor time changes that are acceptable to SPT.

**New contract LS047 : Carnbroe – Whifflet – Coatbridge (service 16A)**
As indicated above the operator submitted a combined timetable for contracts
LS027A and LS047. A temporary contract LS047T currently operates service 16A.
This is for Saturdays only and costs £152.48 per week (£7,904 per annum). The
temporary service operates 2 buses per hour. This would be reduced to hourly.

The cost apportioned to contract LS047 in this package is £12,328 for the contract
period 6 March 2010 until 16 July 2011 equivalent to an annual cost of £9,029.

The package price submitted by Henderson Travel would achieve an annual cost
saving of £45,364 for the above noted contract renewals.

**(b) Contract 0906C : Castlemilk – Greenfield (service 46)**

Tenders were invited for a direct replacement of the current contract for service 46
to provide an hourly service every evening between 1900 and 2400 hrs between
Castlemilk and Greenfield.

First Glasgow (No. 1) Ltd submitted the lowest tender price. The price received was
£188,748 for the contract period 18 July 2010 until 13 July 2013. This equates to
an annual cost of £62,916.

The current cost of operating the service is £62,101 per year. The award of
contract 0906C to the above operator would represent a small annual increase of
£814 to the subsidised bus budget.

**(c) Contract 0907B : Govan ASDA – North Cardonald (service 124)**

This tender is for the provision of an hourly service Monday to Saturday between
0930 and 1545 hours. No changes have been made to the current timetable.

First Glasgow (No 1) Ltd submitted the lowest compliant tender for contract 0907B
of £125,850 for the contract period 19 July 2010 until 13 July 2013, equivalent to
an annual cost of £41,950.

The current annual cost is £44,444. It is proposed that contract 0907B be awarded
to First Glasgow at a cost of £125,850 for the contract period. This reflects an
annual saving of £2,495 to the subsidised bus budget.
(d) **Contract 2835H : Kilsyth – Glasgow (service 27)**

Service 27 provides one early morning journey each way on Mondays to Fridays between Kilsyth and Buchanan Bus Station. The timetable is unchanged.

First (Edinburgh) submitted an acceptable optional tender which represents the lowest tender price received for contract 2835H. The optional tender price submitted by the operator was £28,860 for the contract period 18 July 2010 until 12 July 2013, equivalent to an annual cost of £9,620. The current cost of operating the service is £9,775 per year. The option represents minor changes to the timetable. The service will be operated mainly by low floor vehicles. This is acceptable to SPT.

It is proposed that the optional tender submitted by First (Edinburgh) be awarded.

(e) **Contract 4199A : Bellshill – Harthill (service 35,36)**

This tender is for the provision of a daily service to operate between Bellshill and Harthill between 0630 and 2345 hrs. The timetable has been slightly adjusted to reflect a route change in Bellshill town centre as a result of the introduction of a new one-way system. This new specification combines current contracts 4199 and 4829P that operate evenings and Sundays and Monday to Saturday daytime respectively.

First Glasgow (No 2) Ltd submitted the lowest tender price of £289,722 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £96,574.

The combined annual cost of operating contracts 4199 and 4829P is currently £107,868. The award of contract 4199A would represent an annual saving of £11,294 to the subsidised bus budget. It is recommended to award this contract to First Glasgow (No 2) Ltd.

(f) **Contract 4841J : Monklands Hospital – Upperton (service 101,181)**

The lowest compliant tender for contract 4841J was received from Stuart’s Coaches Ltd at a cost of £108,900 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £36,300. No changes have been made to the timetable.

The current cost of the contract is £52,635 per year. The award of contract 4841J to Stuart’s Coaches Ltd would represent an annual saving of £16,335 to the subsidised bus budget.

(g) **Contract 4860E : Glasgow – East Kilbride (service 131)**

This tender is for the provision of an evening and Sunday service between Glasgow and East Kilbride. No changes have been made to the current timetable.

First Glasgow (No 1 Ltd) submitted the lowest tender price of £181,683 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £60,561.
The current annual cost of operating the service is £59,946. The award of the contract would represent a small increase of £2,614 per year.

**Contract 6485J : Kilmarnock – Cumnock – Muirkirk (service X76)**

This tender is for the provision of a Sunday timetable to serve the communities of Muirkirk, Cumnock, Auchinleck, Mauchline, Hurlford and Kilmarnock. Minor timetable changes have been made to improve service reliability. Service X76 is operated commercially by Western Buses Ltd on Mondays to Saturdays.

The lowest compliant tender was received from Ayrways Coach Travel Ltd at a cost of £243,000 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £81,000.

The current annual cost of operating service X76 is £82,837. The award of contract 6485J to the above operator would represent an annual saving of £1,837.

**Contract 6917D : Dundonald – Troon (service 110)**

Service 110 provides operates an hourly frequency between Dundonald and Troon on Monday to Saturday evenings between 1830 and 2300 hrs and on Sundays between 0930 and 2300 hrs. Four early morning journeys between Troon and Muirhead also operate on Sundays.

The lowest compliant tender was received from Ayrways Coach Travel Ltd at a cost of £88,200 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £29,400.

The cost of operating service 110 is £29,614 per year. It is recommended that contract 6917D be awarded to Ayrways Coach Travel Ltd with a small saving of £214 per year to the subsidised bus budget.

