

Minutes of Board Meeting

Held on Thursday 28th November 2013

At 2.30pm in NTA Offices on Harcourt Lane

Present: Mr John Fitzgerald (Chairperson), Mr Hugh Creegan (Director of Transport Investment and Taxi Regulation), Mr Owen Keegan (Dublin City Manager), Mr Frank King, Ms Linda Saunders and Mr James Deegan.

Apologies: Mr Gerry Murphy (CEO), Mr Damian Usher, Ms Margaret O'Shaughnessy, Dr Berna Grist, Ms Valerie O'Reilly and Mr Daithí Alcorn.

Staff in attendance: Ms Anne Graham, Mr Michael Warnock Smith, Mr Jeremy Ryan and Mr Karl Seeber (Minutes).

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1. Minutes of previous meeting

The draft minutes of the meeting held on 15th November 2013 were agreed without amendment.

2. Bus Éireann Direct Award Bus Contract

Ms Graham made a presentation to the Board in which she outlined the outcome of the review of the procedural issues associated with the 12th November 2013 submission from Bus Éireann, which the Board had decided should be undertaken at its meeting on 15th November 2013.

Ms Graham explained that it had been determined that a further public consultation exercise should be undertaken in relation to the possible tendering of Dublin Commuter services on the western corridor into the city, currently provided by Bus Éireann.

The necessary supplemental public consultation exercise, which was advertised in the national press, took place between 21st and 27th November and Ms Graham outlined the responses to that consultation. Ms Graham also drew attention to the 126N service included in the consultation document and noted that it was a licensed service rather than a public service obligation service.

Following a discussion of the proposals, the Board made a Decision on the Award of a Public Bus Services Contract to Bus Éireann from 1 December 2014, as set out in the attached document.

The Board carefully noted the contents of a letter from the Minister for Transport, Tourism and Sport to the Chairperson concerning the future procurement of subsidised bus services by the Authority.

Next Meeting: Friday 13 December 2013 @ 10.30am in NTA Offices.

Signed: _____
John Fitzgerald, Chairperson

Dated: _____



Decision on Award of Public Bus Services Contract to Bus Éireann 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 Bus Éireann in 2014;
- (ii) change that direct award contract so that in 2016 the services contemplated by that contract would be reduced by approximately 7% to 10%. Due to the extent and variety of services provided by Bus Éireann a number of options were under consideration. The services for tendering were to be drawn from a combination of the following:
 - a. all city services in Waterford
 - b. some city services in Cork
 - c. some rural stage carriage services in the south east region
 - d. certain Dublin commuter services;
- (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 bus market outside Dublin (prepared by Ernst and Young for the Authority);
4. Report on operation of the 2009 direct award contract with Bus Éireann.

On 21st November the Authority published a Supplemental Consultation Paper identifying a set of alternative Dublin commuter routes that were being considered in substitution for the Dublin

coastal commuter services i.e. those routes serving Athy, Clane, Celbridge, Edenderry, Kildare, Naas, Newbridge and Sallins.

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 Bus Éireann 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 Bus Éireann (the holder of the Direct Award contract in question).

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

The Authority carried out a Supplemental Consultation with the publication of information and the seeking of submissions on the possible tendering of Dublin Commuter services on the western corridor into Dublin city. That period of consultation was from 21st November to 27th November 2013.

The submissions received 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 and as augmented by the publication of the Supplemental Consultation paper on 21st November 2013, on a new Direct Award Public Bus Services Contract to Bus Éireann 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 Bus Éireann, 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 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 Bus Éireann;
3. the 2014 direct award contract to Bus Éireann 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 Bus Éireann of certain routes (the current list of which is specified in Table A2 of Schedule 1) for a period not greater than two years. These routes comprise the Waterford City services including the route to Tramore, along with a number of Commuter services to Dublin from the commuter area to the west of the city (Kildare, Offaly, Laois, Westmeath);
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 Bus Éireann with the exclusive right to operate public bus passenger services that it currently provides 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..
- 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: Regional city services**

