



## Proposed award of a subsidised local bus service contract

**Committee**            Operations

**Date of meeting**    24 June 2016

**Date of report**    26 May 2016

### Report by Assistant Chief Executive (Operations)

#### 1.    **Object of report**

To recommend the Committee approves the award of a contract for a subsidised local bus service.

This report affects East Ayrshire and North Ayrshire Council areas.

#### 2.    **Background**

SPT subsidises bus services not provided by the commercial market but which are considered socially necessary in accordance with SPT's adopted guidelines. A bus service withdrawal by Shuttle Buses required that SPT carry out a tendering exercise for the provision of a replacement service.

The recommended long-term arrangements for the provision of this service are detailed below.

The Committee is asked to consider the under noted contract for award.

#### 3.    **Outline of proposals**

Copies of all timetables are available on request.

##### **(a) Irvine - Stewarton (service 113)**

Shuttle Buses notified SPT of their decision to withdraw service 13, which provided an hourly, Monday to Saturday daytime service between Irvine and Stewarton via Kilmaurs, with effect from 17 July 2016, resulting in a gap in bus service provision.

Following unsuccessful efforts by SPT to stimulate interest in a commercial replacement, SPT advertised tender 6979J which incorporated service 13 journeys withdrawn by Shuttle Buses and also existing subsidised service 113, which provides two Monday to Friday early morning return journeys and a Monday to Saturday evening peak return journey between Irvine and Stewarton via Kilmaurs.

The best value tender for contract 6979J was submitted by Shuttle Buses as an optional tender. The optional tender stipulates a reduced number of journeys to that specified. The optional tender price of £92,500 for the contract period 17 July 2016 until 13 July 2019 is equivalent to an annual cost of £30,833. The current annual cost to operate service 113, which provides two Monday to Friday early morning return journeys and a Monday to Saturday evening peak return journey between Irvine and Stewarton via Kilmaurs is £17,243 within contract 6979D.

Based on the above, it is recommended that contract 6979J should be awarded to Shuttle Buses at a cost of £92,500.

#### **4. Committee action**

The Committee is recommended to agree to the award of contract 6979J to Shuttle Buses, at a cost of £92,500, for the contract period 17 July 2016 until 13 July 2019.

It should be noted that the award of the contract is subject to satisfaction of the requirements of the mandatory standstill period for EU advertised public sector contracts.

#### **5. Consequences**

Policy consequences: *In line with Regional Transport Strategy.*

Legal consequences: *Award will be subject to SPT's terms and conditions for transport contracts.*

Financial consequences: *The award of contracts detailed in the committee paper will result in additional costs of £8,987 to SPT in 2016/17.*

Personnel consequences: *None.*

Equalities consequences: *Seeks to reduce the incidence of social exclusion by supporting socially necessary services.*

Risk consequences: *None.*

Eric Stewart  
**Assistant Chief Executive (Operations)**

Gordon MacLennan  
**Chief Executive**

*for further information please contact Alex Scott, Bus Services Manager on ext 3388*