

ANGUS COUNCIL

COMMUNITIES COMMITTEE

20 JANUARY 2015

OUTCOME OF RE-TENDERING FOR THE LOCAL BUS SERVICE CONTRACT A461: FORFAR – BRECHIN – STRACATHRO / EDZELL

1 BACKGROUND

- 1.1 A report was presented to the Communities Committee on 19 August 2014 seeking authority to procure a replacement bus service on the Forfar – Brechin – Stracathro corridor (Report 335/14 refers). This information report details the outcome of that re-tendering exercise and informs Members of the replacement contract which was introduced on 19 January 2015.
- 1.2 Customer feedback on the contracted service previously in place showed that it was not meeting the requirements of existing bus users and other potential passengers. This was predominantly because a large proportion of passengers travel, or would like to travel, to/from Dundee and this currently requires a change of bus in Forfar. The main issue raised through consultation was that passengers were unhappy with failed bus connections in Forfar due to unforeseen traffic problems predominantly in Dundee and on the A90. Through the tendering exercise operators were encouraged to address this issue by providing direct journeys.

2 ANALYSIS OF THE TENDER BIDS RECEIVED

- 2.1 This EU tender was issued on Public Contracts Scotland and the bids received were assessed on a price:quality basis (60% price: 40% quality). Two operators submitted bids and the successful bid was a variant bid received from Stagecoach East Scotland trading as Stagecoach Strathtay.
- 2.2 The successful Stagecoach East Scotland bid provides the following quality elements which were scored as part of this contract:
- **Direct Buses** – The compliant timetable tendered was for an approximately hourly service (Edzell/Stracathro – Brechin – Forfar connecting in Forfar with Service 20 to/from Dundee) throughout the main part of the day but with a gap in the timetable in the mid - afternoon. The variant timetable submitted as part of the tender provides an approximately hourly direct service for most of the day operating between Dundee, Forfar, Brechin, Stracathro, Edzell Woods and Edzell. This service operates via the A90. A further hourly service would operate between Forfar, Aberlemno and Brechin. This latter service provides connections at Forfar to/from Dundee for any passengers not using the direct hourly buses.
 - **Through ticketing** - All Stagecoach East Scotland tickets including returns, day tickets, 10 journey, Megarider and Unirider tickets are available on all the services within the boundaries of the Day and Megarider tickets extended to cover the whole route of the Service 21/21A journeys to Edzell/Edzell Woods.
 - **CCTV**- is provided on all vehicles.
 - **Wi-fi** – is provided on the main Dundee – Forfar – Brechin – Stracathro/Edzell buses.
 - **Real Time Information** – is provided for all vehicles
- 2.3 Additional passenger benefits from the award of this variant contract are:
- Between Forfar and Brechin the service is enhanced for most of the day to provide a ½ hourly service
 - The re-casting of the Stagecoach East Scotland bus service network in this area builds on the commercial services provided between Kirriemuir, Forfar and Dundee and fully integrates the Forfar – Brechin – Stracathro/Edzell service with these. In addition, by recasting services it has been possible to redeploy resources in the Forfar area to enhance the local town services which includes meeting a long-standing Community Planning request for additional services to Easterbank.

- Sunday services between Dundee and Forfar are improved to operate ½ hourly as opposed to the current hourly timetable.
- There is an additional Monday – Friday morning peak journey between Kirriemuir and Forfar.
- The service is extended beyond Edzell to Edzell Woods providing new links from there to Brechin, Forfar and Dundee.
- The Forfar Town Service has been re-designed to extend to the new Forfar Community Campus once complete which will be during the period of this contract.

3 FINANCIAL IMPLICATIONS

3.1 The Price:Quality contract sought encouraged operators to submit variant bids which would include existing commercial and contracted resources operating on the corridor. The variant bid submitted by Stagecoach East Scotland has done this. The existing contracts which have been included in the bid are as follows:

	Start date	Current end date
A305: Dundee - Forfar - Kirriemuir (M-S)	2011	2016
A311: Dundee - Forfar - Forfar Academy (Schooldays only)	2011	2016
A320: Dundee - Forfar - Kirriemuir (Sat)	2011	2016
A321: Dundee - Forfar - Kirriemuir (M-F)	2011	2016
A363: Dundee – Forfar - Glamis (Sun)	2012	2017
A384: Kirriemuir - Glamis - Dundee (M-S)	2013	2018
A415: Forfar Town Services	2013	2016
K/26: Craigisla – Lintrathen – Kingoldrum – Webster's High Sch	2012	2017

These contracts will form part of this new contract A461.