| Location | Regional City Route No. | Route Description |
|-----------------|--------------------------------|--|
| Cork City | 201 | Mayfield - Blackpool - Knocknaheeny - Bishopstown |
| | 202 | Knocknaheeny - City Centre - Mahon |
| | 203 | Ballyphehane - City Centre - Farranree |
| | 204 | St Patricks St - Friars Walk |
| | 205 | CIT - St Patrick St - Kent Station |
| | 206 | Grange - South Douglas Road - South Mall |
| | 207 | Donnybrook - City Centre - Ballyvolane - Glen Heights Park |
| | 207A | Well Rd - City Centre - Montenotte |
| | 208 | Mayfield - City Centre - Bishopstown |
| | 208A | Lottamore - St Patrick St |
| | 209 | Pouladuff - St Patrick St - Audley Place |
| | 212 | Merchants Quay - Glenthorn |
| | 214 | St Patrick St - Cork University Hospital |
| | 215 | Cloghroe - Blarney - City Centre - Mahon Point |
| | 216 | Cork University Hospital - City Centre - Mount Oval |
| | 219 | Mahon - Douglas - Ballyphehane - Bishopstown |
| | 221 | Cork - Riverstown - Knockraha |
| | 222 | Cork - Carragaline - Crosshaven - Fountainstown |
| | 223 | Cork - Monkstown - Ringaskiddy - Haulbowline |
| | 226/226A | Kent Stn - City Centre - Cork Airport - Kinsale |
| Limerick City | 301 | Regional Hospital - City Centre - Westbury |
| | 302 | Caherdavin - Cratloe Rd(LIT, Thomond Pk.) - City Centre |
| | 303 | Pineview - City Centre - O'Malley Pk |
| | 304 | UL - City Centre - Raheen - Ballycummin |
| | 305 | St Mary's Pk - City Centre - Lynwood Pk |
| | 306 | Edward St - City Centre - Ballynanty |

| | | |
|----------------|-----|--|
| Galway City | 401 | Salthill - Eyre Square |
| | 402 | Merlin Pk - Eyre Sq - University Rd (NUIG) -Seacrest |
| | 403 | Eyre Sq - Castlepark - Parkmore Rd |
| | 404 | Eyre Sq - University Rd (NUIG) -Newcastle |
| | 405 | Ballybane - Eyre Sq - University Rd (NUIG)- Ragoon |
| | 407 | Eyre Sq - Bothar an Choiste |
| | 409 | Parkmore - Dublin Rd (GMIT) -Eyre Sq |
| | 410 | Eyre Sy - Dublin Rd (GMIT)- Oranmore |
| Waterford City | 601 | Ballybeg - The Quay |
| | 602 | St Johns Pk - Patrick St |
| | 603 | WIT - The Quay |
| | 604 | Carrickphierish Rd - The Quay |
| | 605 | Oakwood - The Quay - Waterford Regional Hospital |

Table A1 continued: Regional town services

| Location | Regional Town Route No. | Route Description |
|------------|-------------------------------|--|
| Balbriggan | 104 | Balbriggan Rail Station - Drogheda Street - Millfield Shopping Centre |
| Navan | 110 | Shopping Centre - St Oliver's Church/Hospital/ Kilcarne Bridge |
| Drogheda | 173 | NORTHSIDE SERVICE West Street - Brookville - Bóthar Brugha SOUTHSIDE SERVICE: West Street - Rathmullen Park - Rathmullen Rd |
| Dundalk | 174 | Bus Station/Long Walk - Bay Estate/Fatima |
| Athlone | 459/459A | Monksland/Bus Station - Athlone I. T. - Garrycastle |
| Sligo | 478 | Bus Station - I.T. Sligo - Carraroe Retail Park |
| | 478A | Bus Depot - Oakfield Cross - Carrowmore |

