

SBS TRANSIT FINALISES NEGOTIATED CONTRACT
WITH THE LAND TRANSPORT AUTHORITY

11 August 2016 – On 1 September 2016, SBS Transit will transit to the new Bus Contracting Model (BCM) after the expiry of its Bus Service Operating Licence the day earlier.

In the Negotiated Contract (NC) with the Land Transport Authority (LTA), SBS Transit will operate 196 bus routes under eight¹ public bus packages. The bus packages will have an average contract duration of seven years. The Bukit Merah package will run for two years while the seven other packages will have contract periods that range from five to 10 years.

Under the terms of the NC, the bus services will continue to be operated using SBS Transit's current fleet of about 2,900 buses which will be leased to the LTA. They will continue to operate at existing bus interchanges and bus terminals, of which 13 interchanges² and 14 terminals³ will continue to be under the management of the Company. Maintenance and garaging of the bus fleet will continue to be conducted at the Company's existing five bus depots⁴ and three bus parks⁵.

As part of the NC, SBS Transit will be paid a service fee to operate the bus services while the fares collected for the bus rides will go to the LTA. The total fee for the contract period of about seven years, including the leasing fee, is estimated to be worth \$5.32 billion. It excludes adjustments for inflation, changes in wage levels and fuel costs, service variation,

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1. The eight bus packages and their contract duration are as follows: a) Bukit Merah (2 years) b) Sengkang-Hougang (5 years) c) Tampines (8 years) d) Bishan-Toa Payoh (10 years) e) Serangoon-Eunos (9 years) f) Clementi (9 years) g) Bedok (7 years) and h) Jurong West (8 years).
 2. The 13 bus interchanges are located in Bedok, Bishan, Boon Lay, Bukit Merah, Clementi, Eunos, HarbourFront, Hougang, Joo Koon, Sengkang, Serangoon, Tampines and Toa Payoh.
 3. The 14 bus terminals are in Buona Vista, Changi Airport, Changi Business Park, Changi Village, Ghim Moh, Kent Ridge, Marina Centre, New Bridge Road, Queen Street, Shenton Way, Sims Place, St Michael's, Tuas and Upper East Coast Road.
 4. The five depots are in Ang Mo Kio, Bedok North, Bukit Batok, Hougang and Soon Lee.
 5. The three bus parks are at Ayer Rajah, Braddell and Changi.

and incentive/disincentive payment. In addition, the Company will retain revenue from advertising and rental.

SBS Transit Chief Executive Officer, Mr Gan Juay Kiat, said: “We are glad that we have been able to successfully conclude the terms of the NC with the LTA and look forward to a new era in Singapore’s public bus transport industry. While this Bus Contracting Model is a more sustainable model for the long term, commuters can also expect higher service levels as bus services will progressively come under the NC’s Bus Service Reliability Framework. This means better regularity of buses calling at bus stops.”

In addition, as part of the service improvements under the BCM, bus services will operate at a frequency of 15 minutes or less for both directions during morning and evening peak hours. At least 50% will operate at intervals of 10 minutes or less. Feeder services will operate at a frequency of between six and eight minutes throughout the day.

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