

## **2.4 Senator J.L. Perchard of the Minister for Transport and Technical Services regarding the tendering process for the school and summer leisure bus services:**

Would the Minister inform Members whether the recent tendering process for the school and summer leisure bus services was conducted on a level playing field basis for all tenderers, and is he able to give an assurance that there will be no extra costs attached to the successful bid, or a decline in the current quality of service?

### **Deputy G.W.J. de Faye (The Minister for Transport and Technical Services):**

I can assure all Members that the tender process for the schools and summer leisure bus services was undertaken on a completely level playing field basis, and that both I and the Transport and Technical Services Department did everything necessary to ensure that that was the case. This included inviting an independent Member, Deputy Ferguson, the Chair of the Public Accounts Committee, to scrutinise the process and paperwork, and ensure that it was undertaken in a fair and equitable manner. I understand that the Deputy is quite prepared to vouch that that was indeed the case. I can also give the Senator my assurance that there will be no extra costs attached to the successful bid, assuming naturally that the level of service required remains the same as that outlined in the tender specification, and that the quality of the service will, in fact, increase, as the vehicles being provided are more modern, more environmentally friendly in respect of exhaust emissions, have added security with seat belts on some of the school buses, and will allow integrated ticketing throughout.

### **2.4.1 Deputy R.G. Le Hérisier:**

Would the Minister, given his complete adherence to the findings of the Committee of Inquiry, identify how one of its major findings; namely, the need to have somebody who understood the technical aspects of public service, particularly transport tendering, available - he will recall that was a major finding - was reflected in the process he set up? Secondly, would he confirm that, within the terms of the contract, the purchase of new buses and the provision of seat belt buses were explicit features of the contract that was put out to tender?

### **Deputy G.W.J. de Faye:**

The Deputy appears to have read a different Committee of Inquiry report to the one that I did, Sir. My recollection of essentially the findings was that the employment of a consultant - in this case, a particular bus consultant from a U.K. company - was one of the major causes of most of the difficulties. Since that time, matters at the department have changed very dramatically. At the time of the original tender contract for the main scheduled service, the department had very little idea of how the local bus service worked, other than through purchase of the current - then extant - timetable. Since Connex have been operating on an open-book basis, the department now has a very thorough understanding of how bus operations work and consequently has no need of a bus consultant to offer advice. In respect of the seat belts, seat belts were not part of the tendering requirements, but have effectively arrived as one might call an add-on bonus.

### **2.4.2 Senator B.E. Shenton:**

Can the Minister confirm that the summer leisure service that Connex will provide over the next 3 years will be equivalent to or superior to the service level offered in the recent unsuccessful tender by the current provider? Will he guarantee that there

will be no further demands on the public purse in order to achieve the standards of service offered in the unsuccessful leisure part of the bid?

**Deputy G.W.J. de Faye:**

I can certainly give an assurance to the House that the summer leisure service will be, to all intents and purposes, as good as or an improvement on the existing service. In respect of being able to give guarantees on whether there will be any additional demands on the public purse; no, I do not expect that to happen. But as I have indicated to the Senator and the House, if there is a variation in requirement of what it is estimated the service should be, then clearly there would be, as happens currently with all those providing public services, potential for amendments to the contract and a potential variation in how things are paid for.

**2.4.3 Deputy G.P. Southern:**

It is my understanding that the estimate produced by Connex of the revenue produced from the latest service - which they are taking over - is somewhat optimistic. Is the Minister certain that we are not, in effect, underwriting the cost of this leisure service and there will not be any bill at the end? Secondly, since we have now rolled all our coach and bus services under one operator, has he talked to the J.C.R.A. (Jersey Competition Regulatory Authority) about this change?

**Deputy G.W.J. de Faye:**

Yes. I talked to the J.C.R.A. some time ago, before the tender process even began, and the J.C.R.A. has raised no objections whatsoever to either the concept or the manner in which the tender process was carried out. I regret I have forgotten the first part of the Deputy's question. Could he remind me?

**Deputy G.P. Southern:**

The estimates of revenue on the leisure services are, I am told, highly optimistic, and there is a danger that we are, in effect, underwriting this service. While I am on my feet still, can he release to Members the advice from the J.C.R.A. so obtained?