Table A1 continued: Dublin commuter belt services

| Route No. | Commuter Route Description |
|-----------|--|
| 65 | Galway - Roscommon - Athlone - Longford (Rail Station) -Cavan - Monaghan - Armagh - Lurgan -Belfast |
| 70 | Galway - Athlone - Mullingar - Navan- Drogheda (Bus Station) -Dundalk |
| 100 | Drogheda - Dunleer Castlebellingham - Dundalk - Newry |
| 101 | Dublin - Airport - Balbriggan - Drogheda - Termon Abbey |
| 101X | Wilton Tce - Balbriggan -Drogheda - Termon Abbey |
| 103 | Dublin - Ashbourne - Kilmoon - Duleek /Ratoath |
| 105 | Dublin - Blanchardstown Shopping Centre -Ashbourne - Ratoath |
| 107 | Dublin - Ashbourne -Navan - Nobber - Kingscourt - Kells |
| 108 | Dublin - Kells - Baileboro |
| 109 | Dublin - Blanchardstown S. C. -Dunboyne - Dunshaughlin - Navan - Kells - Cavan |
| 109A | DCU - Airport - Ashbourne -Ratoath - Dunshaughlin - Navan - Kells |
| 111 | Wilton Tce - Blanchardstown SC - Trim - Athboy -Cavan |
| 115/115A | Dublin - Lucan - Maynooth - Enfield - Kinnegad - Mullingar - Longford |
| 120 | Dublin - Lucan - Celbridge - Clane - Prosperous - Edenderry/Tullamore |
| 123 | Dublin - Celbridge -Clane - Prosperous - Naas - Robertstown - Newbridge |
| 124 | Dublin -Naas - Newbridge -Kildare - Portlaoise |
| 126 | Dublin - Kill Village -Naas - Newbridge - Kildare |
| 130 | Dublin - Naas -Kilcullen - Athy |
| 132 | Dublin - Tallaght (Hospital) -Blessington -Tullow - Carnew - Enniscorthy -Wexford -Rosslare Europort |
| 133 | Dublin Airport - Dublin -Bray -Kilmacanogue -Newtownmountkennedy - Ashford - Wicklow |
| 134 | Navan - Dunsany - Dorey's Forge |
| 135 | Scurroughstown - Navan |
| 136 | Ross Cross - Navan |
| 161 | Dundalk - Greenore - Carlingford - Omeath - Newry |
| 162 | Cavan (Bus Station) - Clones - Monaghan - Dundalk |
| 163 | Dublin - Drogheda - Donore |
| 166 | Dundalk - Carrickmacross - Cavan |
| 167 | Dundalk - Louth - Ardee |
| 168 | Dundalk - Castlebellingham - Anagassan |
| 175 | Monaghan - Cootehill - Rockcorry -Cavan |
| 177 | Dublin - Airport - Drogheda -Ardee - Carrickmacross -Monaghan |
| 182 | Drogheda - Collon - Ardee |
| 187 | Kells - Virginia - Ballyjamesduff - Oldcastle |
| 188 | Drogheda - Slane - Navan - Trim |
| 189 | Drogheda - Baltray - Termonfeckin - Clogher Hd - Grangebellew |
| 190 | Drogheda - Bettystown - Laytown |

