



Report on

Direct Award of Public Services Contract to Dublin Bus in 2014

December 2013

National Transport Authority
Dun Scéine
Iveagh Court
Dublin 2

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National Transport Authority Decision on Award of Public Bus Services Contract to Dublin Bus from 1st December 2014

1. Background

Section 52(6)(d) of the Dublin Transport Authority Act 2008 (as amended) states that

“Where the Authority proposes to...enter into the direct award contracts to which paragraph (c) refers, it shall invite and consider submissions from the holder of the direct award contract in question and from any other interested parties, including users of the public bus services that are part of the contract.

Section 52(6)(e) of the above Act states that

“Where the Authority...enters into a direct award contract to which paragraph (c)(ii) refers, it shall prepare and publish a report relating to the operation of the public bus passenger services to which the original direct award contracts relate, the consideration of any submissions made to it under paragraph (d) and its reasons for...entering into the subsequent direct award contracts or, where appropriate, the termination of those contracts.”

This report has been prepared and published in accordance with the above requirement in relation to the direct award contract between the National Transport Authority and Dublin Bus, due to commence in December 2014.

2. Operation of the Direct Award Contract between Dublin Bus and the National Transport Authority

A report on the operation of the direct award contract between Dublin Bus and the National Transport Authority over the period December 2009 to March 2013 is contained in Annex A of this report.

3. Submissions made by Dublin Bus

In January 2013, the Authority invited submissions from Dublin Bus, as holder of the current direct award contract for the provision of public bus services in the Dublin area, in relation to its views on the services it would wish to have included in any new direct award contract, commencing December 2014.

In response to this invitation, the Authority received a submission from Dublin Bus dated 5th March 2013. The submission was entitled “Bus Service Development Plan Submission to National Transport Authority - Public Service Contract”. It set out Dublin Bus proposals for the expansion of existing bus services and enhancement of the bus network in certain areas, in the period up to 2019.

The submission stated that “over the lifetime of this plan an opportunity exists to increase Dublin Bus customer numbers and improve key stakeholders’ views of public transport. This period will see a return to business growth for Dublin Bus and public transport in general”. The submission stated that “All service proposals in this plan are part of the existing public service obligation (PSO) and build on the benefits being yielded from the current PSO network”, thereby stating that Dublin Bus wished to have all current services included in any new direct award contract.

In September 2013, by public advertisement the Authority invited submissions from interested parties in relation to its proposal

- (i) To enter into another direct award contract with Dublin Bus in December 2014, for the provision of public bus services in the Dublin area under a public service obligation (PSO), and
- (ii) To amend that contract in 2016 to reduce the services within that contract by 10%, and
- (iii) To provide the removed services through a separate contract following an open tender process.

The Authority invited submissions from Dublin Bus as part of this consultation.

In response to the consultation, the Authority received a submission from Dublin Bus (dated 11th October 2013).

Points made in the submission are summarised in the Consultation Submissions Report in Annex B of this report (submission reference No. 42).

Copies of the submissions made to the Authority referred to above are available on the National Transport Authority website at <http://www.nationaltransport.ie/publications/transport-services/>.

Certain commercial information of Dublin Bus in their March 2013 submission has been redacted.

4. Submissions made by interested parties, including users of public bus services operated by Dublin Bus

In September 2013, the Authority invited submissions from interested parties in relation to the proposal

- i. To enter into another direct award contract with Dublin Bus in December 2014, for the provision of public bus services in the Dublin area under a public service obligation (PSO), and
- ii. To amend that contract in 2016 to reduce the services within that contract by 10%, and
- iii. To provide the removed services through a separate contract following an open tender process.

Points made in the submissions are summarised in the Consultation Submissions Report, contained in Annex B of this report.

The points in submissions that are relevant to services operated by Dublin Bus are identified in Appendix B of the Consultation Submissions Report, under the “consultation of interest” heading.

Full copies of the submissions made to the statutory consultation are available on the National Transport Authority website <http://www.nationaltransport.ie/publications/transport-services/>

5. Authority consideration, decision and notes for decision

At its Board meeting on November 15th 2013 the Authority decided to Award a Public Bus Services Contract to Dublin Bus from 1st December 2014. The relevant considerations of the Authority in reaching that decision, details of the decision itself, and points noted by the Authority is presented in Annex C of this report.

The consideration and determination is reproduced below.

Consideration and determination

The National Transport Authority in exercise of the powers conferred on it by the Dublin Transport Authority Act 2008, as amended, having considered:

- the proposal, as set out in the Consultation Paper together with the supporting documents published on 11th September 2013, on a new Direct Award Public Bus Services Contract to Dublin Bus to commence on 1st December 2014;
- the public submissions received in relation to this proposal, including from users of the services in question;
- the views of Dublin Bus, the operator of the direct award contract in question;
- the general objectives -of the Authority which it is obliged to seek to achieve (in accordance with section 10 of the Act), including but not limited to:
 - the development of an integrated transport system which contributes to environmental sustainability and social cohesion and promotes economic progress,
 - the provision of a well-functioning, attractive, integrated and safe public transport system for all users,
 - improved access to the transport system and, in particular, to public passenger transport services by persons with disabilities,
 - increased use of the public transport system,
 - regulated competition in the provision of licensed public bus passenger services in the public interest,
 - value for money,
- the strategic importance of the public bus system for both regional and national economic performance and social cohesion and the role of the Direct Award contracts in protecting the continued adequacy of the public bus passenger services in the general economic interest,

has decided and determined that:

1. it is satisfied that that the continued adequacy of the public bus services to which the direct award contract relates can only be guaranteed in the general economic interest by entering into a subsequent direct award contract;
2. the Authority shall enter into a direct award contract (the “**2014 direct award contract**”) in accordance with section 52(6) of the Act to Dublin Bus;
3. the 2014 direct award contract to Dublin Bus will consist of two elements:
 - a. the direct award of certain routes (the current list of which is specified in Table A1 of Schedule 1 of Appendix C of this report) for the five year period up to 30th November 2019 except to the extent such routes fall within paragraph 3b. in which case paragraph 3b. applies; and
 - b. the direct award to Dublin Bus of certain routes (the current list of which is specified in Table A2 of Schedule 1 of Appendix C of this report) for a period not greater than two years;
4. the Chief Executive Officer is:
 - a. to conclude the 2014 direct award contract on behalf of the Authority, including settling the terms of the 2014 direct award contract; and
 - b. without prejudice to the generality of (a), if necessary in his opinion to reflect customer needs and trends, to modify the routes that are the subject of the 2014 direct award contract or a particular element of the 2014 direct award contract; and
5. the resolution at 3 is without prejudice to the powers of the Chief Executive pursuant to section 19 of the Act, and to the extent required is to be construed as the conferral of an “other function” on the Chief Executive for the purposes of section 19(2) of the Act.

In relation to the routes contemplated by Table A2 of Schedule 1 (*of Annex C of this report*), the Authority notes that its current intention is for such routes to be the subject of competitive tendering, with the aim of services being commenced in 2016.

Annex A

Report on Operational Performance of current Dublin Bus Direct Award Contract

Proposal to Directly Award a Public Bus Services Contract to Dublin Bus in 2014

4. Performance Report on Current
Dublin Bus Direct Award Contract

September 2013



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Executive Summary

Direct Award Contract

In December 2009, under the provisions of the Dublin Transport Authority Act 2008 as amended, the National Transport Authority [“the NTA”] entered into a direct award contract¹ [“the Contract”] with Dublin Bus for the provision of public service obligation [“PSO”] bus services in the Greater Dublin Area for a period of 5 years.

The Contract is due to expire in December 2014 and the NTA intends to enter into a subsequent direct award contract with Dublin Bus. The Act specifies that before a subsequent direct award can be entered into, the NTA must prepare and publish a report detailing the operation of the public bus services under the current direct award contract. This report therefore considers the operation of the Contract and the services provided to the NTA between the period of Q1/2010 and Q1/2013, a total of 13 no. quarter [3 monthly] periods.

Services Provided

During the period of this Report, Dublin Bus provided, under the Contract, a network of cross city, radial, orbital, DART feeder, Xpresso2 and Nitelink bus services within the Greater Dublin Area. In return for the provision of the services, the NTA compensated Dublin Bus with monies received from Exchequer funding.

Table 1 below provides an overview of the bus services provided during this period.

| Year | Total Vehicle Km ³ Operated [Millions] | Seat Km ⁴ Operated [Millions] | Passengers Carried [Million] | Revenue Collected [Million] | Compensation Paid [Million] |
|-------------------|---|--|------------------------------|-----------------------------|-----------------------------|
| 2010 | 56.5 | 3,629 | 117,049 | €171,329 | €77.74 |
| 2011 | 53.9 | 3,475 | 115,051 | €167,279 | €73.04 |
| 2012 | 52.1 | 3,343 | 113,282 | €180,095 | €74.80 ⁵ |
| 2013 ⁶ | 12.0 | 771 | 25,407 | €42,978 | €27.7 |

Table 1: Overview of Bus Service Operations

Performance Obligations

The Contract sets out 20 no. performance obligations within the following categories which Dublin Bus must comply with when providing the services:

1. Reliability and Punctuality Obligations [8no.]

¹ A contract directly awarded to an Operator that is not subject to a competitive tendering process.

² Express limited stop commuter services

³ Total Vehicle KMs operated: PSO routes only

⁴ Total PSO passenger capacity provided

⁵ Includes €5.333 m paid in emergency funding in 2012

⁶ Figures for Q1 2013 only

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2. Customer Information Obligations [8no.]
 3. Customer Experience Obligations [4 no.]
 4. Efficiency Obligations [2 no.]
 5. Environmental Obligations [1 no.]

Within the Contract seven of the eight Reliability and Punctuality performance obligations have incentivised payment mechanisms. Ten per cent of the total compensation due is retained by the NTA on a quarterly basis and is only released on demonstrating compliance with these particular performance obligations. Dublin Bus is required to measure and report their compliance with the performance obligations at intervals specified in the Contract to the NTA. The NTA and Dublin Bus meet on a quarterly basis to review the performance obligation results and other reporting required under the Contract.

The NTA also reviews on a regular basis the performance obligation with the objective of continuously improving the delivery of the services. Since the beginning of the Contract, performance obligation targets have either been revised upwards or reporting frequencies improved where it was considered appropriate to do so. The strengthening of performance obligation targets and other revisions over the period of the contract to date is summarised in Chapter 2 [Table 3] of this Report.

Dublin Bus Performance Results

Overall, Dublin Bus achieved a high level of compliance with the required performance obligations for this reporting period. Chapter 3 of this Report sets out a summary under each performance obligation category, a summary of the performance results and any non-compliances reported. A summary of the performance obligations and the current running average results is set out in Table 2.

Approximately ninety-five per cent of the results reported complied with the specified performance obligations. The majority of non-compliances reported were attributed to a delay experienced between a reduction in driver numbers [as a result of cost saving measures] and the introduction of re-configured service levels by the Network Direct project. On some occasions this resulted in insufficient driver availability to operate vehicles, particularly on Saturdays. Re-configured service levels were subsequently delivered on a phased basis by the Network Direct project [see below] and since this process was substantially completed in Q4/2012 no further related non-compliances have been reported.

With the exception of the performance obligations "Vehicles in Service – Saturdays" and "Bus Destination Scrolls", the current running average⁷ of all other results exceeds that specified by the performance obligations - indicating that the required service levels have been met or slightly exceeded under the Contract to date. The running average results for the latter two obligations are just marginally under the requirement [<0.5%]. The year on year average results achieved for punctuality show a 1.5 % increase for this reporting period.

⁷ The average of all results reported over the relevant reporting periods.

Changes Approved to the PSO services

The Contract provides that any changes to the PSO services must be subject to the approval of the NTA. During the course of the Contract to date, the NTA has approved a series of alterations to the services, many of which relate to the implementation of the Network Direct project. This project arose out of a Cost and Efficiency review of Dublin Bus's operations commissioned by the Department of Transport in 2008. This Review recommended the rationalisation of many of the then PSO routes to provide more direct and cost efficient services. In addition, the NTA constantly reviews with Dublin Bus the PSO services to ensure the delivery of an efficient, cost-effective and integrated public transport service. Both of these processes have delivered improved efficiencies for Dublin Bus and improved public transport services for the public during the period of the Contract. Further details are given in Chapter 3 of this Report.

Fares

The Contract provides that Dublin Bus retains the fares. It also provides that the NTA must approve any fare alterations. Dublin Bus has complied with all the process requirements in relation to the approval of fares and the subsequent implementation of approved fares.

Capital Grants

The Contract provides for the granting of capital funds to Dublin Bus for the purchase of public transport infrastructure, primarily new vehicles, but also for the refurbishment of older vehicles, provision of accessibility measures in vehicles and integrated transport measures such as Real Time Passenger Information. During the period covered by this Report, several capital grants have been awarded as set out in Chapter 3 of this Report and Dublin Bus have fully complied with the terms of these grants.

Auditing the Contract

Each year the NTA has commissioned independent audits of Dublin Bus' financial systems, controls and processes to ensure:

- that Dublin Bus correctly allocates its costs and revenue between PSO and commercial activities.
- that any reasonable profit claimed for delivering PSO services had been calculated on an appropriate basis and that the operating costs incurred are consistent with those of a 'well run' transport operator
- that any financial flows between the CIE companies do not provide a cross-subsidy between the CIE companies.

The audits thus far have awarded a mark of "satisfactory" in relation to the conduct of the contract in 2010 and 2011. The results of the 2012 audit are, at the time of writing, currently awaited.

| Performance Obligation | | Description | Compliance Test | Running Average |
|---|--|---|---|-----------------|
| No | Reliability & Punctuality Obligations | | | |
| 1.1 | Vehicles in Service AM Peak | Percentage of peak vehicle requirement to operate at specified time | Minimum of 98% | 99.2% |
| 1.2 | Vehicles in Service PM Peak | Percentage of peak vehicle requirement to operate at specified time | Minimum of 98% | 98.7% |
| 1.3 | Vehicles in Service Valley Period | Percentage of peak vehicle requirement to operate at specified time | Minimum of 68% | 72.4% |
| 1.4 | Vehicles in Service Saturday | Percentage of peak vehicle requirement to operate at specified time | Minimum of 98% | 97.6% |
| 1.5 | Vehicles in Service Sunday | Percentage of peak vehicle requirement to operate at specified time | Minimum of 98% | 99.7% |
| 2 | Drivers' Duties | Reliability -Percentage of drivers' duties to be operated. | Minimum of 98% | 99.1% |
| 3 | Schedule Km Operated | Reliability -Percentage of Schedule Km operated. | Minimum of 95% | 98.3% |
| 4 | Services Operated | Reliability-Percentage of Services operated. | Minimum of 97% | 96.6% |
| 5 | Punctuality | Percentage of services departing within 5 minutes of the scheduled departure time | Minimum of 95% | 96. 4% |
| Customer Information Obligations | | | | |
| 6 | Timetable Information | Availability of correct timetable information on website | Confirmation of Availability | 100% |
| 7 | Bus Destination Scrolls | Percentage of vehicles displaying correct destination information | Minimum of 98% | 97.9% |
| 8 | Customer Telephone Information | Opening hours of telephone information line and percentage of calls answered in specified limit | Minimum of 90% calls answered in 60 seconds | 92.5% |
| 9 | 24 Service Information | Availability of information on 24 hour basis by web or text | Confirmation of Availability | 96.9% |
| 10 | On-Street | Provision of correct and up to date timetable information at bus stops that | Minimum of 98% accurate information | 98.9% |

| Performance Obligation | | Description | Compliance Test | Running Average |
|--|----------------------------|--|--|-----------------|
| | Information | provide information | displayed | |
| 11 | Complaint Recording | Recording of complaints received by category | Quarterly Report | 100% |
| 12 | Fares Information | Up to date information available on website, any changes to be published not less than 5 working days in advance | Availability of Information and minimum 5 days in advance | 100% |
| 13 | Network Changes on Website | Comprehensive and up to date information to be available on the website, any changes to be published not less than 5 working days in advance | Confirmation of Availability and Minimum 5 days in advance | 100% |
| Customer Experience Obligations | | | | |
| 14 | Cleanliness ⁸ | Cleanliness of vehicles and public areas of Company premises | Percentage of Compliance | 95.7% |
| 15 | Staff | Staff to be friendly, helpful, courteous and well presented at all times | n/a | 91.9% |
| 16 | Accessibility | All new vehicles to be low floor, wheel chair accessible | All buses | 100% |
| 17 | Bus Fleet Age | Report the average age of the fleet | Full Fleet | 7.15 years |
| Efficiency Obligations | | | | |
| 18 | Cost & Efficiency Review | Implementation of the findings of the cost and efficiency review [Network Direct] | Implemented as planned | Implemented |
| 19 | Revenue Protection | Report on measures to ensure revenue protection | Percentage of Compliance | Compliant |
| Environmental Obligations | | | | |
| 20 | Emission Compliance | Statement of compliance with emission standards | | Compliant |

Table 2: Summary of Performance Obligations and Results

⁸ Average figure achieved for four separate cleanliness measures – refer to Tables 7 and B14

1.0 Introduction

1.1 Background

In 2007 EU Regulation 1370/2007 – on public passenger transport services by rail and by road was adopted by the European Union. The Regulation sets out how Member States are to provide public passenger transport services that are the subject of a public service obligation [‘PSO’] in a transparent manner.

A PSO exists where there is an economic requirement to provide transport services that are financially unviable to operate without the payment of compensation to an Operator for the services.

In order to implement the Regulation into Irish law, the National Transport Authority [‘NTA’] was established by the Dublin Transport Authority Act 2008 and its powers extended by the Public Transport Regulation Act 2009 [‘the Acts’].

The Acts provide that where the Authority determines that a PSO exists in relation to the provision of public passenger transport services, the Authority is responsible for securing the provision of these services by means of public service contracts. Under a public service contract, the Authority compensates the Operator with monies received from the Oireachtas in return for the provision of specified public passenger transport services.

The Acts required the Authority to enter into a direct award contract with Dublin Bus for the provision of public bus transport services in the greater Dublin Area for a period of 5 years commencing from 1st December 2009. This contract is due to expire on 3^{0th} November 2014 and in accordance with the provisions of the Acts, the Authority now intends to enter into a subsequent direct award contract with Dublin Bus.

Before a subsequent direct award can be placed with Dublin Bus, the Acts set out various requirements that the Authority must comply with, one of which is the preparation and publication of a report setting out the operation of the public bus passenger services under the present direct award contract⁹.

The purpose of this Report therefore is to fulfil this requirement. It provides an account of the operation of the public bus services provided by Dublin Bus under the Contract between the periods January 2010 and March 2013 – a total of thirteen quarterly [3 month] periods.

Chapter 2 of this report provides an overview of the provisions of the Contract. Chapter 3 provides an account of the operation of the public bus services provided during this period.

⁹ Section 52 (6) (e) of the 2008 Act

1.2 Dublin Bus

Dublin Bus is a wholly owned subsidiary of Córas Iompar Éireann [CIE], a commercial state body which provides bus and rail public transport services. The Company was established in 1987 under the Transport [Re-organisation of CIE Act] 1986 and is the largest provider of PSO bus services in the Greater Dublin Area between the area between Newcastle in County Wicklow to the south, Balbriggan in north County Dublin and Maynooth in County Kildare to the west.

The Company currently employs in the order of 3,000 people and operates from 7 no. depots within the Greater Dublin Area. The PSO services comprise a network of cross city, radial, orbital, DART feeder, Xpresso and Nitelink services. The network is, at the time of writing of this report, operated predominantly by 911 no. double deck buses, the majority of which can carry c. 90 no. seated and standing passengers. 70 no. of the double deck buses are larger tri-axle vehicles with a capacity of c. 120 passengers. There are 6 no. single deck midi buses with a capacity of c. 50 no. passengers. The average age of the fleet is approximately 7 years with a range in ages from 13 to 0 years.

Under the Contract, Dublin Bus is responsible for the provision of bus depot and stabling facilities, supply and maintenance of bus fleet and ancillary facilities (such as ticket machines, automatic vehicle location equipment and CCTV equipment) and associated communications, storage, analysis and reporting systems. They are also responsible for the provision of staff and staff facilities and marketing.

In addition to, and financially separate from the PSO services provision, the Company also operates commercial activities such as the Airlink service, sight-seeing tours and private hire services.

In 2008 the Department of Transport commissioned Deloitte & Touche to carry out a Cost and Efficiency Review of the operations of both Bus Éireann and Dublin Bus. Amongst other recommendations, the Review recommended the rationalisation of Dublin Bus routes to provide more direct and efficient services.

The recommendations were taken forward by Dublin Bus as the Network Direct project from 2009 onwards. The project incorporated a complete redesign of the network of PSO funded services operated by Dublin Bus to offer faster, more direct services and also to rationalise costs. The network changes were implemented on a phased basis between Q3/2010 and Q4/2012, when the project was substantially completed. Dublin Bus is required, under the terms of the Contract, to implement the findings of this Review.

2.0 The Contract with Dublin Bus

2.1 *The Contract*

The Contract between Dublin Bus and the NTA was signed on the 1st December 2009 for a period of 5 years. The main provisions of the Contract are set out in the following paragraphs.

2.2 The scope of the PSO included in the Contract

The Contract defines the scope of the PSO as including not only the transport services to be provided but also the wider attributes of an efficient and functional public transport network such as the provision of passenger information, ticketing, transport interchanges, participation in wider Integration projects such as integrated Ticketing [LEAP], Real time Passenger Information [RTPI] and website development.

2.3 *The PSO services to be provided*

Schedule A to the Contract provides a listing of the PSO services to be provided by Dublin Bus as follows:

The network currently comprises **111** radial, orbital and local bus routes as well as **18** Nitelink routes (operating primarily on Friday and Saturday nights from 24:00 to 04:00 from the city centre to the suburbs).

There are **86 radial** routes which all serve the city centre. A key element of the Network Direct Project has been the amalgamation of radial routes to operate on a cross-city basis. There are currently 28 routes that operate on that basis. A further 16 routes have been extended across the city centre to terminate at locations outside the core city centre (e.g. at Baggot Street or Merrion Square). 41 radial routes operate to and from termini in the city centre.

Most cross city routes operate on a frequent basis (7 days a week and throughout each day, with a services every 15 minutes or more often at peak times from Monday to Friday).

Express type services also operate on 11 routes, serving customers during peak hours only.

8 orbital routes operate generally on an alignment around the suburbs and do not serve the city centre. A further **15 Local** routes form local networks around major centres of population other than the city centre.

Nitelink routes operate primarily on Friday and Saturday nights from 24:00 to 04:00 from the city centre to the suburbs.

In order to ensure that the specified services provide adequate passenger capacity Schedule A also specifies both the number of vehicles to be deployed at peak periods [peak vehicle requirement – ‘pvr’] and the frequency at which they are to operate.

2.4 Changes to the PSO Services

The Contract provides that any changes to the PSO services are subject to the approval of the NTA.

2.5 Performance Obligations

The Contract also sets out, in Schedule B, minimum performance requirements that must be met by Dublin Bus when providing the PSO services. These comprise a series of performance obligations within 5 categories that measure Dublin Bus’s performance in providing the services. The categories are as follows:

- 1. Reliability and Punctuality Obligations** – 8 no. obligations to ensure that the bus services operate reliably and punctually with sufficient capacity, frequency and provide adequate coverage of the network to cater for customer demand. The Contract incentivises the Reliability and Punctuality [with the exception of the Vehicles in Service-Valley Period] performance obligations. Ten per cent of the total annual Compensation due is retained by the NTA on a quarterly basis and is paid to Dublin Bus when it is demonstrated that the performance obligations have been achieved for that Quarter. Failure to meet any of the performance obligation targets will result in the deduction by the NTA of an equivalent proportion of the retained compensation due.
- 2. Customer information Obligations** – 8 no. obligations to ensure that sufficient information is made available to the customer in order to use the services;
- 3. Customer experience Obligations** – 4 no. obligations to ensure that the customer experience when using the services is satisfactory;
- 4. Efficiency Targets**- 2 no. obligations to ensure that efficiencies are delivered by Dublin Bus in relation to the implementation of the Cost and Efficiency Reviews and Revenue Protection;
- 5. Environmental Obligation** - Compliance with vehicle emission and noise targets and reporting on the progress achieved on use of bio-fuels.

