



Údarás Náisiúnta Iompair  
National Transport Authority

# Report on Direct Award of Public Services Contract to Dublin Bus in 2019

December 2018

National Transport Authority  
Dun Scéine  
Iveagh Court  
Dublin 2





## **Report on**

# **Direct Award of Public Services Contract to Dublin Bus in 2019**

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## **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 2019.

## **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 Quarter 1 2015 to Quarter 4 2017 is contained in Annex A of this report.

### **3. Submissions made by interested parties, including Dublin Bus and users of public bus services operated by Dublin Bus**

In October 2018, the Authority invited submissions from Dublin Bus and interested parties in relation to the proposal to enter into another direct award contract with Dublin Bus in December 2019, for the provision of public bus services in the Dublin which are under a public service obligation (PSO).

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

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/>

## 4. Authority consideration and decision

At its Board meeting on November 16<sup>th</sup> 2018 the Authority decided to Award a Public Bus Services Contract to Dublin Bus from 1st December 2019. 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 2nd October 2018, on a new Direct Award Public Bus Services Contract to Dublin Bus to commence on 1<sup>st</sup> December 2019;
- 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;
- that it had been previously satisfied (as required by section 52(6) in connection with its entry into of the Direct Award contract with Dublin Bus due to expire in November 2019) in relation to the continued adequacy of the public bus services being provided under such contract being guaranteed in the general economic interest by such entry;
- section 52(5), Dublin Transport Authority Act 2008 and the power conferred on the Authority to make alterations to elements of the direct award contract relating to the provision of services, following consultations with the relevant operator;
- 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 for the following reasons:
  - a. the NTA proposal to:
    - i. achieve a significant change in the design and operation of the bus network in Dublin as part of the BusConnects programme; and
    - ii. to carry out significant work on the bus corridors from , provisionally,2020 onwards, and
    - iii. the need in either case for the Authority to have a right of alteration of the elements of service to be provided under the relevant public transport services contract for the ongoing delivery of the services, with minimum disruption to such services and thereby to allow it to require changes to the contract to maintain the adequacy of such public bus services;
  - b. the current performance levels of Dublin Bus which are satisfactory to the Authority;
  - c. the Authority is in the process of obtaining historic information in relation to the tendered services so that it may be able to carry out a comparative assessment (whether as regards performance or otherwise) between the direct award contract and that other public transport services contract;
2. the Authority shall enter into a direct award contract (the “**2019 direct award contract**”) in accordance with section 52(6) of the Act to Dublin Bus; and
3. the Chief Executive Officer is:
  - a. to conclude the 2019 direct award contract on behalf of the Authority, including settling the terms of the 2019 direct award contract; and
  - b. without prejudice to the generality of (a), if necessary in her opinion to reflect customer needs and trends, to modify the routes that are the subject of the 2019 direct award contract or a particular element of the 2019 direct award contract; and
4. 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.

## **Annex A**

### **Report on Operational Performance of current Dublin Bus Direct Award Contract**



Údarás Náisiúnta Iompair  
National Transport Authority

# Proposal to Directly Award a Public Bus Service Contract to Dublin Bus in 2019

## 2 Performance Report on Current Dublin Bus Direct Award Contract

October 2018



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## **Executive Summary**

### ***Direct Award Contract***

In December 2014, under the provisions of the Dublin Transport Authority Act 2008 as amended, the National Transport Authority [“the NTA”] entered into a direct award contract<sup>1</sup> [“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 on 30th November 2019 and the NTA must decide whether to enter into a 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 Q1/2015 and Q4/2017, a total of 12 quarters.

### ***Performance Obligations***

The Contract sets out performance obligations within the following categories which Dublin Bus must comply with when providing the services:

1. Reliability and Punctuality Obligations
2. Service Quality, Customer Information and Customer Experience Obligations

Within the Contract the 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. Since 2017 the NTA has commenced the measurement and reporting of certain performance obligations. The NTA and Dublin Bus meet on a 4 weekly basis and on a quarterly basis to review the performance obligation results and other reporting required under the Contract.

Contract performance monitoring and reporting requirements were significantly strengthened as part of the 2014-2019 direct award contract. These changes were phased in during 2017, with the performance requirements in the early stages of the contract broadly the same as in the previous direct award contract (2009-2014).

Details of contractual performance reporting requirements are set out in Section 2 of this report.

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

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### ***Services Provided, Compensation Paid and Performance Results***

During the period 2015 to 2017 Dublin Bus provided, under the Contract, PSO services in the Greater Dublin area. In return for the provision of the services, the NTA compensated Dublin Bus with monies received from Exchequer funding.

Over the period, vehicle kilometres operated increased by 1% and passenger numbers increased by 14%. The compensation paid by the NTA to subsidise the operation of services has decreased by €3.7m or 6% between 2015 and 2017.

Overall, Dublin Bus reported a generally good level of compliance with the required performance obligations from 2015 to 2017.

PSO contract performance over the period 2015 to 2017 is set in more detail in Section 3 of this report.

### ***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. To date the NTA has approved a number of alterations to services during each year of the contract. Those with cost implications are summarised in Section 4 of this report.

### ***Fares***

The Contract provides that Dublin Bus retains the fares revenue. 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.

### ***Purchase of buses and associated equipment and systems***

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.

In 2017 the Authority revised the manner in which buses are provided to Dublin Bus, with vehicles now being purchased directly by the Authority before being provided to Dublin Bus to use on PSO services in this contract, under license.

### ***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 independent audit for 2015 concluded that overall there was “Substantial Assurance” in relation to the conduct of the contract. The audit for 2016 concluded that overall there was “Satisfactory Assurance”. At the time of writing, the audit for the 2017 contract year is underway.

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## 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 a requirement for Member States to provide public passenger transport services that are the subject of a public service obligation [‘PSO’] through a public service contract between a transport authority and a public transport operator.

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’].

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 1<sup>st</sup> December 2009. In 2013, the National Transport Authority decided to award a further direct award contract to Dublin Bus for a period of five years from December 2014.

The 2014 direct award contract included a provision to remove approximately 10% of services in the contract and competitively tender them during the lifetime of the contract. A tender completion took place for the operation of services in the Outer Dublin Metropolitan Area (ODMA) and resulted in the award of a contract to Go Ahead Dublin, which is due to commence in late Q3 2018.

The direct award contract for the services remaining in the 2014 direct award contract is due to expire on 30<sup>th</sup> November 2019.

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 contract<sup>2</sup>.

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 2015 and December 2017 – a total of twelve quarterly periods.

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<sup>2</sup> Section 52 (6) (e) of the 2008 Act

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

## **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 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 was, as of Q4 2017, operated by 993 predominantly double deck buses. Over 90% of these are standard double deck buses, which can carry c. 90 seated and standing passengers. 70 of the double deck buses are larger tri-axle vehicles with a capacity of c. 120 passengers. The average age of the fleet is approximately 7 years with a range in ages from 14 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.

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## 2.0 The Contract with Dublin Bus

### 2.1 The Contract

The Contract between Dublin Bus and the NTA was signed on the 1<sup>st</sup> December 2014 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 [Journey Planning etc.].

### 2.3 The PSO services to be provided

The direct award Contract Service Specification provides a listing schedule of the PSO services to be provided by Dublin Bus. It sets out the stopping points and timetables or minimum service frequencies for each of the routes in the direct award contract. The Service Specification is available here: [https://www.nationaltransport.ie/wp-content/uploads/2018/01/Dublin\\_Bus\\_Service\\_Specification.xlsx](https://www.nationaltransport.ie/wp-content/uploads/2018/01/Dublin_Bus_Service_Specification.xlsx)

As of December 2017, Dublin Bus operate 136 bus services under direct award contract with the National Transport Authority.

The network currently comprises 118 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).

Dublin Bus currently operate 13 high-frequency routes, i.e. routes operating 4 or more departures per hour in the inter-peak period. Most cross-city routes operate on a frequent day long basis, 7-days a week, with services every 15 minutes or more at peak times from Monday to Friday.

Express type services also operate on 13 routes, service customers during peak hours only.

Dublin Bus operate a number of orbital routes which generally run on an alignment around the suburbs and do not serve the city centre, include routes that 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.

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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 2014 direct award contract provides that any changes to the PSO services are subject to the approval of the NTA. It also provides for the Authority to compensate Dublin Bus for changes in operating costs associated with service changes, at the rates set out in the contract.

## **2.5 Performance Obligations**

The 2014 direct award contract included major revision of performance obligations and reporting requirements. The contract recognised that an interim period would need to apply while Dublin Bus updated its reporting requirements to meet contractual obligations. In the interim, the 2009 direct award contract performance obligations continued to apply.

The 2009 contract 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 a quarterly review of the performance obligation results with the objective of continuous improvement of the delivery and efficiencies of the PSO services.

The performance obligations inherited from the 2009 contract and in place up to 2017 are set out in Table 1.

