

**WRITTEN QUESTION TO THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

**ANSWER TO BE TABLED ON TUESDAY, 7th NOVEMBER 2006**

**Question**

- (a) Would the Minister provide to members the content of advice he received from the Jersey Competition Regulatory Authority regarding the tender process recently completed for the school bus and leisure services contracts, and the potential for a reduction in competition thereby produced?
- (b) In his answer to an oral question on 24th October 2006 the Minister stated that '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'. Would the Minister supply members with a detailed account of the measures used by his Department to calculate the estimated revenues for the proposed summer service?

**Answer**

- (a) In January 2006, when the future operation of the school and leisure services were being considered, advice was sought from the Jersey Competition Regulatory Authority (JCRA). The process for the intervening period 2007-9 was discussed and the plans for the tender process outlined for both the school and summer services. While the JCRA were happy to provide guidance on the implications (if any) of the Competition (Law) 2005, they did not see their role as being that of regulator under the Motor Traffic (Jersey) Law 1935. The content of the advice from the JCRA did not extend to the potential reduction in competition. Discussions with the JCRA indicated that a tender process was considered to provide a sufficient competitive element.
- (b) During the tender process, both contractors were advised of the actual income for the Easylink service for 2005. The evaluation procedure identified that the projected income shown in the Connex tender for the summer service was optimistic. As a result, the financial evaluation of the Connex tender applied the actual 2005 and projected 2006 Easylink income, uplifted this figure as the Connex service will operate seven days per week as opposed to the Easylink six day service, then applied a range of sensitivities to this new projected income.

When the Minister considered both tenders, the income level proposed by Connex and the alternatives calculated by the department were available to demonstrate the difference in cost between the two tenders and the overall cost to the States of Jersey depending on the final income level achieved by Connex.