The NTA conducts an annual review of the performance obligation results with the objective of continuous improvement of the delivery and efficiencies of the PSO services. Based on an analysis of the 2010 returns and performance levels, the Authority revised certain targets for 2011 either by setting some targets higher or increasing the frequency of reporting to provide greater oversight on performance. I

n 2012 additional performance reporting by route corridor commenced. This disaggregation will provide information to the NTA on how individual sectors are performing and thereby improve future performance. The current performance obligations are set out in Table 3,

which also includes a summary of the strengthening of performance obligations and any other revisions made since 2009.

| PERFORMANCE OBLIGATION | | DESCRIPTION | CURRENT COMPLIANCE TEST | CURRENT REPORTING FREQUENCY | AMENDMENTS SINCE 2010 |
|---|--------------------------------|--|---|-----------------------------|--|
| Reliability Performance Obligations | | | | | |
| 1.1 | Morning Peak Period | Percentage of pvr that must be in service at specified periods. | Minimum of 98% | Quarterly | 2012 -Now also reported by Route Corridor |
| 1.2 | Evening Peak Period | | Minimum of 98% | | |
| 1.3 | Valley Period ¹⁰ | | Minimum of 68% | | |
| 1.4 | Saturday | | Minimum of 98% | | |
| 1.5 | Sunday | | Minimum of 98% | | |
| 2 | Drivers' Duties Operated | Percentage of drivers' duties to be operated. | Minimum of 98% | Quarterly | 2012- Now also reported by Depot |
| 3 | Schedule Km Operated | Percentage of Schedule Km operated. | Minimum of 95% | Quarterly | 2012-Now also reported by Route Corridor |
| 4 | Services Operated | Percentage of Services operated. | Minimum of 97% | Quarterly | 2012-Now also reported by Route Corridor |
| Punctuality Performance Obligation | | | | | |
| 5 | Punctuality | Percentage of services departing within 5 minutes of the scheduled time | 95% | Quarterly | 2012-Now also reported by Route Corridor |
| Customer Information Performance Obligations | | | | | |
| 6 | Timetable Information | Availability of correct and up to date timetable information on website | Confirmation of Availability | Quarterly | 2011 – New obligation to replace 2 former obligations- Delivery of Timetables and Annual Timetable Book. |
| 7 | Bus Destination Scrolls | Percentage of vehicles displaying correct destination information | Minimum of 98% | Quarterly | 2011-Target increased from 95% 2012-Reporting increased from 6 monthly. |
| 8 | Customer Telephone Information | Opening hours of telephone information line and percentage of calls answered in specified time | Minimum of 90% calls answered in 60 seconds | Quarterly | 2011-Target Increased from 85%. 2012-Reporting frequency increased from 6 months. |
| 9 | 24 Service Information | Availability of information on 24 hour basis by web or text | Confirmation of Availability | Quarterly | 2011-Cataogry of Information widened from 'timetable information' only. |
| 10 | On-Street Information | Provision of correct and up to date timetable | Minimum of 98% accurate | Quarterly | |

¹⁰ Between Morning and Evening peaks periods from 10.00 am to 16.00 pm

| PERFORMANCE OBLIGATION | | DESCRIPTION | CURRENT COMPLIANCE TEST | CURRENT REPORTING FREQUENCY | AMENDMENTS SINCE 2010 |
|--|----------------------------|--|--|-----------------------------|---|
| | | information at bus stops that provide information | timetables displayed | | |
| 11 | Complaint Recording | Recording of complaints received by category | n/a | Quarterly | |
| 12 | Fares Information | Up to date information available on website, any changes to be published not less than 5 working days in advance | Availability of information and minimum 5 days in advance of changes | Quarterly | 2011- New obligation. |
| 13 | Network Changes on Website | Comprehensive and up to date information to be available on the website, changes to be published not less than 5 working days in advance | Confirmation of Availability and Minimum 5 days in advance | Quarterly | 2012-'Confirmation of Availability' added as Compliance Test |
| Customer Experience Performance Obligations | | | | | |
| 14 | Cleanliness | Cleanliness of vehicles and public areas of Company premises | Percentage of Compliance | Quarterly | 2011-'Percentage of Compliance' added as Compliance Test |
| 15 | Staff | Staff to be friendly, helpful, courteous and well presented at all times | n/a | Quarterly | 2011- New requirement to report separately. [reporting previously had been had been from Complaints Record] |
| 16 | Accessibility | All new vehicles to be low floor, wheel chair accessible | All buses | Annual | |
| 17 | Bus Fleet Age | Report the average age of the fleet | Full Fleet | Annual | 2011- Obligation amended to remove requirement for Bus Fleet not to exceed average age of 7 years. |
| Efficiency Obligations | | | | | |
| 18 | Cost & Efficiency Review | Implementation of the findings of the cost and efficiency review [Network Direct] | Implemented as planned | Quarterly | |
| 19 | Revenue Protection | Report on measures to ensure revenue protection | Percentage of Compliance | Quarterly | 2011- New Obligation. Removed Percentage of Compliance as Compliance Test. |
| Environmental Obligations | | | | | |
| 20 | Emission Compliance | Compliance with noise and emission standards and reporting on bio-fuel targets | | Annual | |
| Other Amendments Made | | | | | |
| | Customers Carried | Forecast of Customers Carried | | Quarterly | 2011 – Deleted. |
| | Integrated Ticketing | Participation | | | 2011 – New Obligation. 2012- Removed as |

| PERFORMANCE OBLIGATION | DESCRIPTION | CURRENT COMPLIANCE TEST | CURRENT REPORTING FREQUENCY | AMENDMENTS SINCE 2010 |
|------------------------|---|-------------------------|-----------------------------|--|
| | | | | substantially completed. |
| Delivery of Timetables | Delivery of printed timetable Information | | | 2011-Removed and amalgamated into new Timetable Information Obligation |
| Annual Timetable Book | Publication of comprehensive timetable book | | | 2011-Removed and amalgamated into new Timetable Information Obligation |

Table 3 Summary of Performance Obligations and Results

2.6 Measuring the Performance Obligations

Dublin Bus measures the reliability and punctuality of its operations using a combination of AVL and other management systems. AVL refers to Automatic Vehicle Location and Control system which is a GPS system fitted to each Dublin Bus that constantly records and transmits to a control centre the position of the vehicle enabling the service to be managed and controlled. The system is now fitted to all Dublin Bus vehicles and was installed with the aid of Exchequer capital funding. The system is also used to support the provision of Real Time Passenger Information [RTPI] to passengers. Microbus is a management tool for the scheduling of drivers, vehicles and services.

In reporting of its performance obligations and as agreed with the NTA, Dublin Bus employs 'mystery shoppers' market research firms to provide verification that the performance obligations are being met. The results of this research are provided to the NTA at the same time as to Dublin Bus.

2.7 Reporting Requirements

Schedule C of the Contract imposes reporting obligations in relation to the provision of information in relation to the operation of the PSO network. Additional information required to be reported is as follows:

1. Passenger Journeys
2. Payments Received
3. Costs Incurred
4. Capital Expenditure
5. Staff numbers
6. Network Operations

2.8 Monitoring the Contract

Quarterly Review meetings are held between NTA and Dublin Bus to review the Schedule B and Schedule C. The NTA publishes the Schedule B performance obligation report on www.nationaltransport.ie on a quarterly basis. The Schedule C reporting is not published as it contains commercially sensitive information.

In addition the NTA has commissioned independent audits of Dublin Bus' financial allocation systems and processes in relation to the operation of the Contract on an annual basis.

2.9 Fares

The Contract is a 'net cost contract' - under which Dublin Bus collects and retains the passenger fares. The Contract provides that Dublin Bus must obtain approval from the NTA in relation to any proposed change in fares.

2.10 Capital Grants

Schedule E of the Contract provides that the Authority, subject to certain conditions, may award capital grant funding to Dublin Bus. Such grants may cover the acquisition of new public service vehicles.

2.11 Revisions to the Contract

In addition to the regular review and amendment of the Performance Obligations, the NTA made significant amendments to the Contract in 2012 to strengthen certain provisions and clarify additional approvals required from the NTA in several areas. Amongst other provisions, the amendments facilitated increased over-sight of the integration of promotional fares with general fares, and on the cost front, introduced financial control mechanisms and approval of marketing relating expenditure.

A new form of Framework Agreement for the allocation of capital grants was introduced and obligations in relation to the participation in NTA led integrated projects such as LEAP card, Real time Passenger Information, the National Journey Database and the development of a single public transport brand were clarified. A summary of the amendments is provided in Appendix A to this Report.

3.0 Operation of the Bus Services

3.1 Overview

Table 4 below provides a summary over-view of the services provided under the Contract. A summary of the performance obligation results is given in the following Sections. Appendix B contains all results reported between Q1/2010 and Q1/2013 in tabular form.

| Year | Total Vehicle Km ¹¹ Operated [Millions] | Seat Km ¹² Operated [Millions] | Passengers Carried [Million] | Revenue Collected [Million] | Compensation Paid [Million] |
|--------------------|---|---|------------------------------------|-----------------------------------|-----------------------------------|
| 2010 | 56.5 | 3,629 | 117,049 | €171,329 | €77.74 |
| 2011 | 53.9 | 3,475 | 115,051 | €167,279 | €73.04 |
| 2012 | 52.1 | 3,343 | 113,282 | €180,095 | €74.80 ¹³ |
| 2013 ¹⁴ | 12.0 | 771 | 25,407 | €42,978 | €14.98 |

Table 4 Bus Operations Overview

3.2 Reliability and Punctuality Results

| No. | Performance Obligation | Compliance Test | 2010 Average | 2011 Average | 2012 Average | Running Average ¹⁵ | No. of Non Compliances Reported out of total nos. reported | Results given in Table No |
|--------------------------------|---|--------------------|-----------------|-----------------|-----------------|----------------------------------|--|---------------------------------|
| Reliability Obligations | | | | | | | | |
| 1.1 | Vehicles in Service- Morning Peaks | 98% | 99.2% | 99.0% | 99.4% | 99.2% | 0/13 | Table B1.1 |
| 1.2 | Vehicles in Service- Evening Peaks | 98% | 99.2% | 98.1% | 98.7% | 98.7% | 1/13 | Table B1.2 |
| 1.3 | Vehicles in Service- Valley Period | 68% | 70.5% | 76.5% | 70.9% | 72.4% | 0/13 | Table B1.3 |
| 1.4 | Vehicles in Service- Saturday | 98% | 98.4% | 95.9% | 98.2% | 97.6% | 5/13 | Table B1.4 |
| 1.5 | Vehicles in Service- Sunday | 98% | 99.9% | 99.5% | 99.9% | 99.7% | 0/13 | Table B1.5 |
| 2 | Drivers Duties | 98% | 99.3% | 98.8% | 99.3% | 99.1% | 1/13 | Table B2 |

¹¹ Total Vehicle KMs operated – PSO routes only

¹² Total PSO passenger capacity provided

¹³ Includes €5.333 m paid in emergency funding in 2012

¹⁴ Figures for Q1 2013 only

¹⁵ Average for 13 quarters Q1/2010 – Q1/2013

| No. | Performance Obligation | Compliance Test | 2010 Average | 2011 Average | 2012 Average | Running Average ¹⁵ | No. of Non Compliances Reported out of total nos. reported | Results given in Table No |
|--------------------------------|------------------------|-----------------|--------------|--------------|--------------|-------------------------------|--|---------------------------|
| | Operated | | | | | | | |
| 3 | Schedule KMs Operated | 97% | 98.6% | 97.8% | 98.3% | 98.3% | 0/13 | Table B3 |
| 4 | Services Operated | 95% | 96.5% | 96.2% | 96.9% | 96.6% | 0/13 | Table B4 |
| Punctuality Obligations | | | | | | | | |
| 5 | Punctuality | 95% | 95.6% | 96.4% | 97.1% | 96.4% | 1/13 | Table B5 |
| Total | | | | | | | 8/91 | |

Table 5 Reliability and Punctuality Results

Within this category a total of 8 no. non-compliances were reported. Of these 8 non-compliances, 7 no. Vehicles in Service 5 no. Drivers' Duties Operated and 1 no. Schedule Km Operated were attributed to the effects of a reduction in driver numbers due to cost saving measures undertaken by Dublin Bus since 2008. This resulted in there being insufficient drivers in certain depots to operate a full schedule of services on certain occasions, particularly on Saturdays.

This situation has progressively improved with the introduction of Network Direct re-configured service levels. In relation to punctuality, 1 no. non-compliance was reported in Q4/2010 due to adverse weather conditions. Generally it is noted that the year on year results for punctuality show a slight improvement of a total of 1.5% over this reporting period.

3.3 Customer Information Results

| No. | Performance Obligation | Compliance Test | 2010 Average | 2011 Average | 2012 Average | Running Average | No. of Non Compliances Recorded in Relevant Reporting Periods | Results given in Table No |
|-----|--------------------------------|-----------------------------|--------------|--------------|--------------|-----------------|---|---------------------------|
| 6 | Timetable Information | 100% | n/a | 100% | 100% | 100% | 0/9 | Table B6 |
| 7 | Bus Destination Scrolls | 98% | 95.7% | 98.1% | 98.5% | 97.9% | 1/9 | Table B7 |
| 8 | Customer Telephone Information | 90% | 89.4% | 86% | 94.7% | 93% | 2/9 | Table B8 |
| 9 | 24 Hours Service Information | Availability of Information | 97.9% | 96.1% | 96% | 96.9% | 0/9 | Table B9 |
| 10 | On-Street Information | 98% | 98.3% | 99.2% | 98.7% | 98.9% | 0/11 | Table B10 |
| 11 | Complaint Recording | Quarterly Report | 100% | 100% | 100% | 100% | 0/13 | Table B11 |

| No. | Performance Obligation | Compliance Test | 2010 Average | 2011 Average | 2012 Average | Running Average | No. of Non Compliances Recorded in Relevant Reporting Periods | Results given in Table No |
|-------|----------------------------|------------------------------------|--------------|--------------|--------------|-----------------|---|---------------------------|
| 12 | Fares Information | <i>Availability of Information</i> | n/a | 100% | 100% | 100% | 0/9 | Table B12 |
| 13 | Network Changes on Website | <i>Availability of Information</i> | 98.6% | 100% | 100% | 100% | 0/13 | Table B13 |
| Total | | | | | | | 3/82 | |

Table 6 Customer Information Results

[Note that Dublin Bus reports the findings of the Mystery shopper Market Research for these performance obligations].

Overall, a very low number of non-compliances were reported in this category 3 no. in total for this period. One non-compliance was recorded for Bus Scrolls in Q2/2011, and which was attributed to the jamming of manual scrolls on older buses in service at the time. The remaining 2 no. non-compliances were reported for the Customer Telephone Information in Q2 and Q4 of 2011. At that time a high proportion of Network Direct changes were being implemented resulting in a corresponding increase in level of customer queries.

3.4 Customer Experience Results

| No | Performance Obligation | Compliance Test | 2010 Average | 2011 Average | 2012 Average | Running Average | No. of Non Compliances Recorded in Relevant Reporting Periods | Results given in Table No |
|-------|------------------------------|---------------------------|--------------|--------------|--------------|-----------------|---|---------------------------|
| 14 | <u>Cleanliness</u> | Percent age of Compliance | | | | | 0/13 | Table B14 |
| | ▪ <i>Vacuumed and washed</i> | | 97.2% | 98.7% | 99.1% | 98.7% | | |
| | ▪ <i>Rubbish removed</i> | | 98.6% | 99% | 99.5% | 99.1% | | |
| | ▪ <i>Internally valeted</i> | | 99.6% | 99.2% | 99.4% | 99.5% | | |
| | ▪ <i>Public Areas</i> | | 81% | 88.6% | 87.6% | 86.3% | | |
| 15 | Staff ¹⁵ | | n/a | 91.5% | 92% | 91.9% | 0/10 | Table B15 |
| 16 | Accessible Vehicles | <i>Full fleet.</i> | 100% | n/a | 100% | 100% | 0/3 | Table B16 |
| 17 | Bus Fleet Age | <i>All buses.</i> | 6.8 yrs | 7.7 yrs | 7.5 yrs | 7.15 years | 0/3 | Table B17 |
| Total | | | | | | | 0/29 | |

Table 7 Customer Experience Results

[Note that Dublin Bus reports the findings of the Mystery Shopper Market Research for these performance obligations.]

There were no non-compliances reported for this Category for this period.

3.5 Efficiency Targets Results

| No. | Performance Obligation | Compliance Test | Running Average | No. of Non Compliances Recorded in Relevant Reporting Periods | Results given in Table No |
|-------|--|--------------------------|-----------------|---|---------------------------|
| 18 | Implementation of Cost and Efficiency Review | Implemented as Planned | Implemented | 0/10 | Table B19 |
| 19 | Revenue Protection Reporting | Percentage of Compliance | Reported | 0/9 | Table B18 |
| Total | | | | 0/19 | |

Table 8 Efficiency Target Results

There were no non-compliances reported in this category for this reporting period.

3.6 Environmental Targets Results

| No. | Performance Obligation | Compliance Test | Running Average | No. Non Compliances Recorded in Relevant Reporting Periods | Results given in Table No |
|-----|---|-----------------|-----------------------------|--|---------------------------|
| 20 | Emissions, noise Compliance & Biofuel use Reporting | n/a | All new vehicles compliant. | 0/3 | Table B20 |

Table 9 Environmental Results

There were no non-compliances reported in this category for this reporting period. Note that it was agreed to suspend the reporting on progress in moving towards a specified percentages of bio-fuel pending further consideration of this target.

3.7 Changes to Services Approved

In 2010, the NTA processed **240** proposals for changes to funded bus services operated by **Dublin Bus**. Many of these proposed changes were part of the Network Direct Project. Changes to services in the Stillorgan, Lucan and Blanchardstown Corridors were approved by the Authority and implemented in 2010.

In 2011, the NTA considered 156 proposals for changes to the PSO network. Among the major changes to routes and services approved by the Authority were the introduction of 4 new cross-city routes:

- Amalgamation of routes 13 and 51b/c into cross-city route 13 linking Ballymun with Clondalkin;
- Amalgamation of routes 40 and 78a into cross city route 40 linking Finglas with Ballyfermot and Liffey Valley;
- Amalgamation of routes 27 and 77 into cross-city route 27 linking Malahide Road with Crumlin and Tallaght; and
- Amalgamation of routes 14 and 20b into cross-city route 14 linking Beaumont with Dundrum.

In 2012 the Authority considered **77** proposals, all of which were approved, for changes to the network. Major changes were introduced in a number of areas: North East Dublin: routes serving Howth, Malahide and intermediate destinations; Ballinteer/Terenure: amalgamation of Routes 16 and 16A and extension of services to Dublin Airport; North Wicklow: routes linking Bray, Blackrock, UCD and the city centre; Sandymount/Ringsend: services linking cross-city to Drumcondra and Santry; Enniskerry/Dundrum: services linking cross-city to Drumcondra and Larkhill; and Ballyfermot, Clondalkin and Tallaght: orbital services linking these areas.

The effects of the Network Direct programme in Dublin Bus are set out in Table 10.

| Indicator | 2010 | 2011 | 2012 |
|--------------------------------------|---------|---------|---------|
| Passengers per bus per year | 125,000 | 128,763 | 133,768 |
| Passengers per staff member per year | 34,694 | 35,429 | 36,569 |
| Kilometres per bus per year | 64,916 | 66,890 | 66,303 |
| Fleet (peak vehicle requirement) | 936 | 821 | 774 |

Table 10 Network Direct Effects

The bus network is constantly under review by the NTA both to avoid insofar as possible wasteful competition with and duplication of Iarnród Éireann and Luas services, and to provide an integrated service with other public transport modes.

3.8 Fare Increases Approved

The Authority approved fares increases requested by Dublin Bus in 2011 and 2012. The appropriate information was provided by Dublin Bus and the approvals were fully implemented.

3.9 Capital Grants Awarded

Funding of €3.7 million was provided to Dublin Bus during 2011 to undertake major refurbishment of older buses in its fleet. In addition, €1.3 million was invested by the Authority in bus shelter provision at various locations on bus routes.

The Authority grant-aided Dublin Bus for the purchase of 80 new double-deck buses in 2012. The majority of these buses were delivered towards the end of 2012.

The new buses are equipped with a second set of doors at the centre of the bus, which allow faster boarding and alighting. They have individual semi-coach seating rather than bench seating, straight stairs, next stop announcements (both audio and visual enabled), Wi-Fi, CCTV at bottom of stairs to see upstairs availability and more legroom than earlier models.

Through a contractual provision in the fleet funding agreement executed between the Authority and Dublin Bus, these buses can be moved to the ownership of the Authority and thereby be made available for use by any future contracted operator.

In addition, a number of older buses were refurbished by Dublin Bus. This extends the life of the buses and enhances their quality and appearance.

€23.106 million was provided for the Greater Dublin Area Capital and Real-time Programmes and €0.045 was provided for the Accessibility Capital Programme in 2012.

3.10 Integration

The NTA has funded several initiatives to ensure the integration of public transport services and facilitate customers in using the network of available services.

In the case of bus services in Dublin, these integration initiatives include:

- The funding of the systems need to provision of real time passenger information for all scheduled Dublin Bus services;
- Integrated ticket (Leapcard) for use on all scheduled Dublin Bus services as well as Luas and Iarnród Éireann services operating in the Greater Dublin Area;

Dublin Bus has facilitated all the requirements of the NTA in respect of these initiatives

3.11 Audits

The annual audit commissioned by the NTA examines the systems, controls and processes used in relation to:

-
- Calculation and Process of Payments - to ensure that PSO payments are paid correctly to CIE by the Authority and received correctly by Dublin Bus from CIE
 - Contractual Compliance – to ensure that DB reported correctly to NTA on performance and service obligations, that they have met or exceeded the performance obligations and can be substantiated by information at operational level.
 - Costs of providing the PSO services by Dublin Bus – to ensure that Dublin Bus correctly allocates its costs and revenue between PSO and commercial activities.
 - Calculation of PSO payments- to ensure that any reasonable profit claimed for delivering PSO services had been calculated on an appropriate basis and that the operating costs incurred are consistent with those of a ‘well run’ transport operator
 - Cross-subsidy between Operators – to ensure that any financial flows between the CIE companies do not provide a cross-subsidy between the CIE companies.
 - Duplication of Funding-to ensure PSO funding to BAC, BE and IR is not duplicated for the provision of the same route by more than one operator

Based on the audit work, an assurance rating of satisfactory was deemed appropriate for the financial conduct of the contract in 2010 and 2011.

Appendix A: Contractual Changes made in December 2012

A series of amendments were made to the Contract by the NTA in December 2012. The amendments were made to strengthen contractual and financial provisions and clarify Dublin Bus's obligation in relation to certain provisions. The amendments are summarised below:

1. *Participation in Integration Projects*

Obligations were clarified in relation to Dublin bus's participation in the Authority's Integration projects such as the implementation of LEAP card, Real Time Passenger Information, the National Journey Planner and the promotion of a single public transport brand were clarified. New requirements were inserted requiring Dublin Bus to inform the Authority of any new proposals for website or mobile applications.

2. *Promotional Fares Policy*

A new requirement was inserted to obtain approval from the NTA for any promotional fares to be implemented. In addition a requirement to give the public 10 working days' notice of any changes to regular Fares was inserted.

3. *Marketing Plan Submissions*

A new requirement was inserted to obtain advance approval from the NTA for quarterly Marketing Plans including any proposed associated budgets and limits on related expenditure changes were specified.

4. *Financial Control Mechanisms*

A new provision was inserted to facilitate the financial management of agreed changes to the Contract. Should an agreed change to the services result in an increase or decrease of greater than €70,000 the NTA may either compensate or deduct that amount from the Compensation due under the Contract.

A new Schedule D was inserted to provide a financial control overview mechanism whereby Dublin Bus is now required to make a detailed submission to the NTA on 1st July each year setting out anticipated expenditure on capital, operating and other costs, any positive financial effects, anticipated reasonable profit, and any proposed changes to the Fare structure or services provided to the Authority.

Following a review by the NTA of this financial submission, a determination is made according to a formula of the Net Financial Effect for the contractual year in question. The NTA may increase or decrease the amount of Compensation due to the Operator as appropriate on foot of this determination.

5. *Capital Grants*

A new Schedule E was inserted that contained an Agreement for the payment of capital grants to Dublin Bus for new fleet. The Agreement conditions the payment of capital grant monies so that, in circumstances where the service obligations of Dublin Bus are reduced, the NTA can avail of the grant-aided fleet.

