

News Release

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Date of Issue: 19 Apr 2017

LTA Awards Third Bus Package to SBS Transit Ltd

The Land Transport Authority (LTA) has awarded the contract for the third bus package – Seletar bus package, to SBS Transit Ltd (SBST), at an estimated total fee of \$480,332,472¹ over the five-year contract period.

2 From the first quarter of 2018, SBST will operate the 26 bus services² in the Seletar bus package. These bus services will operate out of the new Seletar Bus Depot which is scheduled to be handed over to SBST in August 2017. Besides the Seletar Bus Depot, SBST will also manage Ang Mo Kio and Yio Chu Kang Bus Interchanges.

Evaluation Process

3 The tender for the Seletar bus package was launched on 7 June 2016 and attracted nine bids when it was closed on 27 October 2016. All tender submissions were evaluated based on the same set of criteria through a two-envelope process which looked at quality and price factors. With greater weightage given to the quality proposals submitted by tenderers, the price envelopes were only opened after the quality evaluation was completed. This two-envelope process allows LTA to raise the service levels of our bus industry and at the same time get the best value for money. Overall, all the bids for this package was closely matched in terms of quality and they were also competitively priced.

4 SBST was awarded the contract as it had the highest combined total score for both quality and price evaluation. In its tender submission, SBST demonstrated a comprehensive understanding of ground conditions and strong competence in bus service scheduling to enable the optimal deployment of buses and resources to meet travel demand. Furthermore, SBST has emphasised in its proposal a stringent maintenance regime for bus assets and infrastructure and committed to a significant number of experienced technicians to ensure high maintenance and reliability standards. In terms of manpower development, SBST has presented a robust career development program to up-skill its staff, and a comprehensive transition plan to minimise impact to commuters and affected bus workers.

Scope of Contract

5 Under the contract, SBST will operate 26 two-way bus services from Ang Mo Kio, Yio Chu Kang and Yishun Bus Interchanges, to Bukit Batok, Bukit Merah, Eunos Bus Interchanges and Shenton Way Bus Terminal.

¹ Excluding adjustment for inflation, changes in wage levels and fuel costs, service variation, and incentive payment during the contract period.

² The 26 bus services are: 24, 70, 76, 130, 133, 135, 138, 162, 261, 262, 265, 268, 269, 800, 803, 804, 805, 806, 811, 812, 850E, 851, 852, 860 and two new services, the details of which will be announced closer to implementation.

6 Drawing from the experience with the first two packages, SBST will take over services in the Seletar bus package in five tranches starting from the first quarter of 2018. With a smaller number of bus services and vehicles in each tranche, the bus operator will be able to better address any teething issues during the transition period.

7 In addition to operating and managing bus services to specified performance standards, SBST's responsibilities include the following:

- a) Operate, manage and maintain the buses and their on-board equipment provided by LTA;
- b) Operate, manage, and maintain Ang Mo Kio and Yio Chu Kang Bus Interchanges, and the new Seletar Bus Depot, including all equipment and systems provided therein;
- c) Charge and collect fares as approved by the Public Transport Council, on behalf of the Government, for travel on the bus services in the package;
- d) Provide bus service information at all bus stops and bus interchanges served by the bus services; and
- e) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

8 If SBST performs well, LTA can extend the contract term by two years at the end of the contract.

Safeguarding Welfare of Workers

9 The Guidelines on Good Employment Practices in the Public Bus Industry issued by the Public Transport Tripartite Committee³ (PTTC) in September 2014 will help safeguard the welfare of affected employees of the Seletar bus package. These guidelines detail the obligations and responsibilities of both incoming and outgoing bus operators, including the timeline for the offer of employment, recognition of the length of service, employment terms to be safeguarded, treatment of affected bus employees including those who choose to stay with the outgoing operator, as well as training for those who choose to join the incoming operator.

10 The three key assurances proposed by the PTTC have also been included into the contract with SBST. These assurances are:

- a) All affected employees must be offered a job by the incoming operator;
- b) Affected employees must be offered employment terms which are not worse-off than what they had been enjoying before transition; and
- c) Affected employees can choose to join the new operator or be redeployed by their current employer, where feasible.

11 All four existing public bus operators, including SBST, are members of the PTTC as part of the companies' commitments to the manpower development of the local bus industry.

Annex A: Bid Prices for Seletar Bus Package

Annex B: Details of Seletar Bus Package

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Bid Prices for Seletar Bus Package

No.	Company	Country of Origin	Price for 5 Years* (S\$)
1.	Busways Group Pty Ltd	Australia	581,832,862.00
2.	Jiaoyun Group/ Travel GSH Pte Ltd Consortium	China/ Singapore	547,589,363.50
3.	National Express Group Plc	United Kingdom	536,828,069.00
4.	SBS Transit Ltd	Singapore	480,332,472.00
5.	SMRT Buses Ltd	Singapore	514,522,355.00
6.	The Go-Ahead Group Plc	United Kingdom	576,341,755.00
7.	Tian San Shipping Pte Ltd/ Kumho Buslines Co. Ltd	Singapore/ Korea	538,837,888.23
8.	Tower Transit Singapore Pte Ltd (Alt)	Singapore	571,139,869.00
9.	Tower Transit Singapore Pte Ltd (Base)	Singapore	575,797,621.00
10.	Woodlands Transport Holdings Pte Ltd	Singapore	583,442,331.18

**Note: The price for five years comprises one-off pre-operations costs, as well as the total service fee and lease charges for assets provided by LTA (excluding adjustment for inflation, changes in wage levels and fuel costs, incentive payments and service variations, during the contract period).*

Details of Seletar Bus Package