Table A1 continued: Stage carriage services

| Route No. | Stage Carriage Route Description |
|-----------|--|
| 66 | Westport - Castlebar - Ballina - Sligo - Enniskillen |
| 72 | Limerick - Nenagh -Borrisokane - Birr - Athlone |
| 73 | Waterford - Kilkenny (Rail Stn) - Carlow (Bus Park) - Portlaoise - Athlone - Longford |
| 232 | Cork - Ballincollig |
| 233 | Cork - Ballincollig - Macroom |
| 235 | Cork - Blarney - Stuaque - Rylane |
| 236 | Cork - Bandon - Bantry - Glengarriff - Castletownbere |
| 237 | Cork - Cork Airport -Bandon- Clonakilty - Skibbereen - Schull - Goleen |
| 239 | Cork - Bandon - Courtmacsheery - Butlerstown |
| 240 | Cork - Cloyne - Ballycotton |
| 241 | Cork - Midelton - Whitegate - Trabolgan |
| 243 | Cork - Mallow - Buttevant - Newmarket |
| 245 | Cork - Fermoy - Mitchelstown |
| 246 | Cork - Glanmire - Sallybrook - Sarsfield Court |
| 248 | Cork - Mallow Road Barracks - Carriganavar - Glenville |
| 252 | Cork - Cork Airport - Kinsale - Bandon - Clonakilty - Skibereen - Glengarriff - Kenmare |
| 257 | Macroom - Millstreet - Killarney |
| 258 | Macroom - Rylane Lower |
| 259 | Macroom - Renanirree |
| 260 | Cork - Youghal - Ardmore |
| 261 | Cork - Carrigtwohill - Midelton - Ballinacurra |
| 270 | Sneem - Kenmare - Killarney |
| 271 | Tralee - Kerry Airport - Killarney |
| 272 | Tralee - Listowel - Ballybunion - Moyvane - Tarbert |
| 273 | Tralee - Castlegregory - Cloghane |
| 274 | Tralee - Ballyheigue - Ballyduff |
| 275 | Tralee - Dingle |
| 276 | Dingle - Ballyferriter - Dunquin |
| 277 | Dingle - Ballydavid |
| 278 | Tralee - Kilfenora -Fenit |
| 279 | Killarney - Killorglin - Tralee |
| 280 | Ring of Kerry: Tralee - Killarney - Killorglin - Cahersiveen- Waterville - Sneem - Kenmare |
| 281 | Killarney - Inch - Dingle |
| 282 | Castletownbere - Kenmare - Killarney |
| 284 | Tralee -Farranfore - Killarney |
| 285 | Tralee - Kerry Airport -Farranfore - Firies -Killarney (Bus Station) |
| 313 | Limerick - Ardnacrusha |
| 314 | Limerick - Foynes - Tarbert - Ballybunion |
| 320 | Limerick - Croom - Charleville |
| 321 | Limerick - Rathkeale - Newcastle West |
| 322 | Lorrha - Terryglass - Coolbawn - Nenagh |
| 323 | Limerick - Killaloe - Newport - Nenagh - Borrisokane - Birr |

