

9. CENTRAL CITY SHUTTLE REVIEW

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The purpose of this report is to seek the Committee's recommendation to Council to extend the current Shuttle contract for a period of seven months. Within this period of extension, approval is also sought to seek expressions of interest for the provision of the service and if required undertake a competitive tender process for the service including potential variations identified in the shuttle review to date.

BACKGROUND

At its July 2004 meeting the Committee recommended *"that staff investigate, develop and recommend options for consultation (with financial implications) for operational hours and service frequency improvements to the existing service for consideration"*. Additionally, the Committee recommended that staff investigate *"the night time route being adopted all day with the daytime level of service"*. In accordance with the above recommendations, staff have developed two options.

In addition to developing these options, a legal opinion was sought and recently received from the Council's Legal Services Team as to whether there is any value, requirement or obligation to re-tender the service.

These issues are discussed below.

OPTIONS DEVELOPED

Both of the following options have been developed based on the Committee's request to investigate running the night route at all times of the day, with the daytime level of service. The options are based on no new buses being required to maintain a 10 minute frequency (this will reduce any additional costs). This has been confirmed by the operator.

The following options have also been developed upon review of peak and off-peak passenger movement volumes. This has enabled potential cost increases to be kept to a minimum, by reducing operational hours at times when passenger demand is low (ie late at night Friday and Saturday). By doing this, frequencies and early running times can be improved at busier times, resulting in a net benefit to a higher number of people overall.

OPTION 1 - NIGHT ROUTE AT ALL TIMES

Early Weekday Start, Increased Friday Frequency Early Friday/Saturday Finish, Reduced Sunday 10 Minute Frequency

The potential advantages of this option would be:

1. A single route improving service legibility and providing improved daytime access to Casino and Victoria Street.
2. Earlier start on weekdays to assist commuters.
3. A 10 minute frequency all day Friday.

The potential disadvantages of this option would be:

1. Service ends 10.30pm on Friday and Saturday nights.
2. One hour less of 10 minute frequency on Sunday.

The timetable would be:

Day	10 minute frequency	15 minute frequency
Monday to Thursday	7.30am to 7pm	7pm to 10.30pm
Friday	7.30am to 10.30pm	-
Saturday	8am to 10.30pm	-
Sunday and Public Holidays	10am to 5pm	5pm to 8pm

This option would meet demand for early weekday services and provide a consistent 10 minute frequency on Friday and Saturday, running the night route at all times. To mitigate some of the increased cost of providing these improvements, services could be stopped at 10.30pm (currently midnight) on Friday's and Saturday's, when demand reduces significantly. Some cost increase would also be offset by reducing the Sunday time period of 10 minute frequency from 10am to 6pm to 10am to 5pm. This is another period in which demand is lower than at other times.

OPTION 2 - NIGHT ROUTE AT ALL TIMES

Early Weekday Start, Existing Friday and Saturday Service Reduced Sunday 10 Minute Frequency

The potential advantages of this option would be:

- A single route improving service legibility and providing improved daytime access to the Casino and Victoria Street.
- Earlier start on weekdays to assist commuters.
- Maintaining existing Friday and Saturday night time hours of operation.

The potential disadvantages of this option would be:

- One hour less of 10 minute frequency on Sunday.
- Greater additional cost than option 1.

The timetable would be:

Day	10 minute frequency	15 minute frequency
Monday to Thursday	7.30am to 7pm	7pm to 10.30pm
Friday	7.30am to 9.30pm	9.30am to midnight
Saturday	8am to midnight	-
Sunday and Public Holidays	10am to 5pm	5pm to 8pm

Again, this option would meet demand for early weekday services and maintain the service to midnight on Friday's and Saturday's at existing frequencies. Some cost increase due to the increased route length and earlier weekday running could be offset by reducing the period of 10 minute frequency from 10am to 6pm to 10am to 5pm, when demand is lower. The benefit of this in terms of cost, however, would be minimal. Overall, the hours of operation would increase by 2.5 hours (half an hour earlier each weekday).

COST IMPLICATIONS

On the basis of additional kilometres travelled option 1 would result in an approximate 9% increase in cost whilst option 2 would approximate to a 12% increase.

CONTRACT RENEWAL ISSUES

A legal opinion was sought from the Legal Services Team as to whether the Council would be advised to tender for the ongoing Shuttle operation, in accordance with any provisions of the Local Government Act 2002 (the Act).

Advice received recommends that the Council would be advised to undertake a 'request for information' (RFI) process in which expressions of interest to provide the service could be made by any operator interested in providing the service. The reason given for this is that under the Act, all reasonably practicable options should be explored and assessed, taking into account the views and preferences of other parties in order to minimise the risk of having the Council's decision challenged at a later date.

This RFI process, potentially followed by a competitive tender round cannot be undertaken within the remaining term of the current service (which expires at midnight on 30 November 2004). An RFI and tender process would take the most part of 6 months to complete. It is recommended that the current contract arrangements be extended now to 30 June 2005 (7 months), for the following reasons:

- Provides sufficient time to complete the RFI and any appropriate tender process.
- Ties in with the end of the Council's financial year.
- Any adjustments to the shuttle line item can be addressed as part of the 2005/06 Annual Plan process.

Any approved variations to the current service (options 1 or 2 above) should be incorporated into a new contract.

CONCLUSION

This report presents two options for the Committee's consideration to improve the current Shuttle service. The first option primarily improves frequency on Fridays, and reduces Friday and Saturday operations late at night when passenger use is lower, to minimise the additional cost. The second option is closer to the existing levels of service, but with an earlier weekday start time to meet commuter demand. Both options would move to a single route being taken at all times (ie the current night route). It is recommended that the Committee approve a preferred option which can be consulted upon and approved by the incoming Council. It can then be incorporated into an RFI process and any subsequent tender for the service. This course of action is recommended on advice from the Council's legal services team.

For the reasons given above, it is recommended that the current contract arrangements be extended to 30 June 2005. This will allow staff time to consult on the Council's preferred option and to complete a RFI and tender process, if required.

Staff

- Recommendation:**
1. That the Committee support an extension to the current central city electric shuttle contract to 30 June 2005.
 2. That staff consult on option 1 and report back the results of this to the appropriate Committee within the next Council term for adoption.
 3. That staff complete a request for information (RFI) and any appropriate tender process thereafter (including any changes required as a result of recommendation 2 above), in order to continue the central city electric shuttle service beyond 30 June 2005.

Chairman's

- Recommendation:** That the above recommendation be adopted.