Performance obligation	Description	Compliance Test	Reporting Frequency	Major Amendments since 2014	
<b>Reliability Obligations</b>					
<b>1. Vehicles in Service</b>					
1.1	Weekday AM Peak	Percentage of pvr that must be in service at specified periods.	Minimum of 98%	Quarterly	2017 - Replaced with scheduled kilometres operated by route from Automatic Vehicle Location data
1.2	Weekday PM Peak		Minimum of 98%		
1.3	Saturday Peak		Minimum of 98%		
1.4	Sunday Peak		Minimum of 98%		
<b>2. Driver Duties</b>					
2	Drivers' Duties Operated	Percentage of drivers' duties to be operated.	Minimum of 98%	Quarterly	2017- Replaced with scheduled kilometres operated by route from Automatic Vehicle Location data
<b>3. Scheduled Km Operated</b>					
3	Schedule Km Operated	Percentage of Schedule Km operated.	Minimum of 95%	Quarterly / Periodic from P5 2017	2017- Criteria aggregated network-wide and % of scheduled kilometres operated (excluding third-party causes for non-operation) calculated utilising AVL data from P5.
<b>4. Services Operated</b>					
4	Services Operated	Percentage of Services operated.	Minimum of 97%	Quarterly	2017-Obligation discontinued in P5in P5
<b>Punctuality Obligation</b>					
5	Punctuality	Percentage of services departing within 5 minutes of the scheduled time	95%	Quarterly	2017 – Obligation discontinued upon activation of low-frequency punctuality obligation in P5.

Performance obligation		Description	Compliance Test	Reporting Frequency	Major Amendments since 2014
<b>Provision of Customer Information Obligations</b>					
6	Timetable Information	Availability of correct and up to date timetable information on website	Confirmation of Availability	Quarterly	
7	Bus Destination Scrolls	Percentage of vehicles displaying correct destination information	Minimum of 98%	Quarterly	
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	
9	24 Service Information	Availability of information on 24 hour basis by web or text	Confirmation of Availability	Quarterly	
10	On-Street Information	Provision of correct and up to date timetable information at bus stops that provide information	Minimum of 98% accurate timetables displayed	Quarterly	
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	
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	
<b>Customer Experience Obligations</b>					
14	Cleanliness	Cleanliness of vehicles and public areas of Company premises	Percentage of Compliance	Quarterly	
15	Staff	Staff to be friendly, helpful, courteous and well presented at all	n/a	Quarterly	

Performance obligation		Description	Compliance Test	Reporting Frequency	Major Amendments since 2014
		times			
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	
<b>Efficiency Obligations</b>					
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	
<b>Environmental Obligations</b>					
20	Emission Compliance	Compliance with noise and emission standards and reporting on bio-fuel targets		Annual	

**Table 1: Summary of Performance Obligations (taken from 2009 contract and applied to 2014 contract on interim basis up to 2017 / 2018)**

The performance obligations set out in the 2014 contract and applicable from 2017/2018 to expiry date of the 2014 contract are set out in Table 2.

Performance obligation	Description	Current Compliance Test	Current Reporting Frequency and Method	Major Amendments since 2014	
<b>1. Reliability Obligations</b>					
1.1 Scheduled KMs Operated	Evidence that target percentage of scheduled revenue earning Km operated.	Minimum 95%	Periodic reporting from DMS	2017- % of scheduled kilometres operated (excluding third-party causes for non-operation) calculated utilising AVL data from P5.	
<b>2. Punctuality</b>					
2.1	Low-Frequency Services	Percentage of low frequency services departing any bus stop on route within -1 to +6 minutes of timetabled time.	Target varies seasonally and will increase year-on-year	Periodic reporting from DMS	2017 - Active since Period 5
2.2	High-Frequency Services	Specified percentage of services to operate from the terminus no later than 5 minutes after scheduled time	Minimum 95%	Quarterly reporting from Operator	2017 – Obligation limited to high-frequency services upon activation of low-frequency punctuality obligation (2.1).
<b>3. Service Quality Performance</b>					
3.1	RTPI Data Performance	Provision of Operator data to support provision of accurate real-time information by authority	100% deduction: 4 or more performance points. 50% deduction: 2 to 3 performance points	Periodic Operator reports and Authority surveys and audits of Apps, website and stops.	
3.2	Leap Card Scheme Performance	Provision of required Leap Card data to Authority	100% deduction:	Authority	

Performance obligation		Description	Current Compliance Test	Current Reporting Frequency and Method	Major Amendments since 2014
			15 or more performance points. 50% deduction: 8 to 14 performance points	to record instances of failure each Quarter	
3.3	Journey Planner Data Performance	Provision of required data to support provision of National Journey Planner by the Authority	100% deduction: 3 or more performance points. 50% deduction: 1 to 2 performance points	Authority to record instances of failure each Quarter	
3.4	Bus Vehicle Performance	Network Bus is operated in accordance with Network Bus Specification set out in Schedule 3	100% deduction: more than 12 performance points. 50% deduction: more than 6 and up to 12 performance points	Quarterly NTA Mystery Shopper surveys	
3.5	Bus Equipment Performance	Equipment on-board meets the Network Bus Specification in Schedule 3 and is functioning and in use.	100% deduction: more than 72 performance points. 50% deduction: more than 36 and up to 72 performance points	Quarterly NTA Mystery Shopper surveys	
3.6	Bus Driver Performance	Performance of Bus driver in terms of appearance, interaction with customers and driving style	100% deduction: more than 34 performance points. 50% deduction: more than 17 and up to 34 performance points	Quarterly NTA Mystery Shopper surveys	

Performance obligation		Description	Current Compliance Test	Current Reporting Frequency and Method	Major Amendments since 2014
3.7	Cleanliness Performance	Bus cleanliness and Station Cleanliness	100% deduction: more than 24 performance points. 50% deduction: more than 12 and up to 24 performance points	Quarterly NTA Mystery Shopper surveys	
3.8	Customer Service Performance	Customer service desk opening hours, Service Centre opening hours, complaints acknowledgement response times, substantive response times, Service centre automated answer, Service centre person answer, lost property office opening hours	100% deduction: more than 20 performance points. 50% deduction: more than 10 and up to 20 performance points	Quarterly Operator reports	
3.9	Customer Information Performance	Bus fares, customer information at stops, bus stop database maintenance, Operator website and App, Operator website availability, advance announcement of timetable changes, advance announcement of fares changes	100% deduction: more than 12 performance points. 50% deduction: more than 6 and up to 12 performance points	Combination of Quarterly Operator Reports and NTA Mystery Shopper surveys	
3.10	Stop Maintenance Performance	Maintenance of bus stop poles and flags, stop cleanliness, stop advertising	100% deduction: more than 12 performance points. 50% deduction: more than 6 and up to 12 performance points	Combination of Quarterly Operator Reports and NTA Mystery Shopper surveys	

Performance obligation		Description	Current Compliance Test	Current Reporting Frequency and Method	Major Amendments since 2014
3.11	Report Provision Performance	Provision of Operator Periodic, Quarterly and Annual reports within stipulated timeframes	100% deduction: more than 4 performance points. 50% deduction: 2 to 4 performance points	Authority to record report provision each Quarter	

**Table 2: Summary of Performance Obligations (applicable since 2017)**

## 2.6 Measuring the Performance Obligations

From 2014 to early 2017 the reliability and punctuality of services was reported to the Authority by Dublin Bus, based on a sample of departure times recorded at bus termini. Since 2017, the reliability and punctuality of Dublin Bus operations has been measured using an Automatic Vehicle Location and Control system fitted to each Dublin Bus bus. This constantly records the position of the vehicle. The bus departure times from each bus stop are compared to the scheduled departure times. The system is also used to provide Real Time Passenger Information [RTPI] to passengers.

From 2014 to end 2016 the Customer Experience and Customer Information performance obligations were reported to the NTA by Dublin Bus, who employed independent consultants to undertake 'mystery shoppers' market research firms to provide verification that the performance obligations are being met. Since 2017, this obligation has been replaced by various Customer Service Quality performance obligations, which are measured by a combination of NTA commissioned mystery shop surveys and Dublin Bus reports.

## 2.7 Other Reporting Requirements

Schedule 18 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

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6. Network Operations (accidents occurred, environmental reports, fleet age etc.)

## **2.8 Monitoring the Contract**

Periodic and Quarterly Review meetings are held between NTA and Dublin Bus to review Schedule 18 report results. The NTA publishes contractual performance results on [www.nationaltransport.ie](http://www.nationaltransport.ie) on a quarterly basis. Financial 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**

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.

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## 3.0 Operation of the Bus Services

### 3.1 Overview

During the period 2015 to 2017 Dublin Bus provided, under the Contract, PSO services in the Greater Dublin region. In return for the provision of the services, the NTA compensated Dublin Bus with monies received from Exchequer funding.

Over the period, vehicle kilometres operated increased by 1% and passenger numbers increased by 14%. The compensation paid by the NTA to subsidise the operation of services has decreased by €3.7m or 6% between 2015 and 2017. The cost per kilometre operated increased by €0.24 or 5%.

Table 3 provides an overview of the PSO services provided by Dublin Bus, passengers carried and costs and revenue associated with the provision of the PSO services.

