



Proposed award of subsidised local bus service contracts

Committee Operations

Date of meeting 30 April 2021

Date of report 14 April 2021

Report by Assistant Chief Executive

1. Object of report

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

This paper relates to services in Argyll & Bute, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City, North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire and West Dunbartonshire council areas.

2. Background

SPT subsidised bus services that are not provided by the commercial market but are considered socially necessary in accordance with adopted guidelines. A proportion of these contracts are due to expire in July 2021 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 in situations where this may improve connectivity or reduce costs.

Operators wishing to bid must submit compliant tenders but optional bids 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. Following a second round of tendering, direct negotiation was permitted to achieve best value for the subsidised bus budget.

3. Outline of proposals

Of the 17 individual advertised contracts, it is proposed to award 13 at this stage with a total contract value of £2,272,628.11 as detailed in Appendix 1. This will result in an annual increase of £36,258.73 to the subsidised bus budget when compared to the current annual contract value, whilst noting that contract W031F1 has now been awarded on a gross cost basis, expected to yield a net overall total contract value decrease of circa - £30,000.

It is also noted to the Committee that advertised contract 2835M which provides an early morning, Monday to Friday journey as service 88C, between Kilsyth and Glasgow, will not be renewed due to its acquisition on a commercial basis from July 2021 by First Glasgow. This will result in annual savings of £5,429.84 to the subsidised bus budget.

Whilst this initial set of contracts due for renewal represents an increase in costs compared with the current position, and a likely net cost saving, it should be noted that the prices submitted for the remaining contracts were considered excessive. With that in mind, those contracts not recommended will be re-tendered in an effort to achieve a more satisfactory outcome.

Copies of all timetables are available on request.

Specific details of individual contracts are attached at Appendix 1, with the current cost and revised cost shown.

In addition it should be noted that the successful bidder for contract 0914L Service 189/190 Glasgow Inner Circle, and contract W039E Service 205 Hairmyres Hospital - Blantyre - Hamilton - Torr Farm, (awarded at the Operations Committee of 29th January 2021), have subsequently withdrawn their offer. Subsequently these contracts will be required to form part of a further future tendering exercise.

4. Committee action

The Committee is recommended to agree the award of the contracts detailed in Appendix 1, noting the proposed award of contract LS022G is subject to the approval of NHSGGC for a continued 90% funding commitment.

The Committee is asked to note that previously awarded contracts 0914L and W039E will be re-tendered in due course.

5. Consequences

Policy consequences	<i>In line with the 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>The award of the contracts detailed in this committee paper will result in net savings of £1,194 to SPT and additional costs of £3,916 to NHS Argyll and Clyde when compared to the costs budgeted for these contracts in 2021/22.</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 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
0902L	7A	Rutherglen - Bankhead - Glasgow	First Glasgow (No. 1) Ltd	Operator	Operator	3	£100,480.00	£33,280.00	£22,051.12	£11,228.88
6269P	1,2,6	Ayr Town Centre - Hillfoot/Hayhill/Marchburn	Western Buses Ltd (Option)	Operator	Operator	3	£60,792.00	£20,134.93	£16,937.96	£3,196.97
6941B	347	Rankinston - Drongan - Coylton - Ayr	Western Buses Ltd (Option)	Operator	Operator	3	£308,588.00	£102,207.49	£90,074.92	£12,132.57
LS022G	340	Helensburgh/Vale of Leven Hospital - Royal Alexandra Hospital	Carrs Loch Lomond	Operator	Operator	3	£180,000.00	£59,617.83	£50,742.64	£8,875.19
W030F1	M2/74	Castlemilk - Toryglen - Croftfoot	Community Transport Glasgow (Gross Cost Option)	SPT (2)	SPT (2)	4	£409,455.11	£101,874.00	£32,651.84	£69,222.16
W072E	47/A	Carluke Local/Lower Braidwood	McGills Buses	Operator	Operator	1	£9,358.00	£9,181.43	£13,465.92	-£4,284.49
W094D	21/21A	Crosshouse Hospital - Dundonald - Irvine	Shuttle Buses Ltd (Option)	Operator	Operator	3	£253,670.00	£84,018.09	£67,949.44	£16,068.65
W095E	49/A/B	Logan - Cumnock - Craigen	Shuttle Buses Ltd	Operator	Operator	3	£151,515.00	£50,183.31	£48,237.28	£1,946.03
W147C	213	Airdrie/Coatbridge - Kirkwood - Bargeddie - Baillieston	Kevins Coaches Ltd	Operator	Operator	1	£93,864.00	£92,092.98	£135,352.88	-£43,259.90
W151	208/218	Silverton - Dumbarton - Brucehill/Westcliff	McColls Travel Ltd (Option)	Operator	Operator	6	£319,998.00	£53,162.61	£67,406.56	-£14,243.95

Package 17409

contract	service no	service description	operator	bus (proposed)	bus (current)	term (years)	contract price	annualised price (proposed)	annualised price (current)	variance
2876K	335,346	North Cumbernauld Circular Cumbernauld - Wardpark Industrial Estate	PVT Transfer (Option)	Operator	Operator	3	£130,869.00	£43,345.15	£69,342.52	-£25,997.37
LS007Q	142	Bishopbriggs Local	PVT Transfer (Option)	Operator	Operator	3	£61,585.00	£20,397.58	£49,929.36	-£29,531.78
W132C	103	Barrhead - Glasgow	PVT Transfer	Operator	Operator	3	£192,454.00	£63,742.73	£32,836.96	£30,905.77

£2,272,628.11 £733,238.13 £696,979.40 £36,258.73