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Report to the Passenger Transport Committee
From Barry Leonard, Manager Customer Services

Contract Compliance

1. Purpose

To inform the committee on the methods adopted to monitor contract compliance and the actions taken to remedy instances of non-compliance.

2. Background

Councillor Aitken requested a report covering:

- Actual Stagecoach performance in respect of agreed timetables each year since 1 July 1999
- Reasons for variations from the agreed timetables
- Stagecoach service contract manager's response to each of those variations.

The information sought is not available within Council, and this paper sets out the current contract compliance reporting practices with regard to all bus and rail services.

3. Legislative Requirements

The operation of public passenger services are regulated through the Transport Services Licensing Act 1989.

Section 48 (1) of that act states:

“Except as required in subsection (4) of this section, every person who proposes to operate a passenger service on or after the first day of July 1991,

shall, not later than 21 days before the service is to be commenced and earlier if possible, notify details of the service, including routes or areas of operation, timetables or operating hours, fares and such other matters as may be required by the Director or the regional council, to every regional council in whose region the service is to operate.”

Subsection (4) exempts services that do not pick up or set down in the region, services not available to the public generally, and charter services.

Section (49) requires the Regional Council to register the service within 21 days unless it proposes to decline the registration. These provisions apply to both commercial and contracted services.

A “passenger service” includes

- “carriage of passengers for hire and reward on a road...”
- “carriage of passengers on a road by means of a large passenger vehicle...”
- “any harbour ferry service, passenger rail service...”

Section (51) states

- “Every person who...
 - a) operates...a passenger service that is not registered...
 - b) being an operator of a registered service, without reasonable excuse abandons that service without giving the notice required...”

These offences carry a fine on summary conviction not exceeding \$20,000.

4. Contractual Requirements

Council contracts around 60% of the services operated. In general terms these are let through competitive tenders which have durations designed to provide regular tender rounds. This enables new operators to enter the market and unsuccessful operators to re-enter the market at a later date. Over recent years we have tended to have a stable group of operators who have tended to remain in their “own patches” and any competition has been at the margin.

The exceptions to the competitive rule are the rail and trolley bus contracts where, as there are sole suppliers, negotiated contracts are permitted.

4.1 Bus Contracts

The standard bus contract document was drafted in 1991 and last updated in 1996. These conditions require the operator to “...provide a service along the route or routes and at the times specified in the registration.”

In addition to this clause, tenders are requested for the operation of a specific number of services and failure to operate a service is deemed to be a breach of the contract.

These contracts include a marginal rate intended for minor alterations in service levels. This rate is used to calculate deductions in the contract payments when services are not run.

4.2 Rail Contracts

The current rail contract is the document which was prepared in 1995 and has been rolled over since that time due to difficulties, firstly with long term funding and more recently with the supporting Competitive Pricing Process and the announcement by the management of Tranz Rail that they wished to exit passenger rail activities.

The contract does not have specified services, only minimum service specifications. The intention is that when services are withdrawn or fail to run, alternative bus services will be provided at Tranz Rail's cost. In reality if a peak service does not run there are usually no replacement buses available and the passengers are accommodated by "crush loading" the next service. Where a group of services are not run and no replacement buses are offered, recovery of a proportion of the contract payments are sought. This was most recently applied following the wildcat strikes by some Tranz Metro staff in February of this year.

5. Monitoring Activities

Information relating to service failures originates from three sources:

- The operator
- The Ridewell Inspectors
- The passengers

Where the operators are aware that they will not be able to provide a service they will usually advise the Ridewell Service Centre so that the information can be passed on to callers. This situation would arise where there are insufficient vehicles or drivers. As an example Stagecoach was unable to operate all its scheduled services after its Karori depot was broken into and all the bus fire extinguishers discharged. In this situation no penalties were imposed.

The Ridewell Inspectors carry out random inspections of services concentrating on peak services and services where there is evidence of ongoing problems. Through the inter peak period they are also alert for services running early. Any instances identified are reported back to the company for explanation.

The two Inspectors cover seven days per week.

The Ridewell Service Centre has been operating since 1991 and is very well known among public transport users. As well as providing timetable information, Ridewell accepts complaints. These are referred to the operators for comment, and a response given to the customer.

Over the past 12 months Ridewell has accepted 1604 complaints. The breakdown of these complaints is set out in **attachment 1**. It should be stressed that not all these complaints prove to be justified, with some being wrong in fact and others arising

from unreasonable expectation on the part of the customer. These show that failure of the bus to arrive when expected is the biggest single source of complaints.

The incidents reported from all three sources are monitored to isolate any unacceptable trends and these are specifically represented to the management of the operating companies, and solutions found.

Examples of issues identified in this manner include:

- The need to reschedule some Eastbourne services to improve timekeeping.
- The creation of “adult fares only” services from Island Bay to avoid overloading issues on public services.
- School bus loading issues at Lambton Interchange
- Additional peak services required from Island Bay
- Additional Route 17 services required on the shoulder of the peak.
- The need for an additional stopping service at Paremata in the morning peak.

6. Who is to Blame?

Although all complaints cannot be substantiated, they represent a “service failure” in the eyes of the complainant. Complaints fall within four main categories:

- The cause of the complaint is within the control of the operator
- The cause of the complaint is in the control of the local authority
- Incidents unrelated to the service
- Accidents/incidents related to the service

Examples of company controlled incidents include driver attitude complaints, vehicle late exiting depot, ticketing issues and “in service” failures.