Appendix B: Performance Obligation Results

B1 Reliability & Punctuality Performance Results

1.1 Vehicles in Service –Morning Peak

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|-------------|---------------|-----------|-----------|-----------|-----------|---------------------|
| 2010 | 98% | 99.7% | 99.1% | 98.7% | 99.4% | 99.2% |
| 2011 | 98% | 99.5% | 99.0% | 98.0% | 99.4% | 99.0% |
| 2012 | 98% | 99.6% | 99.5% | 99.0% | 99.4% | 99.4% |
| 2013 | 98% | 99.6% | | | | |

Table B1.1

1.2 Vehicles in Service- Evening Peak

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|-------------|---------------|-----------|-----------|-----------|-----------|---------------------|
| 2010 | 98% | 99.7% | 99.1% | 98.6% | 99.2% | 99.2% |
| 2011 | 98% | 98.8% | 98.0% | 97.0%* | 98.7% | 98.1% |
| 2012 | 98% | 99.0% | 98.8% | 98.0% | 98.9% | 98.7% |
| 2013 | 98% | 99.1% | | | | |

Table B1.2

1.3 Vehicles in Service – Valley Period

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|-------------|---------------|-----------|-----------|-----------|-----------|---------------------|
| 2010 | 68% | 71% | 71% | 71% | 69% | 70.5% |
| 2011 | 68% | 72% | 83% | 79% | 72% | 76.5% |
| 2012 | 68% | 72.1% | 70.9% | 71.1% | 69.7% | 70.9% |
| 2013 | 68% | 69.3% | | | | |

Table B1.3

1.4 Vehicles in Service Saturday

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|-------------|---------------|-----------|-----------|-----------|-----------|---------------------|
| 2010 | 98% | 99.2% | 98.0% | 97.8%* | 98.5% | 98.4% |
| 2011 | 98% | 97.6%* | 93.3%* | 94.0%* | 98.5% | 95.9% |
| 2012 | 98% | 98.8% | 98.0% | 97.0%* | 98.8% | 98.2% |
| 2013 | 98% | 99.2% | | | | |

Table B1.4

1.5 Vehicles in Service - Sunday

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--------|-------|-------|-------|-------|--------------|
| 2010 | 98% | 99.9% | 99.7% | 99.9% | 99.9% | 99.9% |
| 2011 | 98% | 99.3% | 99.9% | 99.0% | 99.8% | 99.5% |
| 2012 | 98% | 99.9% | 99.7% | 99.9% | 99.9% | 99.9% |
| 2013 | 98% | 99.9% | | | | |

Table B1.5

2.0 Drivers' Duties Performance Results

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--------|-------|-------|--------|-------|--------------|
| 2010 | 98% | 99.6% | 99.3% | 98.8% | 99.4% | 99.3% |
| 2011 | 98% | 99.1% | 99.3% | 97.5%* | 99.1% | 98.8% |
| 2012 | 98% | 99.4% | 99.2% | 99.2% | 99.2% | 99.3% |
| 2013 | 98% | 99.5% | | | | |

Table B2

3.0 Schedule Kms Operated Performance Results

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--------|-------|-------|-------|--------|--------------|
| 2010 | 97% | 98.6% | 98.9% | 98.6% | 98.2% | 98.6% |
| 2011 | 97% | 99.0% | 97.9% | 97.0% | 97.4%* | 97.8% |
| 2012 | 97% | 98.5% | 98.5% | 98.1% | 98.2% | 98.3% |
| 2013 | 97% | 98.6% | | | | |

Table B3

4.0 Services Operated Performance Results

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--------|-------|-------|-------|-------|--------------|
| 2010 | 95% | 96.8% | 97.1% | 95.9% | 96.3% | 96.5% |
| 2011 | 95% | 97.3% | 96.6% | 95.4% | 95.6% | 96.2% |
| 2012 | 95% | 96.8% | 96.4% | 97.7% | 96.5% | 96.9% |
| 2013 | 95% | 97.4% | | | | |

Table B4

5.0 Punctuality Performance Results

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--------|-------|-------|-------|--------|--------------|
| 2010 | 95% | 95.0% | 97.1% | 96.3% | 94.1%* | 95.6% |
| 2011 | 95% | 96.9% | 97.2% | 96.5% | 95.1% | 96.4% |
| 2012 | 95% | 96.4% | 98.1% | 97.2% | 96.5% | 97.1% |
| 2013 | 95% | 97.4% | | | | |

Table B5

B2 Customer Information Provision Performance Results

6.0 Timetable Information

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--|------------|------------|------------|------------|--------------|
| 2010 | <i>Comprehensive and up to date timetable will be published on BAC website</i> | See Note 1 | See Note 1 | See Note 1 | See Note 1 | n/a |
| 2011 | <i>Comprehensive and up to date timetable will be published on BAC website</i> | 100% | 100% | 100% | 100% | 100% |
| 2012 | <i>Comprehensive and up to date timetable will be published on BAC website</i> | 100% | 100% | 100% | 100% | 100% |
| 2013 | <i>Comprehensive and up to date timetable will be published on BAC website</i> | 100% | | | | |

Table B6

Note 1: This performance obligation related to the delivery of timetable information in 2010 and was suspended by agreement in 2010 due to high volume of Network Direct changes. However, see parameter 13 below which reviews the provision of information by Dublin Bus on the Network Direct changes and shows strong performance in that respect.

7.0 Bus Destination Scrolls Display

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--------|-----------|--------|-----------|-------|--------------|
| 2010 | 95% | Not req'd | 95.4% | Not req'd | 96% | 95.7% |
| 2011 | 98% | Not req'd | 97.8%* | Not req'd | 98.5% | 98.1% |
| 2012 | 98% | 98.5% | 98.5% | 99% | 98% | 98.5% |
| 2013 | 98% | 99% | | | | |

Table B7

8.0 Customer Telephone Information

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--|-----------|--------|-----------|--------|--------------|
| 2010 | <i>85% of calls answered in 60 seconds</i> | Not req'd | 94% | Not req'd | 89.4% | 92.2% |
| 2011 | <i>90% of calls answered in 60 seconds</i> | Not req'd | 84.4%* | Not req'd | 87.6%* | 86% |
| 2012 | <i>90% of calls answered in 60 seconds</i> | 90.4% | 95.6% | 97% | 96% | 94.7% |
| 2013 | <i>90% of calls answered in 60 seconds</i> | 100% | | | | |

Table B8

9.0 24 Hour Service Information

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|----------------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 2010 | 'Available 24 hours a day' | Not req'd | 97.5% | Not req'd | 98.3% | 97.9% |
| 2011 | 'Available 24 hours a day' | Not req'd | 98.7% | Not req'd | 93.5% | 96.1% |
| 2012 | 'Available 24 hours a day' | See Note 2 93.5% | See Note 2 94.5% | See Note 2 98.5% | See Note 2 97.5% | 96% |
| 2013 | 'Available 24 hours a day' | 100% | | | | |

Table B9

Note 2 – Although measured by the Mystery Shopper Market Research Firm during 2012, the results were inadvertently omitted in the formal Schedule B report. The results from the Mystery Shopper were separately submitted to the NTA.

10.0 On Street Information

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--------|-----------|-------|-----------|------|--------------|
| 2010 | 95% | Not req'd | 96.6% | Not req'd | 100% | 98.3% |
| 2011 | 98% | 98.5% | 99.4% | 100% | 99% | 99.2% |
| 2012 | 98% | 98.7% | 100% | 100% | 96% | 98.7% |
| 2013 | 98% | 99.6% | | | | |

Table B10

11.0 Complaints Received

| Year | 2010 | | | | 2011 | | | | 2013 | | | | 2014 | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Quarter | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | |
| Customer Comment Desk Reporting By Category | Complaints per 100,000 | Complaints per 100,000 | Complaints per 100,000 | Complaints per 100,000 | Complaints per 100,000 | Complaints per 100,000 | Complaints per 100,000 | Complaints per 100,000 | Complaints per 100,000 | Percentage per 100,000 | Percentage per 100,000 | Percentage per 100,000 | Percentage per 100,000 | Percentage per 100,000 |
| a. Customer Care | 21.0% | 19% | 20.0% | 9.0% | 11.0% | 16.0% | 12.0% | 10.6% | 1.6 | 1.5 | 2.3 | 1.8 | 1.8 | |
| b. Time | 19.0% | 23.0% | 10.0% | 17.0% | 21.0% | 21.0% | 26.0% | 23.7% | 1.6 | 1.9 | 2.0 | 2.5 | 1.6 | |
| c. Accessibility | 15.0% | 13.0% | 10.0% | 11.0% | 15.0% | 3.0% | 3.0% | 2.8% | 1.5 | 0.1 | 0.3 | 0.4 | 1.6 | |
| d. Availability | 19.0% | 8.0% | 10.0% | 35.0% | 26.0% | 30.0% | 32.0% | 34.6% | 1.4 | 3.0 | 2.9 | 2.6 | 0.6 | |
| e. Comfort | 15.0% | 14.0% | 21.0% | 11.0% | 12.0% | 13.0% | 11.0% | 10.1% | 2.1 | 1.3 | 1.4 | 1.7 | 1.7 | |
| f. Security / Anti Social Behaviour | 4.0% | 2.0% | 1.0% | 2.0% | 3.0% | 5.0% | 4.0% | 3.5% | 0.3 | 0.4 | 0.4 | 0.5 | 0.4 | |
| g. Information | 6.0% | 4.0% | 14.0% | 3.0% | 2.0% | 5.0% | 5.0% | 8.3% | 0.7 | 0.8 | 0.4 | 0.6 | 0.6 | |
| h. Environmental Impact | 1.0% | 0.0% | 0.0% | 0.0% | 1.0% | 0.0% | 0.0% | 0.5% | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| i. Representations | 0.0% | 18.0% | 13.0% | 11.0% | 9.0% | 7.0% | 7.0% | 5.7% | 0.6 | 0.9 | 0.6 | 0.5 | 0.6 | |
| Suggestion/Enquiry/Compliment | | | | | | | | | | | | | 0.0 | |

Table B11

12.0 Fares Information

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--|-----------|-----------|-----------|-----------|--------------|
| 2010 | <i>Changes to be published not less than 5 days in advance</i> | Not req'd | Not req'd | Not req'd | Not req'd | n/a |
| 2011 | <i>Changes to be published not less than 5 days in advance</i> | 100% | 100% | 100% | 100% | 100% |
| 2012 | <i>Changes to be published not less than 5 days in advance</i> | 100% | 100% | 100% | 100% | 100% |
| 2013 | <i>Changes to be published not less than 5 days in advance</i> | 100% | | | | |

Table B12

13.0 Network Changes on Website

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|-------------|--|-----------|-----------|-----------|-----------|---------------------|
| 2010 | <i>Changes to be published not less than 5 days in advance</i> | 100% | 100% | 100% | 96% | 98.67% |
| 2011 | <i>Changes to be published not less than 5 days in advance</i> | 100% | 100% | 100% | 100% | 100% |
| 2012 | <i>Changes to be published not less than 5 days in advance</i> | 100% | 100% | 100% | 100% | 100% |
| 2013 | <i>Changes to be published not less than 5 days in advance</i> | 100% | | | | |

Table B13

B3 Customer Experience Performance Results

14.0 Cleanliness

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|---|------------------|--------|------------------|--------|--------------|
| 2010 | <i>Each bus operated in service will be vacuumed internally and washed externally each day</i> | <i>Not req'd</i> | 95.80% | <i>Not req'd</i> | 98.60% | 97.2% |
| 2011 | <i>Each bus operated in service will be vacuumed internally and washed externally each day</i> | 99.40% | 100% | 97.50% | 98.00% | 98.7% |
| 2012 | <i>Each bus operated in service will be vacuumed internally and washed externally each day</i> | 97.0% | 99.8% | 100.0% | 99.5% | 99.1% |
| 2013 | <i>Each bus operated in service will be vacuumed internally and washed externally each day</i> | 100% | | | | |
| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
| 2010 | <i>Each bus will receive daily attention to include the removal of rubbish, emptying of bins and attending to visible or identifiable soiling of a significant nature</i> | <i>Not req'd</i> | 98.40% | <i>Not req'd</i> | 98.90% | 98.6% |
| 2011 | <i>Each bus will receive daily attention to include the removal of rubbish, emptying of bins and attending to visible or identifiable soiling of a significant nature</i> | 99.90% | 99.30% | 99% | 98% | 99% |
| 2012 | <i>Each bus will receive daily attention to include the removal of rubbish, emptying of bins and attending to visible or identifiable soiling of a significant nature</i> | 99.3% | 99.6% | 99.6% | 99.3% | 99.5% |
| 2013 | <i>Each bus will receive daily attention to include the removal of rubbish, emptying of bins and attending to visible or identifiable soiling of a significant nature</i> | 98.30% | | | | |
| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
| 2010 | <i>Each bus in service will be internally valeted on average every 4 weeks to include cleaning of all internal surfaces including windows, graffiti and stain removal</i> | <i>Not req'd</i> | 99.80% | <i>Not req'd</i> | 99.50% | 99.6% |
| 2011 | <i>Each bus in service will be internally valeted on average every 4 weeks to include cleaning of all internal surfaces including windows, graffiti and stain removal</i> | <i>Not req'd</i> | 99.60% | <i>Not req'd</i> | 98.80% | 99.2% |
| 2012 | <i>Each bus in service will be internally valeted on average every 4 weeks to include cleaning of all internal surfaces including windows, graffiti and stain removal</i> | 98.7% | 100% | 98.8% | 100% | 99.4% |
| 2013 | <i>Each bus in service will be internally valeted on average every 4 weeks to include cleaning of all internal surfaces including windows, graffiti and stain removal</i> | 100% | | | | |
| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
| 2010 | <i>BÁC will keep the public areas of BÁC buildings clean</i> | <i>Not req'd</i> | 64.20% | <i>Not req'd</i> | 99.05% | 81% |
| 2011 | <i>BÁC will keep the public areas of BÁC buildings clean</i> | 88.80% | 78.0% | 91% | 96.60% | 88.6% |
| 2012 | <i>BÁC will keep the public areas of BÁC buildings clean</i> | 88.0% | 96.5% | 83.5% | 82.5% | 87.6% |
| 2013 | <i>BÁC will keep the public areas of BÁC buildings clean</i> | 81.50% | | | | |

Table B14

15.0 Staff

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--|--|--|--|--------|--------------|
| 2010 | <i>Staff - BÁC staff will be well presented, friendly, helpful and courteous at all times.</i> | <i>Reported as part of Customer Complaints</i> | <i>Reported as part of Customer Complaints</i> | <i>Reported as part of Customer Complaints</i> | 93.20% | n/a |
| 2011 | <i>Staff - BÁC staff will be well presented, friendly, helpful and courteous at all times.</i> | 89.10% | 91.5% | 93% | 92.60% | 91.56 |
| 2012 | <i>Staff - BÁC staff will be well presented, friendly, helpful and courteous at all times.</i> | 92% | 92.3% | 94% | 90% | 92% |
| 2013 | <i>Staff - BÁC staff will be well presented, friendly, helpful and courteous at all times.</i> | 91.0% | | | | |

Table B15

16.0 Accessibility

| Year | Target | | Year Average |
|------|--|--------------------|--------------|
| 2010 | <i>All buses purchased by Bus Átha Cliath will be low floor, wheelchair accessible vehicles.</i> | 100% | 100% |
| 2011 | <i>All buses purchased by Bus Átha Cliath will be low floor, wheelchair accessible vehicles.</i> | No buses purchased | n/a |
| 2012 | <i>All buses purchased by Bus Átha Cliath will be low floor, wheelchair accessible vehicles.</i> | 100% | 100% |

Table B16

17.0 Bus Fleet Age

| Year | Target | Age |
|--------------------|--|-----------|
| 2010 ¹⁶ | <i>BAC will report on the average age of the bus fleet</i> | 6.8 years |
| 2011 | <i>BAC will report on the average age of the bus fleet</i> | 7.7 years |
| 2012 | <i>BAC will report on the average age of the bus fleet</i> | 7.5 years |

Table B17

¹⁶ Annual reporting obligation

B4 Efficiency Target & Emissions Performance Results

18.0 Revenue Protection

| Year | Target | Q1 | Q2 | Q3 | Q4 | Year Average |
|------|--|-----------|-----------|-----------|-----------|--------------|
| 2010 | <i>Report on measures taken to ensure revenue protection</i> | Not req'd | Not req'd | Not req'd | Not req'd | n/a |
| 2011 | <i>Report on measures taken to ensure revenue protection</i> | Provided | Provided | Provided | Provided | n/a |
| 2012 | <i>Tickets checked</i> | 45,000 | 39,000 | 55,732 | 43,792 | n/a |
| | <i>Fines Issued</i> | 2,095 | 1,960 | 1,336 | 1,743 | |
| 2013 | <i>Tickets checked</i> | 26,373 | | | | n/a |
| | <i>Fines Issued</i> | 1,088 | | | | |

Table B18

19.0 Cost and Efficiency Review

| Year | Target | Q1 | Q2 | Q3 | Q4 |
|------|---|------------|------------|------------|----------|
| 2010 | <i>Implementation of Cost and Efficiency Review</i> | See Note 3 | See Note 3 | See Note 3 | Reported |
| 2011 | <i>Implementation of Cost and Efficiency Review</i> | Reported | Reported | Reported | Reported |
| 2012 | <i>Implementation of Cost and Efficiency Review</i> | Reported | Reported | Reported | Reported |
| 2013 | <i>Implementation of Cost and Efficiency Review</i> | Reported | | | |

Table B19

Note 3: Implementation of Network Direct commenced in Q4/2010, prior to which there was continuous engagement with NTA regarding the implementation process.

B5 Environmental Obligation Results

20.0 Emissions Compliance

| Year | Target | |
|------|---------------------------------------|---|
| 2010 | <i>Emissions and Noise Compliance</i> | All Buses complied with relevant emissions and noise standards. See Note 4. |
| 2011 | <i>Emissions and Noise Compliance</i> | All Buses complied with relevant emissions and noise standards. See Note 4. |
| 2012 | <i>Emissions and Noise Compliance</i> | All Buses complied with relevant emissions and noise standards. See Note 4. |

Table B20

Note 4:- The NTA agreed to suspend the reporting required in relation to the bio-fuels target pending further consideration of this target.

Annex B

Consultation Submissions Report



Statutory Public Consultation on Direct Award of 2014 Bus Public Service Contracts to Dublin Bus and Bus Éireann

Consultation Submissions Report

November 2013

National Transport Authority
Dun Scéine
Iveagh Court
Dublin 2

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1. Background

In December 2009, the National Transport Authority (the “Authority”) entered into two separate contracts

- (i) With Dublin Bus for the provision of public service obligation (PSO) bus services in the Dublin area
- (ii) With Bus Éireann, for the provision of PSO bus services outside Dublin

The Authority is proposing

- (i) to enter into another direct award contract with Dublin Bus in December 2014, for the provision of public bus services in the Dublin area under a public service obligation (PSO), and
- (ii) to amend that contract in 2016 to reduce the services within that contract by approximately 10%, and
- (iii) to provide the removed services through a separate contract following an open tender process.

In addition it is proposing

- (i) to enter into another direct award contract with Bus Éireann in 2014 for the provision of public bus services outside the Dublin areas under a public service obligation (PSO), and
- (ii) to amend that contract in 2016 to reduce the services within that contract by approximately 10%, and
- (iii) to provide the removed services through a separate contract following an open tender process.

Under section 52(6) of the Dublin Transport Act (as amended), where the Authority proposes to enter into direct award contracts subsequent to the initial (2009) contracts, it is obliged to invite and consider submissions from the holder of the direct award contract in question, and from any other interested parties, including users of the public transport services that are the subject of the contract.

To this end, a public consultation has been undertaken to seek views in relation to the above proposals.

The consultation took place between 11th September and 11th October 2013, and was advertised in the national press as well as on the Authority’s website.

This report is on the public consultation submissions received.

2. Overview of submissions received

A total of 49 submissions were received (excluding duplicate submissions).

Of the 49 submissions

- 20 were from private individuals
- 4 were from government agencies
- 9 were from private bus operators
- 3 were from incumbent bus operator companies
- 3 were from professional or industry bodies
- 3 were from trade unions
- 3 were from consultants
- 3 were from politicians
- 1 was from a local authority

A table listing the submissions made is included in Appendix A at the back of this report.

3. Summary of consultation responses

The sections below summarise the comments made by the various respondents to the public consultation. The specific subjects raised have been grouped into four subject areas:

- Comments on the proposal to direct award contracts in 2014 to Dublin Bus and Bus Éireann
- Comments on proposals to tender some public bus services in 2016
- General comments on new bus contracts
- Other comments

Appendix B to this report contains a table of the specific subjects raised by each respondent to the consultation.

3.1 Comments on the proposal to direct award contracts in 2014 to Dublin Bus and Bus Éireann

3.1.1 Approval in principle

Of the submissions received five explicitly state that they approve in principle the proposal to enter into new direct award contracts with Dublin Bus and Bus Éireann in 2014.

3.1.2 Disagreement with proposal

Jim Higgins MEP states his disagreement with the proposal to directly award contracts for the majority of bus services.

In relation to both Dublin Bus and Bus Éireann, the **Competition Authority** states that granting another directly awarded contract will further delay realisation of the potential benefits to consumers and harm the general economic interest. It notes that granting another direct award contract could further entrench [incumbent operators'] market position and discourage private firms from expanding the network of licenced commercial routes and entering the competitive tendering market in 2016.

3.1.3 Query/challenge whether 'general economic interest' test for direct awarding of contracts is met

A number of submissions query whether the statutory test has been met that 'the continued adequacy of the public bus passenger services to which the contracts relate can only be guaranteed

in the general economic interest' by entering into new direct award contracts with both Dublin Bus and Bus Éireann for the majority of services.

In particular the **Competition Authority** states that 'it is not clear from the consultation documents that continued adequacy of the public bus passenger services can "only be guaranteed" by another direct award contract' and that the rationale behind the NTA's proposals is not clear.

It states that it is not clear 'that the correct standard has been applied to determine the general economic interest' and suggest that the test to be applied should be consistent with the European Commission's rules on Services of General Economic Interest (SGEI). A key element of this is that it is important that the level of subsidies be determined on an analysis of the costs of a typical well-run company.

The Competition Authority believes 'that the NTA should distinguish between the concept of the "general economic interest" referred to in Section 52(6)(c) (ii) and the "general economic interest of the state" referred to in the consultation paper.'

It states 'The argument that the vast majority of routes should remain with [incumbent operators] because the current service would be considered to be of good quality by international standards may not be sufficient. The quality offered by new entrants might be better. In addition, the fact that the current quality of service is considered adequate does not appear to meet the "general economic interest" test.'

In terms of protecting 'general economic interests' the Competition Authority also states that 'it is up to the company to ensure that its resources and overheads match the level of operations, rather than being up to the regulator to ensure that the level of operations awarded to the company without competition matches the current resources and overheads.'

Compecon states that the consultation documents 'provide no economic evidence to support a conclusion that the continued adequacy of public bus services can only be guaranteed by entering into new direct award contracts with Dublin Bus and Bus Éireann'. This is reiterated in the submission on behalf of the **Coach and Tourism Transport Council (CTTC)**, which notes that the economic analysis presented falls well short of addressing the Authority's requirements and is not sufficient to support the Authority's determination. It also states that this leaves the proposals open to third party challenge.

The **Chartered Institute of Logistics and Transport (CILT)** also feel that this requirement has not been adequately demonstrated and ask for the NTA to states its conclusions with greater clarity.

A number of submissions state that it is unclear from the consultation documents how the general economic interest could be served by directly awarding contracts and delaying the introduction of competition. It is further argued that 'general economic interests' could potentially be better served by introducing further competition with the following results:

- Financial benefits to consumers through lower fares
- Reduced subvention cost to the Exchequer
- Improved quality of services and incentives for innovation

- Improving the bus network to better match consumer needs and better incentives to integrate services into the wider public transport network

3.1.4 Legal basis for direct award contracts to be retained alongside limited tendering

The **CILT** raises the question as to whether it is possible to introduce tendering on a limited basis while at the same time retaining exclusive rights and direct award contracts. It considers that this issue needs to be specifically addressed in the NTA's final determination.

3.1.5 Meaningfulness of consultation

The submission from **Eirebus** states that 'the consultation process appears to be irrelevant given that decisions have already been arrived at.'

This was also noted by a consultant, **ETTS**, which states that the given the timescales involved no option remains open other than that proposed by the NTA therefore rendering the consultation meaningless with no possibility for the consultation process to make any difference to the outcome.

The **CTTC** also expresses reservations regarding the meaningfulness of the consultation given the limited time proposed for consideration of responses between the submission deadline (11 October) and a decision by the Authority (assumed to be November 2013)

3.1.6 Rigour in analysis/ case made for direct award

Compecon and the **CTTC** state that the NTA consultation papers and associated documents provide no economic evidence to support the decision to enter into new direct award contracts.

Eirebus also notes that 'the NTA did not appear to deem it appropriate to have a comprehensive "value for money" study conducted' in relation to continuing with direct award to either Dublin Bus or Bus Éireann. In this context they state that 'the evidence base for awarding a direct award contract to both Dublin Bus and Bus Éireann is flawed in many respects and could be open to serious challenge.'

The **Dualway** group also states that the analysis falls short of addressing the Authority's requirements under the legislation and that 'the process lacks sufficient robustness, objectivity and transparency'. They conclude that 'based on the information presented in Ernst & Young's economic analysis report, or in the Authority's other consultation documents, no CBA/value for money assessment has been undertaken in support of the Authority's proposals.'

In particular the following perceived gaps in the analysis are noted in both the **Dualway** and **CTTC** submissions:

- No evidence of the proposals being appraised against the Authority's bus service contracts objectives
- No evidence of attempts to mitigate or overcome reasons for having to limit competitive tendering to 7-10% of the market at this stage such as depot ownership, Luas BXD implementation and the need to reconfigure Bus Éireann's rural bus services
- Failure to provide an estimated value of benefits of options considered in arriving at the current proposals or of the proposals themselves
- Little exposition of the nature of risks posed or an assessment of their significance
- The argument that re-configuration "would be easier for the Authority" with the incumbent, hardly represents robust analysis
- Failure to follow a best practice approach to assessment which accords with international best practice for evidence based planning, appraisal and decision making

A submission from **ETTS** raises similar issues stating that 'the case put forward is seriously flawed' and the 'economic analysis unacceptably shallow.'

3.1.7 Luas Cross City

Several submissions make comments in relation to the implications posed by the development of Luas Cross City and the significance given to this in the consultation documents.

Laird Aviation and Transport Consulting state that the impact of Luas Cross City on the bus network will be quite small and that 'it should not be a factor in deciding which routes are to be offered for tender.'

Amongst the operators, both **CTTC** and **Dualway** note that they do not believe that the need to consider Luas BXD in the context of a competitive tender process is a valid reason to defer competition for all radial and cross-city routes until end of 2019 due to the following:

- Only a small number of these routes will be materially affected by Luas BXD
- For those that aren't affected Luas BXD does not represent an impediment to competitive tendering
- For those routes that are effected deferring the completion of a competitive tendering process until end-2017/2018 is a possible solution

Compecon also feel that the potential disruption caused by Luas Cross City is not adequate justification for not tendering routes. They further note that the Dublin Bus routes which the NTA intend to put out to tender would make it difficult for private operators to achieve adequate efficiencies.

The **Competition Authority** also question the validity of this reasoning noting that it is not clear from the reports why maintaining a direct award with Dublin Bus for the majority of routes would make the integration of the new Luas Cross City easier to manage given that the same information and processes for integration would apply to new operators as to the incumbent. They further state that

it should be possible to build a clause into the competitive tender contract such that the tendered routes could be subject to reconfiguration to complement the new Luas Cross City light rail line.

3.1.8 Need to carry out a cost benefit analysis to support direct award

Both **Dualway** and the **CTTC** note the absence of cost benefit analysis, which they state is international best practice when considering the economic and social merits of a policy option or options.