Year	Total Scheduled Vehicle Km <sup>3</sup> [Millions]	Passengers Carried [Million]	Revenue Collected [Million]	Cost of Operations [Million]	Cost/km	Compensation Paid [Million]
2015	47.44	119.82	€205.66	€265.61	€5.59	€57.70
2016	47.14	125.35	€212.08	€276.92	€5.87	€59.56
2017	47.60	136.26	€225.3	€281.37	€5.91	€53.96

**Table 3: Bus Operations Overview**

### 3.2 Reliability and Punctuality Results

Based on information provided by Dublin Bus, a good level of compliance was achieved in the period 2015 to 2017 against the KPIs for punctuality and reliability that were inherited from the 2009 direct award contract. Details are set out in Table 4 below and in Tables A1 to A7 in Appendix A.

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<sup>3</sup> Total Vehicle KMs operated – PSO routes only

Performance Obligation	Target	2015 Average	2016 Average	2017 Average	Running Average	No. of Non Compliances Reported	See Table No	
<b>Vehicles in Services</b>								
1.1	Weekday AM	98%	100%	100%	100%	0/10	A1	
1.2	Weekday PM	98%	99%	98%	99%	1/10		
1.3	Saturday Peak	98%	98%	97%	98%	6/10		
1.4	Sunday Peak	98%	100%	100%	100%	0/10		
<b>Driver Duties Operated</b>								
2	Drivers Duties Operated	98%	99%	99%	100%	99%	1/10	A2
<b>Scheduled Kms Operated</b>								
3	Total	97%	98%	98%	98%	98%	0/10	A3
<b>Services Operated</b>								
4	Total	95%	96%	95%	96%	96%	2/10	A4
<b>Scheduled Kilometres Operated</b> <i>Based on AVL data</i>								
5.1	Total	95%	N/A	N/A	96%	96%	0/9	A5
<b>Punctuality</b> <i>High and low frequency punctuality at origin terminus – sample of services recorded for Dublin Bus</i>								
6.1	Total	95%	95.6%	96.4%	97.1%	96.4%	1/12	A6
<b>Low-Frequency Punctuality</b>  (2017 only, over full route, based on AVL data supplied to NTA by Dublin Bus)								
7.1	Total	56% to 61%	N/A	N/A	58% to 65%	58% to 65%	1/9	A7
Total						11/100		

**Table 4: Reliability and Punctuality Results**

### 3.3 Customer Information Results

The customer information results for 2015 and 2016 are taken from Dublin Bus commissioned mystery shop surveys. The results for 2017 are taken from NTA commissioned mystery shop surveys, which used a revised methodology and categorisation for assessing measuring performance.

Within this category, a total of 6 non-compliances were reported.

There was a high level of non-compliance in relation to network changes and up-to-date timetable information on the Dublin Bus website.

Details are set out and Table 5, and in Tables A8 to A14 in Appendix A.

Performance Obligation		Compliance Test	2015 Average	2016 Average	2017 Average	Running Average	No. of Non Compliances Recorded	Refer to Table
8.0	Timetable Information	100%	100%	100%	N/A	100%	0/8	Table A8
9.0	Bus Destination Scrolls	98%	99.6%	98.1%	N/A	98.9%	0/8	Table A9
10.0	Customer Telephone Information	90%	96.0%	99.6%%	N/A	97.8%	0/8	Table A10
11.0	On-Street Information	98%	99.8%	99.6%	N/A	99.7%	0/8	Table A11
12.0	24 Hours Service Information	<i>Availability of Information</i>	98.8%	100%	N/A	99.4%	2/8	Table A12
13.0	Fares Information	<i>Availability of Information</i>	100%	100%	N/A	100%	0/8	Table A13
14.0	Network Changes on Website	<i>Availability of Information</i>	90.3%	87.3%	N/A	88.8%	4/8	Table A14
Total							6/56	

**Table 5: Customer Information Results**

### 3.4 Customer Experience Results

#### *Stations, drivers and vehicles*

The customer experience results for 2015 and 2016 are taken from Dublin Bus commissioned mystery shop surveys. The results for 2017 are taken from NTA commissioned mystery shop surveys, which used a revised methodology and categorisation for assessing measuring performance.

The 2015 and 2016 results are presented in Table 6 and in Table A15 of Appendix A. These indicators were not part of the contractual performance regime at the time, so there are no recorded non-compliances.

Reporting obligation		Compliance Test	2015 Average	2016 Average	No. of non-compliances reported	Refer to Table
15.1	Bus vacuumed and washed each day	N/A	99.8%	87%	N/A	A15
15.2	Day removal of rubbish, emptying of bins and attending to soiling of significant nature	N/A	99.8%	99.7%	N/A	A15
15.3	Bus valeted every 4 weeks	N/A	99.9%	100%	N/A	A15
15.4	BAC to keep public areas of BAC buildings clean	N/A	100%	99.7%	N/A	A15
15.5	BE drivers are well-presented, friendly, helpful and courteous	N/A	97.6%	97.3%	N/A	A15

**Table 6: Customer Experience performance (2015 and 2016)**

The 2017 results are presented in Table 7 and in Table A16 of Appendix A. The application of service quality performance targets based on the results of quarterly NTA commissioned Mystery Shops commenced in Q1 2017. A total of 12 of 20 performance targets were not met in 2017. Where targets were not met, contractual performance payment deductions were applied.

Target	Year	Performance target met?	Refer to table
<i>Bus Equipment Performance (including heating, lighting, wheelchair ramps, CCTV, ticket machine, route and destination displays)</i>	2017	2 of 4 quarters	A16
<i>Bus Driver Performance (helpful, polite, drives smoothly, pulls into kerb at stop, stops at bus stops on request, informs of disruption)</i>	2017	4 of 4 quarters	A16
<i>Customer Information Performance (fares display on buses, information at bus stops)</i>	2017	4 of 4 quarters	A18
<i>Customer care performance (customer service desk, complaints response times, etc)</i>	2017	4 of 4 quarters	A16
<i>Cleanliness Performance (bus vehicles and stations)</i>	2017	4 of 4 quarters	A16
<i>Stop Maintenance Performance (Stop repairs, cleaning and being kept free of advertising)</i>	2017	4 of 4 quarters	A16

**Table 7: Customer Experience performance (2017)**

### **Complaint rates**

The overall complaint rate reduced from early 2017 onwards, with a slight increase in overall complaint rate at the end of 2017, largely as a result of capacity issues on certain routes. A summary is provided in Table 8 and in more detail in Table A17 of Appendix A.

Complaints (Per 100,000 Passengers)	2015				2016				2017				Refer to Table
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Total Figure Achieved</b>	15.9	11.4	12.2	11.6	15.4	17.1	15.8	17.0	11.8	10.2	10.0	12.3	A17

**Table 7: Customer Experience performance (2017)**

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### ***Vehicle accessibility and age***

These obligations are reported to the Authority by Dublin Bus on a quarterly basis. The results are summarised in Table 8.

<b>Performance obligation</b>		<b>Compliance Test</b>	<b>2015 Average</b>	<b>2016 Average</b>	<b>2017 Average</b>	<b>Running Average</b>	<b>No. of non-compliances reported</b>
14.0	Accessibility	All new Vehicles purchased to be wheelchair accessible	100%	100%	N/A	100%	0
15.0	Fleet Bus Age	Report Bus Fleet Age	7.5 years	6.5 years	6.2 years	N/A	0
Total							0

**Table 8: Vehicle accessibility and age**

### **3.6 Environmental Performance**

BÉ has reported full compliance with emissions and noise vehicle standards. From Q4 2016 onwards, Dublin Bus has also reported on a quarterly basis in relation to fuel consumption and carbon emissions, and complaints made in relation to noise and vibration associated with its PSO operations.

---

## 4.0 Changes to the Contract

### 4.1 Service changes

The Contract provides that any changes to the PSO services must be subject to the approval of the NTA. The NTA has approved a number of alterations to services during each year of the contract to date. Those with cost implications are summarised below. In addition there have been numerous minor timetable adjustments and stopping locations relocations with no cost implications.

- 2015 – 24 route or timetable changes with an annualised gross cost of €468,245.00
  - Route 4
  - Routes 31, 31A, 31B, 32
  
- 2016 – 25 route or timetable changes with an annualised gross cost of €4,444,517.00
  - Route 1
  - Route 4
  - Route 9
  - Route 15
  - Routes 25A, 25B and 25X
  - Route 27B
  - Route 67
  - Routes 31A, 31B, 31C and 32
  - Routes 38A, 38B and 70
  - Route 40
  - Route 42D
  - Route 68X
  - Route 70D
  - Route 84X
  - Route 140
  
- 2017 – 64 route or timetable changes with an annualised gross cost of €3,510,306.00
  - Route 1
  - Route 75
  - Route 17A
  - Route 142
  - Route 15
  - Routes 25A, 25B and 25D
  - Route 44
  - Route 53
  - Route 118
  - Route 84X

- 
- Route 145
  - Route 39X
  - Route 9
  - Route
  - Route 46A
  - Route 140
  - Route 66
  - Route 26

These service changes have delivered improved public transport services for the public during the period of the Contract.