Local Body related service failures may be the consequence of street parades and, more particularly, road works. On an average week there could be up to 60 individual work sites for the road works within Wellington City alone.

Incidents unrelated to the services include fires, accidents, police cordons and the like. These generally occur at short notice and the resultant congestion affects all road users in the area.

Accidents and incidents related to the service would generally relate to accidents involving buses, although within Wellington, overhead faults and power outages will affect trolley services.

7. Service Standards and Their Implications

The bus companies roster both drivers and vehicles to the published timetable. They then allocate additional drivers to allow for sickness and holidays and retain additional vehicles in the fleet only to meet the maintenance requirements. This represents the most cost effective method of operating a contract. When rostering services the operators will endeavour to roster “lay by” periods at regular intervals to allow delayed services to make up time before commencing a new trip. At peak times when the maximum number of vehicles and drivers are on the road, opportunities to make up time in this manner are severely restricted.

The hours a driver may drive, their breaks from driving and the minimum time off between shifts are all controlled by legislation. The effect of these restrictions are sometimes felt when there are late night events which increase demand such as concerts at the stadium and to a lesser extent the fireworks display. As drivers must have a minimum break and at least 24 consecutive hours off duty in a week additional late night services can become a problem.

With these pressures delays in the peak tend to snowball with subsequent services becoming later and later until the peak passes and there is an opportunity to recover. As a service becomes late it tends to pick up more passengers, which in turn results in further delays.

An additional vehicle and driver on the road at peak time would cost approximately \$90,000 per annum. This cost can only be recovered from either the passengers or the funding authority.

If a service standard regime which included penalty payments for non compliance was put in place, the operators would weigh the cost of the penalty against the cost associated with maintaining additional vehicles and drivers on standby in order to recover from delays. In the majority of cases the operator would not control the causes of the service failure so would have to accept them and plan accordingly. This option as a way of recovering from delays would only be effective if the “spare” vehicle could get from the depot to the starting place of the trip it was to run.

Another option to avoid service failure is to extend the running time over each route. This will lead to vehicles “waiting time” on the average trip, but would reduce the instances of service failure. We are aware from experience that “waiting time” is disliked by passengers and should be avoided.

Our current practice is to monitor recurring failures and to work with the operators to minimise such events as well as the downstream effects. Running times are refined as traffic patterns alter, for example there are now six different transit times through the Wellington central business district for different times of the day.

Care should be taken not to set standards which are unachievable. In Wellington in particular there are few alternative routes for private cars so other than where there are bus lanes, the buses can only move at the speed of the general traffic.

8. Real Time Information the Solution?

Real Time Information displays the anticipated time until the arrival of each bus at each bus stop equipped with a display. In general terms, the operating software of the system “polls” each bus at predetermined intervals or at predetermined points on the route and then calculates the running time to each bus stop and modifies the display accordingly. The programme used has the ability to “learn”, so it constantly revises the running times by day and time of day by reference to earlier data. As well as advising passengers of the whereabouts of their service this data can provide the following management information:

- A list of services which were not detected (did not run)
- A list of services which departed the terminus late
- The timekeeping of services over any specified leg of the journey
- A list of services which arrived at their destination late
- Those points along the route where delays occur

This information can be used to refine the timetables to better reflect actual running times and ensure that services commence their journeys on time. It will also ease the concerns of passengers when services are delayed, as the bus stop will advise that the bus is still approaching.

9. Quality Partnerships

Given that a significant proportion of the cause of delays arise from activities or policies of the local authorities, be they road works, parades or even general traffic congestion on bus routes it is important that the local authority be a party to the solution. While the activities which cause the problems cannot be prevented, the operators, the local authority and the council officers can address the issues to minimise the impact. This can only be effective where the local authority accepts its part in the problem and is prepared to work with the other parties to find a solution.

Quality Partnerships between operators, funders and local authorities have proven effective overseas and have had some success locally.

At the present time a formal Quality Partnership Agreement is in place between Stagecoach, Wellington City Council and Wellington Regional Council. Quality Partnership documents are proposed with operators and the other local authorities over the near future. In the interim liaison meetings are held on a regular basis with each local authority and the local operators.

10. Conclusion

Although there is only limited formal contract compliance monitoring, this together with the other sources of information result in most ongoing problem areas being identified. The current regime encourages the operators to advise Ridewell when there are problems as there is no penalty involved. This enables more accurate information to be passed to the passengers.

The Quality Partnership Agreement and the regular liaison meetings enable ongoing problems to be worked through with a view to constant improvements to the services. As the majority of the causes of delays are beyond the control of the operators, introducing penalties will increase the total cost of the service without eliminating the cause of the delays. The introduction of Real Time Information will enable congestion points to be isolated and confirm that services commence their journeys on time. It will also allow sector running times to be refined.

11. Communications

At this time there is little of interest to the public and any communication should await a decision on Real Time Information.

12. Recommendation

That the report is received and the information noted.

Report prepared by:

Approved for submission by:

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Attachments:

- 1- Summary of Complaints Received by Ridewell (12 months ending April 2002)**