

# SUMMER NEWS UPDATE



You may well raise your eye brow at our title - what Summer you might ask. However, regardless of weather, business goes on and for bus and coach operators Summer is a busy time. It is also the time when School Transport contracts are renewed and negotiated. Unfortunately too, these School contracts are lost, and I hear more often now where a small family business is devastated having lost all of their school runs, many after over 30 years of service.

There are many reasons for the changes in the School Transport contract and how it is managed that now has it at the top end of the competitive chain of businesses in the public procurement area. We have lobbied for years for more competition in the Irish passenger transport industry. We have lobbied for years to have the School Transport Scheme put out to tender. Our country has come through one its most difficult financial crisis in memory and which forced our country into a severe hair-shirt approach to public spending in particular. The School Transport Scheme and the relationship between Government and the State company Bus Éireann are under investigation

on a number of fronts all leading to greater pressures to ensure compliance and transparency, open tendering of your school run comes under this.

Having said all of this it is very unfair that only the school runs of the private operators are being put out to tender - why do they not have to put ALL of the schools runs out to tender? Surely there would be savings to be achieved on these runs - I would suggest very great savings!

On page 2 you can see the most recent response to the FOTO representation (made on 29/04/2015) on the School Transport Scheme from the Minister for Skills, Research & Innovation, Damien English TD. You will note from it that there is every expectation that Bus Éireann will continue to manage the School Transport Scheme and that if you have a problem with the procurement procedure, Bus Éireann will be the 'go to person' to resolve! This is the kind of unbreakable circle we have encountered for over 30 years and in the absence of a complete walk-out or a do it ourselves approach there is not going to be any change any time soon.

**FOTO has recently suggested that you go it alone - you know the passengers, you know their parents, you know their teachers and you most certainly know the route - there are many private school runs around the country where the arrangements are directly with the parents - could your "lost" run be done this way???**

## **Rural Transport/Community Transport Schemes:**

In a further challenge to the private operator we are hearing of Rural Transport and Community Transport groups bidding for School Transport contracts. Many of these groups were set up with the help and guidance of FOTO to provide rural transport where none existed or where these were not commercially viable. This initiative is funded by Government and they were initially set up to only contract in private operators to provide essential local links in rural Ireland when Bus Éireann refused to sit on any of the earlier boards. These were never intended to compete against private operators. If you are experiencing any competition to your school contract from these groups please detail in writing to [jdunne@jfd.ie](mailto:jdunne@jfd.ie) and I will bring to the relevant Ministers attention.

## **Driver CPC**

We continue to provide Driver CPC courses at €50. You can reserve a place by calling 045 878500

## **Health & Safety Statements:**

Health & Safety Statements are available from €350. Reviews of earlier Safety Statements issued by us from €100.

Please turn over



Thank you for your e-mail of 26<sup>th</sup> May 2015 enclosing further comments from Mr. John Dunne, FOTO regarding the School Transport Scheme.

You are aware that the school transport scheme was the subject of High Court proceedings seeking an order setting aside the arrangements between my Department and Bus Éireann for the provision of national school transport services. This case is currently the subject of an appeal to the Court of Appeal.

I want to reiterate however that Bus Éireann, which operates the School Transport Scheme on behalf of my Department, has advised that the tendering procedure used for the procurement of contractors to provide school transport services is a transparent, competitive procurement process conducted in accordance with the negotiated procedure under Directive 2004/17/EC.

Due to the nature, volume and complexities of the School Transport Scheme, there is a requirement to establish panels of suitably pre-qualified potential service providers in each School Transport local office so that they may be invited to tender for the provision of services on School Transport Scheme routes in an efficient and effective manner. These Qualification Panels are established on a county basis and on the basis of the vehicle types required.

Under the process, Bus Éireann advertises the establishment of a qualification system each year in respect of a percentage of the Operating Boards. Compliant applicants are evaluated against published selection criteria and successful applicants are admitted to their selected Qualification Panels. Operators can apply to qualify to a Qualification Panel(s) at any time during the term of the Qualification Panel(s).

When requirements for school transport services arise during the term of the Qualification Panels, service providers on the relevant Qualification Panels may be invited to submit a tender for those services. Compliant tenders are evaluated against published award criteria and a contract is awarded to the most economically advantageous tender. Successful tenderers are awarded a contract for up to five years, subject to an annual review. The general aim is to re-tender all existing subcontracted work a minimum of once every five years at the rate of about 20% a year, with a five-year contract awarded to the successful tenderer on each occasion.

In relation to private operators, the position is that in the 2014/2015 school year, some 89% of the vehicles used to provide services under the School Transport Scheme, currently equivalent to over 3,600 vehicles, are provided by private operators under contract to Bus Éireann. The Bus Éireann school transport audited accounts for 2014 show that of the net amount of €150.467m chargeable to the Department, nearly €112 million (or 74.4%) is paid to contractors.