## **4.2 Fare Increases Approved**

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

## **4.3 Purchase of buses and associated equipment and systems**

The Authority provided a capital grant to Dublin Bus in 2015 and in 2016 to fund the purchase of 90 and 110 urban double deck buses respectively for use on PSO services.

From 2017 the Authority has directly purchased buses and provided them to operators for use on PSO services contracted by the Authority.

A total of 100 urban double deck buses and 2 urban single deck buses were provided by the Authority to Dublin Bus in 2017.

The 2018 bus replacement programme is ongoing.

All fleet are Wi-Fi enabled, wheelchair accessible and meet modern EU emission standards.

In addition, the Authority invested in the period 2015-2017 in the provision of various enhancements to bus equipment and systems including Automatic Vehicle Location system enhancements and new ticketing equipment. The Authority has also funded upgrades to customer contact management system and additional resources for customer care and operational control of PSO bus services. The cost of certain of these items, including on-going operational costs of system enhancements required to support contract operations, are included in the annual subvention amounts set out in Table 3 above.

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## 5.0 Audits of the Contract

The annual audit for the December 2014 contract commissioned by the NTA examines the financial systems, controls and processes used in relation to:

- Safety Management
- Environmental Management
- Ticketing and Fares Collection
- Operation and Maintenance of Network Assets
- Management of Security
- Records and Reporting Requirements
- Net Financial Report and Efficiency Incentive
- Defects and Damage to the Network Assets
- Insurance
- Other audit items

The audit for 2016 provided an overall assurance rating of “substantial”.

The audit for 2016 provided an overall assurance rating of “satisfactory”.

At the time of writing the 2017 audit is underway.

## **Appendix A: Performance Obligation Results**



## RELIABILITY PERFORMANCE INDICATORS

Vehicles in service			2015				2016				2017			
Ref	Time period	Target	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.1	Weekday AM	98%	99.4%	99.3%	99.6%	99.5%	99.6%	99.6%	99.5%	99.6%	99.8%	99.8%	99.8%	99.8%
1.2	Weekday PM	98%	98.9%	98.5%	98.7%	98.8%	99.2%	98.3%	97.5%	98.3%	99.1%	99.1%	98.6%	98.9%
1.3	Saturday	98%	98.6%	97.6%	96.6%	98.6%	98.9%	96.3%	94.8%	96.9%	98.5%	98.3%	97.5%	98.8%
1.4	Peak Sunday Peak	98%	99.9%	100%	99.9%	100%	100%	100%	99.9%	99.9%	100%	100%	100%	99.8%

**Table A1- Vehicles in Service as percent of Peak Vehicle Requirement (reported by Dublin Bus)**

No	Performance Obligation		2015				2016				2017			
		Target	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Drivers Duties Operated – Total</b>														
3.1		98%	99.3%	99.1%	99.3%	95.0%	99.5%	99.5%	98.7%	99.3%	99.5%	99.5%	99.3%	99.5%

**Table A2- Drivers Duties Operated (reported by Dublin Bus)**

No	Performance Obligation	Target	2015				2016				2017			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Scheduled Km Operated – Total</b>														
3.1		97%	98.4%	98.4%	98.2%	98.0%	98.4%	97.9%	97.4%	97.2%	98.4%	98.5%	N/A	N/A

**Table A3- Scheduled Kms Operated (reported by Dublin Bus)**

No	Performance Obligation	Target	2015				2016				2017			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Services Operated – Total</b>														
4.1		95%	96.5%	95.4%	96.2%	95.0%	96.2%	95.9%	94.5%	94.7%	96.2%	96.3%	N/A	N/A

**Table A4- Services Operated (reported by Dublin Bus)**

No	Performance Obligation	Target	2017								
			P5	P6	P7	P8	P9	P10	P11	P12	P13
<b>Scheduled Kilometres Operated – Total</b>											
5.1	Percentage of scheduled kilometres Percentage of scheduled kilometres operated (excludes third party causes for non-operation)	95%	95.3%	95.6%	96.1%	95.9%	95.8%	95.2%	95.4%	95.7%	95.3%

**Table A5 – Scheduled Kilometres Operated as Per DMS**

## PUNCTUALITY PERFORMANCE INDICATORS

No	Performance Obligation	Target	2015				2016				2017			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
6.1	Total	95%	97%	96%	97%	98%	97%	97%	97%	96%	95%	95%	97%	96%

**Table A6: Punctuality (Dublin Bus reports for sample of routes)**

No	Performance Obligation	Target	2017									
			P5	P6	P7	P8	P9	P10	P11	P12	P13	
<b>Punctuality of Low-Frequency Routes</b>												
7.1	Percentage of low frequency services departing any bus stop on route within -1 to +6 minutes of timetabled time.	58% 61% 56%	58%	60%	61%	65%	64%	60%	61%	59%	57%	

**Table A7: Punctuality (low frequency services (less than 4 per hour) measured at each bus stop where Dublin Bus AVL data is available)**

## CUSTOMER SERVICE QUALITY PERFORMANCE INDICATORS

Target	Year	Q1	Q2	Q3	Q4
<i>Comprehensive and up to date timetable will be published on Dublin Bus website Supported by production of appropriate local timetable and media</i>	2015	Confirmed	Confirmed	Confirmed	Confirmed
	2016	Confirmed	Confirmed	Confirmed	Confirmed

**Table A8: Timetabled Information (Dublin Bus commissioned mystery shop)**

Target	Year	Q1	Q2	Q3	Q4	Year Average
98%	2015	99.6%	99.8%	99.2%	99.5%	99.6%
98%	2016	99.7%	99.8%	99.4%	99.6%	99.6%

**Table A9: Bus Destination Scrolls (Dublin Bus commissioned mystery shop)**

Target	Year	Q1	Q2	Q3	Q4	Year Average
<i>90% of calls answered in 60 seconds</i>	2015	95.2%	97.0%	96.7%	97.0%	96.0%
	2016	97.9%	98.0%	98.1%	97.6%	97.8%

**Table A10: Customer Telephone Information (Dublin Bus commissioned mystery shop)**

Target	Year	Q1	Q2	Q3	Q4	Year Average
<i>Correct and up-to-date timetables on at least 98% of bus stops that provide information</i>	2015	100%	99.0%	99.6%	100%	99.8%
	2016	100%	100%	99.2%	99.4%	99.6%

**Table A11: On Street Information (Dublin Bus commissioned mystery shop)**

Target	Year	Q1	Q2	Q3	Q4	Year Average
<i>Available 24 Hours a Day</i>	2015	100%	96.7%	100%	98.7%	98.8%
	2016	100%	100%	100%	100%	100%

**Table A12: 24 Hour Service Information (Dublin Bus commissioned mystery shop)**

Target	Year	Q1	Q2	Q3	Q4
<i>Up-to-date fares information for all fares categories and all services to be available on BAC website. Fare changes to be on website as early as possible and not less than 10 days in advance of the change taking place</i>	2015	Confirmed	Confirmed	Confirmed	Confirmed
	2016	Confirmed	Confirmed	Confirmed	Confirmed

**Table A13: Fares Information(Dublin Bus commissioned mystery shop)**

Target	Year	Q1	Q2	Q3	Q4
<i>Comprehensive and up to date timetable will be published on Dublin Bus website. Timetable changes to be announced on the website as early as possible and not less than 10 days in advance of the change taking place</i>	2015	100%	75%	100%	86%
	2016	66.0%	100%	100%	83.3%

**Table A14: Network Changes on Website (Dublin Bus commissioned mystery shop)**

Target	Year	Q1	Q2	Q3	Q4
<i>Each bus operated in service will be vacuumed internally and washed externally each day</i>	2015	100%	100%	100%	99.0%
	2016	100%	98.3%	100%	99.6%
<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>	2015	99.6%	99.6%	100%	100%
	2016	99.6%	99.2%	100%	99.9%
<i>Each bus will internally valeted on average every 4 weeks to include cleaning of all internal surfaces including windows, graffiti and stain removal</i>	2015	100%	99.5%	100%	100%
	2016	100%	100%	100%	100%
<i>BAC will keep the public areas of BAC buildings clean</i>	2015	100%	100%	100%	100%
	2016	100%	98.9%	100%	100%
<i>BE drivers are well-presented, friendly, helpful and courteous</i>	2015	97.9%	97.5%	97.6%	97.5%
	2016	96%	97.3%	97.5%	98.4%