3.1.9 Calculations of government subvention to Dublin Bus and Bus Éireann

Dublin Bus expresses concerns regarding the way in which government subvention was defined and calculated in the consultation documents. It states that 'included as state interventions are PSC, Free Travel Scheme, tax forgone due to Tax saver tickets, emergency funding and new bus purchases. Definitions of subvention in European public transport operations never include these categories as subvention and this results in the Technical Report not comparing like with like. As a result it wrongly depicts Dublin Bus to have a higher reliance on public funding than is actually the case.'

In particular Dublin Bus raises concerns over how the following aspects were dealt with in subvention calculations

- Analysis relating to VAT, PAYE and PRSI has not been contained in the report
- Free travel pass passengers, which is considered outside the 'gross public transport support' in London for example
- Other costs which Dublin Bus incur elsewhere such as VAT and the absence of a fuel duty rebate that exists in other parts of Europe
- The inclusion of emergency funding in the subvention calculation which was a one off payment
- The purchase of new buses which are owned by the NTA and may be reclaimed for the 2016 market opening

Dublin Bus states that the subvention paid to them is low by international standards.

SIPTU also raises concerns about the way in which subvention was calculated also disagreeing with the inclusion of the costs of the free travel scheme, payment of VAT, PAYE and PRSI.

3.1.10 Calculation of incumbent operating costs

Dualway notes that the Ernst & Young research and analysis 'does not attempt to validate unit cost savings reductions, as identified in research covering a range of international jurisdictions to the bus markets both within Dublin and outside Dublin. This could have been undertaken through analysis of unit operating costs in comparable private bus and coach operators in Ireland.'

The **CTTC** also notes a lack of information with regard to the incumbents' unit costs or how these have changed in recent years.

3.1.11 Incumbent efficiency improvements

In relation to Dublin Bus the reports outline a reduction in subsidy over the 2008-2012 period as a result of reconfiguration of the network, with a corresponding reduction in peak vehicles operated and in passengers. The **CTTC** noted that no evidence is presented that this has led to unit cost reductions by Dublin Bus or that they have achieved unit cost reductions over the period. The **CTTC** ascertain that the evidence could suggest the opposite.

The submission from **Dualway** states that the evidence indicates that unit costs have remained broadly static over the 2008-2012 period and that the operator may have become less efficient over the period.

3.1.12 Scope for redefining Dublin Bus and Bus Éireann operational boundaries

Laird Consulting notes that the 'geographical scope of Dublin Bus v Bus Éireann is a historical accident, product and fare structure are different ' and that there is a case for reviewing their operating jurisdictions.

3.1.13 Scope for more city centre terminating services to improve punctuality

Laird Consulting states that 'as 67% of journeys are now cross city, and most of the radial routes are now low frequency and very long, the limit has clearly been reached' and that the implementation of cross city routes has gone too far. It is argued that some routes have resulted in lower reliability for users at both ends. The submission suggests that the issue of space for city termini should be addressed with the identification of space either on or off street.

3.1.14 Disability access requirements

The **Dublin Bus** submission underlines that they are 'one of the few bus companies who purchased only low floor vehicles to assist those who are wheelchair bound, or have severe mobility impairments to travel on its buses. The fleet of buses is now 100% low floor accessible.'

One respondent (No. 39) stated that there should be more people friendly buses used in rural areas.

Bus Éireann identifies accessibility measures as factors which should be taken into account when determining what should be in Direct Award contracts.

A submission was also received from the **National Disability Authority (NDA)**, which made a range of comments in relation to accessibility as follows:

- The proposed routes to be opened to the market in Dublin, Cork and Waterford all currently operate with wheelchair accessible low-floor buses – it is necessary that this level of accessibility is retained as a standard below which any open tendering process cannot fall.
- The new public bus service contracts should ensure that public bus services are accessible to everybody, regardless of age, size, ability or disability
- Contracts should ensure that all aspects of the service are accessible including:
 - Pre-journey information that would include easy to use representative route maps in hard copy and at bus stops
 - Visual and audio on-board information to tell passengers about the next stop
 - Web-based and smart phone app services with GPS features
 - Payment methods such as smart cards
 - The physical bus service itself
 - Integrated passenger information across the public and private contractor routes.

There is a risk in awarding contracts to private service providers that commercial priorities will mean the standard of services to passengers with disabilities is potentially reduced or eliminated for cost reasons.

3.1.15 Appropriateness and monitoring of current performance measures

Laird Consulting states that existing performance measures on reliability are not demanding enough, targets are not challenging and are below industry norms. The view was expressed that ‘there is substantial difference between performance of the companies, with Bus Éireann much better than Dublin Bus on several reliability issues.’

Compecon also states that performance analysis is based on information provided to the NTA by the companies themselves rather than by independent monitoring, and this gives rise to perverse incentives.

3.1.16 Enhance capacity on certain existing services

Bus Éireann contends that there are three general areas which can be delivered through a direct award approach period 2015 to 2020 in line with economic renewal and expansion in the general economic interest:

- Expansion on the core network of city and commuter services supported by bus priority measures, infrastructure and technology
- Development of the urban commuter belt networks (orbitals, feeders, new commuter demand) and town services that would complement the backbone network
- Local and Rural transport connectivity to the core network

A submission from **Councillor William Lavelle**, elected member of South Dublin County Council, in relation to the Dublin Bus proposals recommends 'that increasing commuter carrying capacity on bus services to meet current and future demand should be the key public policy imperative informing the NTA's approach to competitive tendering and that this should include supporting more subvented services thereby increasing carrying capacity.'

3.1.17 Focus on policy, including priority social and economic needs

Bus Éireann states that a focus on the priority social and economic needs that are emerging should be taken into account when determining what should be in direct award contract developments.

3.1.18 Autonomy for CIE companies

One private submission (No.10) commented that instead of trying to gradually reduce the importance of the CIE groups of companies 'the state would be far better off investing in the upgrading of the current rolling stock and giving Dublin Bus and Bus Éireann far greater autonomy in the setting of their fare structures along with the realignment of existing bus routes and the establishment of new routes. It also suggested that Dublin Bus and Bus Éireann be joined in a single national bus transport services.

3.1.19 Dealing with major events and emergencies

Dublin Bus, in their submission, note that they have a proven ability to deal with major emergencies or situations that require unique arrangements such as during the severe weather of 2009 and the visit to Dublin by Queen Elizabeth II and President Obama. They contend that it is not possible to build the level of response that they have achieved into contracts.

3.1.20 Flexible approach to contract changes by incumbent operator

Dublin Bus note that they have demonstrated flexibility through the development and implementation of the Network Direct programme which has resulted in cost savings to the Exchequer as a result of the introduction of major efficiencies. They view this as an example of their ability to adapt to external pressures.

3.1.21 Provision by incumbent of marketing, planning and support functions

Bus Éireann contends that the loss of any of the proposed combinations of routes will have an impact on the scale economics achieved in its operations and activities remaining under public service contracts that cannot be absorbed by Bus Éireann. Among the scale economy impacts which cannot be absorbed by Bus Éireann are marketing and customer information, maintenance, fleet and engineering costs and administrative and support staff.

Dublin Bus note their increasing use of web based formats for bus route and time information, their shift towards social media activity and the fact that they run a fully staffed Customer Comment Desk.

3.1.22 Good performance against contractual targets by incumbent companies

Bus Éireann state that, under their direct award contract, they have achieved significant increases in efficiencies and have increased the attractiveness of public transport including:

- Better return from the remaining resources deployed after the cost recovery programme
- Improvements in revenue and passenger numbers without any increase in the peak vehicle requirement. ‘

Bus Éireann contends that the emphasis should be on continuing these improvements rather introducing changes with an unknown impact.

Dublin Bus state that they have ‘achieved all performance targets set by the NTA for the delivery of weekday peak service level, scheduled kilometres operated, punctuality and reliability from 2009 to 2013. A number of Saturday targets were narrowly missed as a result of the phasing of the Network Direct project and these issues were of a short term nature. There are also a range of NTA set service quality targets for timetable information, customer telephone information, bus destination scrolls, on street information, fares information, notice of service changes and cleanliness and Dublin Bus’s performance consistently 100% in all these categories.’

The **Irish Congress of Trade Unions (ICTU)** submission notes that ‘the targets set by the NTA as part of the direct award contracts have been met and in some cases exceeded by both companies.’

3.1.23 Incumbent has delivered on key projects (RTPI, ticketing etc.)

The **ICTU** submission notes that both companies have radically reformed the quality of their services and have ‘introduced fare collection systems that make it easier to switch from one mode to another and have modernised their fleets making them fully accessible. Both companies have also made WIFI freely available.’

Dublin Bus state that they have delivered on numerous major projects including the introduction of an AVL system to track buses, ensuring AVL could be expanded to facilitate Real Time Passenger Information, the procurement of high-specification buses, the completion of a new depot in 2004 within budget and timeframe, and the design and installation of new bus ticketing equipment.

3.1.24 Performance of incumbent below international peers (Dublin)

Laird Consulting asserts that 'the achieved performance by Dublin Bus during the 13 quarters documented is not in general up to the standard that should be expected, and is not up to industry standard.' It specifically referred to the need for better performance by Dublin Bus in the areas of 'vehicles in service' and 'drivers' duties'. The submission provides a comparison with UK standards stating that 'reliability targets are generally in excess of 99% (Translink Metro Belfast target is 99.2%, achieved spring 2013 100% while Bus Éireann achieves between 98% and 99.5% on city services, and 100% on other services.'

3.2 Comments relating to proposals to tender some public bus services in 2016

3.2.1 Support in principle

Some private respondents (No.2, 6, 16, 22 and 38-1) as well as **Forfás, Matthews Coach Hire, Go-Ahead, Arriva, Aircoach, CTTC** and **Chambers Ireland** state that they agree with the Authority's proposals for direct award of some services with a proportion to be competitively tendered.

Aircoach also states that they urged the Authority to proceed with the proposals immediately.

Forfás, Chambers Ireland and **Aircoach** also note that competitive tendering in other markets has led to significant benefits for customers including lower fares and / or reduced subvention, a more reliable and improved network to better match customer's needs.

Chambers Ireland also states that the process of competitive tendering must be done so that it maximises potential for competition while ensuring the existence of a core bus network to facilitate business, workers and commuters.

The **CTTC** notes that the proportion of the market on offer until 2019 is not sufficiently far reaching.

One respondent (No. 38-1) also stated that small operators may have concerns taking on the number of routes on offer as well as depot provision.

3.2.2 Disagree with proposals

Some private respondents (No. 4, 9, 10, 17, 20, 23, 24 and 39) as well as the submissions from **Sinn Féin, SIPTU, National Bus and Rail Union (NRBU), Irish Congress of Trade Unions (ICTU)** and **Bus Éireann** state that they do not support the Authority's proposals for direct award of some services with a proportion to be competitively tendered.

Private respondents (No. 17 and 39) also stated that competitive tendering may force incumbent operators to reduce staff levels and any new private operator may not offer the same level of allowances or benefits.

One respondent (No. 23) also notes some of the issues that occurred when the market opened up in the UK such as fare increases, a reduction in the operation of non-profitable routes and less favourable employee terms and conditions.

Another respondent (No. 24) states that Bus Éireann's quarterly performance consistently exceeds the targets set by the Authority.

Sinn Féin also states that public bus services provide an essential public service and a source of good employment and noted that in relation to the proposal of routes in Waterford for tender, Waterford city has an unemployment level of 25%.

Bus Éireann states that the direct award approach to PSO services has proven to be an ideal approach as proved by Bus Éireann's performance and provision of services in spite of a reduction of subvention of nearly 30% since 2009. Bus Éireann also states that the focus should be on continuing the improvements that have been achieved under direct award contracts.

SIPTU state that the Authority has not given sufficient rationale for the proposals and believe that a higher proportion of public expenditure previously set aside for public transport provision will be spent on administrative work of the Authority following competitive tendering and that the proposals will reduce the standard of public transport and the working conditions of those involved.

NRBU state that the current services provided by Dublin Bus and Bus Eireann should be retained as well as the employment of their members in both companies. NRBU also stated that direct award of all service currently provided by the incumbent operators is compatible with EU Regulation 1370/2007.

ICTU note that the services currently provided by the incumbent operators achieve a primary objective of high quality and accessible transport at best value for money and that the introduction of competitive tendering could significantly reduce the level of quality and accessibility of public bus services. Irish Congress of Trade Unions also noted that they believe the proposal supporting 10% of services to be tendered is ill-concieved.

3.2.3 Consider excluding incumbents from tender competition

The **Competition Authority** notes that without a separate accounting system in place it would be difficult to tell whether Dublin Bus or Bus Eireann had cross-subsidised the tendered routes with subsidies from the direct award contract. It also notes that if this issue could not be addressed in advance of tendering then the incumbent operators should be excluded from the tender competition and act as a supplier of last resort only.

Arriva highlights that in relation to access to bus depots, incumbent operators have a significant cost advantage and that this cost imbalance to other bidders could be addressed by excluding the incumbent operators from the first round of tendering. Arriva also suggested that an alternative would be to request bidders to identify depot costs in their tender and to award on the most advantageous price excluding this element.

3.2.4 Comment/ questions on approach to selecting /packaging tendered services

A number of private respondents (No. 5, 6, 13) as well as **Forfás, Dualway, Bus Eireann, ETTS, Laird Consulting, Compecon, CILT** and the **Competition Authority** raise concerns over the selection of areas proposed for competitive tendering.

One respondent (No. 6) notes that in relation to Bus Eireann route 101 and Dublin Bus 17a, such services have high frequencies and would suggest high passenger numbers, therefore such services may not require subvention and should be tendered as a commercial licence instead of a PSO contract. The respondent also notes that local route 33a proposed for tendering will run along a similar route as the 33 which will stay within direct award therefore both timetables and fares should be planned together.

The **Competition Authority** and **CILT** also raise concerns that the Dublin local and orbital routes which had not been part of the Network Direct review were being considered for tender, believing it would be more effective to tender routes that were part of this review as the Authority would have more information to inform performance specifications.

The **Competition Authority** notes that the size and location of routes for competitive tendering should be informed by whether routes are profitable or loss-making and also be of a scale that facilitates effective competition to ensure useful price comparison and benchmarking, therefore more routes should be included in both the Dublin and outside Dublin bus market.

The Competition Authority also questions the rationale for inclusion of Bus Eireann services in the South East region and Dublin coastal commuter routes.

Aircoach states that in relation to the Dublin market and in order to ensure that maximum economies of scale are achieved and allow for best value from tenders, 2 packages of approximately 40 buses each, one in the North and one in the South, should be proposed. Aircoach / First group noted that the local and orbital routes are likely to be the least commercially attractive which may have a bearing on the quality and price of bids received.

It also states that consideration should be given to the inclusion of Bus Eireann route 100 and 101 within the North Dublin package and Bus Eireann route 133 within the South Dublin package.

In relation to services proposed outside of Dublin, **Aircoach** and **Go-Ahead** state that such a spread of services across a considerably wider geographic area creates significant challenges in developing the required scale of operation necessary to deliver the best value for money.

Go-Ahead state that bus operations are at their most efficient where overheads can be spread over as many vehicles as possible; therefore the packages proposed for the Dublin area should not be split in order to achieve best value for money. As well as that, they note that bidding for services outside Dublin would be more attractive if it were run concurrently with those proposed within Dublin.

Go-Ahead also state that packages of buses on offer are at the lower limits of attractiveness for entrants into a new market as well as that small tenders are likely to appeal to existing family or independent operators already present in Ireland, while larger lots will be more attractive to larger operators from outside.

Arriva question whether a greater part of Cork city services could be tendered. They also question if Waterford and the South East package are tendered together, does this mean that all Bus Eireann services in the region are tendered, therefore allowing for a depot to be transferred to the successful operator?

Bus Eireann note that they are unclear on the methodology used in identifying the routes proposed for tendering and the financial and operational impact on the portion of the network that remains under direct award. They also state that the proposals for tendering the Dublin commuter coastal routes will undermine the viability of maintenance facilities for services operating on other routes that will remain under direct award, undermine the network efficiencies of the northern and southern network corridors as well as the scale of economies achieved.

ETTS note that the criteria identified by the Authority for selection of suitable routes has not been followed and that the routes selected are geographically incoherent and that the size of the proportion to be tendered was significantly less than the downsizing already incurred during Network Direct.

Laird Consulting suggests that the number of Bus Eireann services put out to tender should be more than the 40 proposed, and that a contract should be large enough to attract experienced operators. In relation to the Dublin market it was suggested that the routes proposed be reviewed to include a mixture of radial and orbital & local services. It notes that the current local and orbital routes were operated from 6 different depots and that a group of routes bunched in one part of the city would be more practical for a cost efficient tender. Such a package would allow for better networking and flexibility of services.

Compecon also note that the selection of the orbital and local routes within Dublin has limited the competitive tendering to less attractive routes which does not satisfy criteria regarding 'maximising the level of market interest' within the economic analysis report.

CILT also question the selection of the orbital and local routes, stating that such routes are not typical of the rest of the Dublin network and therefore would limit the information to guide a decision on further opening of the market. CILT noted that these services are operated from 6 different depots and commercial operators may require at least 3 depots and would encounter a lot of dead mileage between each. Also many of the local and orbital services run in tandem with a radial route and therefore it may be less efficient to have such routes operated by different operators. CILT suggested that the local and orbital routes if offered as two packages, one North and one South of Dublin would improve the geographical spread of operations.

CILT also state in relation to services outside of Dublin that the coastal routes are very dispersed but they would extend the range of services types to be tendered in the Greater Dublin Area, but would have to be tendered on their own because of the legal restrictions on the areas of operation between Dublin Bus and Bus Eireann. CILT noted that the rationale for the selection of services within and outside Dublin is contradictory as the services in the South East have under gone review while the local and orbital in Dublin were not included within the Network Direct project.

3.2.5 Question why other cities outside Dublin not included

Forfás note that outside of Dublin, the rationale for determining which Bus Eireann services will be competitively tendered needs to be further clarified.

The **Competition Authority** and **Forfás** question why city services in Galway and Limerick have not been chosen to be competitively tendered.

Laird Consulting suggest the following as alternative tender options; Dublin, Galway or Limerick commuter services as a large tender and Wexford or Cork commuter services as a small tender.

3.2.6 Increase the amount of Cork city tendered services

Aircoach and **Arriva** recommend that the size of the tender package for Cork City Services be increased. Aircoach believes there are substantial benefits to both customers and the State. They also suggest that this would allow for the Authority to bench mark contracted operations in a similar environment to the tendered Dublin services.

3.2.7 Consider (more tightly focused) area or single depot based contracts

Go-Ahead highlight that they are concerned over the geographical spread of services proposed. They note that a narrow defined geography is the most efficient way forward in terms of cost and operation. In relation to the Dublin area Go-Ahead suggest including radial routes with the proposed routes, north or south of the city.

CILT also call for area based contracts. They note that the local and orbital services within the Dublin area are underdeveloped and offer a suitable opportunity for such a contract. They also suggest that tenders submit proposals to test the market for innovative ideas for the area to be tendered, thus allowing a review of how well the current network matches present and future demand.

ETTS note that based on the experience of marketing opening in London, where competition diminished due to lack of depot provision and the difficulty in getting necessary permissions for such infrastructure, depots should be separated from incumbent operators and made available to the successful operator.

3.2.8 Include radial or cross city services in contracts (Dublin)

Cllr. William Lavelle (South Dublin County Council) recommend that some radial routes which are unaffected by Luas Cross City be included within the competitively tendered contracts.

Forfás also suggest that radial routes be included within the tender process, due to the larger number of radial routes the tender process will allow for any significant inefficiencies to be drawn out.

The **Competition Authority** note that as the local and orbital services have not been developed in recent years compared to the rest of the Dublin network it would be unclear how effective they would act as a bench mark rather than radial or cross city services.

The Competition Authority also noted that the size and location of routes for competitive tendering should be informed by whether routes are profitable or loss-making and also be of a scale that facilitates effective competition to ensure useful price comparison and benchmarking, therefore radial and cross city services should be included.

Aircoach recommend that consideration is given to the inclusion of at least one key radial route within both the north and south Dublin areas to be tendered, this would allow for increasing the scale of operation as well as the economies of scale for the potential new bidders while also provide an opportunity for the Authority to measure performance across the full range of service types.

Go-Ahead note that without the inclusion of some key radial routes, there is a risk that following the first stage of tendering the next stage could be undermined by claims that any positive conclusions from the initial stage are based on routes that are untypical of the rest.

Laird Consulting agree that cross city services should not be included in the initial round of tendering but suggest that there is opportunity for a group of radials routes in the north east of Dublin city to be included.

3.2.9 Public/consumer interests ahead of incumbent companies

Forfás note that a recent study by them (Sectoral Regulation – Changes to Sectoral Regulation to Enhance Cost Competitiveness, April 2013) highlighted the need for a hierarchy of objectives with the promotion of customer interests as a primary objective and stated that the proposal for market opening seems to be driven by the potential impact on the incumbent operators rather than the implications for the customers.

CTTC, Dualway and the **Competition Authority** also echo this message.

The **Competition Authority** states that the efficiency of the incumbents operations following competitive tendering is a matter for its own management and not for the Authority and should not be a deciding factor for the optimal model for public transport passengers. The Competition Authority reiterates this in relation to the tendering of Cork city services, stating that the selection of these services appears to be in the economic interest of the incumbent rather than the general economic interest.

3.2.10 Include amended or new local/ orbital routes in tenders

A private individual (No. 38-1) suggested that the local and orbital routes should undergo a network review prior to the tender process as these routes were not adjusted during the Network Direct project. The respondent also noted that such a review should examine travel generators such as industrial estates, business parks and hospitals located within the orbital network as well as links to and from Blanchardstown.

3.2.11 Need to go beyond 7% - 10% market opening proposed

The **Competition Authority, Aircoach, Dualway, Jim Higgins MEP, ETTS**, and **Forfás** all questioned why only 10% of the existing Dublin Bus market and 7-10% of the Bus Eireann market were being competitively tendered from 2016.

The **Competition Authority** also state that it is not clear if 10% of routes would be enough to foster effective competition and that the Authority's decision to retain 90-93% of Bus Eireann services was inconsistent with the Economic Analysis report where it states 'According to analysis by the NTA there is value in introducing competition in the bus services market outside Dublin while maintaining a smaller direct award contract to Bus Eireann'.

Aircoach, Dualway, CTTC and **Compecon** state that a staged approach to opening of the bus market is preferable whereby 10% of bus services in both Dublin Bus and Bus Eireann markets are competitively tendered each year.

Aircoach note that a managed phased programme would deliver bigger benefits in a shorter timescale and would allow for appropriate reviews of lessons learnt from each tendering round.

ETTS note that the proportion of the market on offer is insufficient to attract large scale operators who are likely to be the type of entity that can achieve significant cost reductions and that allowing the incumbents to bid may also deter major operators. ETTS also note that from the analysis of the benefits to be obtained from competitive tendering that it was unclear why the Authority was keeping 90% of services with Dublin Bus and tendering a fragmented 10%. Also in relation to the experience of market opening in Copenhagen, they note that 45% was put to tender.

Compecon also note that the economic justification was not sufficient for only 10% of the market to be competitively tendered and that the Authority should aim to tender 40% of both Dublin Bus and Bus Eireann markets by late 2019 to ensure a far more ambitious programme.

CTTC also state that a staged approach to market opening is preferable rather than a 3 year wait before any further competitive tendering and would allow for better alignment with industry capacity to respond to tenders as well as the Authority's capacity to administer the tendering process.

3.2.12 Need for formal independent expert review of NTA process

ETTS note that both the tender proposal and process should be subject to a formal independent review and submitted to the European Commission to determine compliance with the Regulation.

They suggest that the economic analysis document should be peer reviewed and is below standard for decisions on which potential savings of public expenditure are significantly high.

3.2.13 Contracts should be flexible to allow growth in service provision as required

Aircoach state that in relation to flexible contracts which allow for growth opportunities, such changes will need to be negotiated with the operator to ensure they reflect the additional costs to be borne by the operator.

CILT note that the service specification detailing frequency, reliability and punctuality for example should be flexible in order to adjust to changes in demographic and economic circumstances. The service specification should also be flexible enough to take account of new developments such as new centres of employment or retail as well as impacts from other PSO services.

3.2.14 Will contracts be exclusive awards?

Aircoach state that clarity is required regarding the exclusivity of competitively tendered contracts. They also note that in some areas such as Waterford and Galway City where there are private operators already in operation, such competition or any future competition in these areas would need to be fully understood so that this can be suitably reflected within tenders submitted.

3.2.15 Ensure tendered route viability is not undermined

The **Competition Authority** states that the NTA should not allow the incumbent operators to set up alternative routes similar to the routes proposed to be tendered out, within a specified timeframe. The Competition Authority warn that if such services to be tendered are considered uneconomic or otherwise undesirable then the incumbent operator prior to award of such services in 2016 may allow the quality of service to diminish and on the other hand if such services are valued by the incumbent operator they may try to safeguard its position by setting up alternative or similar routes.

3.2.16 Tender additional services on corridors where inadequate capacity

Cllr. William Lavelle (South Dublin County Council) states that the proposal should focus on the provision of adequate carrying capacity as a key policy imperative to meet current and future demand thereby allowing for additional services on existing bus corridors to be competitively tendered. He also states that such additional services should be provided along existing bus corridors where there is sufficient demand and evidence of a limited risk to existing Dublin Bus services. He notes that there is insufficient bus capacity in the Lucan area and suggests that the frequency of local route 239 be increased.

3.2.17 Timelines for tendering

One respondent (No. 3) stated that competitive tendering should happen as soon as possible.

