



**Transport Malta**

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## **AUTHORITY FOR TRANSPORT IN MALTA**

### **EXPRESSION OF INTEREST NOTICE FOR THE PROVISION OF SCHEDULED BUS SERVICES IN MALTA AND GOZO**

Reference: **LTD/2014/01**

Publication Date: **27<sup>th</sup> January 2014**

Closing Date for Submissions: **7<sup>th</sup> April 2014 at 1200hrs (noon)**

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Interested Candidates are kindly requested to send their contact information including the company or organisation name, the name and surname of the contact person, the telephone number, mailing address and email address to enable the Contracting Authority to distribute any updates and responses to clarifications throughout the bidding process.

This information is to be sent by email to [clarifications.tm@transport.gov.mt](mailto:clarifications.tm@transport.gov.mt) bearing reference LTD/2014/01 as soon as possible.

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## **1 Background**

- 1.1 The Authority for Transport in Malta (hereinafter referred to as the “Authority”) entered into an exclusive public service concession agreement with a private bus operator following a competitive tendering process on the 20<sup>th</sup> November 2010, for the provision of Scheduled Bus Services in Malta and Gozo for 10 years starting on the 3<sup>rd</sup> July 2011.
- 1.2 This concession agreement specified the basic network which had to be serviced by the bus operator, together with maximum fares for different categories of users, including reduced fares for old age pensioners, disabled persons, children and students.
- 1.3 As a public service concession, the risks inherent in the provision of Scheduled Bus Services were completely transferred to the bus operator. Since the concession included public service obligations as defined in Regulation (EC) 1370/2007 relating to maximum fares chargeable, special concession fares, and a minimum route network, there was the need for a subsidy to compensate for the social aspect of the route network and reduced concessionary fares. For this purpose, the concession agreement provided for a public service compensation payable monthly to the bus operator.
- 1.4 The concession agreement includes other aspects of the service delivery, including the bus fleet, maintenance of infrastructure, electronic solutions and other equipment, and the provision of information to passengers and to the Authority.

## **2 Current Situation**

Following a mutual agreement between the Authority and the bus operator, the Government of Malta acquired 100% of the shares in the company operating the concession agreement on the 2<sup>nd</sup> January 2014 and which company is now called Malta Public Transport Services (Operations) Limited (hereinafter referred to as the “Operating Company”) with its registered office at Mdina Road, Qormi QRM9010 and bearing registration number C48875.

A draft copy of the financial statements of the Operating Company for the year ended 31<sup>st</sup> December 2013 together with the list of assets and liabilities of the Operating Company, will be made available throughout the clarification process.

## **3 Objective**

- 3.1 The objective of this Expression of Interest is for interested parties to submit offers to acquire the exclusive concession rights to operate the Scheduled Bus Services in Malta and Gozo for the remaining term of the concession (that is until the 2<sup>nd</sup> July 2021), with the immediate option to extend this by 10 years or 15 years. This offer can take the form of any of the following:
  - a) an offer to acquire the Operating Company including all its assets and liabilities;
  - b) an offer to acquire the exclusive concession rights to operate the services in their entirety (ie. the entire route network specified in Section 4 of this Notice) including the assets of the Operating Company; or

- c) to operate a group of routes as explained in Section 4 of this Notice with the option to also acquire some or all of the assets of the Operating Company.

When evaluating the submissions, preference will first be given to the submissions received in the order of priority as indicated above starting with paragraph (a) and ending with paragraph (c). Therefore should the Authority be satisfied with the submissions received under the first option (paragraph (a) above), all submissions received for the remaining options will not be considered. The same methodology will apply when moving through the remaining options in order of priority.

3.2 The ultimate aim of this Notice is to identify a professional and competent Candidate that is able and willing to operate the Scheduled Bus Services in Malta and Gozo subject to a concession agreement, which will be negotiated with the Authority once the preferred Candidate is selected, with the aim of meeting the fundamental contracting principles listed in Section 9 of this Notice, and of:

- a) Improving the level of services in order to meet the public's needs and increase bus patronage;
- b) Optimising the efficiency and effectiveness of the route network taking into account social considerations;
- c) Adding a number of buses to the fleet to meet the requirements of the route network stipulated in Section 4 of this Notice. This should also include the replacement of temporary coaches and buses that are currently being used to provide a number of services, to align these with the required safety, emissions, accessibility, information technology, vehicle tracking, and comfort specifications;
- d) Upgrading the existing information technology and communication systems to provide more effective control from an operational point of view and more effective information systems which will result in reliable information for users and for the Authority. This should include an effective vehicle tracking and monitoring system to be used by the prospective operator, the Authority and other interested stakeholders;
- e) Shifting the majority of ticket sales to off-bus ticketing and regular travel solutions. The successful Candidate will be expected to successfully implement an effective and innovative ticketing solution, which will drastically reduce on-bus ticketing and encourage period tickets within one year.