| Route No. | Stage Carriage Route Description |
|-----------|--|
| 324 | Kilbarron - Borrisokane - Nenagh |
| 328 | Limerick - Hospital - Galbally/Mitchelstown |
| 329 | Limerick - Meanus - Bruff - Kilfinane |
| 332 | Limerick - Newport - Rearcross - Cappamore - Cappawhite - Dundrum /Rearcross |
| 333 | Limerick - Ennis (Bus Station) - Miltown Malbay - Doonbeg |
| 334 | Crosses of Annagh - Kilmaley - Ennis |
| 336 | Limerick - Ennis - Kilrush - Kilkee |
| 337 | Limerick - Ennis - Lisdoonvarna - Doolin |
| 341 | Shannon - Limerick - Newport - Cappamore - Bilboa Cross |
| 343 | Limerick - Shannon Airport |
| 344 | Ennis - Newmarket-on-Fergus - Shannon - Shannon Airport |
| 345 | Scariff - Killaloe - Limerick |
| 346 | Limerick - Tulla - Scariff - Whitegate |
| 347 | Limerick - Oola - Limerick Junction - Tipperary |
| 348 | Scariff - Flagmount - Feakle - Tulla - Ennis |
| 349 | Scariff - Feakle - Gort |
| 360/360A | Waterford - WIT - Tramore |
| 362 | Waterford - Dungarvan |
| 365 | Waterford - Thomastown |
| 366 | Waterford - Dungarvan - Cappoquin - Lismore |
| 367 | Waterford - Carrick-on-Suir - Clonmel |
| 370 | Waterford - WIT - New Ross - Duncannon - Wexford - Rosslare Europort |
| 371 | New Ross - Foulksmills - Adamstown - Wexford |
| 372 | New Ross - Foulksmills - Wellington Bridge - Wexford |
| 373 | New Ross - Fethard on Sea - Wellington Bridge - Wexford |
| 374 | New Ross - Inistioge - Kilkenny |
| 375 | New Ross - Kiltealy - Enniscorthy |
| 377 | Wexford - Enniscorthy |
| 378 | Wexford - Churchtown |
| 379 | Wexford - Curracloe - Kilmuckridge - Gorey |
| 380 | Wexford - Ferrycarrig - Crossabeg |
| 381 | Wexford - Blackhall |
| 382 | Wexford - Adamstown - Wexford |
| 383 | Wexford - Kilmore Quay |
| 384 | Dublin - Arklow - Gorey |
| 385 | Wexford - Rosslare Strand - Rosslare Europort |
| 416 | Galway - Spiddal - Carna |
| 417 | Galway - Corofin |
| 419 | Galway - Oughterard - Recess - Clifden |
| 421 | Galway - Oughterard - Recess - Clifden - Westport |
| 420 | Galway - Cong |
| 422 | Westport - Castlebar - Claremorris - Tuam - Galway |
| 423 | Galway - Galway GMIT - Kinvara - Lisdoonvarna - Doolin - Cliffs of Moher |
| 424 | Galway - Spiddal - Carraroe - Lettermullen |
| 425/425A | Galway - Claregalway - Mountbellew - Roscommon - Longford |
| 429 | Galway - Claregalway - Tuam - Ballyhaunis - Castlerea |

