

**1 February 2006**

**PROVISION OF TOURIST SHUTTLE BUS SERVICES**

**Division**      Assets & Services

**Presenter**    Terry Makings, Director Assets & Services

**Purpose**

1. To seek Council approval to award a contract to National Bus Company (Victoria) Pty Ltd for the Provision of Tourist Shuttle Bus Services.

**Recommendation**

2. That Council:
  - 2.1. award of the contract to National Bus Company (Victoria) Pty Ltd for the provision of tourist shuttle bus services (contract number 59/2/3315) for a term of one year with an option to extend for up to six months, commencing on 1 March 2006 at a total cost of \$676,824;
  - 2.2. by instrument of delegation sealed by the Council under Section 98(1) *Local Government Act 1989* ("the Act") delegate to the Chief Executive, or the persons from time to time acting in the that position, the authority to enter into the contract and to do all things incidental and ancillary to the same;
  - 2.3. under Section 98(3) of the Act, authorise the instrument of delegation to the Chief Executive Officer, or the person from time to time acting in that position, to empower him or her to delegate any power, duty or function delegated to him or her under the paragraph above, to a member of Council staff; and
  - 2.4. direct that the instrument of delegation referred to in paragraph 2.2 of this Report will cease and be of no further effect upon the completion of all necessary steps and the execution of all necessary documents to enter into the contract with the successful tenderer.

**Key Issues**

**Invitation to Tender**

3. Tenders for the Provision of Tourist Shuttle Bus Services Contract closed on 17 January 2006 after a four week tender preparation period. No late tenders were received.

**Evaluation Criteria and Weighting System**

4. Tenders were evaluated by the Tender Evaluation Panel (the "Panel") established in accordance with Council's Corporate Contract Management System. The Panel consisted of representatives of Engineering Services and Melbourne Marketing & Tourism and two independent representatives. Financial assessment of the tenders was provided to the Panel by the Council's financial analyst.

5. The tender evaluation criteria and weightings are detailed in the table below:

<b>TABLE 5 Evaluation Criteria and Weightings</b>		
<b>Category</b>	<b>Criteria</b>	<b>Weightings</b>
Financial Criteria Total Weight 40%	Cost of Service	40%
Non-Financial Criteria Total Weight 60%	Plan for Proposed Services	35%
	Marketing	15%
	Experience, Capability and Past Performance	10%
	<b>Total</b>	100%

6. Responses were received from the following companies:
- 6.1. Driver Group Pty Ltd;
  - 6.2. LC Dysons Bus Services Pty Ltd;
  - 6.3. Melbourne on the Move;
  - 6.4. National Bus Company (Victoria) Pty Ltd; and
  - 6.5. Wonderland Concepts Pty Ltd.
7. The tender evaluation process established that the tender from National Bus Company Pty Ltd achieved the best overall score based upon the following relevant information:
- 7.1. the price was within range of Council's original cost estimate;
  - 7.2. The company is the largest private bus company in Victoria (it provides more than 30% of the Metropolitan Bus network (for the Department of Infrastructure));
  - 7.3. the company will supply three low floor buses that are near new and make use of the latest technology;
  - 7.4. the company will employ a dedicated marketing person at the company's expense;
  - 7.5. the company has a long history of providing bus services – both route based and charter; and
  - 7.6. the company was considered to be in the best position to get the service operational by the designated commencement date.

#### **Pecuniary Interest and Probity Statement**

8. No member of the evaluation panel has a pecuniary or personal interest in the tenders or contract.
9. The evaluation has fully complied with the *Local Government Act 1989* and the Conditions of Tendering. No potential tenderer had access to the final specification before its release. All advice, written or verbal, provided to a respondent clarifying any aspect of the tender documentation was also provided to all other respondents. No tenderer was provided any advantage over other tenderers, and all were treated fairly and equally during the tendering process. Information provided by tenderers which has been deemed confidential, has been protected, and will not be disclosed. A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer/s.
10. Tenderers were provided Council's Conditions of Tendering. These conditions state that canvassing of Councillors by any tenderer on any matter relating to the tender will result in automatic disqualification.

## **Time Frame**

11. The new contract will commence on 1 March 2006. It is proposed to review the success of the service to determine whether it should become a more permanent service. A Report will be presented to Committee in late 2006 detailing the outcome of the review.

## **Relation to Council Policy**

12. *City Plan 2010* has as an objective that the City of Melbourne be committed to “ensuring continual development, improvement and integration of major transport infrastructure so that the City of Melbourne is recognised as having world-class competitive transport that supports business and tourism needs in rural, regional, national and international markets”.

## **Consultation**

13. To aid the consultation conducted as part of the Public Interest test, the City of Melbourne produced a Discussion Paper about the proposed tourist shuttle bus service. The Paper was circulated to key stakeholders and they were invited to make submissions relating to the proposed service.
14. At the close of consultation, twenty eight written submissions had been received from individuals and organisations as part of the Public Interest Test process.
15. A public information session was also held on Wednesday 14 December 2005.

## **Finance**

16. Funding of \$500,000 has been provided for in the 2005/06 FAF and \$750,000 will be sought from the 2006/07 budget to fund this initiative.

## **Legal**

17. Legal advice has and will continue to be provided as required to implement the new initiative.

## **Sustainability**

18. The tourist shuttle bus service would lead to environmental benefits by providing an additional form of public (mass) transport for city visitors. The service would provide social benefits by offering a convenient and affordable way for visitors to see the city. In economic terms, the service would contribute to promoting tourism in Melbourne.

## **Background**

19. As part of the development of a new Transport Strategy, Council produced a series of issues papers earlier this year. Responding to a wide range of questions, the public transport paper posed the questions "What can the City of Melbourne do that would make your experience of Melbourne's public transport system more enjoyable? Could the City of Melbourne begin funding its own small scale transport services (such as a shuttle bus) to plug any gaps in the current system?"
  20. Following this, a specific proposal for a tourist shuttle bus was released by Council and distributed to various stakeholders for consultation.
  21. The proposed route advised to potential tenderers is at Attachment 1. There may be a need to fine tune the route during the trial period to maximise the benefit to tourists or meet other operational needs.
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## **Attachment:**

1. Proposed Shuttle Bus Route



**FINANCE ATTACHMENT**

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**Joe Groher**  
Manager Financial Services

## **LEGAL ATTACHMENT**

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### **PROVISION OF TOURIST SHUTTLE BUS SERVICES**

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When Council intends to enter into a contract for the purchase of goods or services or the provision of works valued at \$100,000 or more, section 186 of the Local Government Act 1989, (“the Act”) imposes a duty on the Council by public notice either to invite tenders or to invite expressions of interest.

Where a Council seeks expressions of interest, the Council must, when ready to enter into the contract, invite tenders from some or all of those who registered their interest in undertaking the contract.

The Act does not require Council to accept the lowest tender.

**Alison Lyon**  
Manager Legal & Governance