#### **4 The Route Network and Fare Structure**

4.1 Throughout 2013, the Authority, in conjunction with the Transport Ministry reviewed the route network following a public consultation exercise, with the aim of improving its effectiveness in line with the travelling needs of the public. It is therefore the Authority's intention to implement the route network together with the frequencies set out in Appendix 5 to this Notice.

- 4.2 As explained in Sections 3.1(b) and 3.1(c) of this Notice, interested Candidates may offer to acquire the exclusive concession rights to operate either the entire route network or to operate a group of routes. Should Candidates chose a specific group of routes, this should be made clear in the Technical Submission (refer to Appendix 1) providing the list of routes being considered, together with justification for the particular selection of routes. Offers to operate a group of routes that make up less than 20% of the total annual bus kilometers will not be considered. An exception may be made whereby offers made to operate the route network on the island of Gozo only may still be considered by the Authority even though they make up less than 20% of the total annual bus kilometers.
- 4.3 When evaluating the submissions, the Authority will give preference to those submissions that cover the entire route network, therefore resulting in one bus operator.
- 4.4 The maximum fares that are currently in force are stipulated below.

**Table 1 – Current Fares (Island of Malta)**

<b>Validity Period</b>	<b>Adult €</b>	<b>Student €</b>	<b>Children and Elderly Persons €</b>
<b>2 hour</b>	<b>1.30</b>	<b>n/a</b>	<b>0.30</b>
<b>Day</b>	<b>1.50</b>	<b>n/a</b>	<b>0.50</b>
<b>7 day</b>	<b>6.50</b>	<b>n/a</b>	<b>2.30</b>
<b>30 day</b>	<b>26.00</b>	<b>21.00</b>	<b>n/a</b>
<b>90 day</b>	<b>72.00</b>	<b>60.00</b>	<b>n/a</b>

**Table 2 – Current Fares (Island of Gozo)**

<b>Validity Period</b>	<b>Adult €</b>	<b>Children and Elderly Persons €</b>
<b>2 hour</b>	<b>1.00</b>	<b>0.30</b>
<b>Day</b>	<b>1.50</b>	<b>0.50</b>
<b>7 day</b>	<b>6.50</b>	<b>2.30</b>
<b>30-day (Gozo Residents only)</b>	<b>10.00</b>	<b>10.00</b>

For bidding and evaluation purposes, Candidates are to submit their financial submission using the Financial Form in Appendix 2, based on the above maximum fare structure. Candidates may however propose a different fare structure for the Authority to consider that takes into consideration both the social needs of particular user groups, including the elderly, disabled persons, children and students, also the commercial optimization of the route network.

The proposed fare structure must be designed to promote off-bus ticketing and regular travel. Proposed fare structures should be accompanied by a justification for the selection of fares, including the proposed impact on passenger numbers and ticket sales throughout the concession term, and also a clear indication of the impact on the Public Service Compensation that would have been submitted in Part 2 of Appendix 2.