**Deputy G.W.J. de Faye:**

I will look into the matter of releasing that advice. In respect of estimates and underwriting, this raises a series of very complex issues, which would take far too long to explain to the House adequately. However, if I can put it this way: it was the opinion of my advisors - and indeed, myself - that the estimate submitted by Connex for the proposed summer service was indeed optimistic, which is why we did not base our calculations on those estimates. We based our internal calculations on the known figures that are provided by the current Easylink Tantivy service, and we also based calculations on what we described as an even worse situation - what we call the worst possible scenario - and that is how the calculations are made. So, consequently, in that sense, the estimates proffered by Connex were not relevant.

**Deputy G.P. Southern:**

May I request a written, detailed answer to that question?

**The Bailiff:**

I think if you want a written answer, you had better put a written question in.  
[Laughter]

**Deputy G.P. Southern:**

As part of the answer given, he said it was extremely complex, but therefore would sum it up in an oral question. Nonetheless, I do believe that Members would appreciate a written response.

**The Bailiff:**

Procedurally, it would be helpful if you were to put a written question.

**Deputy G.P. Southern:**

That is wasting one of my two questions that I can ask in a week. Oh, no, it is not.

**2.4.4 Deputy S. Power of St. Brelade:**

Could I ask the Minister to confirm whether the new contracts with Connex are leaving him in a more comfortable position than the contract he inherited?

**Deputy G.W.J. de Faye:**

No, it leaves me in a different position to the contracts that I inherited. The essential contract I inherited was the contract for the main scheduled services that was negotiated with Connex several years ago. This is simply a tender process regularisation of the current position pertaining to the additional summer leisure service and the additional school services, which were dealt originally - Members will recall - all as one operation by a single monopoly operator; the former Jersey Motor Transport Company. The Island has subsequently had a position of not having a single monopoly operator for all services, although indeed, the extant policy under the transport policy was such that it would appear to be a single operator policy was the preferred policy. In effect, all that has happened by chance of the successful tender is, in fact, we currently moved to the policy position that the States originally outlined.

**2.4.5 Deputy G.C.L. Baudains of St. Clement:**

Could the Minister tell us whether he is concerned that the choice of tender has, in fact, created a monopoly out of a previously competitive situation and will that not reduce his opportunities in future for inviting tendering? Could he also assure us that the new fleet which Connex is bringing over is going to be no wider; the buses are going to be no wider than the current J.M.T. (Jersey Motor Transport) fleet, because the present Connex buses are proving to be somewhat of a nuisance on the road? In fact, in St. Clement they have to mount the pavement to pass in various places. Are the new buses within the prescribed Jersey width or, in fact, are they oversized?

**Deputy G.W.J. de Faye:**

Well, I regret I have not had an opportunity to measure the new buses yet. However, I can tell the House that width of vehicles is going to be an increasing problem for the Island, not just in terms of buses, but in terms of all heavy, commercial vehicles. It is now becoming increasingly difficult to find and source vehicles of any description that conform to the Island's road width demands. So, this is an ongoing matter. I am afraid - and I regret Members keep asking several questions at once - but I have forgotten the first part of the Deputy's question. **[Laughter]**

**Deputy G.C.L. Baudains:**

It was to do with the concern of possible future problems arising out of tendering processes, because there is only one actual operator now, whereas previously there was a competitive situation.

**Deputy G.W.J. de Faye:**

I thank the Deputy for reminding me. No, I am not concerned about that, Sir, because it would be inaccurate to look upon this as a closed monopoly position. It is simply that we have at the moment effectively a single operator operating a number of contracts that are available in the Island. It is likely, although this will depend on the will of the States in response to the Integrated Transport and Travel Policy, that when the time comes round for the re-tendering of the main scheduled service, that both the summer service and the school service will be included as part of a whole package to be tendered for. Now, this is the competitive element. **[Laughter]** I am sorry that 2 Members appear to have a very vague grip on economics and contract, let alone competition, and find it amusing. The fact is that there is the potential for a full public transport contractual package to be competed for on a tender basis every so many years. The current number of years is 7. That is the competitive element and one of the advantages, in fact, to the Island of having a very substantial contractual package, that it will attract very large companies to be interested in tendering for it, thereby ensuring competition and potential advantage to the Island.

**The Bailiff:**

I think we must draw this to a close or it will become a debate. Final supplementary from Deputy Scott Warren.

**2.4.6 Deputy C.J. Scott Warren:**

Can the Minister confirm that the new buses will have adequate seating capacity?

**Deputy G.W.J. de Faye:**

Yes, I can, Sir.