Forfás also state that tendering should start as soon as possible.

The **Competition Authority, Aircoach, ETTS, Compecon** and **Cllr. William Lavelle** (South Dublin County Council) question why competitive tendering was not commencing until 2016.

The **Competition Authority** also question the basis for directly awarding 90% of services to Dublin Bus and 90-93% of services to Bus Eireann in 2014 for another 5 years and if there is to be further opening of the market from 2019.

Dualway state that a staged approach to market opening is preferable rather than a 3 year wait before any further competitive tendering and would allow for better alignment with industry capacity to respond to tenders as well as the Authority's capacity to administer the tendering process.

Aircoach and **Compecon** also state that taking account of the requirement of one year between final award and the tender process commencing, competitive tendering could commence late 2014 with possible operations commencing in mid-late 2015.

Go-Ahead note that if the Authority is considering leasing vehicles and depots to the successful tenderer as well as taking TUPE (Transfer of Undertakings Protection of Employment) into consideration then the one year lead time between award and tender process commencing is excessive.

Compecon also questions why the Authority has not allowed for the introduction of competitive tendering directly after the expiry of the current direct award contracts and now both incumbents will retain all of their routes for another 2 years. It also states that it is not acceptable for the competitive tendering programme to be limited and delayed due to limited time and staff resources available to the Authority.

3.2.18 Contract duration

Go-Ahead state that the proposed contract duration of 5 years should be the absolute minimum in order to allow for the mobilisation costs of a new operator to be spread, which would diminish any disadvantage this places on a new entrant over the incumbent operator.

3.2.19 Impact on/ need to include disabled access requirements

The **National Disability Authority (NDA)** states that the services proposed for tender in Dublin, Cork city and Waterford city are all currently wheelchair accessible low-floor buses and that any future contract should retain this standard. IT also highlights Section 13 of the Public Transport Regulation

Act 2009 which allows for conditions to be attached to the granting of a licence and that accessibility should be a central requirement of any proposal. As well as this any new public bus service contracts should ensure that they are accessible to everyone, regardless of age, size, ability or disability.

The NDA also states that the current direct award operators have a good reputation in accommodating passengers with disabilities and that there is a potential risk that any new commercial operator may not have the same priorities.

ICTU questions whether new commercial operators would be required to provide services for passengers with disabilities.

3.2.20 General expression of interest in tendering

Several operators (including **Dualway**, **City Direct**, and **Go Ahead**) expressed a general interest in bidding to operate tendered bus services.

3.2.21 Need to collect and share operational and other data with potential entrants

One respondent (No. 38-1) considered that scheduling and operation of services should become part of the NTA remit, and that such information should be open to greater public scrutiny.

Forfás considered that the absence of clear data differentiating between the profitability of routes may deter new entrants.

Amongst commercial bus operators, **Dualway** considered that 'transparency in the average fares generated on routes being put to tender must be in place' in order for them to provide realistic tender quotations and they reiterate a point made in an earlier submission by the Competition Authority (to the NTA 2012 bus market consultation) that 'it is not actually clear which Dublin Bus and Bus Éireann routes are loss making and which are profitable'

Aircoach note that the 'data and knowledge held by the incumbents will place them at a significant competitive advantage compared to other bidders. As the market opening process develops, this will be a significant issue and a potential barrier to entry of new bidders.'

Matthews Coach Hire state that 'one of the fears that arises in respect to the proposed tendering process is that Bus Éireann will be able to "hide" significant aspects of the costs associated with their current operations and that this will result in a more advantageous tender submission for that company's perspective.'

3.2.22 Need to ensure transparent tendering process

Commercial bus operators in particular highlighted this as an issue.

Dualway note that the current proposals do little to address the existence of a dominant national operator, and are likely to result in a continued 'monopoly rent' across the respective Dublin Bus and Bus Éireann markets. They note that 'given the dominant status of Dublin Bus and Bus Éireann within their respective markets, lack of service by service financial data in relation to both companies presents significant risks to the fairness of any competition'. They also note that the bus depot and bus fleet proposals require further consideration by the Authority if 'the fairness and transparency of any tendering process are to be ensured'.

Matthews Coach Hire recommend putting in place in advance of any tendering process a clear allocation of appropriate costs, income and expenditure by Dublin Bus and Bus Éireann and the parent CIE company and suggest that current published accounts do not achieve this objective. Secondly they state that full information must be published indicating the income and expenditure on each PSO bus route, and that such information should be published immediately for routes that are proposed to be tendered.

Go Ahead express the concern that given the scale of the market that would remain in direct award contracts, both Dublin Bus and Bus Éireann 'could price the remaining residual work to cover direct operating costs only.'

Arriva note that the two incumbent operators would have significant cost advantages over other bidders if access to bus depots is not practically possible for other tenderers. They suggest that one solution may be to exclude existing operators from this round of bidding or 'alternatively to request bidders to identify depot costs in their tenders, and to award tenders based on the most advantageous price excluding this element.'

Compecon noted that incumbent operators will have far more detailed information regarding the routes to be tendered than potential entrants, '...this will give them a clear advantage in any tender process'. They note there is no mention in the consultation documents of how this might be addressed.

Chambers Ireland note the tender process must be open and transparent.

CTTC notes that lack of service by service financial data in relation to Dublin Bus and Bus Éireann presents significant risks to the fairness of any competition as it would not be possible to ensure an incumbent bid was free of cross subsidy.

3.2.23 Impact on lesser used, socially necessary or loss making services

Several private individuals expressed concern in relation to the impact of tendering on these types of bus services, one respondent (No.10) stating that private operators would withdraw loss making services. Another (No. 23) noted that deregulation of the bus market in the United Kingdom led to a reduction in non-profitable services. Another (No.39) considered that it would lead to much poorer public transport to more isolated rural areas.

Sinn Féin voiced concern that tendering would lead to the 'carving up of bus services for private profit with no consideration for the public good or the social consequences.'

Chambers Ireland noted that rural dwellers must have access to public transport in order to support local businesses, and that ‘furthermore, the provision of services in non-mainstream routes is essential to maintain healthy communities and reduce levels of social exclusion.’

3.2.24 Impact on fares

A private submission (No. 23) considered that after a very short number of years there would be large fare increases and another submission compared bus fares between Galway and Cork offered by Bus Éireann to those offered by a commercial bus operator to demonstrate that fares provided by commercial operators are not necessarily less than those offered by Bus Éireann.

Sinn Féin considered that the removal of 10% of routes from Dublin Bus and Bus Éireann would ‘further cut into revenue, putting further downward pressure on wages and increasing fares.’

3.2.25 Attractiveness and suitability of proposed options

A submission (No. 22) from a private individual noted the proposed combinations of services for tendering gives little scope for comparison between the two approaches [of area/network based contracts vs. corridor based contracts].

Forfás warns that the proposed options, in seeking to minimise risk to the incumbents, create a danger that market entry will be made unviable to potential new entrants, and recommends that the NTA reconsider its proposals for competitive tendering .

The **Chartered Institute of Logistics and Transport** notes that the size of the tender package outside the Greater Dublin Area may not be sufficiently attractive to the market, especially if it was widely geographically dispersed.

3.2.26 Proposed options potentially exclude market entrants

ETTS states that few, if any, significant entrants would be attracted to bid in an asymmetric competition where Dublin Bus can engage in tactical bidding.

Forfás also warns that the selection of routes to be awarded through competitive tendering maximises new entry and enables Ireland to capture the full benefits of competition.

3.2.27 Other options (not consulted upon)

City Direct expresses an interest in bidding to operate services in Galway city as well as commuter type services operating to a regional city.

Laird Consulting recommends the packaging of radial routes in the north east of Dublin city (routes 27a, 29a, 31, 32, 42, 43, 53, 130) for tendering.

3.2.28 Ability to benchmark with direct award contracts

The **Aircoach** submission notes that in order to benchmark performance across all operators, incumbent and new, it is assumed that the same service and contract performance targets will be applicable to all operators and to the direct award and competitively tendered services.

Go Ahead warn that by not including key radial routes in the [Dublin] tender package, there is a risk that a next stage of tendering could be undermined by claims that any positive conclusions about the first stage of tendering are based on routes that are untypical of the rest.

3.2.29 Access to control equipment e.g. AVL, RTPI, radio, ticketing equipment, CCTV etc.

Aircoach note that the incumbent operators currently have access to a range of support infrastructure and systems that have been state funded, including AVL systems, real time information systems, radio systems ticketing equipment and CCTV systems. In order to ensure a level playing field, they state that access to these systems will need to be made available to new bidders on a fair, equitable and transparent basis. Any costs associated with access to the systems should be set out in the bidding documentation, and the same costs applied to the incumbents' usage of these systems when comparing bids.

Compecon consider that incumbent benefits associated with access to such control equipment may be overstated and that it is 'difficult to believe that entrants should be considered to be disadvantaged by having to invest in necessary equipment...'

3.2.30 Need to include environmental considerations when tendering

A submission (No. 11) from a private individual states that there should be noise limits for buses, noting that noise from tri-axial buses in particular means that walking along the street is particularly unpleasant in the Donnybrook area.

The submission from **Matthews Coach Hire** recommends a 'Green Procurement Policy' as part of any future tendering process for PSO services, noting it would bring significant benefits to the environment and to public health. It recommends mandatory consideration of the extent to which an operator is certified in accordance with energy management standards. Incorporation of fuel performance scoring in tenders and extension of operator reports to include distance and passenger numbers.

3.2.31 Fleet availability and suitability

A submission from a private individual (No. 38-1) notes that if tendered routes are to be operated using the recently purchased dual door vehicles [in Dublin], it is imperative [so as to speed up boarding time] that they are operated using the front door for entrance and the rear door for exit.

South Tipperary County Council noted that if there is a concern that demand is too low to warrant large buses, then 'the provision of smaller scale transport should allow for that'.

Several bus operators register this matter as a concern.

Dualway note that based on the Authority's proposals to competitively tender local and orbital services [in Dublin] that 'in general, lower capacity vehicles will be more suited to these service types. As such the Authority's current proposals could place new market entrants at a competitive disadvantage relative to Dublin Bus'.

Aircoach consider that provision of vehicles [by the Authority] to the successful bidders will assist in the speedy introduction of services as it removes the delay of procuring new buses. It notes however that full maintenance records for the transferring vehicles must be made available. Given that vehicles have been maintained by the incumbent operators, it is recommended that warranty cover on agreed components and systems be put in place for an agreed period of time. **Aircoach** assumes that the benefit of manufacturers warranties would transfer [to any new operator] along with the vehicles.

Matthews Coach Hire notes that only buses purchased since 2012 will be made available, and that this raises the question as to the suitability of such vehicles for use on the routes that will be subject to tendering. In particular they state their initial view that some of the services on routes 100, 101 and 133 will only require lower capacity vehicles.

Arriva make a similar point in relation to buses purchased since 2012 for use in Dublin, noting that they are probably best suited to radial routes, whereas the NTA Technical Report on Contract Options for Dublin identifies one of the advantages of tendering local routes as being that 'vehicle size could be potentially better matched to passenger demand'. **Arriva** note that 'for the size of packages you offer and in the timescales you propose, we do not see a difficulty in the operator buying the vehicles best suited to the route specifications you advise'. **Arriva** notes a similar issue may arise in relation to vehicles recently funded by the NTA for Bus Éireann services.

Dublin Bus notes that the transfer of buses from the Dublin Bus fleet to any possible new tendered operation would increase the average age of the remaining bus Dublin Bus fleet. They state this would increase the costs for the direct award contract services and negatively impact on the efficiencies of Dublin Bus. In addition it states that any future comparisons between Dublin Bus and tendered operations would be distorted and show Dublin Bus in an artificially poor light.

Laird Consulting notes that vehicle sizes for local and orbital routes are an important consideration. It also notes that there may be a role for the Rural Transport Scheme in the provision of transport services on minor routes.

ICTU asks whether Dublin Bus and Bus Éireann will be required to hand over buses to a private sector operator in the event that a private sector operator is successful in any tender competition.

CILT note that Incumbent operators may have advantages, on the other hand private operators may be offered free depot facilities and buses. Tender competitions would need to be designed to ensure a level playing field.

CTTC notes that only buses purchased since 2012 will be made available to successful tenderers, and that these are high capacity models. Based on the Authority's proposals to competitively tender local and orbital routes, it states that in general lower capacity vehicles will be more suited to these service types. As such the current proposals could put market entrants at a cost disadvantage.

3.2.32 Net cost vs. gross cost contracts

Several bus operators make observations in relation to contract type.

Aircoach welcome the concept of gross cost contracts, with incentives for operators based on quality of service and passenger growth targets. They note that any restrictions on ability of operators to compete with services operated by the direct award operators will need to be clearly stated from the outset of the tendering process.

They note that the Authority does not propose to move any direct award contracts to gross cost contracts at this time, and state that they are 'unsure as to the reason for this and would be concerned that by having different contract types it would be difficult to successfully measure and compare the performance of new versus incumbent operators.'

Matthews Coach Hire also states a preference for gross cost contract type.

Go Ahead notes that the Ernst & Young technical report concludes that a gross cost approach is likely to give the NTA best value as operators prefer not to take revenue risk and will price accordingly. It contends that this is not the case and that they have an excellent record of patronage and revenue growth. They strongly recommend that if the NTA decide to adopt gross cost contracts with performance and quality incentives, that these should not be overly complicated.

CILT states that it is 'inclined to favour the use of gross cost contracts with incentives based on experience elsewhere in Europe. It notes however that net cost contracts tend to be better at providing the operator with incentives to grow traffic, and that "the Authority should therefore consider how it can ensure, through specification and incentives, that traffic growth is promoted and facilitated by operators.'

Chambers Ireland expresses concerns regarding the award of gross cost contracts, as they give little or no incentive for operators to grow the market or provide a quality service. They also believe monitoring of gross cost contracts is cumbersome and increases costs, administration and bureaucracy. Net cost contracts put an onus on the operator to innovate and deliver a quality service.

3.2.33 Contract oversight including performance monitoring

Two private individual responses express concern in this regard (No.9 and No. 24), including the manner in which any private operator might handle passenger complaints and include them in performance reports.

South Tipperary County Council considered that there should be significant penalties for unsatisfactory performance.

The **Competition Authority** notes that 'it is important that the NTA is active in identifying insufficient performance when it occurs and applies effective sanctions. This is vital to secure the NTA's credibility and effectiveness of the contracts.'

Go Ahead strongly recommends that performance and quality incentives should not be overly complicated. They note that 'modelling their effects can become extremely costly in the tendering process and managing them after tender award can become unnecessarily bureaucratic on both sides. The key measure is punctuality and reliability: helpfully with modern technology this is the easiest to measure as it is the most automatic.'

SIPTU noted that the UK Competition Commission investigations into the local bus services markets in both England and Scotland raised concerns that 'the non-monitoring of services occurred due to the lack of monitors. There were two for the whole of Scotland and they were raising that number to 6.'

ICTU notes that 'Dublin Bus and Bus Éireann have established a strong culture of reporting on their performance with the terms of their contracts with the NTA...It will take a considerable period of time for any new operator of public bus services to create systems of reporting equal to that developed by Dublin Bus and Bus Éireann. In the view of Congress the decision to tender 10% of public bus services has the potential to undermine [the NTA's] capacity to ensure compliance with contracts...'

3.2.34 Take into account costs to incumbents in service planning, marketing, etc.

CIE note that 'both Bus Éireann and Dublin Bus carry out a wide range of positive activities in addition to just running buses (e.g. information, marketing, promotion, community support, planning), and it is essential that the NTA identify and accept these activities and the cost associated with same.'

Dublin Bus note that such costs 'will negatively impact on the ability of Dublin Bus to bid on a level playing field. Costs which Dublin Bus carries as part of the requirements for wider public transport provision must be excluded from tender pricing.'

3.2.35 Impact on incumbent companies

One private respondent (No. 23) is concerned that ‘if the proposal was to go ahead it would have extremely serious financial implications for Bus Éireann to such an extent that its very survival may be in jeopardy.’

CIE note that ‘in respect of market opening the plan submitted by CIE to its banks assumed that the impact of market opening would be neutral. That is CIE’s subsidiary companies – Dublin Bus and Bus Éireann – would neither gain nor lose from the opening of the market. This is a cornerstone of CIE’s plan and is something the NTA must take into consideration in its market opening proposals.’

Dublin Bus notes that consultation documents made references to ‘manageable downsizing’ by Dublin Bus in the event of losing bus routes and that Dublin Bus has ‘experience in successfully downsizing ...by 40-50 buses per annum since 2009 [during Network Direct]’. Dublin Bus questions this, noting that staff reductions during the Network Direct plan could not have been implemented without a voluntary severance scheme.

The **ICTU** submission advises that a possible consequence of the NTA proposal [to tender 10% of PSO bus services] would be that the potential of Dublin Bus and Bus Éireann to continue to operate will be undermined.

3.2.36 Impact on employment conditions and staff, including TUPE matters

This issue is raised by five private individuals.

Respondent No. 13 notes that Bus Éireann provide good quality unionised jobs and wondered whether ‘this is a case of bringing in cheaper jobs with no conditions.’ He questions why tendering is proposed in ‘the employment black spot of Waterford.’

Respondent No. 17 fears that ‘staff employed [at Dublin Bus and Bus Éireann] will lose their jobs...’ and that any new vacancies in private operators would lack job security, be low paid and without pension arrangements.

Respondent No. 23 is concerned that the proposal to tender some services currently operated by Bus Éireann would have serious implications for job security and lead to ‘substantial job losses within the company’.

Respondent No. 24 expresses concern over ‘the NTA’s intention to use TUPE in relation to Bus Éireann staff’, and notes that in London, bus companies faced acute staff shortages [after tendering of bus services], which required “increased public funding’.

Respondent No. 39 also considers that tendering would have a negative impact on the ‘secure employment provided by Bus Éireann’.

Sinn Féin raises similar concerns, stating that ‘the transfer of PSO service to a purely-for-profit operator will invariably result in salary reductions and/or job losses’ and notes that “Waterford city could not bear these consequences.’

Staff transfer issues are also a matter of concern for bus operators, including incumbents.

The submission from **Aircoach** notes that ‘as the tendering process develops and gathers pace it is more likely that TUPE regulations will become relevant and it will be critical that full details of all employees are quickly made available to all potential bidders. In addition, the issue surrounding existing and future provision and liabilities will need to be fully transparent and understood by all parties.’

The **Arriva** submission notes that “clarity is needed for the existing operator, the new operator and the individual members of staff as to who is transferring to the new operator. There are two risks, one that the existing operator holds on to too many staff and creates a cost risk for the Authority in subvention payments, the second risk is that the new operator finds that staff expected to transfer do not do so at the last minute, creating a vacancy gap.” **Arriva** notes “there is no perfect solution to this issue except clear communication.”

Bus Éireann assume that ‘transfer of undertaking will apply to those routes and services that are tendered as part of this process, in relation to all staff that are involved in the safe supply and delivery of those services under the contract, including drivers, maintenance staff, support platform staff and administrative support. This also includes activities provided as part of the contract at present in relation to customer information support, bus stop/shelter maintenance.”

Dublin Bus notes that staff reductions during the Network Direct plan could not have been implemented without a voluntary severance scheme. It also notes that the “market opening proposal is likely to be instantaneous with an overnight handover of operation. The NTA should outline proposals to deal with staff that will be surplus to Dublin Bus requirements after tendering and the position on transfer of undertaking for all affected staff. Detailed discussions will be needed among all the participants to deal with these issues should they arise.”

CIE notes that the NTA is “no doubt be aware that under Transfer Regulations, how the NTA decide to tender the routes has a very material bearing on what actions need to be taken [by Dublin Bus and Bus Éireann] in this regard.”

Several unions also raised concerns in relation to staff and employment

SIPTU note that “if TUPE [Transfer of Undertakings Protection of Employment] provisions were to apply and be complied with, labour costs (except for pensions) would and should remain”. They state that “TUPE application will be extremely difficult to utilise and the issues that will arise if the NTA proposals materialise are significant and capable of causing industrial unrest”. **SIPTU** notes that workers in Dublin Bus/Bus Éireann have already made considerable personal financial sacrifices in order to sustain their companies as financial entities.”

NBRU note that in 2006, prior to the establishment of the DTA (which subsequently became the NTA), discussions with the Department of Transport “contained assurances that the “existing activities” of Dublin Bus would not be affected by the proposed DTA and that any new entrant to the market would be strictly on new routes. They note the considerable reductions in Dublin Bus staff in recent years as well as reductions in take-home pay. They express concern that “tendering rarely achieves the promised savings - early savings are usually achieved on the back of jobs, conditions and service.”

ICTU states that “the NTA should have regard to the maintenance of employment in the [public transport services] sector. It expresses concern that recent court decisions mean that “the only legally enforceable rate of pay is the minimum wage” and that “there is little doubt that any employer tendering for the public bus services identified in the NTA proposal will do so on the basis of paying employees the minimum wage and nothing more.” It considers that “the proposed tendering could result in the exploitation of workers, a lowering of standards of employment in the sector and social dumping.” Whereas “some will argue that...employees are protected by the TUPE regulations...they are totally inadequate as they provide only limited protection to employees and make no provision for the transfer of pension obligations to any new employer. It is clear therefore that the proposal to tender services could result in serious industrial relations difficulties.”

Chambers Ireland expresses concern over the management of any downsizing of staff, and states that “the consultation paper does not explain how this process can be managed efficiently and effectively.”

3.2.37 Access to bus stops, stations depots or bus layover areas

Two private individuals raise this as an issue. One (Response No. 6) noted that private operators should not be excluded from using bus stations owned by Bus Éireann. The other (Response No.16) stated that “the use of fixed assets – stops, stations and depots, needs to be guaranteed to all.”

The **Competition Authority** states in its submission that “the issue of access to key network facilities such as depots, bus stations, needs to be addressed by the NTA *ex-ante* in the design of the competitive tendering process if there is to be any prospect of effective competition in the market for PSO bus services in the future.” It goes on to note that “a clear policy on access to bus network facilities would give confidence to potential entrants that their entry plans are not at risk due to difficulties in securing access to bus stations and enable third party operators to compete on a level playing field.” Whereas it acknowledges that the NTA does not have the power to ensure access to depot facilities, “...CIE is a state owned company. The NTA could seek Government support in reaching a solution to address the issue.” Later in the submission it notes that the NTA needs to ensure that “any problems relating to access to station forecourts, bus stations, specific areas at the side of the road...” are solved in advance [of tendering].

Several operators raise this as an issue.

Dualway consider the current NTA proposals in relation to depot access to be “non-committal, however even if a depot or depots are secured, there is no guarantee that such provision would be fair or non-discriminatory, insofar as the current incumbents have significant operational cost flexibility arising from their multiple depot ownership throughout the state.”

Aircoach also note that “it is not clear how depot facilities would be made available to bidders and greater clarity is required on this issue. “ In addition they note “the property issue needs to be fully addressed particularly as the competitive tendering process develops to ensure that the incumbent operator does not receive an unfair competitive advantage due to its ownership of existing depot facilities.”

Matthews Coach Hire also notes that the consultation documents do not address access to existing transport infrastructure that is in the ownership of the state companies. It recommends that Section 62 of the Dublin Transport Act 2008 (concerning sharing of bus stops, stands and stations) must be commenced immediately and extended throughout the state. In relation to depots, it suggests that "such depot ownership be transferred to the NTA at the direction of the Minister, and that this would have the added advantage of the allowing the true cost of such facilities to be factored into all tenders.

Arriva raises the depot ownership issue, stating that "we understand that access to bus depots is not practically possible at this stage of tendering...this would not provide a level playing field in the tender competition. Whilst you [the NTA] acknowledge this and suggest you might take lease options on suitable locations for other operators to operate from, you do not address the cost imbalance issue." In view of the scale of reduction in the Dublin Bus fleet, **Arriva** suggests that "there is scope to close and mothball at least one of the existing seven garages to offer with the next round of tenders in the city."

Bus Éireann as an incumbent operator notes that "the impact of the three proposals [for tendering outside Dublin] have been assessed by Bus Éireann, and while it is difficult to assess at this point, it is clear that benefits of a consistent nationwide approach to depots and station infrastructure will have implications for Bus Éireann, in relation to the provision of PSO services, but also in relation to the provision of Expressway and Schools Transport Scheme services."

ETTS states in relation to depots [in Dublin] that "this is an indication that the Authority is unable or unwilling to exert its position with Dublin Bus." It states that "the main lesson to take away from [tendering bus services in] London is that depots need to be decoupled from public sector incumbents and made available to winning operators."

Laird Consulting note that "the statement about having no right of access to Dublin Bus depots is of concern. Clearly if a significant number of services are transferred to other operators, there will be fewer depots required by Dublin Bus. Ownership of depots cannot be an obstacle to bringing competition into the bus market in Dublin. It is doubtful if building new depots can be justified by the cost and/or revenue benefit from tendering." They go on to note "a method of sharing, leasing or purchasing depots needs to be found if we are to make a success of a tendering process."

Compecon considers that the issue of depots may be overstated. It notes that following privatisation of many municipal bus companies in the UK, the new owners disposed of town centre depots and replaced them with out of town depots, and that entrants could rent premises for use as depots in areas where commercial premises vacancy rates are currently high.

ICTU asks if "Dublin Bus and Bus Éireann will be required to share garage space or hand over garages to a private sector operator in the event that a private sector operator is successful in any tender competition."

The **CTTC** states that the "current proposals...do not address the clear advice of the Competition Authority [in relation to depot ownership]" and that "current proposals appear to be non-committal", noting that "even if a depot or depots are secured, there is no guarantee that such

provision would be fair or non-discriminatory” due to operational cost flexibility of the incumbent operators arising from multiple depot ownership.