## **5 Conditions for Participation**

- 5.1 Interested parties are required to submit an Expression of Interest that meets the minimum information and requirements stipulated herein. It must also provide sufficient information to the Authority to be able to select the preferred Candidate with whom to negotiate the final concession agreement.
- 5.2 Interested parties will also be required to submit the Financial Submission Form in Appendix 2 which includes a financial bid for (i) the amount payable to the Authority for the acquisition of the exclusive concession rights to operate the Scheduled Bus Services in Malta and Gozo (or parts thereof); and (ii) the public service compensation payable by the Authority for the remaining term of the exclusive concession agreement, which bids will form part of the award criteria as stipulated in Section 11 of this Notice.
- 5.3 For the avoidance of doubt, it is hereby declared that should this Expression of Interest Notice process be cancelled for any reason, the Authority shall no longer be bound by this Notice.
- 5.4 An Expression of Interest must include an unconditional bid bond (bank guarantee) issued by a Maltese bank or a financial institution licensed to operate in a Member State of the European Union for the amount of fifty thousand Euro (€50,000) which shall have a validity period of six months from the Closing Date for Submissions, and which shall be forfeited in favour of the Authority in the event that the Candidate withdraws its submission during the validity period, or fails to enter into the acquisition contract if and when called upon to do so by the Authority. This bid bond will be returned to the Candidates upon the adjudication and finalisation of the acquisition contract. A template of required the bid bond is included in Appendix 4.
- 5.5 Once the evaluation process is complete and the contract is signed, the successful Candidate will be required to submit a performance guarantee of two million Euro (€2,000,000) issued in terms of Maltese Law. The bid bond mentioned in 5.4 above will be forfeited in the event that the successful Candidate fails to submit this performance guarantee, without prejudice to further actions that may be taken by the Authority.
- 5.6 The successful Candidate will also be required to meet all national and international regulatory and policy requirements, including but not being limited to the Passenger Transport Services Regulations (SL.499.56).

## **6 Legal Position – Means of Proof Required**

A Candidate may be an individual, a single entity having legal personality, or a consortium (i.e. either a permanent, legally-established grouping, or a grouping which has been constituted informally for this specific EOI procedure).

- a) Candidates that are individuals shall submit an official identification document issued by a competent authority in their country of residence or of which they are nationals. Candidates that are individuals shall also submit the completed and signed Tender Form in Appendix 3.

- b) Candidates which are legal persons will have to show that they are legally constituted and for this purpose shall submit a certificate of registration and a certificate of Good Standing issued by the registrar of companies and partnerships (or similar institution), in their country of constitution, accompanied by a signed legal opinion confirming that the legal entity is duly constituted and is capable of entering into obligations. This opinion shall furthermore identify the legal and judicial representatives of such legal entity. The legal opinion shall be dated not earlier than three months prior to the date of publication of this Notice. Candidates that are legal persons shall also submit the completed and signed Tender Form in Appendix 3.
- c) In the event that the Candidate is a consortium which has been constituted for this specific EOI procedure, a formal agreement has to be submitted including:
- i. An outline of the members of the consortium, their relative roles, and their eventual proportion of shareholding and responsibilities;
  - ii. Confirmation that all members assume joint and several liability for the eventual execution of the contract;
  - iii. The appointment of one of the members as a lead partner, and the appointment must be confirmed by submission of Powers of Attorney signed by legally empowered signatories representing all the individual members;
  - iv. Confirmation that the lead partner is authorized to bind and receive instructions for and on behalf of all the members individually and collectively.

For each member of the consortium there shall be supplied the documents referred to in (a) and (b) above. All members in the joint venture/consortium are bound to remain in the joint venture/consortium until the conclusion of the negotiating and contracting procedure unless approval is obtained in writing from the Authority. Breach of this condition may result in the disqualification of the submission.

- d) Irrespective of the legal form of the Candidates at EOI stage, the successful Candidate must have a limited liability company structure, registered in Malta. The shareholding of the said company shall be limited to the Candidate and, in the case of consortium, the allotment of shares shall reflect the interest of each consortium member under the consortium agreement and in the case of another legal person, the allotment of shares shall reflect the interest of each member held under the arrangement existing at the time of the submission of the EOI. The exclusive rights to operate the concession shall not be transferred unless permission for such transfer is granted by the Authority.
- e) Candidates must clearly identify a single individual to act as the official contact person and must include primary contact point details including name, designation, contact phone numbers, address and email address. This shall be done by means of a Power of Attorney authorizing the identified person to represent the Candidate in all matters relevant to the Expression of Interest and the subsequent negotiations of the acquisition contract and concession agreement, unless the Candidate formally notifies the Authority in writing of any change in the contact person.

Submissions that do not include all the above minimum requirements shall automatically be disqualified and will not be considered any further.

