

REPORT

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Prepared For: Council

Prepared By: Manager Support Services

Date: 1 May 2015

Subject: **RFT2015-1 Unit 5 - Southern Routes - Tender Award**

1. Précis

The existing Southern Routes Contract PTC2010-1 expires 30 June 2015. Tenders for replacement services in accordance with NZTA's requirements and the Regional Public Transport Plan closed on 23 April 2015. Tenders were assessed in accordance with the tender assessment procedures, and the outcome of the assessment resulted in the contract being awarded to Go Bus Transport Limited. The replacement contract is the first of the new network Units under NZTA's new Public Transport Operating Model with new services scheduled to commence 1 July 2015. Staff are now putting in place the necessary changes to accommodate the new service changes.

2. Background

The existing Southern Routes contract PTC2010-1 expires 30 June 2015. The contract provides for services for Mosgiel, Fairfield, Green Island, Brighton and Abbotsford and consists of 13 route variations.

Tenders for replacement services incorporating the changes outlined in Council's Regional Public Transport Plan which became operative in December 2014 closed on 23 April 2015. This tender is for the first of the new network units under NZTA's new Public Transport Operating Model (PTOM)

3. Key Contractual Changes

As a result of the Land Transport Management Act (LTMA), PTOM and NZTA's procurement rules, there are a number of key changes that were incorporated in the tender;

- *Tender Type*
Council is no longer able to tender using the lowest conforming price method of procurement. Except for the commercial like for like negotiations, Council is required to use NZTA's price quality method.
- *Contract type*
Council is now no longer able to enter into net contracts. Contracts are now of a gross nature but include:
 - A revenue sharing mechanism,
 - A more collaborative approach to the management of the services.

4. Key Service Changes

The tender for Unit 5 incorporated the implementation of the changes outlined in the RPTP which include:

- Reducing the number of route variations from 13 to 3.
- Requiring Abbotsford and Brighton passengers wishing to travel to Dunedin to transfer at Green Island onto the Mosgiel Dunedin Service (with a free transfer).
- Regularised frequency in accordance with the RPTP.
- An additional 118 services per week for Abbotsford, Brighton, Mosgiel, and Fairfield including:
 - Sunday and Public Holiday Services for Abbotsford.
- In addition to the additional services above, full service improvements (infilling of the off peak services) scheduled for implementation in 2018/19.

5. Tender Award

Council received two tenders for the replacement contract as a result of the tender assessment process and in accordance with Council's delegated authority to the Chief Executive in consultation with the Chairman and the Chair of the Finance and Corporate Committee, the contract for the replacement services has been awarded to Go Bus Transport Limited.

6. Key Tender Outcomes

As result of the tender process, two key benefits have been achieved as a result of the quality assessment process and the competitive nature of the tenders:

- The additional services scheduled for commencement in 2019 are now able to commence 1 July 2015.
- GoBus will be providing new buses on this service from 1 July 2016.

7. Preparation for service commencement

Staff are now in the process of arranging for the implementation of the new services including:

- Republishing the timetable for distribution mid June
- Journey Planner update
- Ticketing system update (including provision for the free transfer at Green Island)
- Increase in the size of bus stops in Green Island to accommodate the coordinated timetable and passenger transfers
- Handouts for existing users identifying the core changes including the new timetable
- Preparation for the new on street timetables
- Preparation for the placement of notices at redundant bus stops.

8. Recommendation

That this report be received.

Wayne Scott
Director Corporate Services