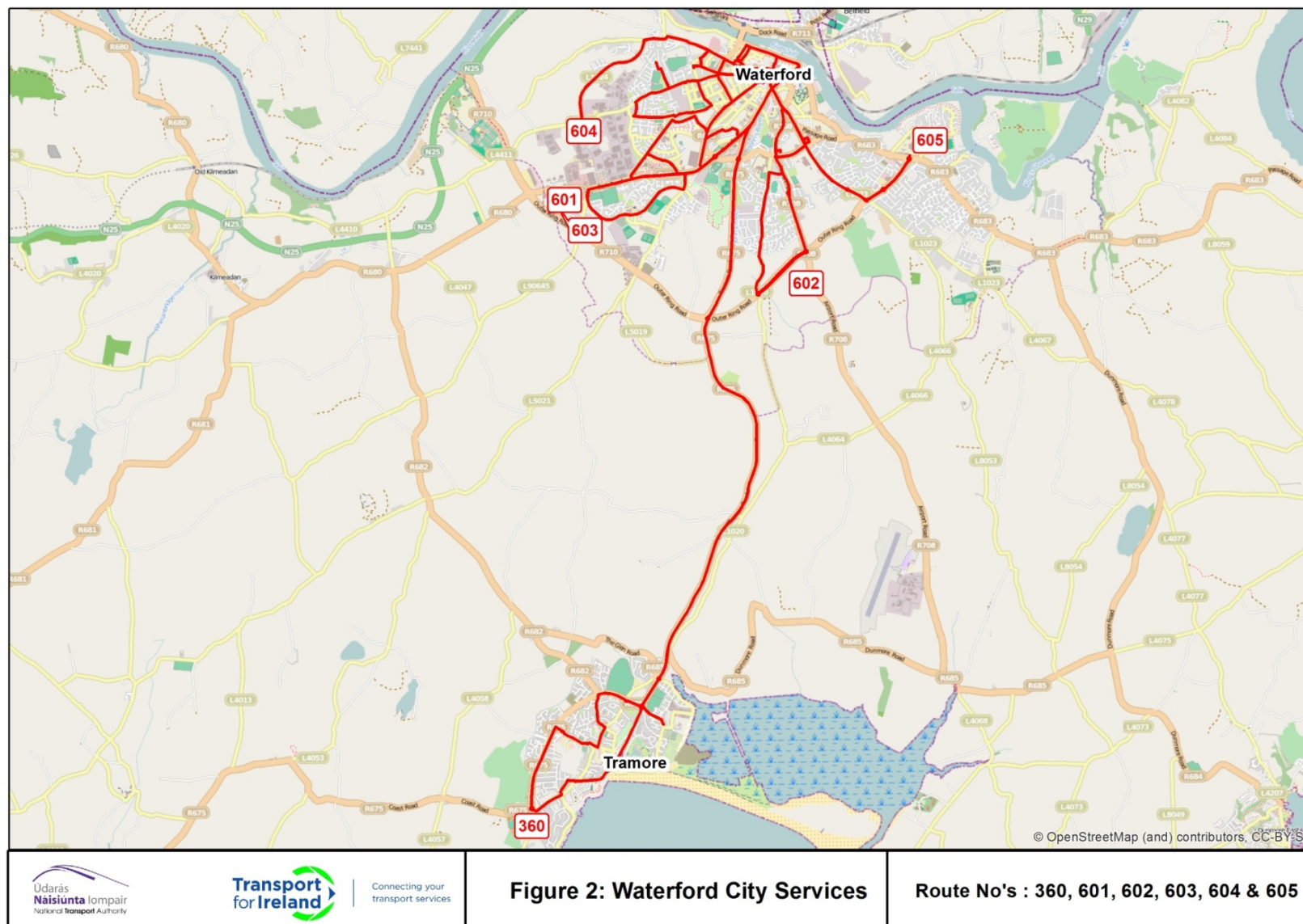
| Route No. | Stage Carriage Route Description |
|-----------|---|
| 432 | Galway - Cong |
| 434 | Galway - Oranmore- Kinvara- Gort |
| 439 | Ballina - Swinford- Castlebar - Westport |
| 440 | Ireland West Airport - Castlebar - Westport - Dooagh(Achill Island) |
| 442 | Charlestown - Kiltimagh - Castlebar - Westport |
| 443 | Ballina - Cooneal - Farragh Cross |
| 444 | Ballina - Dromore West |
| 445 | Ballina - Killala - Ballycastle |
| 446 | Ballina - Belmullet- Blacksod |
| 447 | Finea - Castlepollard - Mullingar |
| 450 | Westport - Louisburgh - Killadoon |
| 451 | Ballina - Charlestown - Longford |
| 454 | Ballina - Crossmolina - Lahardane - Castlebar - Westport |
| 455 | Ballina - Moygownagh - Crossmolina |
| 456 | Galway - Cong -Ballinrobe - Westport - Castlebar - Ballina |
| 457 | Castlerea - Ballintubber - Roscommon |
| 458 | Sligo - Enniscrone - Ballina |
| 460 | Sligo - Castlerea |
| 461 | Roscommon - Athlone |
| 462 | Sligo - Ballinamore - Carrigaleen |
| 463 | Carrigaleen - Longford |
| 464 | Carrigaleen - Enniskillen |
| 465 | Carrigallen - Ballyconnell- Cavan |
| 466 | Athlone - Ballymahon- Longford |
| 467 | Longford - Lanesboro - Roscommon |
| 468 | Strokestown - Elphin - Carrick on Shannon |
| 469 | Sligo - Drumkeeran - Drumshambo - Carrick on Shannon- Mohill-Longford |
| 470 | Sligo - Manorhamilton - Glenfarne - Dromahair |
| 471 | Sligo - Ballymoate - Riverstown |
| 472 | Sligo - Strandhill |
| 473 | Sligo - Rosses Pt |
| 474 | Sligo - Maugherow |
| 475 | Sligo - Ballisodare - Collooney - Coolaney |
| 476 | Tubbercurry - Killavil - Bunninadden - Ballymoate |
| 479 | Aclare - Tourlestrane - Coolaney - Sligo |
| 480 | Sligo - Bundoran - Ballyshannon- Donegal - Ballybofey - Letterkenny/Derry |
| 483 | Ballyshannon - Kinlough - Ballintrillick - Sligo |
| 485 | Ballyshannon - Bundoran |
| 486 | Ballyshannon- Enniskillen- Lough Derg |
| 487 | Strabane - Raphoe - Letterkenny |
| 489 | Letterkenny - Carrigans - St Johnston - Strabane |
| 490 | Donegal - Killybegs - Glencolumbkille |
| 491 | Letterkenny - Ballybofey |
| 492 | Donegal - Glenties - Dungloe |
| 494 | Strabane - Lifford - Ballybofey |
| 495 | Ballyshannon - Bundoran- Kinlough - Manorhamilton |