## **7 Economic and Financial Capacity – Means of Proof Required**

The Candidate must show that it is of sound financial standing which will permit it to operate the Scheduled Bus Services under a concession agreement in the event that this is awarded to it. In this respect, the Candidate must submit:

- a) A certificate drawn up by a person holding a warrant of public auditor or accountant, issued in any member state of the European Union, attesting the Candidate's capacity to make an investment of at least ten million Euro (€10,000,000) and to sustain the same over the term of the concession agreement;
- b) A signed letter of intent drawn out by a bank or other credit institution licensed as such in a Member State of the European Union attesting the Candidate's ability to obtain the financing necessary to operate the Scheduled Bus Services, based on the presumption that this entails an investment of at least ten million Euro (€10,000,000).

The €10,000,000 mentioned in paragraphs 7(a) and 7(b) above shall be reduced prorate should interested Candidates propose to operate part of the route network in accordance with Paragraph 3.1(c). For example purposes only, should an interested Candidate propose to operate 30% of the route network, then both amounts of €10,000,000 above shall be reduced to €3,000,000 each.

Submissions that do not include all the above minimum requirements shall automatically be disqualified and will not be considered any further.

## **8 Technical Capacity – Means of Proof Required**

Candidates must submit an organisation profile outlining the range of services which they offer and their major corporate achievements. Candidates must show that they, (or any member of the consortium in the case of consortium Candidates), have provided some form of Bus and/or Coach Services over a continuous period of at least five years. Candidates that do not have this minimum experience in Bus and/or Coach services shall be disqualified and their submission will not be considered any further. More points will be awarded when this experience is specifically in Scheduled Bus Services.

By way of proof, Candidates must submit:

- a) A list of Bus and/or Coach Services and related services provided between 2009 and 2013, including the total quantity or scope of such services, dates and contracting parties and whether these were public or private entities. In so listing the end clients, the Candidates are agreeing that the Authority may contact the relevant clients at any stage in order to confirm references given and/or supply further information as may be required;
- b) A report showing the Candidate's manpower and the number of managerial staff for the last five years, distinguishing between different posts involved in a bus operation (drivers, maintenance and engineering, support, etc...), and other operations if applicable;

- c) A detailed description of how they intend to operate the Scheduled Bus Service in order to demonstrate that they have (i) a clear understanding of the requirements of the Scheduled Bus Service; and (ii) the capacity and capability of carrying out the Services. As a minimum, interested parties shall submit the information required in Appendix 1.

Submissions that do not include all the above minimum requirements shall automatically be disqualified and will not be considered any further.

Candidates are advised that an inspection of the operational capacity, facilities and quality control measures of the Candidate may be carried out by the Authority or by a person(s) acting on its behalf.

## **9 Fundamental Contracting Principles and Minimum Requirements**

The fundamental contracting principles of the concession agreement which will be negotiated and entered into between the Authority and the successful Candidate must include the following:

- a) Full commercial and operational risk including fluctuations in costs including but not limited to fuel and energy costs, labour costs, maintenance costs and other costs which are to be borne fully by the bus operator;
- b) The operation of the agreed route network at minimum frequencies;
- c) The charging of maximum fares including concessionary reduced fares for specific categories of users like old age pensioners, disabled persons, children and students;
- d) Minimum requirements for Buses which must:
- i. Be at least Euro 5 compliant, fully accessible (low-floor), and air-conditioned;
  - ii. Be fitted with CCTV systems covering the entire seating area including the driver;
  - iii. Be suitable for the route they are operating on, and must not exceed 12.5m in length and 4.5m in height;
  - iv. Comply with the requirements of EU legislation, with particular reference to the Emission Standards stipulated in Regulation 595/2009 and Directive 2007/46 for buses being registered for the first time in any European Member State
  - v. Comply with procurement legislation as may be applicable with regard to Directive 2009/33/EC transposed into local legislation by means of LN.175 of 2011;
  - vi. Not be older than 15 years at any point throughout the concession agreement term.
- e) The bus operator must have an effective vehicle tracking and locating system providing real time access to the Authority and other stakeholders as may be required.
- f) The Authority must have real-time access to all services (including vehicle tracking and locating data) together with all recorded data for at least three months.



Submissions that do not meet all the above minimum requirements shall automatically be disqualified and will not be considered any further.