3.2 The current contract costs are as follows:

Contract No	Route	Annual Cost (£)
A225	Forfar – Brechin – Stracathro/Edzell	151,430.61
A305	Dundee - Forfar - Kirriemuir (M-S)	74,183.55
A311	Dundee - Forfar - Forfar Academy (Schooldays only)	6,793.87
A320	Dundee - Forfar - Kirriemuir (Sat)	3,907.80
A321	Dundee - Forfar - Kirriemuir (M-F)	14,890.20
A363	Dundee – Forfar - Glamis (Sun)	11,425.32
A384	Kirriemuir - Glamis - Dundee (M-S)	13,370.24
A415	Forfar Town Services	63,567.40
K/26	Craigisla – Lintrathen – Kingoldrum – Webster's High Sch	47,051.60
		386,620.59
	5 Year Cost	1,933,102.95

3.3 By comparison, the Stagecoach East Scotland variant bid for contract A461 would cost as follows:

Contract A461 Variant Bid Costs

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
A461	451,282.00	426,376.00	403,776.00	355,212.00	333,114.00	£1,969,760.00
Current Cost	386,620.59	386,620.59	386,620.59	386,620.59	386,620.59	1,933,102.95
+/-	64,661.41	39,755.41	17,155.41	-31,408.59	-53,506.59	36,657.05

This Variant Bid submitted by Stagecoach East Scotland Strathtay over the full 5 year period is £36,657.05 higher than the current contract costs. The bid however shows the decreasing contract costs over the 5 year period reflecting the anticipated passenger growth on the corridor as a result of the significantly improved service and direct marketing. For years 1 to 3 the overall contract costs are higher, however, by year 4 there will be savings of £31,408.59 per annum and in year 5 on-going savings of £53,506.59 per annum.

- 3.4 The contract currently in place for the Forfar – Brechin – Stracathro/Edzell service (Contract A225) has been in place for 5 years. In order to establish a benchmark cost a compliant tender was sought providing exactly the same timetable as is operating at present. The cost for this direct replacement for contract A225 would be £184,365.48 per annum (an increase of £32,934.87 per annum). Should this lowest price for the compliant bid be used then this would bring the cost for providing the contracts included in the Stagecoach East Scotland variant bid for this corridor to £419,555.46 per annum, £2,097,777.30 over the 5 year period (this is £164,674.35 more over the 5 years than the Stagecoach East Scotland variant bid). The tendering exercise had anticipated that there would be savings by allowing operators to review their services currently in place and recast these in a way in which direct buses to/from Dundee could be provided – this has been borne out in this tendering exercise.
- 3.5 The cost of the new contract is in total over the 5 years £36,657.05 higher than the contracts currently in place. In order to cover the initial additional costs the following funding is available:
- Tactran (Tayside and Central Regional Transport Partnership) has indicated that they would be willing to provide funding towards the introduction of what they consider to be a regionally significant service. They are willing to contribute £45,000 over the first three years (phased as £25,000 Year 1, £15,000 Year 2 and £5,000 Year 3).
 - Angus Council has previous Bus Route Development Grant monies of £38,000 left over from a previous Scottish Government Funded Bus project which is earmarked for use on a similar type bus development project. The Forfar – Brechin – Stracathro/Edzell service would meet this requirement.
 - Previous discussions with NESTRAN indicated that if the service was to extend to Edzell Woods then they like Tactran may be willing to provide a financial contribution to kick-start the service.
 - Angus Council has Smarter Choices Smarter Places funding of £6,104 for the financial year 2014/15. The opportunity is being taken with the introduction of the Forfar – Brechin – Stracathro/Edzell service to take forward the concept of 'active travel' which will be launched at the end of this financial year/early next financial year. In the meantime 'Angus on the Go' active travel logos are being used in all associated publicity for this new contract.
- 3.6 This contract will provide transport for entitled scholars from the Careston, Little Brechin area to Brechin High School on Service 21B and with a financial recharge to the People Directorate of circa £11,000 per annum for this transport. The costs for the Craigisla – Lintrathen – Kingoldrum – Webster's High School Service of circa £47,000 will also be met by the People Directorate.
- 3.7 The Stagecoach East Scotland Variant Bid for A461 has been scored using the Council's scoring method outlined in its Public Transport Policy Statement – the score is 12. Only 3 contracts currently in place score higher than this. This contract is not therefore a poorly performing contract at risk of withdrawal should there be budget cuts in the coming years.

4 CONCLUSIONS

- 5.1 The contract awarded to Stagecoach East Scotland provides the Council with savings when whole life costs are taken into account. The initial increase in costs can be largely met from revenue funding from Tactran and residual Scottish Government Bus Route Development Grant monies held by the Council. Further funding opportunities will be pursued. By years 4 and 5 real financial savings will be realised by the Council.

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