

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 29 JUNE 2004

AWARD OF DIAL-A-BUS CONTRACTS AND LOCAL BUS SERVICE CONTRACTS

Report by Executive Director of Development and Property Services

1. PURPOSE OF REPORT

- 1.1 To advise the Committee about the possible award of contracts, by Strathclyde Passenger Transport (SPT) to replace Dial-A-Bus and local bus services previously operated by H.A.D Coaches; and
- 1.2 Seek the Committee's agreement for the increased cost to the Council of providing these services.

2. BACKGROUND

- 2.1 Strathclyde Passenger Transport manages Dial-A-Bus and local subsidised bus service contracts on an agency basis for East Ayrshire Council for that part of the Council area which lies outwith the Strathclyde Passenger Transport Authority (SPTA) area boundary.
- 2.2 At the SPT Special Operations Committee on 12 March 2004 it was agreed retrospectively to award temporary contracts to replace those previously operated by H.A.D Coaches until longer term contracts could be invited.
- 2.3 At a subsequent SPT Special Operations Committee on 19 April 2004, members considered the tenders received for the operation of these contracts, but in view of the high cost of the tenders received agreed to re-invite tenders and continue the temporary arrangements in the interim.

3. TENDERS RECEIVED

- 3.1 The tenders for services in East Ayrshire received after the decision by SPT on 19th April 2004, to re-tender for the Dial-A-Bus of local services are summarised as follows: -

3.2 **Contract 9596B : Kilmarnock area Dial-A-Bus and Ring'nRide - 2 buses**

The lowest acceptable tender received for the contract period was from Shuttle Buses Ltd at a cost of £803,657 (5-year contract) or £160,731 per year.

It is estimated that the revenue on this contract would be £12,765 per annum.

The annual cost of the previous longer term contract was £102,773.

The award of this contract will have no direct impact on the Council's secured bus service budget as the operating area of the service is wholly within the SPTA designated area.

3.3 **Contract 9556B : Cumnock area Dial-A-Bus (service M1) - 1 bus**

The lowest acceptable tender received for the contract period was from Airways Coach Travel Ltd at a cost of £380,000 (5-year contract) or £76,000 per year.

It is estimated that the revenue on this contract would be £5,300 per annum.

This contract is jointly funded by SPT and East Ayrshire Council. The funding split would be £53,732 per year (76%) SPT (Dial-a-Bus budget) and £16,968 per year (24%) East Ayrshire Council (Dial-a-Bus budget).

The previous contract included a local service element which is now tendered separately under contract 6957. The results are detailed below in paragraph 3.4 below.

The annual cost of the previous longer term contract including the local service element, was £48,211 of which East Ayrshire Council funded £15,781.

3.4 **Contract 6957 : Cumnock - New Cumnock/Cumnock - Sorn**

This tender was for a period of operation until July 2005 to enable further improvements to be made from that date. The lowest acceptable tender received for the contract period was from Airways Coach Travel Ltd at a cost of £49,000 for the contract period. The second lowest acceptable tender received was from Western Buses at a cost of £49,143 for the contract period or £45,363 per year. As Western Buses operate a commercial service between Ayr and Cumnock, award to the second lowest tenderer would provide the additional benefit of new through journeys from Ayr - Cumnock - New Cumnock in the evenings and Sundays.

This service is jointly funded by SPT and East Ayrshire Council. The funding split would be £20,413 per year (45%) SPT (subsidised local bus budget) and £24,950 per year (55%) East Ayrshire Council (Local Bus Budget).

This service was previously included in the previous Dial-a-Bus contract, the annual cost of which was £48,211.

4. **SPT RECOMMENDATIONS**

4.1 The replacement contracts will be reported to the SPT Authority meeting on 25 June 2004 where it will be reported that, if the current level of service is to be maintained, the following will be recommended: -

- (a) Award contract 9596B Kilmarnock Dial-a-Bus and Ring'n'Ride to Shuttle Buses Ltd, at a gross cost of £803,657 which will be met wholly by SPT.
- (b) Award contract 9556B Cumnock area Dial-a-Bus to Airways Coach Travel Ltd, at a gross cost of £380,000, subject to East Ayrshire Council's agreement to its share of the cost;
- (c) Award contract 6957 Cumnock - New Cumnock/Cumnock - Sorn to Western Buses, at a cost of £45,363 per year subject to East Ayrshire Council's agreement to its share of the cost;

5. FINANCIAL IMPLICATIONS

- 5.1 The 2004/2005 budgeted amount for East Ayrshire Council for contract 9556 services is £15781.
- 5.2 The total cost to East Ayrshire Council of providing the replacement Dial-a Bus and local services outwith the SPT area will be £41,918 per year.
- 5.3 The recommended replacement contracts would result in an increase in cost to East Ayrshire Council of £26,137 per annum.
- 5.4 On this occasion, as a result of additional income from a number of sources the amount concerned can be contained within existing budgets. However, members are asked to note that any increases in future years may not be easily contained.

6. RECOMMENDATION

- 6.1 It is recommended that the Committee:
 - i) agrees to meet the higher costs of providing the replacement Dial-a-Bus and local services as described in paragraphs 3.3 and 3.4 above.

James Lavery
Executive Director of Development & Property Services
8 June 2004
FV/JL

LIST OF BACKGROUND PAPERS

Nil

For further information please contact Keith Orton on 01563 555715

Implementation Officer: Kerr Chalmers