

Proposed award of subsidised local bus service contracts

Committee Chairs Committee

Date of meeting 8 June 2021

Date of report 2 June 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 East Renfrewshire and Glasgow City 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 third round of tendering, direct negotiation was successful in achieving best value for the subsidised bus budget.

3. Outline of proposals

Of the 3 individual advertised contracts, it is proposed to award 2 at this stage with a total contract value of £668,105.37 as detailed in Appendix 1. This will result in an annual increase of £115,975.35 to the subsidised bus budget when compared to the current annual contract value, although a reduction of allocated SPT vehicles from 4 to 3 will occur. The remaining contract yet to be awarded will be subject to a 12 month extension, reported to a forthcoming Operations Committee.

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.

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 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 additional costs of £68,671 to SPT when compared to the costs currently 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>

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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)	Start	End	contract price	annualised price (proposed)	annualised price (current)	variance
0914M	189/190	Glasgow Inner Circle	First Glasgow Ltd	Operator	Operator	11-Jul-21	13-Jul-24	£411,340.00	£136,240.00	£114,497.24	£21,742.76
W031G1	29,29A/129	Newton Mearns - Mansewood - Shawlands/City Centre	JMB Travel Ltd (Option)	SPT (1) Operator (1)	SPT (2)	11-Jul-21	31-Dec-22	£256,765.37	£173,399.99	£79,167.40	£94,232.59

£668,105.37 £309,639.99 £193,664.64 £115,975.35