3.2.38 Impact on/ need for integration (information, branding, services, times, ticketing, fares)

Several private individuals raise this point. One (submission No. 6) noted that if some Dublin Bus routes are awarded to a private operator, the same tickets should be taken and timetables should be planned together. Submission No. 7 queried whether new operators would honour annual Tax saver tickets, and if not, will the cost of Tax saver tickets be reduced. Submission No. 14 considered that the NTA should use its influence to “increase the pace of integration of fares and to simplify ticketing”. It noted that “further fragmentation of ticketing and fares should not happen if and when new operators take over the services.” Submission No. 24 noted that currently privately operated bus services between Galway and Cork (requiring two buses) do not allow people to buy one ticket.

Submission No. 38-1 recommends a unified livery on all vehicles operating PSO Dublin services, and recommends that operator livery should be restricted to a logo as in London. It recommends that bus stops and information displayed at them should be to a standard design for all operators. It recommends much improved standard of information provision at bus stops (including bus route and network maps and stop specific timetables, as well as fares information). It also recommends the introduction of NTA Travel Centres in a central location and suburban locations.

Jim Higgins MEP noted that concerns about ticket interoperability would have to be addressed as part of the tendering process.

The **Competition Authority** agreed that public transport integration would need to be included as a contractual requirement, and noted that ticketing integration is crucial to the effectiveness of the public transport system. Ensuring a “properly integrated transport system - where the costs to new entrants are fair, reasonable and non-discriminatory- could therefore eliminate barriers to entry and allow entrants to compete efficiently with the incumbent operator.”

Go Ahead note that integration with other public transport services is clearly an important requirement and they do not envisage any difficulties, pointing to high levels of integration in both the UK regulated and deregulated markets.

Laird Consulting stated that the points in the consultation papers about branding, ticketing, fares and information “are well made. If multiple operators are to happen in Dublin, it should be seamless from a customer perspective, with same fares, all information to include all operators, etc.”

SIPTU considered that if “the proposal outlined by the NTA comes into existence, the reality is that public transport [will] become more uncoordinated and deliver less value for the taxpayer and consumer.”

ICTU note that there is a danger that public transport integration could be damaged by the introduction of private operators.

CILT noted that specific requirements in relation to integration should be included, covering ticketing fares, information and branding, and recommend that fares integration be developed to ensure that the fare reflects the journey taken rather than the number of operators or modes used to complete the journey. It also recommends that timetable integration should be addressed.

Chambers Ireland consider that the Leap card should over time “and in accordance with current plans, be developed to include both travel beyond the Dublin metropolitan area and to be fully interoperable.” This would have knock-on benefits for business, especially the tourism sector.

3.2.39 Need to ensure revenue is protected

One private individual (No. 24) raised this concern in relation to tendering, asking “who is going to provide the revenue protection staff to ensure all revenues received are passed back to the authorities?”

The issue is also raised by **CILT**, who note “it is critical that measures are included in the contract to ensure that the operators fully recover revenue on behalf of the contracting authority.”

3.2.40 Handling of customer services and complaints

Two private individuals raised this as a concern.

The first (response No. 14) considers that current obligations in relation to complaint recording “appear to be a fog of obfuscation. The real number of complaints should be recorded. All complaints, as well as the reply to the customer and follow up by the management, should be kept on file for a specified period by Dublin Bus or other inspectors for possible audit or inspection by the NTA.”

The second (response No. 24) expresses concern over how complaints from passengers might be dealt with in the case of tendered bus services.

3.2.41 Need for profitable routes to subsidise unprofitable routes

One private respondent (No. 16) suggests imposing a “levy” on profitable routes to supplement subvention, and that without this the tendering process could be poorly subscribed.

3.2.42 Danger of anticompetitive practices/ cartels forming

One private individual (No. 24) raises this concern, noting that the five largest operators in the UK carried 70% of the bus passengers. They quote the Chairman of the UK Competition Commission’s

Bus Market Investigation Group as stating “we have also seen direct evidence in one case of operators in the north east of England seeking to avoid competition with each other in order to protect their own ‘territories’.”

Dublin Bus notes that “the major multinationals have the financial muscle to carry loss leaders to cleanse the market for ultimate takeover, and states that “below cost tendering raises a clear warning sign to authorities.”

ICTU warn that where bus services for an entire city are tendered, “this could result in the creation of a private sector monopoly for the cities in question.”

CILT endorses the NTA’s identification of “the need for careful design of the tendering competition to prevent the emergence of cartels and bid rigging, as suggested by the Competition Authority.”

3.2.43 Need for experienced safe operators/ trained staff/well maintained vehicles

One private individual (No. 24) asks what measures will be taken to ensure private bus companies reinvest monies in safety or staff training.

The **National Disability Authority (NDA)** states that contracts should include “a requirement for training staff to deal with customers with disabilities as outlined in the statutory ‘Code of Practice on Accessibility of Public Services and Information provided by Public Bodies’”. It noted that it had an eLearning module available providing basic disability equality training.

CILT notes that the Authority should set down strong requirements relating to technical standards, vehicle maintenance and staff training, and that it should put in place affective measures to enforce compliance with statutory obligations. It states that “it is not enough to write this into the contract; the Authority has an obligation to ensure operators comply, if for no other reason that it will be held to account for any failure particularly where it relates to public safety.”

3.2.44 Potential for incumbents to tender outside operational areas

CILT states that consideration should be given to whether Bus Éireann and Dublin Bus will be allowed to tender for contracts outside their operational areas. It notes that “a view may be taken that this is precluded by existing law which delimits the area of operation of each company or that it is incompatible with the award of exclusive rights. However such restrictions may not be compatible with a potential gradual extension of tendering.”

3.2.45 Need to manage stability of services during any transition of operator

This matter is raised in the **CIE** submission which suggests that “the NTA has an obligation to establish with Dublin Bus and Bus Éireann prior to tendering the least disruptive method of transitioning tendered routes in the event that one or both companies are unsuccessful in a tender process.”

It is also raised by **CILT**, who highlight the NTA “health warning” on the need to ensure “the stability and reliability of bus services following the announcement of a tender competition and effective management of the transition where the incumbent operator does not win the tender.”

3.2.46 Impact on cost to State

Several private individuals identify this as a concern. One submission (No. 4) considered that ‘[tendering] will all probably end up costing the State (i.e. taxpayer) more money in subsidies to private operators’. Another (No. 10) noted that ‘the attractiveness [to] private operators in the provision of public transport operators can be found in the level of subvention the state is willing to provide for such services.’ Another (No. 24) states that in order to attract bus drivers, increased public subsidy was required in London and that “there is a possibility that private operators will return to state authorities seeking more intervention, i.e. more capital subvention to meet any new standards.”

Sinn Féin warns that ‘privatising PSO routes could easily be more expensive to fund and costly to the entire public transport system.’

Dualway consider that significantly more than a 20% saving in subvention costs (suggested as a lower end saving by the Competition Authority in a 2012 submission to the NTA) could be achieved, as the percentage reduction in unit costs appears to have been applied only to the subvention, not the overall cost base. They note savings could be passed on to the consumer in the form of reduced fares or an improvement in service quality, though they also note that factors such as TUPE could impact on the cost savings achievable.

Bus Éireann highlights the cost of tendering to the tendering authority. They also assert that there is clear evidence from London that in a competitively tendered environment, PSO costs rise. They also state that ‘breaking up’ the Bus Éireann PSO network will reduce the level of efficiency which Bus Éireann can presently achieve and will also impact on the efficiencies achievable by a new operator who tenders for a single route or small network of routes and note ‘this will impact on the bottom line costs to the State.’

Dublin Bus makes a similar point, stating that the proposal to tender 10% of the Dublin Bus market ‘carries a risk of increasing overall costs due to reducing economies of scale and requiring duplicate administrative structures to oversee the tendering, monitoring and performance of multiple operators.’

SIPTU note Ernst & Young suggest that it may be unreasonable to expect savings as documented elsewhere, with **SIPTU** noting ‘transformation of the services ... has already occurred.’

ICTU expresses the view that ‘tendering rarely achieves the promised savings, early savings are usually achieved on the backs of jobs, conditions and service.’

CTTC makes similar points to **Dualway**, asserting that the NTA has not presented an analysis of potential reductions in state subventions achievable following a move to competitive tendering and stating that significantly more than a 20% saving can be achieved.

3.2.47 Impact on service quality /levels

Again, several private individuals identified this as a concern. One submission (No. 4) feared that tendering would lead to the removal of any routes private operators deem unprofitable. Another (No. 10) felt private operators could lead to reduction or withdrawal of services that are loss making or withdrawal by a private operator from operating a route, resulting in a disruption to services while an alternative operator is sought to provide the service. Another (No. 23) noted that in Britain with total deregulation in the late 1980s, the State had to step in and offer subsidies to operators [to operate services] and there were unreliable services to the public. Another (No. 24) warns that it would be difficult to switch contractors where under-performing operators are not meeting contractual standards. Another (No. 39) felt that tendering services 'would lead to a much poorer service to more isolated rural areas.'

The **Competition Authority** notes that the Economic Analysis Report states "*A further benefit put forward for moving to competitive tendering relates to the potential for enhanced customer service levels. The meta analyses cited above also found evidence of service improvements in the studies reviewed...*" The Competition Authority states that 'This suggests that, particularly under the current public finance constraints and given the financial state of CIE group, introducing effective competition in the subsidised public bus sector is needed now more than any other time. Hence there should be a solid basis for any decision to directly award another contract [to Dublin Bus or Bus Éireann] rather than introducing effective competition...'

Bus Éireann state that 'service quality and value for money has improved under direct award since 2009 through the partnership approach between NTA and Bus Éireann.' They go on to state that 'it is not clear that service quality will improve in the Irish setting under competitive tendering.'

SIPTU state that 'evidence would show that training and customer care standards suffer, when contracts for service are interchangeable leading to much lower standards of quality of service/timetable and punctuality.' They warn that some companies 'lack the necessary management skills of running transport networks and/or timetables and experience of dealing with operational and financial situations will be lacking.'

NBRU warn that 'the experience of privatisation and outsourcing is that it routinely reduces service quality while failing to deliver promised savings' and that 'fragmentation of the PSO networks would destabilise the structure of the public service obligation.'

ICTU states that 'Congress would be concerned that introducing new operators as proposed by the NTA has the potential to undermine the positive experience that passengers have had under the terms of the first direct award contracts.'

3.3 General comments on new contracts

3.3.1 Improve level of service (specific)

One private individual (submission No. 1) considers that Dublin Bus services should run for another hour at least, until 00:30 or 01:00 'to enable a night time economy to thrive.' In addition on major corridors (e.g. N11, N4, N1), there should be one route running a 24 hour service 'with normal fares.'

South Tipperary County Council notes that maintaining an effective service from Tipperary to Waterford and Limerick is crucial, and that levels and quality of service should be improved, with services operating at times to suit work, college etc. It noted that there are rural areas of the county that are poorly served by public transport and that these should be addressed, including through integration with Rural Transport Programme services.

3.3.2 Improve timetable and other information provision

A private individual (submission No. 14) notes that current bus timetables are, for the most part, merely a list of departures times, with in some cases, estimated times given at one or two intermediate points on routes..." The respondent recommends that new contracts should require many more intermediate timing points with timetables presentation revised accordingly.

In addition the respondent recommends that new contracts identify routes at every stop and notes that "it is standard all over continental Europe to have stop specific times at each bus stop.' He identifies several examples of 'careless timetabling' where inaccurate times are presented to the customer. He also states that full fare information should be published by Dublin Bus.

Another respondent (No. 38-1) states that timetables need to be realistic in terms of overall journey times, and that they are correlated with historic journey times taken from the bus AVL system. He also states that different timetables should be drawn up for quieter times of the year (for example school/college holidays).

3.3.3 Only genuine PSO routes should be subsidised

The **Competition Authority** states that 'identifying the true PSO routes is the first and foremost important element that the NTA should consider in issuing competitive tendering for the subsidised bus services. Funding should be limited to socially necessary and financially unviable services only.' It goes on to state 'However the Consultation Paper suggests that the NTA's decision on the size and location of bus routes on which it proposes to initiate competitive tendering...is not informed by whether the routes are profitable or loss-making.'

3.3.4 Improve fares integration

One private individual (submission No. 14) raises this as a general concern, and states that all fares integration for all services needs to be advanced, and that the 'current limited use of Leap needs to be expanded to include time based tickets (one day, 3 day, 5 day, 7 day, one month etc.) and not just for one mode.' He notes that currently 'when a second mode is added the cost almost doubles' and that 'there is still no time based ticket that can be used on bus, train and tram.'

3.3.5 Better public consultation and notification in advance of route or timetable changes

One private submission (38-1) notes that generally the customer is the last person to be consulted and recommended the development of 'a formal feedback process be established on a statutory basis, similar to Passenger Focus in the UK, that would provide network managers and operators with meaningful reports on the services provided.'

It is further stated that a full change programme be developed that ensures:

- Sufficient time to draw up new schedules/rosters
- Users and stakeholders are consulted through notices online, at stops and on board vehicles
- Sufficient consultation time is allowed for users/stakeholders to respond
- That information on the final service is available at least one week in advance online and at travel centres
- That on-street information is updated overnight to ensure that it is in place for the first day of operation

The **South Tipperary County Council** submission states that 'research on customer need should be carried out before the tendering process is put in place.'

3.3.6 Transparent operator accounts by route needed

Laird Consulting notes the importance of having transparent accounting between tendering and direct award services.

Matthews Coaches Hire Limited also states that financial transparency needs to be ensured and addressed before any tendering process by putting in place the following:

- The clear allocation of appropriate costs, income and expenditure between the two bus companies and the parent/holding company. The current published accounts of these companies/group do not achieve this objective.
- Under the current direct award it is not actually clear which routes are loss-making and which are profitable. Full information must be published indicating the income and expenditure on each PSO routes, including ticket sales and the amount of subsidy allocated to each route. Such

information should be published for all routes that are proposed to be the subject of public tendering. The absence of such information risks a result that the routes assigned for tendering are the least profitable and hence most costly routes plus the lack of information seriously undermines the 'fairness' of any proposed tendering process.'

The **Competition Authority** states that clear information on the financial status of the service covered by the current public Contracts was not available making it difficult to determine which routes are genuine PSO routes that should be retained within the Public Contract. It also noted that, if the incumbent companies are allowed to tender, it would be difficult to tell whether they had cross-subsidised the competitively tendered routes with subsidies from the Public Contract.

The Competition Authority also notes that 'Bus Éireann may have more detailed accounting information on the profitability of its routes however, the Consultation Paper suggests the NTA does not yet have such information. This is important because it raises the questions of whether some of these services need subsidisation at all (Galway and Waterford are specifically mentioned).

3.3.7 Detailed service specifications required

The **Competition Authority** supports the NTA's proposal that 'The Authority will maintain a fairly tight contractual specification of required service (routes, frequencies and so forth)'. They note that 'clear contracting terms and monitoring schemes for evaluating the performance delivered in exchange for public funds is vital during the process of competitive tendering. Inadequate service specification, effective collusion (cartels) by the leading operators during the tendering process, and poor ex-post control on contract execution can lead to fewer and fewer bidders over time.'

CILT underlines that 'the specification should also include quality of service requirements, building on those already contained in the existing direct award contracts.'

3.3.8 Improve service performance requirements monitoring and reporting

A number of submissions suggested that there is scope to improve service performance indicators as well as how these are monitored and reported. (No. 14, 38-1).

Specifically one private submission (No. 38-1) raises concerns about the target for 'scheduled services operated' being set at 95%, stating that this is unacceptable for a city bus operator and that an acceptable standard would be 98%. 'Operators must be set a target that delivers an acceptable service to the customer and penalises them for non-compliance. The current target of 95% does not deliver this. Targets should be monitored on a route by route basis, and appropriate penalties set up including removal of an operator for repeated non-performance.'

The **South Tipperary County Council** submission states that 'significant penalties or loss of incentives should be included for unsatisfactory performance.'

The **Chartered Institute of Logistics and Transport** states that 'the performance specification, in both the tendered and direct award contracts, should be strengthened...the current requirements are not challenging enough, nor do they accord with best international practice.'

3.4 Other comments

3.4.1 Timing and duration of consultation period

The **CILT** expresses its disappointment about the timing and duration of the consultation period, noting that “on this occasion the Authority launched two important consultations on public bus services contracts and a cycle network for the Greater Dublin Area at the same time, They both have short consultation periods and closing dates within four days of each other. This makes it very difficult for interested parties to respond effectively to both consultations and this is particularly so for organisations...that rely to a large extent on the voluntary efforts of members.” The CILT strongly urges the Authority “to take immediate action to ensure the better phasing and timing of future consultations and to provide, where feasible, a longer period for responses.”

The **CTTC** submission also raises concerns over “the limited time provided by the Authority for review of an extensive set of consultation documents and preparation of submissions.”

3.4.2 Need to invest in bus provision, priority measures or increase subvention

A private individual (submission No. 10) notes that “the State in the interest of the taxpayer would be far better off investing in the upgrade of the current rolling stock...”.

Sinn Féin raises this as a concern, noting that “the population is growing by around 1% per annum. At this rate we are going to need +7% more public transport carrying capacity by 2020. This can only be achieved through increased capital investment and the necessary PSO subvention, not continued and chronic underinvestment and a stingey short-sighted approach to PSO subvention.”

Bus Éireann state that ‘any growth in economic activity over the next decade will require increase in frequency/capacity on the core networks at both peak and off peak, among other emerging requirements’. They also note the need to identify measures such as what bus priority /traffic management is required, and what customer facing technology requirements are required to support the services.

3.4.3 Upgrade bus stop facilities

A private individual (submission No. 38-1) considers that “it is incumbent upon the NTA in preparation for the tendering of bus services to establish common design standards and implement them for every bus stop in the city [of Dublin] including dimensions of bus stop markings on the carriageway, given space for buses to enter, straighten up and exit, and safe design of passenger waiting areas at each bus stops.

3.4.4 Need for NTA resources and expertise

A private individual (submission No. 38-1) states that ‘the NTA needs to become a full network manager and to develop the appropriate reporting and control mechanisms to deliver this. It is vital that the NTA in doing this, also acquire staff with the relevant knowledge of the network of services in order to monitor this...’

ETTS considers the best course would be to ‘redo the process from scratch’ and ‘establish a skilled unit within the NTA that can handle all aspects of design, procurement, contracting and management... The unit must be staffed by people with relevant experience, not by transfers within the public services.’

CILT reminds the Authority that ‘in its response to the 2012 public consultation the Institute placed strong emphasis on the Authority having the necessary skills, expertise and resources to manage the whole public service contracts process, whether tendered or not...a skills audit should be undertaken to establish what skills deficits exist, covering network planning, tender design and administration, contract preparation and specification and measurement and evaluation of performance, The necessary core skills should be developed in-house as this represents the best value for money for the taxpayer.’ The CILT urges the Authority ‘to outline in its final determination its assessment of the capacity of the Authority effectively to administer a competitively tendered system of public service bus contracts. The Authority should only proceed to implement such a system when it is satisfied that it has the necessary skills, expertise, local knowledge and experience.’

Appendix A - List of submissions

Organisations or stakeholders

| Sector | Organisations | Name | Reference |
|-------------------------------|--|---|-----------|
| Incumbent bus operators | Bus Eireann | Vincent Sheehan | 30-1 |
| | CIE | Michael Flannery | 35-1 |
| | Dublin Bus | John Ryan | 42 |
| Private bus operators | Dualway | David McConn (see also submission No. 28) | 8 |
| | Eirebus | Paddy Kavanagh | 12 |
| | City Direct | Gerard Bartley | 15-2 |
| | Dualway | David McConn (see also submission No. 8) | 28 |
| | Aircoach / First | Allen Parker | 33-1 |
| | Matthews Coach Hire | Paddy Matthews | 34 |
| | Go Ahead | Martin Dean | 40-1 |
| | Go Ahead | Martin Dean | 40-2 |
| | Arriva plc | Piers Marlow | 47 |
| Government agencies | National Disability Authority | Edward Crean | 19 |
| | Forfás | Conor Hand | 27 |
| | Competition Authority | Han Nie | 31-1 |
| | Competition Authority | Han Nie | 31-2 |
| Unions | SIPTU | Willie Noone | 18-2 |
| | NRBU | Dermot O'Leary | 45 |
| | Irish Congress of Trade Unions | Liam Berney | 46 |
| Politicians | Sinn Fein | Dessie Ellis TD | 21 |
| | South Dublin County Council (elected member) | Cllr William Lavelle | 26 |
| | Fine Gael Member European Parliament | Jim Higgins MEP | 37 |
| Consultants | ETTS Limited | Brendan Finn | 25 |
| | Laird Aviation Consultancy | Bob Laird | 29 |
| | Compecon | Pat Massey | 41-2 |
| Industry/ professional bodies | Chartered Institute of Transport and Logistics | Tim Hayes | 32-1 |
| | Chambers Ireland | Barry Peak | 36 |
| | Coach Tourism and Transport Council of Ireland | Kevin Traynor | 43 |
| Local authorities | South Tipperary County Council | Margo Hayes | 44 |

Private individuals

| Name | Reference |
|---------------------|------------------|
| John | 1 |
| Ian Kempzell | 2 |
| Jonathan O Riordain | 3 |
| David Marlborough | 4 |
| Tom Corcoran | 5 |
| Roy Harford | 6 |
| Pat Smith | 7 |
| Jonathan Kavanagh | 9 |
| Jim Travers | 10 |
| Nicole Kavanagh | 11 |
| Anthony | 13 |
| David Bacon | 14-2 |
| Paul Tighe | 16 |
| Ciaran Casey | 17 |
| John Doyle | 20 |
| Warren Whitney | 22 |
| Oliver Connolly | 23 |
| Frank Kealey | 24 |
| John O'Flaherty | 38-1 |
| Eamon Walsh | 39 |

Appendix B - List of comments under each submission

Direct Award of 2014 Bus Public Service Contracts - Consultation Submissions Report

| Submission reference | Type | Consultation of interest | | | 3.1.1 | 3.1.2 | 3.1.3 | 3.1.4 | 3.1.5 | 3.1.6 | 3.1.7 | 3.1.8 | 3.1.9 | 3.1.10 | 3.1.11 | 3.1.12 |
|----------------------|-----------------------------|--------------------------|--|--|----------------------|-------------------------|--|--|--|---|--|---|--|---|--|---|
| | | Both or unspecified | Specific to Dublin direct award consultation | Specific to outside Dublin direct award consultation | Approve in principle | Disapprove in principle | Query/challenge whether "general economic interest" test for DA is met | Legal basis for DA contracts to be retained alongside limited tendering? | Meaningfulness of consultation/ decision is already made to direct award | Concern over rigour in analysis/ case made for direct award | Question Luas Cross City being a valid reason for direct award | Need to carry out a cost benefit analysis to support direct award | Concern over calculations of government subvention to DB or BE | Concern over calculation of incumbent operating costs | Question incumbent efficiency improvements | Scope for redefining DB and BE operational boundaries |
| 1 | Private | | ✓ | | | | | | | | | | | | | |
| 2 | Private | ✓ | | | ✓ | | | | | | | | | | | |
| 3 | Private | ✓ | | | | | | | | | | | | | | |
| 4 | Private | ✓ | | | | | | | | | | | | | | |
| 5 | Private | | | ✓ | | | | | | | | | | | | |
| 6 | Private | ✓ | | | | | | | | | | | | | | |
| 7 | Private | ✓ | | | | | | | | | | | | | | |
| 9 | Private | ✓ | | | | | | | | | | | | | | |
| 10 | Private | ✓ | | | | | | | | | | | | | | |
| 11 | Private | | ✓ | | | | | | | | | | | | | |
| 13 | Private | | | ✓ | | | | | | | | | | | | |
| 14 | Private | | ✓ | | | | | | | | | | | | | |
| 16 | Private | ✓ | | | | | | | | | | | | | | |
| 17 | Private | ✓ | | | | | | | | | | | | | | |
| 20 | Private | ✓ | | | | | | | | | | | | | | |
| 22 | Private | ✓ | | | ✓ | | | | | | | | | | | |
| 23 | Private | | | ✓ | | | | | | | | | | | | |
| 24 | Private | | | ✓ | | | | | | | | | | | | |
| 38-1 | Private | | ✓ | | | | | | | | | | | | | |
| 39 | Private | | | ✓ | | | | | | | | | | | | |
| 21 | Politician | ✓ | | | | | | | | | | | | | | |
| 26 | Politician | | ✓ | | | | | | | | | | | | | |
| 37 | Politician | ✓ | | | | ✓ | | | | | | | | | | |
| 44 | Local Authority | | | ✓ | | | | | | | | | | | | |
| 19 | Govt Agency | ✓ | | | | | | | | | | | | | | |
| 27 | Govt Agency | ✓ | | | | | | | | | | | | | | |
| 31-1 | Govt Agency | | ✓ | | | ✓ | | | ✓ | ✓ | | | | | | |
| 31-2 | Govt Agency | | | ✓ | | ✓ | | | ✓ | | | | | | | |
| 8 | Operator | ✓ | | | | | | | | | | | | | | |
| 12 | Operator | ✓ | | | | | | ✓ | ✓ | | | | | | | |
| 15-2 | Operator | ✓ | | | | | | | | | | | | | | |
| 28 | Operator | ✓ | | | | | | | ✓ | ✓ | ✓ | | | ✓ | ✓ | |
| 33-1 | Operator | ✓ | | | | | | | | | | | | | | |
| 34 | Operator | | | ✓ | | | | | | | | | | | | |
| 40-1 | Operator | | | ✓ | | | | | | | | | | | | |
| 40-2 | Operator | | ✓ | | | | | | | | | | | | | |
| 47 | Operator | ✓ | | | | | | | | | | | | | | |
| 30-1 | Incumbent | | | ✓ | | | | | | | | | | | | |
| 35 | Incumbent | ✓ | | | | | | | | | | | | | | |
| 42 | Incumbent | | ✓ | | ✓ | | | | | | | ✓ | | | | |
| 25 | Consultant | | ✓ | | | | | ✓ | ✓ | | | | | | | |
| 29 | Consultant | ✓ | | | | | | | | | | | | | | |
| 41-2 | Consultant | ✓ | | | | ✓ | | | ✓ | ✓ | | | | | | ✓ |
| 18-2 | Union | ✓ | | | ✓ | | | | | | | ✓ | | | | |
| 45 | Union | ✓ | | | ✓ | | | | | | | | | | | |
| 46 | Union | ✓ | | | | | | | | | | | | | | |
| 32-1 | Industry/ professional body | ✓ | | | | ✓ | ✓ | | | | | | | | | |
| 36 | Industry/ professional body | ✓ | | | | | | | | | | | | | | |
| 43 | Industry/ professional body | ✓ | | | | ✓ | | a | a | a | a | | a | a | | |