**Table A15: Customer experience performance (Dublin Bus commissioned mystery shop)**

Target	Year	Q1	Q2	Q3	Q4
<i>Bus Vehicle Performance (external branding and livery, specified vehicle capacity for route and time, age, correct number of doors)</i>	2017	Target Not Met 100% Deduction	Target Not Met 50% Deduction	Target Met	Target Met
<i>Bus Equipment Performance (including heating, lighting, wheelchair ramps, CCTV, ticket machine, route and destination displays)</i>	2017	Target Not Met 50% Deduction	Target Met	Target Met	Target Not Met 50% Deduction
<i>Bus Driver Performance (helpful, polite, drives smoothly, pulls into kerb at stop, stops at bus stops on request, informs of disruption)</i>	2017	Target Met	Target Met	Target Met	Target Met
<i>Customer Information Performance (fares display on buses, information at bus stops)</i>	2017	Target Met	Target Met	Target Met	Target Met
<i>Customer care performance (customer service desk, complaints response times, etc)</i>	2017	Target Met	Target Met	Target Met	Target Met
<i>Cleanliness Performance (bus vehicles)</i>	2017	Target Met	Target Met	Target Met	Target Met
<i>Stop Maintenance Performance (Stop repairs, cleaning and being kept free of advertising)</i>	2017	Target Met	Target Met	Target Met	Target Met

**Table A16: Customer Service Quality Performance (NTA commissioned mystery shop)**

Complaints (Per 100,000 Passengers)	2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Service Issues	N/A	7.2	5.8	5.1	4.5	6.7						
Staff Issues	N/A	3.2	3.0	2.8	2.9	3.0						
Boarding & Onboard	N/A	2.1	1.2	0.8	0.7	0.9						
Fares & Ticketing	N/A	1.3	0.5	0.5	0.4	0.4						
Timetabling / Service Changes	N/A	1.2	0.5	0.4	0.4	0.7						
Customer Service	N/A	0.7	0.2	0.1	0.3	0.1						
Anti-Social Behaviour	N/A	0.2	0.1	0.1	0.1	0.2						
RTPI Issues	N/A	0.1	0.1	0.1	0.1	0.1						
Stop / Shelter Issues	N/A	0.4	0.1	0.1	0.1	0.1						
Environmental	N/A	0.0	0.0	0.0	0.0	0.0						
Website	N/A	0.1	0.0	0.0	0.0	0.0						
Apps	N/A	0.1	0.0	0.1	0.0	0.1						
<b>Total Figure Achieved</b>	<b>15.9</b>	<b>11.4</b>	<b>12.2</b>	<b>11.6</b>	<b>15.4</b>	<b>17.1</b>	<b>15.8</b>	<b>17.0</b>	<b>11.8</b>	<b>10.2</b>	<b>10.0</b>	<b>12.3</b>

**Table A17: Customer complaint rates (reported by Dublin Bus)**

## **Annex B**

### **Consultation Submissions Report**



**Statutory Public Consultation on Direct  
Award of 2019 Bus Public Service  
Contracts to Dublin Bus**

**Consultation Submissions Report**

November 2018

National Transport Authority  
Dun Scéine  
Iveagh Court  
Dublin 2

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## **1. Background**

In December 2014, the National Transport Authority (the “Authority”) entered into a contract with Dublin Bus for the provision of public service obligation (PSO) bus services in the Dublin area

The Authority is proposing to enter into another direct award contract with Dublin Bus in December 2019, for the provision of public bus services in the Dublin area under a public service obligation (PSO) for a period of 5 years.

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 from 2<sup>nd</sup> October 2018 to 30<sup>th</sup> October 2018, 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 16 submissions were received relating to the Dublin Bus Direct Award Contract (excluding duplicate submissions).

Of the 16 submissions

- 2 were from private individuals
- 3 were from government agencies
- 2 were from the incumbent bus operator (Dublin Bus) and parent body (CIÉ)
- 1 was from bus operator industry body
- 4 were from other industry or employer bodies
- 2 were from trade unions
- 1 was from a political party
- 1 was from a non-profit organisation/NGO

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 main comments made by the various respondents to the public consultation. The specific subjects raised have been grouped into two subject areas:

- Comments on the proposal to direct award contracts in 2019 to Dublin Bus
- 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 2019 to Dublin Bus

##### 3.1.1 Approval in principle

Of the submissions received six state that they approve in principle the proposal to enter into a new direct award contract with Dublin Bus in 2019.

**John Ryan of Dublin Bus:**

- Agrees with Direct Awarding of bus contracts
- Outlines risk related to technology replacement and loss of expertise if not directly awarded
- Outlines risk associated with private operators' exposure to external market pressures
- Believes that the incumbent operator is best placed to address socioeconomic and environmental needs within Dublin area
- Believes that the incumbent operator is best placed to support current and future patronage base in Dublin area, and to deliver strong performance against service quality obligations.

**Ronan Gill of CIE:**

- Welcomes proposal to directly award contract to Dublin Bus
- Believes Dublin more suited to Direct Award model when compared to other European cities
- Believes that the incumbent operator is best placed to address socioeconomic and environmental needs within Dublin area
- Believes that the incumbent operator is best placed to support current and future patronage base in Dublin area, and to deliver strong performance against service quality obligations.

**Neil Walker of IBEC, John Walker of SIPTU** agreed with Direct Awarding of bus contracts.

**Bob Laird** agrees with not tendering additional routes in immediate term

**Niamh Faul** of the **Irish Wheelchair Association** supports the decision to Directly Award as it will ensure no disruption to persons with disabilities

### **3.1.2 Question rationale for direct award**

**Cathal Guiomard** of the **Competition Advocacy Association**:

- Raises concern over lack of analysis on alternative contract types, i.e. gross vest net contracts specific to routes
- Believes Authority should have engaged in 'market testing', inviting operators from other states to register interest in the subject contract (quoting Directive 2004/18/EC)
- Argues decision to issue Direct Award is not consistent with government policy (DTA 2008: s.52(6)(c)(ii))
- Argues 'general economic interest' has not been sufficiently justified in decision to Direct Award
- Raises disappointment over the limited time available before a 2019 contract award and how this has presumably affected Authority's decision to explore competitive tendering
- Believes Authority's decision should not be based on current contractual performance
- Believes TUPE factor in this instance does not represent impediment to competitive tendering
- Believes Authority has made undue presumptions on how to reassign overheads, e.g. depot costs
- Raises disappointment over the lack of calculations present which outline the direct savings from tendering
- Believes risk that network re-design posits to a newly tendered contract and operator has been inadequately justified
- Raises concern over lack of information on savings targets in Authority's performance paper
- Believes that Authority has been contradictory over Direct Award decision, and publications regarding merits of competitive tendering, post Go Ahead awards
- Raises concern over omission of proportion of performance-based payments issued to the incumbent, stating its relevance to the decision making between Direct Award and competitive tendering

### **3.1.3 Support additional route tendering**

Of the submissions received, three state that they favour additional route tendering in the Dublin area.

**Cathal Guiomard** of the **Competition Advocacy Association**

- believes that a tendering exercise for a further set of bus routes is required in order to protect the interests of the travelling public
- Further tendering would serve the general economic interest
- argues that current (direct award) contract be granted short (12 month) extension to mitigate risk posed by network re-design

**Kevin Traynor of the Coach Tourism and Transport Council of Ireland**

- Believes any additional tendering should not preclude smaller operators from the process
- Believes adequacy of public transport services in Dublin area would be best achieved through further competitive tendering

**Áine Carroll of the Competition and Consumer Protection Commission (CCPC):**

- regrets that the proposals do not provide for further competitive tendering
- Notes the Dublin Transport Authority Act included provisions to facilitate competition in PSO service provision in line with 1999 Competition Authority recommendation
- Notes the 2013 Competition Authority submission to NTA concluded that competitive tendering gives a stronger framework to NTA to achieve its goals
- Supports opening up bus routes with effective regulatory oversight to deliver improvements in quality reliability and punctuality
- Notes that CCPC view continues to be that opening up the public bus market through competition benefits consumers and businesses
- urges further consideration on how greater competition can be facilitated and would welcome opportunity to discuss with NTA

### **3.1.4 Oppose tendering**

**John Murphy of SIPTU notes:**

- Proposals appear only motivated by agenda that "competitive tension in the market is good for consumer" or alleged "value for money"
- Public bus service contracts should be adequately funded by exchequer as they are socially necessary and should not fall victim to profiteering or race to bottom in wages and employment conditions

**Liam Berney of ICTU states:**

- Any decision to tender services in the middle of a direct award contract has the potential to destabilise the financial position and operational capacity of Dublin Bus
- Congress does not support contention that competitive tendering automatically leads to better public services.
- Strong international evidence that tendering is often used as a means of driving down terms and conditions of employment and lowering standards
- Congress does not believe evidence presented in the documentation supports increased tendering and therefore encourages reconsideration of this aspect of the proposal.

### **3.1.5 Legal basis for direct award contracts**

**Cathal Guiomard** of the **Competition Advocacy Association** contends that the decision to issue Direct Award is not consistent with current EU and Irish law.

### **3.1.6 Need for evaluation prior to direct award**

**CAA** expresses the view that the efficacy of the Go Ahead contract should be assessed prior to any decision to directly award the contract to Dublin Bus.

### **3.1.7 Need for an evaluation period prior to further tendering**

**Ronan Gill** of **CIE** agrees with the Authority's view that market opening model is yet to be sufficiently tested in lieu of re-tendering in Dublin area.