## 10 Clarifications

Candidates may submit requests for clarifications by email addressed to the Chairman at the following address by not later than the 14<sup>th</sup> March 2014:

The Chairman  
Transport Malta  
Email: [clarifications.tm@transport.gov.mt](mailto:clarifications.tm@transport.gov.mt)

The Authority will respond to these clarifications by email by not later than the 24<sup>th</sup> March 2014 and these clarifications shall be deemed as an integral part of this Notice. A copy of the response will be sent to all those that would have provided their contact details to the Authority as stipulated on Page 1 of this Notice.

The Authority will be organizing a clarification meeting aimed at offering interested Candidates the opportunity to ask questions before the 14<sup>th</sup> March 2014. The date, time and venue will be communicated to all those that would have provided their contact details to the Authority as stipulated on Page 1 of this Notice.

Candidates shall not contact any other person at the Authority, at the Operating Company, at the Ministry for Transport and Infrastructure, or any Government Ministry, department, authority or public body, or any of their officers, employees, agents, advisers or consultants, during any stage of the bidding process. The Authority reserves the right to disqualify at its sole and absolute discretion any Candidate whom it deems to be in breach of this condition.

## 11 Award Criteria

Every submission made must clearly demonstrate that the interested party is able to comply with the minimum requirements stipulated in this Notice, particularly those listed in Sections 5, 6, 7, 8 and 9. Submissions that do not meet these minimum requirements shall be automatically disqualified and will not be considered any further.

Submissions that meet these minimum requirements will then be weighted to identify the most economically advantageous offer using the award criteria below.

The Technical Score is calculated as follows based on the award criteria in the table below:

$$\text{Technical Score} = \frac{\text{Candidate's Score}}{\text{Highest Technical Score}^{(1)}} \times 100$$

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<sup>1</sup> Amongst the Candidates that are found to be compliant relating to the option being evaluated in accordance with paragraph 3.1

	<b>Maximum Points</b>
<b>TECHNICAL SCORE</b>	<b>100</b>
Length of preparation period between the signing of the acquisition contract and the start of the services which cannot exceed three months. Highest points will be allocated to the shortest preparation period	4
Suitability of buses with more points being allocated for more suitable buses in terms of size	10
Age and emission standard of buses with more points being allocated for newer, cleaner and lower emitting buses.	10
Effectiveness and robustness of vehicle tracking, locating and monitoring system	10
Experience in running Bus and/or Coach Services. A maximum of 5 points will be allocated for those that do not have at least five years' experience in Scheduled Bus Services, but have at least five years' experience in Coach services. More points will be allocated for more experience.	10
Overall operational effectiveness	
- Robustness of business plan (Appendix 1 – Section 2)	15
- Robustness and effectiveness of operational strategy (Appendix 1 – Section 3)	35
- Realistic and Robust implementation plan (Appendix 1 – Section 4)	6

The Financial Score is calculated as follows based on the award criteria in the table below:

	<b>Maximum Points</b>
<b>FINANCIAL SCORE</b> (based on Financial Submission Form – Appendix 2)	<b>100</b>
Acquisition of exclusive concession rights for scheduled bus services with the highest offer being awarded the most points using the following formula:  $\frac{\text{Highest Financial Offer}^{(2)}}{\text{Candidate's Financial Offer}} \times 40$	40
Public Service Compensation with the lowest offer being awarded the most points using the following formula:  $\frac{\text{Lowest Financial Offer}^{(3)}}{\text{Candidate's Financial Offer}} \times 60$	60

The final overall score is calculated as follows:

$$\text{Final Overall Score} = (\text{Technical Score} \times 60\%) + (\text{Financial Score} \times 40\%)$$

<sup>2</sup> Amongst the Candidates that are found to be compliant relating to the option being evaluated in accordance with paragraph 3.1

<sup>3</sup> Amongst the Candidates that are found to be compliant relating to the option being evaluated in accordance with paragraph 3.1

## 12 Submission of the Expression of Interest

Interested parties are to deposit three copies of their Expression of interest in printed format together with an electronic copy of the submission on CD or DVD by 1200hrs (noon) on the Closing Date for Submission in the prescribed box at the following address:

The Chairman  
Transport Malta  
Malta Transport Centre  
Xatt L-Ghassara Tal-Gheneb  
Marsa  
Malta

These are to be sealed in an outer envelope or parcel containing the following information on its outside:

- The address for submission for the EOI as indicated above;
- Title and reference of this Notice;
- The words: “Not to be opened prior to the Closing Date for Submissions”

### Additional conditions:

- a) It is important that submissions are made strictly in accordance with this Notice. Candidates who fail to provide any of the information requested may be disqualified;
- b) The EOI must include a detailed list of the contents, which must be signed by the authorised signatory. Each page of the EOI must be initialled by such signatory and the EOI must include evidence of the signatory’s authorization;
- c) Additional material, brochures or promotional material may be submitted together with the information requested herein;
- d) The Authority retains the right to verify any information submitted to it by interested parties.