Direct Award of 2014 Bus Public Service Contracts - Consultation Submissions Report

| Submission reference | Type | 3.1.13 | 3.1.14 | 3.1.15 | 3.1.16 | 3.1.17 | 3.1.18 | 3.1.19 | 3.1.20 | 3.1.21 | 3.1.22 | 3.1.23 | 3.1.24 | 3.2.1 | 3.2.2 | 3.2.3 |
|----------------------|-----------------------------|--|---|---|---|--|--|---|---|--|--|--|--|----------------------|-----------------------|---|
| | | 2014 Direct Award | | | | | | | | | | | | 2016 Tender | | |
| | | Scope for more city centre terminating services to improve punctuality | The need for strong disability access requirements/ "people friendly" buses | Current performance measures are too lenient or not independently monitored | Enhance capacity on certain existing services | Focus on policy incl. priority social and economic needs | Give greater autonomy to CIE companies | Proven ability to deal flexibly with major events and emergencies | Flexible approach to contract changes by incumbent operator | Provision by incumbent of marketing, planning and support infrastructure functions | Very good performance against contractual targets by incumbent companies | Incumbent has delivered on key projects esp. integration (RTPI, ticketing etc) | Performance of incumbent is below international peers (Dublin) | Support in principle | Disprove in principle | Consider excluding incumbents from tender competition |
| 1 | Private | | | | | | | | | | | | | | | |
| 2 | Private | | | | | | | | | | | | | ✓ | | |
| 3 | Private | | | | | | | | | | | | | | | |
| 4 | Private | | | | | | | | | | | | | | ✓ | |
| 5 | Private | | | | | | | | | | | | | | | |
| 6 | Private | | | | | | | | | | | | | ✓ | | |
| 7 | Private | | | | | | | | | | | | | | | |
| 9 | Private | | | | | | | | | | | | | | | |
| 10 | Private | | | | | | | | | | | | | | | |
| 11 | Private | | | | | | | ✓ | | | | | | | | |
| 13 | Private | | | | | | | | | | | | | | | |
| 14 | Private | | | | | | | | | | | | | | | |
| 16 | Private | | | | | | | | | | | | | ✓ | | |
| 17 | Private | | | | | | | | | | | | | | | |
| 20 | Private | | | | | | | | | | | | | | | |
| 22 | Private | | | | | | | | | | | | | ✓ | | |
| 23 | Private | | | | | | | | | | | | | | | |
| 24 | Private | | | | | | | | | | | | | | | |
| 38-1 | Private | | | | | | | | | | | | | ✓ | | |
| 39 | Private | | ✓ | | | | | | | | | | | | | |
| 21 | Politician | | | | | | | | | | | | | | | |
| 26 | Politician | | | | | | | | | | | | | | | |
| 37 | Politician | | | | ✓ | | | | | | | | | | | |
| 44 | Local Authority | | | | | | | | | | | | | | | |
| 19 | Govt Agency | | ✓ | | | | | | | | | | | | | |
| 27 | Govt Agency | | | | | | | | | | | | | ✓ | | |
| 31-1 | Govt Agency | | | | | | | | | | | | | | | ✓ |
| 31-2 | Govt Agency | | | | | | | | | | | | | | | ✓ |
| 8 | Operator | | | | | | | | | | | | | | | |
| 12 | Operator | | | | | | | | | | | | | | | |
| 15-2 | Operator | | | | | | | | | | | | | | | |
| 28 | Operator | | | | | | | | | | | | | | | |
| 33-1 | Operator | | | | | | | | | | | | | ✓ | | |
| 34 | Operator | | | | | | | | | | | | | ✓ | | |
| 40-1 | Operator | | | | | | | | | | | | | ✓ | | |
| 40-2 | Operator | | | | | | | | | | | | | ✓ | | |
| 47 | Operator | | | | | | | | | | | | | ✓ | | ✓ |
| 30-1 | Incumbent | | ✓ | | ✓ | ✓ | | | | ✓ | ✓ | | | | ✓ | |
| 35 | Incumbent | | | | | | | | | | | | | | | |
| 42 | Incumbent | | ✓ | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | | | | |
| 25 | Consultant | | | | | | | | | | | | | | | |
| 29 | Consultant | ✓ | | ✓ | | | | | | | | | ✓ | | | |
| 41-2 | Consultant | | | ✓ | | | | | | | | | | | | |
| 18-2 | Union | | | | | | | | | | | | | | | ✓ |
| 45 | Union | | | | | | | | | | | | | | | ✓ |
| 46 | Union | | | | | | | | | | ✓ | ✓ | | | | ✓ |
| 32-1 | Industry/ professional body | | | | | | | | | | | | | | | |
| 36 | Industry/ professional body | | | | | | | | | | | | | a | | |
| 43 | Industry/ professional body | | | | | | | | | | | | | a | | |

Direct Award of 2014 Bus Public Service Contracts - Consultation Submissions Report

| Submission reference | Type | 3.2.4 | 3.2.5 | 3.2.6 | 3.2.7 | 3.2.8 | 3.2.9 | 3.2.10 | 3.2.11 | 3.2.12 | 3.2.13 | 3.2.14 | 3.2.15 | 3.2.16 |
|----------------------|-----------------------------|---|---|--|--|--|---|-------------|--------|---|--|---|------------------------------------|--|
| | | Comment/questions over approach to selecting /packaging tendered services | Question why other cities outside Dublin not included | Increase the amount of Cork city tendered services | Consider (more tightly focused) area or single depot based contracts | Propose inclusion of radial or cross city services in contracts (Dublin) | General/ consumer interests should be placed ahead of incumbent companies | 2016 Tender | | Need to go beyond 7%- 10% market opening proposed | Need for formal independent expert review of NTA process | Contracts should be flexible to allow growth in service provision as required | Will contracts be exclusive awards | Ensure route viability is not undermined by incumbent activities in lead up to tendering |
| 1 | Private | | | | | | | | | | | | | |
| 2 | Private | | | | | | | | | | | | | |
| 3 | Private | | | | | | | | | | | | | |
| 4 | Private | | | | | | | | | | | | | |
| 5 | Private | ✓ | | | | | | | | | | | | |
| 6 | Private | ✓ | | | | | | | | | | | | |
| 7 | Private | | | | | | | | | | | | | |
| 9 | Private | | | | | | | | | | | | | |
| 10 | Private | | | | | | | | | | | | | |
| 11 | Private | | | | | | | | | | | | | |
| 13 | Private | ✓ | | | | | | | | | | | | |
| 14 | Private | | | | | | | | | | | | | |
| 16 | Private | | | | | | | | | | | | | |
| 17 | Private | | | | | | | | | | | | | |
| 20 | Private | | | | | | | | | | | | | |
| 22 | Private | | | | | | | ✓ | | | | | | |
| 23 | Private | | | | | | | | | | | | | |
| 24 | Private | | | | | | | | | | | | | |
| 38-1 | Private | | | | | | | | | | | | | |
| 39 | Private | | | | | | | | | | | | | |
| 21 | Politician | | | | | | | | | | | | | |
| 26 | Politician | | | | | ✓ | | | | | | | | |
| 37 | Politician | | | | | | | ✓ | ✓ | | | | | ✓ |
| 44 | Local Authority | | | | | | | | | | | | | |
| 19 | Govt Agency | | | | | | | | | | | | | |
| 27 | Govt Agency | ✓ | ✓ | | | ✓ | ✓ | | ✓ | | | | | |
| 31-1 | Govt Agency | ✓ | | | | ✓ | ✓ | | ✓ | | | | | |
| 31-2 | Govt Agency | ✓ | ✓ | | | | ✓ | | ✓ | | | | ✓ | |
| 8 | Operator | | | | | | | | | | | | | |
| 12 | Operator | | | | | | | | | | | | | |
| 15-2 | Operator | | | | | | | | | | | | | |
| 28 | Operator | ✓ | | | | | ✓ | | ✓ | | | | | |
| 33-1 | Operator | ✓ | | ✓ | | ✓ | | | ✓ | | ✓ | ✓ | | |
| 34 | Operator | | | | | | | | | | | | | |
| 40-1 | Operator | ✓ | | | ✓ | ✓ | | | | | | | | |
| 40-2 | Operator | ✓ | | | ✓ | | | | | | | | | |
| 47 | Operator | ✓ | | ✓ | | | | | | | | | | |
| 30-1 | Incumbent | ✓ | | | | | | | | | | | | |
| 35 | Incumbent | | | | | | | | | | | | | |
| 42 | Incumbent | | | | | | | | | | | | | |
| 25 | Consultant | ✓ | | | ✓ | | | | ✓ | ✓ | | | | |
| 29 | Consultant | ✓ | ✓ | | | ✓ | | | ✓ | | | | | |
| 41-2 | Consultant | ✓ | | | | | | | ✓ | | | | | |
| 18-2 | Union | | | | | | | | | | | | | |
| 45 | Union | | | | | | | | | | | | | |
| 46 | Union | | | | | | | | | | | | | |
| 32-1 | Industry/ professional body | ✓ | | | ✓ | | | | | | ✓ | | | |
| 36 | Industry/ professional body | | | | | | | | | | | | | |
| 43 | Industry/ professional body | | | | | | | a | | a | | | | |

Direct Award of 2014 Bus Public Service Contracts - Consultation Submissions Report

| | | 3.2.17 | 3.2.18 | 3.2.19 | 3.2.20 | 3.2.21 | 3.2.22 | 3.2.23 | 3.2.24 | 3.2.25 | 3.2.26 | 3.2.27 | 3.2.28 | 3.2.29 | 3.2.30 | 3.2.31 | 3.2.32 |
|----------------------|-----------------------------|-------------|-------------------|---|---|---|--|--|-----------------|---|--|------------------------------------|--|---|--|------------------------------------|-------------------------|
| | | 2016 Tender | | | | | | | | | | | | | | | |
| Submission reference | Type | Timelines | Contract duration | Impact on/ need to include disabled access requirements | General expression of interest in tendering | Need to collect and share operational, traffic or planning data with potential entrants | Need to ensure transparent tendering process | Impact on lesser used socially necessary or loss making services | Impact on fares | Attractiveness/ suitability of proposed options | Proposed options potentially exclude market entrants | Other options (not consulted upon) | Ability to benchmark with DA contracts | Access to control equipment e.g. AVL, RTPI, radio, ticketing equipment, CCTV etc. | Develop green procurement policy for all tendering | Fleet availability and suitability | Net cost vs. gross cost |
| 1 | Private | | | | | | | | | | | | | | | | |
| 2 | Private | | | | | | | | | | | | | | | | |
| 3 | Private | ✓ | | | | | | | | | | | | | | | |
| 4 | Private | | | | | | | | | | | | | | | | |
| 5 | Private | | | | | | | | | | | | | | | | |
| 6 | Private | | | | | | | | | | | | | | | | |
| 7 | Private | | | | | | | | | | | | | | | | |
| 9 | Private | | | | | | | | | | | | | | | | |
| 10 | Private | | | | | | | ✓ | | | | | | | | | |
| 11 | Private | | | | | | | | | | | | | | ✓ | | |
| 13 | Private | | | | | | | | | | | | | | | | |
| 14 | Private | | | | | | | | | | | | | | | | |
| 16 | Private | | | | | | | | | | | | | | | | |
| 17 | Private | | | | | | | | | | | | | | | | |
| 20 | Private | | | | | | | | | | | | | | | | |
| 22 | Private | | | | | | | | | ✓ | | | | | | | |
| 23 | Private | | | | | | | ✓ | ✓ | | | | | | | | |
| 24 | Private | | | | | | | | ✓ | | | | | | | | |
| 38-1 | Private | | | | | ✓ | | | | | | | | | | | |
| 39 | Private | | | | | | | ✓ | | | | | | | | | ✓ |
| 21 | Politician | | | | | | | ✓ | ✓ | | | | | | | | |
| 26 | Politician | ✓ | | | | | | | | | | | | | | | |
| 37 | Politician | | | | | | | | | | | | | | | | |
| 44 | Local Authority | | | | | | | | ✓ | | | | | | | ✓ | |
| 19 | Govt Agency | | | ✓ | | | | | | | | | | | | | |
| 27 | Govt Agency | ✓ | | | | ✓ | | | | ✓ | ✓ | | | | | | |
| 31-1 | Govt Agency | ✓ | | | | | | | | | | | | | | | |
| 31-2 | Govt Agency | ✓ | | | | | | | | | | | | | | | |
| 8 | Operator | | | | ✓ | | | | | | | | | | | | |
| 12 | Operator | | | | | | | | | | | | | | | | |
| 15-2 | Operator | | | | ✓ | | | | | | | ✓ | | | | | |
| 28 | Operator | ✓ | | | | | | ✓ | | | | | | | | ✓ | |
| 33-1 | Operator | ✓ | | | | ✓ | | ✓ | | | | | ✓ | | | ✓ | ✓ |
| 34 | Operator | | | | | ✓ | | ✓ | | | | | | | ✓ | | ✓ |
| 40-1 | Operator | ✓ | ✓ | | ✓ | | | ✓ | | | | | ✓ | | | | ✓ |
| 40-2 | Operator | ✓ | ✓ | | ✓ | | | ✓ | | | | | | | | | ✓ |
| 47 | Operator | | | | | | | ✓ | | | | | | | | ✓ | |
| 30-1 | Incumbent | | | | | | | | | | | | | | | | |
| 35 | Incumbent | | | | | | | | | | | | | | | | |
| 42 | Incumbent | | | | | | | | | | | | | | | | ✓ |
| 25 | Consultant | ✓ | | | | | | | | ✓ | ✓ | | | | | | ✓ |
| 29 | Consultant | | | | | | | | | | | ✓ | | | | | ✓ |
| 41-2 | Consultant | ✓ | | | | ✓ | | ✓ | | | | | | ✓ | | | |
| 18-2 | Union | | | | | | | | | | | | | | | | |
| 45 | Union | | | | | | | | | | | | | | | | |
| 46 | Union | | | ✓ | | | | | | | | | | | | | ✓ |
| 32-1 | Industry/ professional body | | | | | | | | | ✓ | | | | | | ✓ | ✓ |
| 36 | Industry/ professional body | | | | | | a | a | | | | | | | | | ✓ |
| 43 | Industry/ professional body | | | | | | a | | | | | | | | | ✓ | |

Direct Award of 2014 Bus Public Service Contracts - Consultation Submissions Report

| Submission reference | Type | 3.2.33 | 3.2.34 | 3.2.35 | 3.2.36 | 3.2.37 | 3.2.38 | 3.2.39 | 3.2.40 | 3.2.41 | 3.2.42 | 3.2.43 | 3.2.44 | 3.2.45 |
|----------------------|-----------------------------|--|--|-------------------------------|--|---|---|-------------------------------------|--|---|--|--|--|--|
| | | Concern about contract oversight incl performance monitoring | Take into account costs to incumbents in service planning, marketing etc | Impact on incumbent companies | Impact on employment, conditions and staff, including TUPE | Use and sharing of bus stops, stations, depots or bus layover areas | Impact on/ need for integration (information, branding, services, times, ticketing, fares etc.) | Need to ensure revenue is protected | Handling of customer services and complaints | Need for profitable routes to subsidise unprofitable routes | Danger of anticompetitive practices/ cartels forming | Need to ensure experienced safe operators/ well trained staff/well maintained vehicles | Potential for incumbents to tender outside operational areas | Need to manage stability of services during any transition of operator |
| 1 | Private | | | | | | | | | | | | | |
| 2 | Private | | | | | | | | | | | | | |
| 3 | Private | | | | | | | | | | | | | |
| 4 | Private | | | | | | | | | | | | | |
| 5 | Private | | | | | | | | | | | | | |
| 6 | Private | | | | | | | | | | | | | |
| 7 | Private | | | | | ✓ | ✓ | | | | | | | |
| 9 | Private | ✓ | | | | | | | | | | | | |
| 10 | Private | | | | | | | | | | | | | |
| 11 | Private | | | | | | | | | | | | | |
| 13 | Private | | | | ✓ | | | | | | | | | |
| 14 | Private | | | | | | | | ✓ | | | | | |
| 16 | Private | | | | | ✓ | | | | ✓ | | | | |
| 17 | Private | | | | ✓ | | | | | | | | | |
| 20 | Private | | | | | | | | | | | | | |
| 22 | Private | | | | | | | | | | | | | |
| 23 | Private | | | ✓ | ✓ | | | | | | | | | |
| 24 | Private | ✓ | | | ✓ | | ✓ | ✓ | | | ✓ | ✓ | | |
| 38-1 | Private | | | | | | ✓ | | | | | | | |
| 39 | Private | | | | ✓ | | | | | | | | | |
| 21 | Politician | | | | ✓ | | | | | | | | | |
| 26 | Politician | | | | | | | | | | | | | |
| 37 | Politician | | | | | | ✓ | | | | | | | |
| 44 | Local Authority | ✓ | | | | | ✓ | | | | | | | |
| 19 | Govt Agency | | | | | | | | | | | ✓ | | |
| 27 | Govt Agency | | | | | | | | | | | | | |
| 31-1 | Govt Agency | ✓ | | | | ✓ | ✓ | | | | | | | |
| 31-2 | Govt Agency | ✓ | | | | ✓ | ✓ | | | | | | | |
| 8 | Operator | | | | | | | | | | | | | |
| 12 | Operator | | | | | | | | | | | | | |
| 15-2 | Operator | | | | | | | | | | | | | |
| 28 | Operator | | | | | ✓ | | | | | | | | |
| 33-1 | Operator | | | | ✓ | | ✓ | | | | | | | |
| 34 | Operator | | | | | | ✓ | | | | | | | |
| 40-1 | Operator | ✓ | | | | | ✓ | | | | | | | |
| 40-2 | Operator | ✓ | | | | | ✓ | | | | | | | |
| 47 | Operator | | | | ✓ | ✓ | | | | | | | | |
| 30-1 | Incumbent | | | | ✓ | ✓ | | | | | | | | |
| 35 | Incumbent | | ✓ | ✓ | ✓ | | | | | | | | | ✓ |
| 42 | Incumbent | | ✓ | ✓ | ✓ | | | | | | ✓ | | | |
| 25 | Consultant | | | | | | ✓ | | | | | | | |
| 29 | Consultant | | | | | | ✓ | ✓ | | | | | | |
| 41-2 | Consultant | | | | | | ✓ | | | | | | | |
| 18-2 | Union | ✓ | | | ✓ | | ✓ | | | | | | | |
| 45 | Union | | | | ✓ | | | | | | | | | |
| 46 | Union | ✓ | | ✓ | ✓ | ✓ | ✓ | | | | ✓ | | | |
| 32-1 | Industry/ professional body | ✓ | | | | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| 36 | Industry/ professional body | | | | a | | ✓ | | | | | | | |
| 43 | Industry/ professional body | | | | | a | | | | | | | | |

Direct Award of 2014 Bus Public Service Contracts - Consultation Submissions Report

| Submission reference | Type | 3.2.46 | 3.2.47 | 3.3.1 | 3.3.2 | 3.3.3 | 3.3.4 | 3.3.5 | 3.3.6 | 3.3.7 | 3.3.8 | 3.4.1 | 3.4.2 | 3.4.3 | 3.4.4 |
|----------------------|-----------------------------|--------------------------|-----------------------------------|-------------------------------------|---|--|---------------------------|--|---|---|---|--|--|-----------------------------|--------------------------------------|
| | | Impact on costs to state | Impact on service quality /levels | improve level of service (specific) | Improve timetable and other information provision | Only genuine PSO routes should be subsidised | Improve fares integration | Better public consultation and notification in advance of route or timetable changes | Transparent operator accounts by route needed | Detailed service specification required | Improve service performance requirements monitoring and reporting | Timing and duration of consultation period | Other Need to invest in bus provision, priority measures or increase subvention | Upgrade bus stop facilities | Need for NTA resources and expertise |
| 1 | Private | | | ✓ | | | | | | | | | | | |
| 2 | Private | | | | | | | | | | | | | | |
| 3 | Private | | | | | | | | | | | | | | |
| 4 | Private | ✓ | ✓ | | | | | | | | | | | | |
| 5 | Private | | | | | | | | | | | | | | |
| 6 | Private | | | | | | | | | | | | | | |
| 7 | Private | | | | | | | | | | | | | | |
| 9 | Private | | | | | | | | | | | | | | |
| 10 | Private | ✓ | ✓ | | | | | | | | | | ✓ | | |
| 11 | Private | | | | | | | | | | | | | | |
| 13 | Private | | | | | | | | | | | | | | |
| 14 | Private | | | | ✓ | | | | | | ✓ | | | | |
| 16 | Private | | | | | | | | | | | | | | |
| 17 | Private | | | | | | | | | | | | | | |
| 20 | Private | | | | | | | | | | | | | | |
| 22 | Private | | | | | | | | | | | | | | |
| 23 | Private | | ✓ | | | | | | | | | | | | |
| 24 | Private | ✓ | ✓ | | | | | | | | | | | | |
| 38-1 | Private | | | | ✓ | | | ✓ | | | ✓ | | | ✓ | ✓ |
| 39 | Private | | ✓ | | | | | | | | | | | | |
| 21 | Politician | ✓ | | | | | | | | | | | ✓ | | |
| 26 | Politician | | | | | | | | | | | | | | |
| 37 | Politician | | | | | | | | | | | | | | |
| 44 | Local Authority | | | ✓ | | | | ✓ | | | ✓ | | | | |
| 19 | Govt Agency | | | | | | | | | | | | | | |
| 27 | Govt Agency | | | | | | | | | | | | | | |
| 31-1 | Govt Agency | | ✓ | | | ✓ | | | ✓ | ✓ | | | | | |
| 31-2 | Govt Agency | | ✓ | | | ✓ | | | ✓ | ✓ | | | | | |
| 8 | Operator | | | | | | | | | | | | | | |
| 12 | Operator | | | | | | | | | | | | | | |
| 15-2 | Operator | | | | | | | | | | | | | | |
| 28 | Operator | ✓ | | | | | | | | | | | | | |
| 33-1 | Operator | | | | | | | | | | | | | | |
| 34 | Operator | | | | | | | | ✓ | | | | | | |
| 40-1 | Operator | | | | | | | | | | | | | | |
| 40-2 | Operator | | | | | | | | | | | | | | |
| 47 | Operator | | | | | | | | | | | | | | |
| 30-1 | Incumbent | ✓ | ✓ | | | | | | | | | | ✓ | | |
| 35 | Incumbent | | | | | | | | | | | | | | |
| 42 | Incumbent | ✓ | | | | | | | | | | | | | |
| 25 | Consultant | | | | | | | | | | | | | | ✓ |
| 29 | Consultant | | | | | | | | ✓ | | | | | | |
| 41-2 | Consultant | | | | | | | | | | ✓ | | | | |
| 18-2 | Union | ✓ | ✓ | | | | | | | | | | | | |
| 45 | Union | ✓ | ✓ | | | | | | | | | | | | |
| 46 | Union | | ✓ | | | | | | | | | | | | |
| 32-1 | Industry/ professional body | | | | | | | | | ✓ | ✓ | ✓ | | | ✓ |
| 36 | Industry/ professional body | | | | | | | | | | | | | | |
| 43 | Industry/ professional body | a | | | | | | | | | | ✓ | | | |

Annex C

National Transport Authority Decision on Award of Public Bus Services Contract to Dublin Bus from 1st December 2014



Decision on Award of Public Bus Services Contract to Dublin Bus from 1st December 2014

Published Proposals

On 11th September 2013 the National Transport Authority published four documents in relation to whether it would:

- (i) enter into another direct award contract with Dublin Bus in 2014;
- (ii) change that direct award contract so that in 2016 the services contemplated by that contract would be reduced by approximately 10%; and
- (iii) seek to have those removed services provided through a separate contract or contracts following a competitive tender process.

The four published documents were:

1. Consultation Paper;
2. Technical Report on Contract Options;
3. Economic analysis of a direct award bus contract in the Dublin bus market (prepared by Ernst and Young for the Authority);
4. Report on operation of the 2009 direct award contract with Dublin Bus.

Legislation

The legislative background to this matter is as follows.