**Dublin Town** note that decisions should be made for the benefit of the passenger rather than ideological reasons and would require assurance that further tendering would add value to Dublin City.

**Robert Troy TD** of **Fianna Fáil** states:

- Fianna Fáil consider further competitive tendering would mean further privatisation of Ireland's bus network
- By introducing an element of competitiveness, overall service quality can be increased and costs borne by state can be reduced
- However [following tendering] subsidy levels may not always increase and service levels may not increase, and fares may increase
- Privatisation can harm working conditions for transport workers, which in turn can impact on customer experience
- Given that private operators have only just started operating PSO routes, it is too early for impacts to be ascertained.
- A full evaluation of impacts of privatisation should be undertaken with a minimum of five years following current round of tendered contract awards
- Trial period of and review required before further tendering is undertaken

### **3.1.8 Operational Performance of Incumbent**

In their submission, **Dublin Bus** state their belief that they are best place to address socioeconomic and environmental needs in the Dublin area, as well as being best place to support the current and future patronage base. They also believe that they are best place to deliver strong performance against service quality obligations.

**CIE** also welcomes the acknowledgement that Dublin Bus exceeded KPI's across a range of performance metrics and committed to continue in its supporting role in helping Dublin Bus achieve continuous improvement.

### **3.1.9 Accessibility Issues**

**Alan Richardson** highlights the need for adequate stop accessibility for groups of higher need.

**Ronan Gill** of **CIE** supports the incumbent's policies and performance in relation to disabled and higher needs accessibility.

**John Carthy** of the **Irish Wheelchair Association** noted that all buses should be fully accessible, low floor where possible and all infrastructure needs to be accessible.

A submission was also received from **Niamh Faul** of the **National Disability Authority (NDA)**:

- Noted Dublin Bus's commitment to developing and delivering universally designed public transport service
- Noted requirement for bus livery and websites to be universally accessible
- In the event that additional services are to be tendered in the Dublin Region, NTA to engage with a wide range of service users to ensure inclusion

### **3.1.10 Bus Connects**

**John Ryan** of **Dublin Bus** states that Dublin Bus is best placed to address and mitigate the inherent risks posed by the Bus Connects network redesign.

**Alan Richardson** notes that Bus Connects has a complicated the decision to either directly award or competitively tender services and suggests need for clarity for delivery of Bus Connects alongside re-tendering.

**Kevin Traynor** of **Coach Tourism and Transport Council** considers it more advantageous to outline scale and timeframe of potential changes to the network as a result of Bus Connects to potential tenderers rather than to rely solely on the incumbent operator.

### **3.1.11 Authority control of Service Levels**

**Bob Laird** agrees with the Authority specifying the required service levels for the contract.

### **3.1.12 Competitive advantage of incumbent operator**

**Bob Laird** states disappointment that access to CIE depots not available to other bus operators

**Cathal Guiomard** of the **Competition Advocacy Association** raises concern over insufficient progress made by the Authority on ensuring that the assets of the incumbent (e.g. depot access) do not inhibit fair competitive tendering in the future.

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## 3.2 Other comments

### 3.2.1 Net or Gross Cost Contract

**Dublin Bus** notes that clarity is required on the implementation issues surrounding the gross cost element of the Direct Award Contract.

#### **Ronan Gill of CIE**

- Raises concern over shift of responsibility for revenue maximisation from incumbent to the Authority
- Raises question of relationship between maximising revenue under gross cost contract and the response to customer behaviour trends
- Raises question on whether the replacing of revenue with alternative performance incentives has been justified

**Bob Laird** is satisfied with the Authority retaining revenue risk under the proposed gross cost contract

### 3.2.2 Service specifications and performance standards

**Áine Carroll** of the **Competition and Consumer Protection Commission** welcomes that NTA will maintain a "fairly tight contractual specification of required services"

**Fiona Monaghan** of **Fáilte Ireland** outlines need for contract awarding to take into consideration the need to retain current service levels, in addition to meeting the needs of the tourism sector, including "hop-on hop-off" services

**Bob Laird** supports proposals for higher targets for operational performance with payment incentives and penalties

**John Ryan** of **Dublin Bus** asserts that the incumbent has been compliant on current contractual performance obligations

**Ronan Gill** of **CIE** welcomes acknowledgement that Dublin Bus is exceeding KPIs across a range of performance metrics and notes that CIE will continue to supporting role in helping Dublin Bus achieve continuous improvement

### 3.2.3 Reassigning routes to other contracts

**Bob Laird**

- Suggests moving certain routes (33, 65) from Dublin contract to Outside Dublin contract
- Suggests some routes along same corridors would be better operated with a single operator (e.g. 84, 184 and 33, 33a)

### **3.2.4 Public Transport Funding Levels**

IBEC highlights the need for rigorous state investment to ensure passenger needs are met.

### **3.2.5 Competitive Advantage of Incumbent**

**Bob Laird** notes his disappointment that access to CIE depots has not been made available to other operators.

**CAA** raises concern over insufficient progress made by the Authority on ensuring that the assets of the incumbent (e.g. depot access) do not inhibit fair competitive tendering in the future.

### **3.2.6 Economic and Social needs**

#### **Dublin Town:**

- Notes social functions undertaken by Dublin Bus and outlines requirement for any new operators to undertake comparable role
- Highlights concern over potential for buses competing with each other on profitable routes, leaving other routes underserved.
- Notes importance in maintaining reliable public transport for city centre trade.

**Donall O’Keeffe** of the **Licensed Vintners Association** notes Public transport service is essential to the employment and commercial sustainability of the Dublin licenced trade.

### **3.2.7 Fares policies**

**Bob Laird** notes fares policies particularly for schoolchildren may make services unprofitable

**Alan Richardson** believes NTA fares model is flawed in terms of increases versus inflation, and distance-based staging.

### **3.2.8 Other comments**

A variety of comments were made in relation to the need to retain or improve public transport integration, improve Real Time information, improve bus stop and shelter facilities and maintenance arrangements and purchase low-emission bus fleet.

## **Appendix A - List of submissions**

## Organisations or stakeholders

<b>Dublin Ref</b>	<b>Name</b>	<b>Organisation</b>
1	Bob Laird	
2	John Ryan	Dublin Bus
3	Neil Walker	IBEC
4	John Murphy	SIPTU
5	Alan Richardson	
6	Cathal Guiomard	Competition Advocacy Association
7	Ronan Gill	CIE
8		Dublin Town
9	Robert Troy TD	Fianna Fáil
10	Joan Carthy	Irish Wheelchair Association
11	Kevin Traynor	Coach Tourism and Transport Council of Ireland
12	Donall O'Keeffe	Licensed Vintners Association
13	Fiona Monaghan	Fáilte Ireland
14	Niamh Fawl	NDA
15	Áine Carroll	Competition and Consumer Protection Commission
16	Liam Berney	CTU

**Appendix B - List of comments under each submission**

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
1	Bob Laird		Disappointing that access to CIE depots not available to other bus operators
1	Bob Laird		Argues that 15 minute service frequency is not frequent enough to be considered high frequency
1	Bob Laird		Fares policies particularly for schoolchildren may make services unprofitable
1	Bob Laird		Need for greater NTA local knowledge
1	Bob Laird		Happy with gross cost contracts (NTA takes revenue risk)
1	Bob Laird		Supports proposals for higher targets for operational performance with payment incentives and penalties
1	Bob Laird		Move certain routes (33, 65) from Dublin contract to Outside Dublin contract
1	Bob Laird		Some routes along same corridors would be better operated with a single operator (e.g. 84, 184 and 33, 33a)
1	Bob Laird		Agrees with NTA specifying routes, timetables, fares vehicles and customer information
1	Bob Laird		Agrees with not tendering additional routes in immediate term
2	John Ryan	Dublin Bus	Believes that the incumbent operator is best placed to address and mitigate risks inherent in future network re-design
2	John Ryan	Dublin Bus	Highlights need for clarity over the implementation of a gross cost contract
2	John Ryan	Dublin Bus	Believes that the incumbent operator is best placed to address environmental needs within Dublin area

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
2	John Ryan	Dublin Bus	Believes that the incumbent operator is best placed to address socioeconomic needs within Dublin area
2	John Ryan	Dublin Bus	Believes that the incumbent operator is best placed to deliver strong performance against service quality obligations
2	John Ryan	Dublin Bus	Believes that the incumbent operator is best placed to support current and future patronage base in Dublin area
2	John Ryan	Dublin Bus	Has asserted that the incumbent has been compliant on current contractual obligations
2	John Ryan	Dublin Bus	Agrees with Direct Awarding of bus contracts
2	John Ryan	Dublin Bus	Outlines risk associated with private operators' exposure to external market pressures
2	John Ryan	Dublin Bus	Outlines risk related to technology replacement and loss of expertise if not directly awarded
3	Neil Walker	IBEC	Highlights need for rigorous state investment to ensure passenger needs are met
3	Neil Walker	IBEC	Agrees with Direct Awarding of bus contracts
4	John Murphy	SIPTU	Proposals appear only motivated by agenda that "competitive tension in the market is good for consumer" or alleged "value for money"
4	John Murphy	SIPTU	Public bus service contracts should be adequately funded by exchequer as they are socially necessary and should not fall victim to profiteering or race to bottom in wages and employment conditions
4	John Murphy	SIPTU	Agrees with Direct Awarding of bus contracts
5	Alan Richardson		Highlights need for adequate stop accessibility for groups of higher need