You may be aware that the School Transport Scheme was already the subject of a detailed Value for Money Review which was published in March 2011. Given the serious fiscal challenges being faced by the country this review informed a number of 2011 budgetary decisions, which continue to be implemented. In 2014 for example, savings and efficiencies amounting to over €8 million were achieved through a combination of the reorganisation of services, renegotiation of contracts, retendering of services and a rebate to my Department on the Transport Management Charge.

The combined value of savings since 2008 is over €46 million, demonstrating that suitable arrangements and procedures are in place with Bus Éireann that are maximising potential economies and efficiencies on behalf of the State. In these circumstances, I do not consider it necessary to establish an oversight group with the very broad remit as suggested by Mr Dunne.

You can be assured that specific cases raised with me on procurement matters are referred to Bus Éireann for investigation and direct reply.

Finally, I have noted the matters Mr Dunne has raised relating to Public Road Passenger Transport Services, which Mr Dunne has correctly raised with the National Transport Authority.

With best wishes,  
Yours sincerely,

Damien English, T.D.,  
Minister for Skills, Research & Innovation.

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In the response letter from the Minister you will note reference to **Public Road Passenger Transport Services**. This refers to the lodgement by iBus plc, the business arm of FOTO, for a **National Network of Private Hire Services**. You can view this on our website [www.ibus.ie](http://www.ibus.ie) We have not heard from the NTA yet but when we do you will be informed and you will be given the opportunity then to invest in this project.

#### **Acknowledgements:**

FOTO would like to thank the following TD's for their interest, representations and responses:-

Regina Doherty TD, Charlie McGonagle TD, Sean O'Fearghail TD, John Browne TD for putting down Parliamentary Questions.

Patrick O'Donovan, TD, Ml.Noonan TD, Minister for Finance, Jan O'Sullivan TD, Minister for Education & Skills, Michael Ring TD, Noel Grealsish TD who acknowledged and passed our query to the relevant Minister.

Thank you also to Jack Wall TD who arranged a presentation of the iBus National Network of Private Hire Services to the Labour Parliamentary Party.

### **Windscreen Breakage:**

There are a number of suppliers of windscreen breakage/replacement services in Ireland and at J.F.Dunne Insurances we transact business with most of these on a daily basis on your behalf. It is our duty to protect your best interests at all times in these transactions and we have certain guidelines in place to ensure that the work carried out is actually carried out on your vehicle and that it is for a windscreen! We also have a duty to protect the interests of the underwriter to these windscreen replacements, AIG, and we look for proper evidence of this work through photographic and crosscheck ordering processes. You all know of these for many years now, today's mobile phone photographic applications make this a most simple and convenient task. We find that a number of these suppliers refuse to

comply with or ignore these instructions. We refuse to pay them as they are in breach of the conditions. They will issue you with this bill and more increasingly recently threaten legal action on you for this. We very much regret this action but we must insist on proper procedures for the payment of any claim and particularly where these breaches are occurring repeatedly. Although we do not insist that you use any particular supplier, we wish you to understand that it is **your** duty to ensure that **your** supplier of choice complies with the terms of **your** insurance policy. We may in the future advise you that we will NOT transact business with a certain supplier if that supplier will not comply with your insurance policy terms.

### **Age Discrimination-Application to the Equality Tribunal**

We have taken action on behalf of a client/associate member of FOTO who was stopped from driving a school bus after the age of 70 years. The Equality Tribunal has requested further information a submission is now being prepared and will be lodged in September.

If you have a similar type situation where you feel you have been discriminated against as a driver or as a bus/coach operator because of your age please let me have your story. You can email me on [jdunne@jfd.ie](mailto:jdunne@jfd.ie) or write to me in the strictest confidence to the offices of J.F.Dunne Insurances in Kill Village.

### **Consultation on Mandatory Safety Equipment for SPSV's:**

The National Transport Authority (NTA) has announced a consultation process to consider making it mandatory to have personal safety equipment and general conditions for the safety of SPSV drivers on board SPSV's.

Amongst the considerations will be:

- Partition or screening off of the driver area
- In vehicle security cameras
- A locational alert system
- or
- Other technology based options

We can respond to this on your behalf by letting us have your views and answers to the following questions posed by them:

1. Do you consider that Safety Equipment should be mandatory?
2. If you do consider that Safety Equipment should be mandatory what suggestions or proposals do you wish to make to have considered by the NTA.

Submissions must be with the NTA by 5pm 25<sup>th</sup> September 2015

[jdunne@jfd.ie](mailto:jdunne@jfd.ie).

 J.F. DUNNE INSURANCES



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