

International Procurement

Lessons from Abroad

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Transit Systems and Tower Transit

- 3129 Buses
- 6744 Employees
- 344 Million Customers





London Contracting Arrangements



Tower Transit

- Tower Transit entered the London Bus market in June 2013 with the acquisition of part of First Group.
- 1400 employees.
- 373 single and double deck buses.
- UK's first hydrogen fuel cell bus fleet.
- Freehold Depot in Westbourne Park and a leasehold Depot at Lea Interchange – Transport for London (TfL).
- 100 million passengers annually.



Contracting Environment

- Competitively tendered bus contracts since 1994.
- Route based contracting provides a regular pipeline of tendering opportunities.
- Competitive nature of the market drives down the average age of the fleet.



Contracting Environment

- Five year term + a potential extension for two years based on performance.
- Performance based contracts with penalties for failing to meet Contract KPIs.
- Many routes are headway managed – EWT.



Asset Ownership

- Operator owns the buses.
- Mix of ownership arrangements for the depots.
- Operator employs all associated personnel.
- Operator is responsible for all fleet maintenance and bears the risk.



Challenges

- Loss of a route could result in significant reduction in the use of depot assets or additional stress on existing depots if a tender is won.
- Very competitive bidding environment.
- Predatory nature.



Employee Arrangements

- Under TUPE, employees transfer with the route which results in numerous awards being managed in a depot.
- 10-20 different employment arrangements are common in one depot.
- Potential loss of scheduling efficiencies.
- Heavily unionized.



Summary

- World recognized transport delivery framework.
- Experienced Contracting Agency in TfL.
- Very tough KPI Regime.
- Packaging has not featured greatly in Tender Requests to date.
- Innovation through Pilots.



Singapore Contract Arrangements

Tower Transit





Singapore

- Tower Transit entered the Singapore Bus market after successfully tendering for the Bulim Bus Contract in 2015.
- Commenced operating in May 2016.
- 900 employees.
- 367 single and double deck buses.
- Singapore's first Land Transport Agency (LTA) built Depot at Bulim.
- 95 Million passengers annually.



Contracting Environment

- Five year term + a potential extension of two years based on performance.
- Performance based contracts with penalties for failing to meet Contract KPIs.
- Many routes are now Headway managed.



Asset Ownership

- Broadly based on the Perth contracting model.
- LTA owns the buses.
- LTA owns the depot which feature:
 - dedicated quiet rooms;
 - large canteen;
 - security;
 - 33 workshop bays;
 - 10 fuel bays; and
 - four automated bus washes.



Opportunities

- Competitively tendered contracts - new concept for Singapore.
- 12 bus contract areas of which four have been open to participation.
- Looking to move to a zero emission fleet.



Sydney

Transit Systems - Region 6 Contract Packaging



Packaging of Services

Battery Electric Buses with Depot Charging

- Two year bus pilot.
- Four electric buses.
- 50,000km each bus per year.
- General Route Services.

On-Demand Buses

- Provision of associated software support.
- Procurement of bus fleet.



Thank You