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
5	Alan Richardson		Suggests need for clarity for delivery of BusConnects alongside re-tendering
5	Alan Richardson		Believes bus network integration with other modes is inadequate
5	Alan Richardson		Believes NTA fares model is flawed in terms of increases versus inflation, and distance-based staging
5	Alan Richardson		Believes stop infrastructure delivery and maintenance should be unrestricted, solely under responsibility of NTA
5	Alan Richardson		Highlights need for a network-wide fleet which is low emission
5	Alan Richardson		Highlights need quality assurances and further investment in travel information (e.g. RTPI)
5	Alan Richardson		Need for greater NTA local knowledge
5	Alan Richardson		Suggests that shelter provision be targeted in isolated areas, or along infrequent routes (>30min)
6	Cathal Guiomard	Competition Advocacy Association	Argues that current contract be granted short (12 month) extension to mitigate risk posed by network re-design
6	Cathal Guiomard	Competition Advocacy Association	Believes that a tendering exercise for a further set of bus routes is required in order to protect the interests of the travelling public and to serve the general economic interest
6	Cathal Guiomard	Competition Advocacy Association	Raises concern over insufficient progress made by the Authority on ensuring that the assets of the incumbent (e.g. depot access) do not inhibit fair competitive tendering in the future
6	Cathal Guiomard	Competition Advocacy Association	Believes efficacy of Go Ahead contract should be assessed prior to decision to Direct Award

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
6	Cathal Guiomard	Competition Advocacy Association	Argues decision to issue Direct Award is not consistent with current EU and Irish law
6	Cathal Guiomard	Competition Advocacy Association	Argues decision to issue Direct Award is not consistent with government policy (DTA 2008: s.52(6)(c)(ii))
6	Cathal Guiomard	Competition Advocacy Association	Argues 'general economic interest' has not been sufficiently justified in decision to Direct Award
6	Cathal Guiomard	Competition Advocacy Association	Believes Authority has made undue presumptions on how to reassign overheads, e.g. depot costs
6	Cathal Guiomard	Competition Advocacy Association	Believes Authority should have engaged in 'market testing', inviting operators from other states to register interest in the subject contract (quoting Directive 2004/18/EC)
6	Cathal Guiomard	Competition Advocacy Association	Believes Authority's decision should not be based on current contractual performance
6	Cathal Guiomard	Competition Advocacy Association	Believes risk that network re-design posits to a newly tendered contract and operator has been inadequately justified
6	Cathal Guiomard	Competition Advocacy Association	Believes that Authority has been contradictory over Direct Award decision, and publications regarding merits of competitive tendering, post Go Ahead awards
6	Cathal Guiomard	Competition Advocacy Association	Believes TUPE factor in this instance does not represent impediment to competitive tendering
6	Cathal Guiomard	Competition Advocacy Association	Raises concern over lack of analysis on alternative contract types, i.e. gross vest net contracts specific to routes
6	Cathal Guiomard	Competition Advocacy Association	Raises concern over lack of information on savings targets in Authority's performance

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
		Association	paper
6	Cathal Guiomard	Competition Advocacy Association	Raises concern over omission of proportion of performance-based payments issued to the incumbent, stating its relevance to the decision making between Direct Award and competitive tendering
6	Cathal Guiomard	Competition Advocacy Association	Raises disappointment over the lack of calculations present which outline the direct savings from tendering
6	Cathal Guiomard	Competition Advocacy Association	Raises disappointment over the limited time available before a 2019 contract award and how this has presumably affected Authority's decision to explore competitive tendering
7	Ronan Gill	CIE	Supports the incumbent's policies and performance in relation to disabled and higher needs accessibility
7	Ronan Gill	CIE	Agrees with the Authority's view that market opening model is yet to be sufficiently tested in lieu of re-tendering in Dublin area
7	Ronan Gill	CIE	Notes importance of bus transport to Dublin and its future role in facilitating modal shift
7	Ronan Gill	CIE	Raises concern over shift of responsibility for revenue maximisation from incumbent to the Authority
7	Ronan Gill	CIE	Raises question of relationship between maximising revenue under gross cost contract and the response to customer behaviour trends
7	Ronan Gill	CIE	Raises question on whether the replacing of revenue with alternative performance incentives has been justified
7	Ronan Gill	CIE	Welcomes acknowledgement that Dublin Bus is exceeding KPIs across a range of performance metrics and notes that CIE will continue to supporting role in helping Dublin

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
			Bus achieve continuous improvement
7	Ronan Gill	CIE	Believes Dublin more suited to Direct Award model when compared to other European cities
7	Ronan Gill	CIE	Believes that the incumbent operator is best placed to address environmental needs within Dublin area
7	Ronan Gill	CIE	Believes that the incumbent operator is best placed to address socioeconomic needs within Dublin area
7	Ronan Gill	CIE	Believes that the incumbent operator is best placed to deliver strong performance against service quality obligations
7	Ronan Gill	CIE	Believes that the incumbent operator is best placed to support current and future patronage base in Dublin area
7	Ronan Gill	CIE	Welcomes proposal to directly award contract to Dublin Bus
8		Dublin Town	Highlights concern over potential for buses competing with each other on profitable routes, leaving other routes underserved
8		Dublin Town	Believes that decisions should be made for the benefit of the passenger rather than ideological reasons
8		Dublin Town	Would require assurance that further tendering would add value to Dublin City
8		Dublin Town	Highlights need quality assurances and further investment in travel information (e.g. RTPI)
8		Dublin Town	Notes importance in maintaining reliable public transport for city centre trade

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
8		Dublin Town	Notes social functions undertaken by Dublin Bus and outlines requirement for any new operators to undertake comparable role
9	Robert Troy TD	Fianna Fáil	A full evaluation of impacts of privatisation should be undertaken with a minimum of five years following current round of tendered contract awards
9	Robert Troy TD	Fianna Fáil	By introducing an element of competitiveness, overall service quality can be increased and costs borne by state can be reduced
9	Robert Troy TD	Fianna Fáil	Fianna Fáil consider further competitive tendering would mean further privatisation of Ireland's bus network
9	Robert Troy TD	Fianna Fáil	Given that private operators have only just started operating PSO routes, it is too early for impacts to be ascertained.
9	Robert Troy TD	Fianna Fáil	However [following tendering] subsidy levels may not always increase and service levels may not increase, and fares may increase
9	Robert Troy TD	Fianna Fáil	Privatisation can harm working conditions for transport workers, which in turn can impact on customer experience
9	Robert Troy TD	Fianna Fáil	Trial period of and review required before further tendering is undertaken
9	Robert Troy TD	Fianna Fáil	Fianna Fáil has long recognised vital role the state must play in the delivery of quality public transport
10	Joan Carthy	Irish Wheelchair Association	All buses should be fully accessible, lower floor buses where possible and all infrastructure needs to be accessible.
11	Kevin Traynor	Coach Tourism and Transport Council of	Believes adequacy of public transport services in Dublin area would be best achieved through further competitive tendering

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
		Ireland	
11	Kevin Traynor	Coach Tourism and Transport Council of Ireland	Believes any additional tendering should not preclude smaller operators from the process
11	Kevin Traynor	Coach Tourism and Transport Council of Ireland	Considers it more advantageous to outline scale and timeframe of potential changes to network to potential tenderers rather than rely solely on incumbent operator
12	Donall O'Keeffe	Licensed Vintners Association	Good public transport network is essential for access to and from our members licenced premises
12	Donall O'Keeffe	Licensed Vintners Association	Public transport service is essential to the employment and commercial sustainability of the Dublin licenced trade.
13	Fiona Monaghan	Fáilte Ireland	Outlined importance of tourism to national economy and linkages with transport
13	Fiona Monaghan	Fáilte Ireland	Outlines need for contract awarding to take into consideration the need to retain current service levels, in addition to meeting the needs of the tourism sector, including "hop-on hop-off" services
14	Niamh Fawl	NDA	In the event that additional services are to be tendered in Dublin region, NTA to engage with a wide range of service users to ensure inclusion
14	Niamh Fawl	NDA	Noted Dublin Bus's commitment to developing and delivering universally designed public transport services
14	Niamh Fawl	NDA	Noted requirement for bus livery and websites to be universally accessible
14	Niamh Fawl	NDA	Supports decision to Directly Award as it will ensure no disruption to persons with

Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report

Submission	Name	Organisation	Comment
			disabilities
15	Áine Carroll	Competition and Consumer Protection Commission	2013 Competition Authority submission to NTA concluded that competitive tendering gives a stronger framework to NTA to achieve its goals
15	Áine Carroll	Competition and Consumer Protection Commission	CCPC regret that the proposals do not provide for further competitive tendering
15	Áine Carroll	Competition and Consumer Protection Commission	CCPC supports opening up bus routes with effective regulatory oversight to deliver improvements in quality reliability and punctuality
15	Áine Carroll	Competition and Consumer Protection Commission	CCPC urges further consideration on how greater competition can be facilitated and would welcome opportunity to discuss with NTA
15	Áine Carroll	Competition and Consumer Protection Commission	CCPC view continues to be that opening up the public bus market through competition benefits consumers and businesses
15	Áine Carroll	Competition and Consumer Protection Commission	Dublin Transport Authority Act included provisions to facilitate competition in PSO service provision in line with 1999 Competition Authority recommendation
15	Áine Carroll	Competition and Consumer Protection Commission	Welcome that NTA will maintain a "fairly tight contractual specification of required services"

*Direct Award of 2019 Dublin Bus Public Service Contract - Consultation Submissions Report*

<b>Submission</b>	<b>Name</b>	<b>Organisation</b>	<b>Comment</b>
16	Liam Berney	ICTU	Any decision to tender services in the middle of a direct award contract has the potential to destabilise the financial position and operational capacity of Dublin Bus
16	Liam Berney	ICTU	Congress does not believe evidence presented in the documentation supports increased tendering and therefore encourages reconsideration of this aspect of the proposal.
16	Liam Berney	ICTU	Congress does not support contention that competitive tendering automatically leads to better public services.
16	Liam Berney	ICTU	Strong international evidence that tendering is often used as a means of driving down terms and conditions of employment and lowering standards



## **Annex C**

### **National Transport Authority Decision on Award of Public Bus Services Contract to Dublin Bus from 1st December 2019**



# **Board Consideration and Decision on Award of Public Bus Services Contract to Dublin Bus from 1<sup>st</sup> December 2019**

## **Published Proposals**

On 2nd October 2018, the National Transport Authority published three documents in relation to whether it would enter into another direct award contract with Dublin Bus in 2019.

The three published documents were:

1. Consultation Paper;
2. Technical Report on Contract Options;
3. Report on operation of the 2014 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 to 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 30<sup>th</sup> November 2019, the Authority may enter into a subsequent direct award contract. This right is subject to complying with 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*” 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 2<sup>nd</sup> October to 30<sup>th</sup> October 2018.

These submissions have been made available in a separate document and a report summarising the submissions has also been provided.

## Consideration of submissions

### Direct Award and General Economic Interest

Of the sixteen submissions received, six approved in principle the proposal to enter into a direct award contract with Dublin Bus. These included the incumbent operator, C.I.É. and the unions that represent some of the employees of the incumbent operator. In fact all the union submissions objected to increased tendering of services currently operated by Dublin Bus. Some of the submissions agreed with the direct award of a contract to Dublin Bus but would consider further tendering in the future. Other submissions, including the submission from Deputy Robert Troy, Fianna Fáil, considered that the efficacy of the contract with Go Ahead should be tested before any further tendering is considered.

Both the Competition and Consumer Protection Commission (CCPC) and the Competition Advocacy Association (CAA) favour additional tendering in the interest of the travelling public. The CAA submission also argues that the 'general economic interest' requirement set out in section 52(6)(c) has not been sufficiently justified.

While it is agreed that increased competition can be in the consumer's interest, it is considered that the general economic interest is best served in the case of the public transport services in the Dublin area by awarding a Direct Award Contract to the incumbent operator that will facilitate the delivery of the significant changes envisioned as part of the BusConnects programme and which are not yet fully defined.

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. It is considered that a Direct Award best maintains the important continuity of the public transport services option in the "general economic interest" and takes account of 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 should not be impaired.

International experience of implementing major changes in a network of services as is proposed in BusConnects would show that it is preferable not to change a network and an operator at the same time, particularly a network of the size and complexity as Dublin.

Additionally, significant road works are anticipated to take place as the bus lanes are improved on the main corridors into Dublin city.

Again it is noted that the Authority may be required to make associated adjustments in whatever contract is in place to facilitate these major changes, which would have significant impact on the operating environment.

It is not proposed at this time to change the boundaries between the services offered by Dublin Bus and Bus Éireann under their Direct Award contracts as suggested by one person making a submission in combining services along the northeastern corridor from both companies into one tender.

### **Maintaining Integration of Services**

While none of the submissions addressed the issue of maintaining the integration of the services, the key objectives in entering any public transport 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/or the introduction of competition, the Authority must 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 has now invested in these systems to allow operators other than Dublin Bus to access these core systems. The operation of this multi-operator environment has to be tested in order to ensure that the entry of a new operator technology will operate so that the customer's experience remains unaffected.

A number of the submissions agreed that the Authority should maintain control of the service levels and maintain improving performance metrics. The Authority would devise both the Direct Award contracts and any competitively tendered contract so that the net effect for the consumer should be that, absent anything else, no diminution would occur in the quality and integration of bus services notwithstanding what procurement route is chosen. 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.

### **Maintaining accessibility of services**

A number of submissions received noted that the level of accessibility should not be reduced in any way. This will be guaranteed by supplying the fleet that are fully wheelchair accessible. The Authority will continue to work with communities and key stakeholders to improve the level of accessibility of public transport services.

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.

## Other Services

The performance of the existing tendered contract with Go Ahead Ireland Limited in connection with certain of the routes within the Dublin area will be monitored thereby allowing for a comparative assessment of the two types of public transport services contract to be carried out. At this point, the Authority does not have enough data to facilitate such a comparative assessment.

## Conclusion

The Authority approved the proposal set out in the Consultation Paper.

## Board 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 2nd October 2018, on a new Direct Award Public Bus Services Contract to Dublin Bus to commence on 1<sup>st</sup> December 2019;
- 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;
- that it had been previously satisfied (as required by section 52(6) in connection with its entry into of the Direct Award contract with Dublin Bus due to expire in November 2019) in relation to the continued adequacy of the public bus services being provided under such contract being guaranteed in the general economic interest by such entry;
- section 52(5), Dublin Transport Authority Act 2008 and the power conferred on the Authority to make alterations to elements of the direct award contract relating to the provision of services, following consultations with the relevant operator;
- 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 for the following reasons:
  - a. the NTA proposal to:
    - i. achieve a significant change in the design and operation of the bus network in Dublin as part of the BusConnects programme; and
    - ii. to carry out significant work on the bus corridors from , provisionally,2020 onwards, and
    - iii. the need in either case for the Authority to have a right of alteration of the elements of service to be provided under the relevant public transport services contract for the ongoing delivery of the services, with minimum disruption to such services and thereby to allow it to require changes to the contract to maintain the adequacy of such public bus services;
  - b. the current performance levels of Dublin Bus which are satisfactory to the Authority;
  - c. the Authority is in the process of obtaining historic information in relation to the tendered services so that it may be able to carry out a comparative assessment (whether as regards performance or otherwise) between the direct award contract and that other public transport services contract;
2. the Authority shall enter into a direct award contract (the “**2019 direct award contract**”) in accordance with section 52(6) of the Act to Dublin Bus; and
3. the Chief Executive Officer is:
  - a. to conclude the 2019 direct award contract on behalf of the Authority, including settling the terms of the 2019 direct award contract; and
  - b. without prejudice to the generality of (a), if necessary in her opinion to reflect customer needs and trends, to modify the routes that are the subject of the 2019 direct award contract or a particular element of the 2019 direct award contract; and
4. 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.

## **Schedule 1: Services to be contained within Direct Award Contract commencing in December 2019**

The direct award contract will provide Dublin Bus with the 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.

The list of the Services to be operated under the direct award contract will be those set out in Table A1 below (i.e. those included in the current contract) for a period of 5 years.

**Table A1:**

**Bus services to be within the Direct Award contract as of 1<sup>st</sup> December 2019**

<b>Table A1: Services for 2019 Direct Award</b>	
<b>Route</b>	<b>Description</b>
<b>Services for 2019 Direct Award (excluding Nitelink)</b>	
<b>Route</b>	<b>Description</b>
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)
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
33	From Lower Abbey St. Towards Balbriggan
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
38	From Burlington Rd. Towards Damastown
38a	From Burlington Rd. Towards Damastown
38b	From Burlington Rd. Towards Damastown

<b>Table A1: Services for 2019 Direct Award</b>	
<b>Route</b>	<b>Description</b>
<b>Services for 2019 Direct Award (excluding Nitelink)</b>	
<b>Route</b>	<b>Description</b>
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
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)
61	From D'Olier St. Towards Whitechurch
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
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

<b>Table A1: Services for 2019 Direct Award</b>	
<b>Route</b>	<b>Description</b>
<b>Services for 2019 Direct Award (excluding Nitelink)</b>	
<b>Route</b>	<b>Description</b>
84/a	From Blackrock Towards Newcastle
84x	From Trinity College Towards Newcastle / Kilcoole
90	From Heuston Station Towards International Financial Services Centre
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.)

<b>Table A1: Services for 2019 Direct Award - Nitelink</b>	
<b>Route</b>	<b>Description</b>
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