The Dublin Transport Authority Act 2008 provides, at section 52(6)(c), that:

- (i) *Subject to subparagraph (ii), the Authority may enter into direct award contracts subsequent to those which subsection (3) applies.*

- (ii) *Where the Authority proposes to enter into direct award contracts subsequent to those referred to in subsection (3)(a), it may only do so where it is satisfied that the continued adequacy of the public bus services to which the contracts relate can only be guaranteed in the general economic interest by entering into such direct award contracts.*

In other words, on expiry of the current Direct Award contract with Dublin Bus on 30th November 2014, the Authority may enter into a subsequent direct award contract. This entitlement is subject to the requirements of section 52(6) of the Act.

These requirements include:

- being satisfied that the continued adequacy of the public bus services can only be guaranteed in the general economic interest by entering into such direct award contract (section 52(6)(c)(ii));
- inviting and considering submissions from the holder of the direct award contract and from other interested parties (including users of the public bus services the subject of the contract) (section 52(6)(d)); and
- preparing and publishing a report relating to:
 - the operation of the public bus services to which the original direct award contracts relate;
 - the consideration of any submissions made to it under section 52(6)(d); and
 - among other things, the reasons for entering into the subsequent direct award contract (section 52(6)(e)).

Regulation EU 1370/2007, in Article 7(2), also places an obligation on the Authority to ensure that “... *at least one year before the launch of the invitation to tender procedure or one year before the direct award*” that a notice is placed in the Official Journal describing the type of award envisaged and the services and areas potentially covered by the award.

Consultation

Through advertisement in the national press, the Authority invited submissions on its proposals from the public, encompassing interested parties and users of the public bus passenger services and from Dublin Bus (the holder of the Direct Award contract in question).

The period for receipt of submissions was 11th September to 11th October 2013.

These submissions are available on the Authority’s website at www.nationaltransport.ie.

Consideration and decision

The National Transport Authority in exercise of the powers conferred on it by the Dublin Transport Authority Act 2008, as amended, having considered:

- the proposal, as set out in the Consultation Paper together with the supporting documents published on 11th September 2013, on a new Direct Award Public Bus Services Contract to Dublin Bus to commence on 1st December 2014;
- the public submissions received in relation to this proposal, including from users of the services in question;
- the views of Dublin Bus, the operator of the direct award contract in question;
- the general objectives -of the Authority which it is obliged to seek to achieve (in accordance with section 10 of the Act), including but not limited to:
 - the development of an integrated transport system which contributes to environmental sustainability and social cohesion and promotes economic progress,
 - the provision of a well-functioning, attractive, integrated and safe public transport system for all users,
 - improved access to the transport system and, in particular, to public passenger transport services by persons with disabilities,
 - increased use of the public transport system,
 - regulated competition in the provision of licensed public bus passenger services in the public interest,
 - value for money,
- the strategic importance of the public bus system for both regional and national economic performance and social cohesion and the role of the Direct Award contracts in protecting the continued adequacy of the public bus passenger services in the general economic interest,

has decided and determined that:

1. it is satisfied that that the continued adequacy of the public bus services to which the direct award contract relates can only be guaranteed in the general economic interest by entering into a subsequent direct award contract;
2. the Authority shall enter into a direct award contract (the “**2014 direct award contract**”) in accordance with section 52(6) of the Act to Dublin Bus;
3. the 2014 direct award contract to Dublin Bus will consist of two elements:
 - a. the direct award of certain routes (the current list of which is specified in Table A1 of Schedule 1) for the five year period up to 30th November 2019 except to the extent such routes fall within paragraph 3b. in which case paragraph 3b. applies; and
 - b. the direct award to Dublin Bus of certain routes (the current list of which is specified in Table A2 of Schedule 1) for a period not greater than two years;

4. the Chief Executive Officer is:
 - a. to conclude the 2014 direct award contract on behalf of the Authority, including settling the terms of the 2014 direct award contract; and
 - b. without prejudice to the generality of (a), if necessary in his opinion to reflect customer needs and trends, to modify the routes that are the subject of the 2014 direct award contract or a particular element of the 2014 direct award contract; and
5. the resolution at 3 is without prejudice to the powers of the Chief Executive pursuant to section 19 of the Act, and to the extent required is to be construed as the conferral of an “other function” on the Chief Executive for then purposes of section 19(2) of the Act.

In relation to the routes contemplated by Table A2 of Schedule 1, the Authority notes that its current intention is for such routes to be the subject of competitive tendering, with the aim of services being commenced in 2016.

Schedule 1: Services to be contained within Direct Award Contract commencing in December 2014

- A. The direct award contract will provide Dublin Bus with the exclusive right to operate public bus passenger services in accordance with the provisions of section 7 of the Transport Act 1958 and section 8 of the Transport (Re-organisation of Córas Iompair Éireann) Act 1986 within the city of Dublin and the counties of Fingal, South Dublin and Dún Laoghaire-Rathdown and contiguous areas.

- B. The list of the Services to be operated under the direct award contract will be:
 - a. those set out in Table A1 below (i.e. those included in the current contract) for a period of 5 years except to the extent such routes fall within paragraph b. in which case b. applies and

 - b. those set out in Table A2 for a period not greater than 2 years for each service.

Table A1:**Bus services to be within the Direct Award contract as of 1st December 2014**

| Table A1: Services for 2014 Direct Award | |
|---|--|
| Route | Description |
| 1 | Santry (Shanard Rd.) Towards Sandymount (St. John's Church) |
| 4 | From Harristown Towards Monkstown Avenue |
| 7 | From Mountjoy Sq. Towards Loughlinstown/Cherrywood |
| 7b | From Mountjoy Sq. Towards Shankill |
| 7d | From Mountjoy Sq. Towards Dalkey |
| 8 | From Mountjoy Sq. Towards Dalkey |
| 9 | From Charlestown Towards Limekiln Ave. |
| 11 | From Wadelai Park Towards Sandyford Industrial Estate |
| 13 | From Harristown Towards Grange Castle |
| 14 | From Beaumont (Ardlea Rd.) To Dundrum Luas Station |
| 15 | From Clongriffin Towards Ballycullen Rd. |
| 15a | From Grand Canal Dock (Benson St.) Towards Limekiln Ave. |
| 15b | From Grand Canal Dock (Benson St.) Towards Stocking Ave. |
| 16 | From Dublin Airport Towards Ballinteer (Kingston) |
| 17 | Rialto to Blackrock |
| 17a | From Blanchardstown Centre Towards Kilbarrack |
| 18 | From Palmerstown (Old Lucan Rd.) Towards Sandymount |
| 25 | Merrion Sq. Towards Lucan (Dodsboro) |
| 25a | Merrion Sq. Towards Lucan (Esker Church) |
| 25b | From Merrion Sq. Towards Adamstown Rail Station |
| 25x | From UCD Belfield Towards Lucan |
| 26 | From Merrion Sq. Towards Palmerstown (Cemetery) |
| 27 | From Clare Hall Towards Jobstown |
| 27b | Eden Quay Towards Harristown |
| 27a | From Eden Quay Towards Blunden Drive |
| 27x | From UCD Belfield Towards Clare Hall |
| 29a | From Lwr. Abbey St. Towards Baldoyle (Coast Rd.) |
| 31/a | From Lwr. Abbey St. Towards Howth Summit |
| 31b | From Lwr. Abbey St. Towards Howth Summit |
| 32 | From Lwr. Abbey St. Towards Malahide |
| 32x | From Malahide Towards UCD Belfield |
| 33a | Swords to Skerries / Balbriggan |
| 33 | From Lower Abbey St. Towards Balbriggan |
| 33b | Swords to Portrane |
| 33d | From Custom House Quay / St. Stephen's Green Towards Portrane |
| 33x | From Custom House Quay / St. Stephen's Green Towards Skerries |
| 37 | From Baggot St. / Wilton Terrace Towards Blanchardstown Centre |

| Table A1: Services for 2014 Direct Award | |
|---|---|
| Route | Description |
| 38 | From Burlington Rd. Towards Damastown |
| 38a | From Burlington Rd. Towards Damastown |
| 38b | From Burlington Rd. Towards Damastown |
| 39 | From Burlington Rd. Towards Ongar |
| 39a | From UCD Belfield Towards Ongar |
| 40 | From Finglas Village Towards Liffey Valley Shopping Centre |
| 40b | From Parnell St. Towards Toberburr |
| 40d | From Parnell St. Towards Tyrrelstown |
| 41 | Lower Abbey St. to Swords Manor |
| 41b | From Lower Abbey St. Towards Rolestown |
| 41c | Lower Abbey St. to Swords Manor |
| 41x | From UCD Belfield Towards Swords |
| 42 | From Eden Quay To Sand's Hotel (Portmarnock) |
| 43 | From Eden Quay Towards Swords Business Park |
| 44 | From Larkhill Towards Enniskerry |
| 44b | Dundrum Luas Station Towards Glencullen |
| 45a | Dún Laoghaire (Rail Station) Towards Ballywaltrim |
| 46a | Phoenix Park Towards Dún Laoghaire |
| 46e | From Blackrock Station Towards Mountjoy Sq. |
| 47 | From Fleet St. Towards Belarmine |
| 49 | From Pearse St. Towards Tallaght (The Square) |
| 51d | From Hawkins St. / Waterloo Rd. Towards Clondalkin |
| 51x | From Dunawley Towards UCD Belfield |
| 53 | From Talbot St. Towards Dublin Ferryport |
| 54a | From Pearse St. Towards Ellensborough / Kiltipper Way |
| 56a | From Ringsend Rd. Towards Tallaght (The Square) |
| 59 | Dún Laoghaire to Mackintosh Park |
| 61 | From D'Olier St. Towards Whitechurch |
| 63 | From Dun Laoghaire Towards Kilternan |
| 65 | From Hawkins St. Towards Blessington / Ballymore |
| 65b | From Hawkins St. Towards Citywest |
| 66 | From Merrion Sq. Towards Maynooth |
| 66a | From Merrion Sq. Towards Leixlip (Captain's Hill) |
| 66b | From Merrion Sq. Towards Leixlip (Castletown) |
| 66x | From UCD Belfield Towards Maynooth |
| 67 | From Merrion Sq. Towards Maynooth |
| 67x | From UCD Belfield Towards Celbridge (Salesian College) |
| 68 | From Hawkins Street Towards Newcastle / Greenogue Business Park |
| 69 | From Hawkins St. Towards Rathcoole |
| 69x | From Hawkins Street Towards Rathcoole |
| 70 | From Burlington Rd. Towards Dunboyne |
| 75 | The Square Tallaght to Dun Laoghaire |

| Table A1: Services for 2014 Direct Award | |
|---|--|
| Route | Description |
| 76a | From Blanchardstown Centre Towards Tallaght (The Square) |
| 76 | From Chapelizod Towards Tallaght (The Square) |
| 77a | From Ringsend Rd. Towards Citywest |
| 77x | From Tallaght Towards UCD Belfield |
| 79/a | Aston Quay to Spiddal Park / Park West (79a) |
| 83 | From Harristown Towards Kimmage |
| 84/a | From Blackrock Towards Newcastle |
| 84x | From Trinity College Towards Newcastle / Kilcoole |
| 90 | From Heuston Station Towards International Financial Services Centre |
| 102 | Sutton Station to Dublin Airport |
| 104 | Clontarf Rd. (Conquer Hill) Towards Santry (Shanard Rd.) |
| 111 | Loughlinstown Park to Dún Laoghaire |
| 114 | From Ticknock Towards Blackrock Station |
| 116 | From Parnell Sq. to Whitechurch |
| 118 | From Kilternan towards D'Olier St. |
| 120 | From Parnell St. Towards Ashtown Rail Station |
| 122 | From Ashington Towards Drimnagh Rd. |
| 123 | From Walkinstown (Kilnamanagh Rd.) Towards Marino |
| 130 | From Lwr. Abbey St. Towards Castle Ave. |
| 140 | From Palmerston Park Towards Finglas (Ikea) |
| 142 | Rathmines (Palmerston Park) Towards Portmarnock |
| 145 | From Heuston Rail Station towards Kilmacanogue |
| 150 | From Fleet St. Towards Rossmore |
| 151 | From Docklands (East Rd.) Towards Foxborough (Balgaddy Rd.) |
| 161 | From Dundrum Luas Station Towards Rockbrook/Tibradden |
| 184 | From Bray Rail Station Towards Newtownmountkennedy |
| 185 | Bray Rail Station Towards Shop River |
| 220 | From Ballymun (Shangan Rd.) Towards Lady's Well Rd. |
| 236 | From Blanchardstown Centre Towards Ballycoolin |
| 238 | From Tyrrelstown Towards Lady's Well Rd. |
| 239 | From Blanchardstown Centre Towards Liffey Valley Shopping Centre |
| 270 | From Blanchardstown Centre Towards Dunboyne |

**Table A1:
Services for 2014 Direct Award - Nitelink**

| Route | Description |
|--------------|---|
| 7n | From D'Olier St. Towards Shankill |
| 15n | From D'Olier St. Towards Ellensborough |
| 25n | From Westmoreland St. Towards Adamstown |
| 29n | From D'Olier St. Towards Baldoyle Road |
| 31n | From D'Olier St. to Howth |
| 33n | From Westmoreland St. to Balbriggan |
| 39n | From Westmoreland St. Towards Tyrrelstown |
| 41n | From Westmoreland St. Towards Swords Manor |
| 42n | From D'Olier St. Towards Portmarnock |
| 46n | From D'Olier St. Towards Dundrum |
| 49n | From D'Olier St. Towards Tallaght (Kilnamanagh) |
| 66n | From Westmoreland St. Towards Leixlip (Louisa Bridge) via Glen Easton |
| 67n | From Westmoreland St. Towards Celbridge / Maynooth |
| 69n | From Westmoreland St. Towards Saggart |
| 70n | From Westmoreland St. Towards Dunboyne |
| 77n | From D'Olier St. Towards Tallaght (Westbrook Estate) |
| 84n | From D'Olier St. Towards Greystones |
| 88n | From Westmoreland St. Towards Ashbourne |

Table A2:

Bus services which will only remain within the Direct Award Contract until end 2016 and which will be competitively tendered and thereafter removed from the Direct Award and provided under a separate contract by end 2016

| Table A2: Local and orbital routes for Competitive Tendering for operation by successful tenderer in 2016 | |
|--|---|
| Route | Description |
| | Orbital Routes |
| 17 | Rialto - Blackrock |
| 17a | Blanchardstown Centre - Kilbarrack |
| 18 | Palmerstown (Old Lucan Rd.) - Sandymount |
| 75 | The Square Tallaght - Dun Laoghaire |
| 76 | Chapelizod - Tallaght (The Square) |
| 76a | Blanchardstown Centre - Tallaght |
| 102 | Sutton Station - Dublin Airport |
| 104 | Clontarf Rd (Conquer Hill) - Santry (Shanard Road) |
| | Local Routes |
| 33a | Dublin Airport - Skerries |
| 33b | Swords - Portrane |
| 45a | Dún Laoghaire (DART Station) - Ballywaltrim |
| 59 | Dún Laoghaire - Mackintosh Park |
| 63 | Dun Laoghaire - Kilternan |
| 111 | Loughlinstown Park - Dún Laoghaire |
| 114 | Ticknock - Blackrock Station |
| 161 | Dundrum Luas Station - Rockbrook/Tibradden |
| 184 | Bray Rail Station - Newtownmountkennedy |
| 185 | Bray Rail Station - Shop River |
| 220 | Ballymun (Shangan Rd.) - Lady's Well Rd. |
| 236 | Blanchardstown Centre - Ballycoolin |
| 238 | Lady's Well Rd. - Tyrrelstown |
| 239 | Blanchardstown Centre - Liffey Valley Shopping Centre |
| 270 | Blanchardstown Centre - Dunboyne |

Illustrative map of Services in Table A2

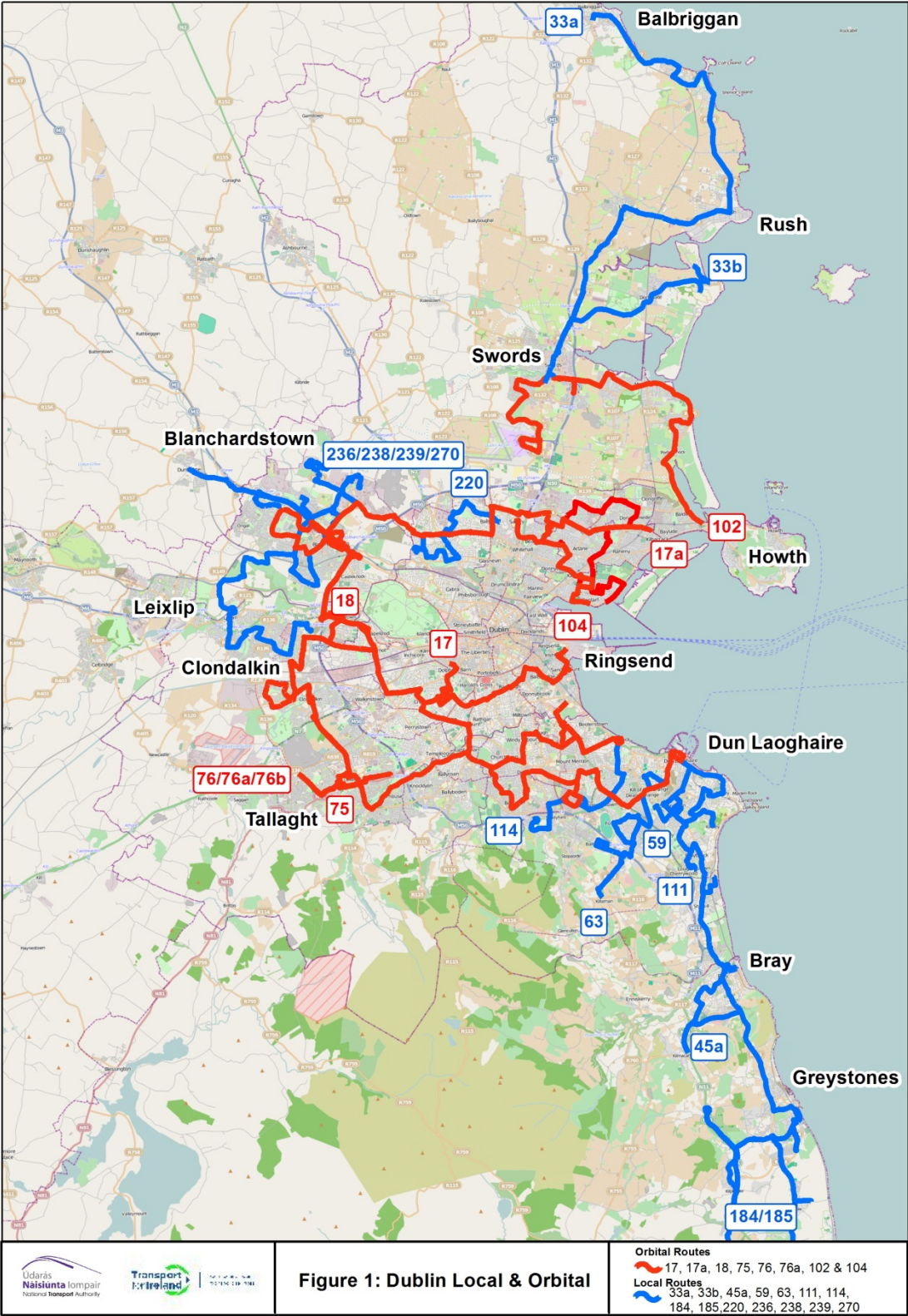


Figure 1: Dublin Local & Orbital

Schedule 2: Points noted by the National Transport Authority

In relation to the Economic Analysis and Consideration of General Economic Interest

The Authority noted that the consideration of the General Economic Interest and the supporting economic analysis was adequately set out in the proposal documents and in sufficient depth for the Authority to make the decision of the next Direct Award Contract and the proposal to tender some of Dublin Bus Services, with such services to commence in 2016.

Common features shared by all Services of General Economic Interest (SGEIs) include:

- a) The economic nature of the service provided;
- b) The imposition of public service obligations;
- c) The overall public good delivered;
- d) The SGEI's universal nature, continuity, quality and affordability and
- e) The protection the SGEI affords both users and consumers.

The concept of "general economic interest" is a dynamic concept, sector specific and is capable of evolving over time. The Authority, in considering that a Direct Award, with an early release of certain services to competitive tendering, best maintained the important continuity of the public transport services option in the "general economic interest" took account of all the features above. Public transport both performs a social and an economic function within the State and its importance to the economic activity of the state means that it cannot be impaired.

The Authority noted that the value that can be accrued for the State from competition includes the potential savings that would come from a successful tenderer and the future benchmarking of the cost of services. This has to be considered in light of a) the efficiencies that may have already been achieved by the incumbent b) the cost of the competition and c) the ability of the incumbent to reduce overheads associated with the services if not successful in the competition.

The Authority noted that general economic interest necessitated that the impact on the operator currently operating all the services had to be considered. The resultant financial impact on Dublin Bus needs to be such that the network of services can be fully maintained for the public.

The Authority noted the international experience of other authorities in gradually opening up their public transport markets to competition. It considered that its decision to commence with a modest opening of the Irish market, which would not undermine the financial stability of the incumbent operator and which would adequately protect the public good in the transition to competitively tendered contracts, accorded with international practice that had delivered overall value for money.

It was also noted that the competition for the local and orbital routes will allow benchmarking of both of cost data and operational performance.

In relation to the service to the consumer

The Authority noted that key objectives in entering any public bus services contract include improving the customer experience of public transport and ensuring that public transport integration is not compromised. The Authority has worked to bring the information on the services being provided into one digital location for the public transport customer. Therefore when considering a subsequent direct award contract to Dublin Bus and the introduction of competition, the Authority notes that it will continue to integrate services for the benefit of the consumer, regulate and restructure all public transport fares and ensure and oversee appropriate mechanisms in relation to each operator for complaint handling.

The Authority has invested in the technology behind the delivery of all the integrated products such as the National Journey Planner, Real Time Passenger Information and Leap Card. With Authority funding support, Dublin Bus has also invested in the operational technology that supports these integrated products. The Authority will ensure that in the event of the entry of a new operator technology will operate so that the customer's experience remains unaffected.

The Authority noted that it would devise the tender competition/s so that the net effect for the consumer should be that no diminution would occur in the quality and integration of bus services notwithstanding who the contractual parties are. The Authority also noted that procuring services through competition will not result in any change in either determining the need for the provision of socially necessary services or in providing such services, subject to the availability of State funds. The Authority will continue to define the services and contractually required services may only be changed with the approval of the Authority.

In relation to the services to be included in a tender competition

The Authority noted that the Local and Orbital Routes offer significant opportunities to the successful tenderer/s to apply their operational expertise to routes which have potential to grow in the near future as the outer regions of the city respond to an increase in economic activity. The locations of many large educational and employment attractors along these corridors, along with well-designed integrated connections to radial services, offer excellent opportunities for growth.

The Authority noted that the majority of the Dublin Bus services in the city cross the line of the proposed Luas Cross City in the central core of the city. While extensive planning has been done to mitigate the impact of the construction works on all traffic within the city including public bus services, there is no doubt that there will be some disruption that will reduce the efficiency of the service by lengthening journey times in the city centre. The Authority will have to manage dynamic service changes and also the reconfiguration of the radial network in the period 2014 to 2018 and noted that, in terms of risk management and based on practice in other countries, that the local and orbitals offered the most appropriate set of services for competitive tendering.

In relation to the tendering process to be conducted

The Authority noted that the fullest necessary information will be made available for the routes that are subject to a competitive tender. The Authority has patronage and ticket information and service performance information.

The Authority has continued to ensure that the costs and revenues are assigned in an appropriate manner by the incumbent operators and this is audited on an annual basis by the Authority's independent auditors.

The Authority also noted the indicative next steps following from their decision could be as follows:

| Action | Indicative Dates |
|---|------------------|
| Publish notice in Official Journal of EU(OJEU) of the intention to enter into a Direct Award Contract with Dublin Bus (mandatory 1 year in advance) | End Nov 2013 |
| Publish separate notice in OJEU of the intention to launch a tender competition for bus services (mandatory 1 year in advance) | End Nov 2013 |
| Publish Pre-Qualification Notice/s for Tender Competition/s for Local and Orbital bus services and commence tender procedure/s | End Nov 2014 |
| Award Direct Award Contract to Dublin Bus | 1/12/14 |
| Award Contract/s for tendered local and orbital services | Dec 2015 |
| Commence operation of tendered services by awarded operator/s | August 2016 |
| | |

In relation to the accessibility of services

The Authority noted that the level of accessibility that applies at the time of the award of a competitively tendered Public Services contract will not be reduced in any way. This will be guaranteed by supplying the fleet that the incumbent currently uses to the successful tenderer, if different from Dublin Bus. As the Dublin city services bus fleet is fully wheelchair accessible, the newly tendered services fleet will also be fully accessible for these services.

The Authority noted that a programme of upgrading bus stops for wheelchair accessibility is being developed at present. This programme's available funding will be rolled out based on the Authority's assessment of the greatest need and would be independent of who is operating the service.

The Authority will include in all Public Transport Service Contracts, whether directly awarded or tendered, an obligation that all relevant staff undergo disability equality training.

In relation to the employment conditions of the staff of the incumbent

In the case of the incumbent operator not being successful in the competitive tender staff of the incumbent operator would be subject to the European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 (the "Transfer Regulations" or "TUPE").

The Authority noted that under these regulations that the rights and obligations arising from the contract of employment of each employee working in an identifiable business that is being transferred will automatically transfer from the transferor entity to the transferee with effect from the effective date of the transfer of the business. This protection is significant for the staff. The Authority noted that an exception to this general transfer of rights and obligations under "TUPE" is that existing pension benefits arising on normal retirement, invalidity benefits and death in service benefits that form part of an occupational pension scheme do not transfer.