**Contract 6979C : Stewarton – Irvine (service 113)**

This tender is for the provision of two early morning return journeys between Irvine and Stewarton Monday to Friday, departing Irvine at 0625 and 0725 hrs and one peak return journey between Irvine and Stewarton Monday to Saturday, departing Irvine at 1725 hrs.

Shuttle Buses submitted the lowest compliant tender for contract 6979C at a cost of £59,750 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £19,917.

The current cost of operating service 113 is £19,926 per year. It is recommended that this contract be awarded to Shuttle Buses.

**Contract 7918D : Greenock – McInroy’s Point (service 545)**

This tender is for the provision of an hourly service between 1900 and 2400 hrs Monday to Saturday and between 0900 and 2400 hrs on a Sunday.
McGills submitted the lowest tender price for the contract at cost of £132,600 for the contract period 18 July 2010 until 13 July 2013, equivalent to an annual cost of £44,200. This tender contains an optional timetable, the same as that currently in operation.

The current cost of operating service 545 is £24,463 per year. The award of contract 7918D would represent an increase of £19,737 to the subsidised bus budget. This tender price is still well within the SPT Guideline Criteria and the route provides links to Inverclyde Royal Hospital, Greenock and Gourock and links to ferry terminals.

(l) **Contract LS026B : Kilsyth – Balmalloch (service 381)**

Service 381 operates a half-hourly service Monday to Saturday between Haughton Avenue, Barrwood, Kilsyth and Balmalloch via Kilsyth town centre. The service was introduced in July 2009 for a 12 month period to replace part of a previous service operated by Canavan Coaches on a commercial basis. It re-instated the link to Kilsyth town centre for residents of Barrwood.

The lowest acceptable tender was received from JD Coaches at a cost of £141,000 for the contract period 18 July 2010 until 13 July 2013 equivalent to an annual cost of £47,000.

The current cost of operating service 381 is £64,149 per year. The award of contract LS026B to the above operator would represent a saving of £17,150 per year.

(m) **Contract LS048 : Greenock –Pennyfern/Branchton (service 330/331)**

No changes have been made to the current timetable for these services that operate evenings and Sundays.

Slaemuir Coaches Ltd submitted the lowest tender price for contract LS048 of £137,280 for the contract period 18 July 2010 until 13 July 2013 that is equivalent to annual cost of £45,760. This was received in the form of an option. The operator will utilise an existing SPT Dial-a-Bus vehicle already allocated to this operator and used at these times, thus providing economies.

The current cost of operating service 330/331 is £60,529 per year. The award of contract LS026B to the above operator would represent a saving of £14,769 per year.

(n) **Contract S10/B/10 : Glasgow - Balfron (service C10)**

Service C10 is jointly funded by SPT and Stirling Council and provides two return evening journeys on Mondays to Saturdays between Glasgow, Milngavie, Strathblane and Balfron. SPT’S share of the funding for the service is 47.6%.

The contract is due for renewal on 29 March 2010 and Stirling Council has sought tenders, and now seeks a continuing funding commitment from SPT.
Stirling Council invited tenders to replace the service. The lowest acceptable tender received for contract S10/B/10 was from First Scotland East at a cost of £70,720 for the contract period of 24 months. SPT’s contribution of £33,663 would therefore be £16,181 per annum. Current contribution is £15,884 per annum.

SPT’S contribution towards the cost of the contract equates to £33,663 an annual equivalent of £16,181. Current contribution equates to £15,884 annually.

The committee is asked to determine whether SPT should continue to support this service at a cost of £33,663 for the contract period.

4. **Consequences**

Policy consequences: None.

Legal consequences: Any awards will be subject to SPT’s terms and conditions for transport contracts.

Financial consequences: The award of the contracts detailed in the committee paper will result in the projected overspend of £462,418 within the subsidised local bus budget for 2010/2011 decreasing by £115,181 to a projected overspend of £347,237. In addition the projected underspend of £199,466 within the rural Transport budget will increase by £546 to a projected underspend of £200,012.

Personnel consequences: None.

Social inclusion: Retains existing socially necessary services.

Risk consequences: None.

5. **Committee action**

The Committee is asked to agree to the award of

(a) package 14617 to Henderson Travel Ltd at a cost of £548,034;
(b) contract 0906C to First Glasgow at a cost of £188,748;
(c) contract 0907B to First Glasgow at a cost of £125,850;
(d) contract 2835H to First Edinburgh at a cost of £28,860;
(e) contract 4199A to First Glasgow at a cost of £289,722;
(f) contract 4841J to Stuart’s Coaches Ltd at a cost of £108,900;
(g) contract 4860E to First Glasgow at a cost of £181,687;
(h) contract 6485J to Ayrways Coach Travel at a cost of £243,000;
(i) contract 6917D to Ayrways Coach Travel at a cost of £88,200;
(j) contract 6979C to Shuttle Buses at a cost of £59,750;
(k) contract 7918D to McGill's Buses at a cost of £132,600;
(l) contract LS026B to J D Coaches at a cost of £141,000;
(m) contract LS0048 to Slaemuir Coaches at a cost of £137,280.

and

(n) contract S10/B/10 to First Scotland East at a cost of £70,720 (£33,663 to SPT).

Gordon Maclennan
ACE (Operations)

Ron Culley
Chief Executive

for further information please contact Eric Stewart, Director, Bus Operations on ext 3177