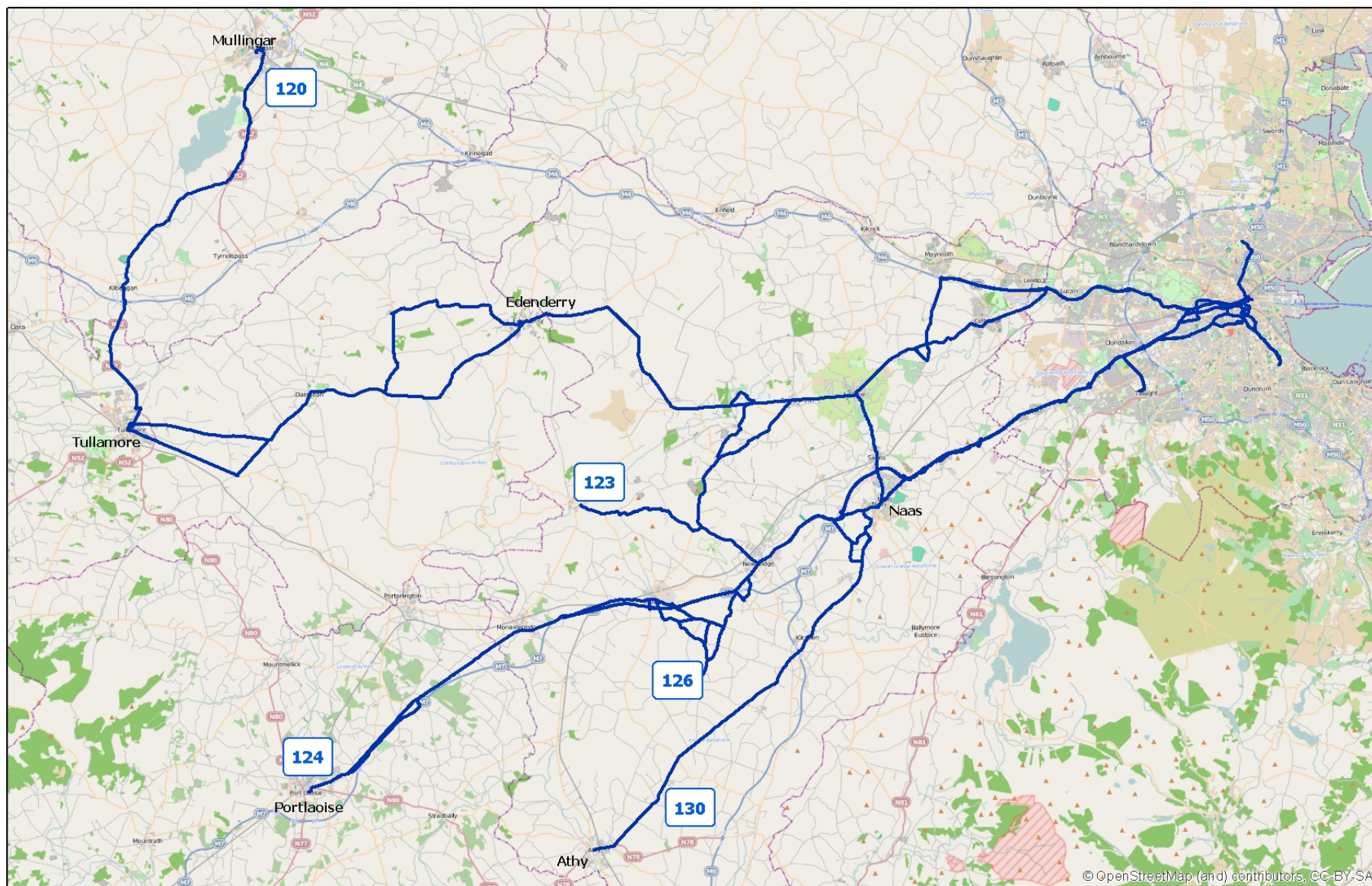
Table A2:

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: Routes for Competitive Tendering, for operation by successful tenderer in 2016 | | |
|---|----------|--|
| Waterford City and Tramore | 601 | Ballybeg - The Quay |
| | 602 | St Johns Pk - Patrick St |
| | 603 | WIT - The Quay |
| | 604 | Carrickphierish Rd - The Quay |
| | 605 | Oakwood - The Quay - Waterford Regional Hospital |
| | 360/360A | Waterford - WIT - Tramore |
| Dublin Commuter | 120 | Dublin- Celbridge – Clane - Edenderry- Tullamore |
| | 123 | Dublin – Celbridge – Clane – Naas - Newbridge |
| | 124 | Dublin – Naas – Newbridge - Portlaoise |
| | 126 | Dublin – Kill – Naas – Newbridge - Kildare |
| | 130 | Dublin – Naas – Kilcullen - Athy |

Illustrative maps of Services in Table A2





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 Bus Éireann 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 Bus Éireann 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 Bus Éireann 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, Bus Éireann 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 tendering the Dublin commuter routes complemented the tendering of the local and orbital routes of Dublin city. Prospective operators would be able to tender for a significant quantum of routes, in whatever tender format they are packaged for concurrent tendering by the Authority that would aggregate to over 100 peak hour buses. The Authority noted that this overall size of market opening in the Dublin region was likely to attract competition from both inside and outside of the State.

In considering the particular Dublin commuter routes to be tendered, the Authority noted the submission of Bus Éireann and the financial points they raised in relation to the efficiency of those services that were proposed to remain within the direct award contract until 2019. The Authority considered the impact of the removal of services on the efficiency of those Direct Award services remaining with Bus Éireann until November 2019. In particular the Authority noted the potential resultant negative impact on the maintenance facilities overheads and vehicle/ driver efficiencies. Having considered the relative impacts of the removal of the Kildare Corridor routes compared to the Coastal Corridor routes, the Authority decided in the general economic interest that the Kildare Corridor routes would be tendered. The Board excluded the 126N service from the services to be tendered noting that it was a licensed service rather than a public service obligation service.

With regard to the Waterford services, the Authority noted the simplicity of a comprehensive city operation (while noting that there is a private operator already operating in the city) and size of the

tender package would make it attractive to the market and that it would offer the future opportunity to the Authority to benchmark a regional city bus operation

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 Bus Éireann (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 bus services and commence tender procedure/s | End Nov 2014 |
| Award Direct Award Contract to Bus Éireann | 1/12/14 |
| Award Contract/s for 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 Bus Éireann.

As the regional city services bus fleet is fully wheelchair accessible, the newly tendered services fleet in Waterford will also be fully accessible for these services. Where services are being tendered that are currently being delivered by coaches, the Authority will ensure that as a minimum, the percentage of wheelchair accessible coaches in the new contract is the same as the percentage that applies for Bus Éireann's coach fleet at the time of award of the contract.

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.