## 13 Appeals Process

The procedure for the submission of appeals is stipulated in Part XIII of the Public Procurement Regulations (Legal Notice 296/2010), reproduced hereunder for ease of reference.

Any Candidate concerned may file a notice of objection with the Review Board. The notice shall be filed within ten calendar days following the date on which the Authority has by fax or other electronic means sent its decision on the preferred Candidate.

The communication to each Candidate of the decision shall be accompanied by a summary of the relevant reasons relating to the rejection of the submission as set out in regulation 44(3), and by a precise statement of the exact standstill period.

The notice of objection shall only be valid if accompanied by a deposit of fifty-eight thousand Euro (€58,000). The Secretary of the Review Board shall immediately notify the Director that an objection has been filed thereby immediately suspending the award procedure. The Authority shall be precluded from concluding or negotiating the contract during the period of ten calendar days allowed for the submission of appeals. The award process shall be completely suspended if an appeal is eventually submitted.

The procedure to be followed in submitting and determining complaints as well as the conditions under which such complaints may be filed shall be the following:

- (a) any decision by the Authority shall be made public at its office prior to the award or negotiation of the contract;
- (b) the notice of objection duly filed in accordance with sub-regulation (1) shall be made public by the Review Board not later than the next working day following its filing;
- (c) within three working days of the publication of the replies, the Secretary of the Review Board shall prepare a report (the Analysis Report) analysing the letter of objection. This report shall be circulated to the persons who file an objection and interested parties. After the preparatory process is duly completed, the Chairman of the Authority shall forward to the Chairman of the Review Board all documentation pertaining to the Expression of Interest including files, submissions, copies of deposit receipts, who shall then proceed as stipulated in Part XIV of the Regulations;
- (d) the Chairman of the Authority shall publish a copy of the decision of the Review Board at the Authority's premises.

Copies of the decision shall be forwarded by the Secretary of the Board to the complaining Candidate, the Director of Contracts and to the Chairman of the Authority.

## **14 General Conditions**

- 14.1 The submission and all correspondence and documents related to the submission must be written in English.
- 14.2 Supporting documents and printed literature furnished by the Candidate may be in another language, provided they are accompanied by an accurate translation into English. For the purposes of interpretation of the tender, the English language will prevail.
- 14.3 The Authority may, at its own discretion, extend the Closing Date for Submissions by issuing a clarification note in accordance with Section 10 of this Notice. In such cases, all rights and obligations of the Authority and the Candidate regarding the original date specified in the contract notice will be subject to the new date.
- 14.4 When checking and comparing submissions, the Authority may ask a Candidate to clarify any aspect of his submission. Such requests and the responses to them must be made by e-mail or fax.

## **Appendix 1**

### **Submission of Minimum Technical and Financial Information**

#### **1. Route Network**

As explained in Section 4 of this Notice, Candidates are to clearly state whether they are proposing to operate the entire route network stipulated in Appendix 5 of this Notice, or a particular group of routes. Should Candidates be opting for a group of routes in accordance with Paragraph 3.1(c), they are to specify which routes these are, together with the justification for the selection of such routes, and the impact on the proportionality of the proposed public service compensation that would be payable by the Authority, if any.

#### **2. Business Plan**

Candidates must submit a business plan covering the initial three to five years of operation, but also covering the remaining term of the concession (including possible extensions) at a high level. The business plan should illustrate the goals and the plan of how these goals will be reached within the context of the Operational Strategy mentioned below. It should also include a strategic plan on:

- a) How the objectives listed in Section 3.2 of this Notice will be achieved, including yearly patronage level projections, and off-bus ticketing targets;
- b) The change required in the perception and attitude towards the public transport service and public transport in general, with the aim of increasing bus patronage and shifting people from car use to bus use.
- c) Yearly financial projections for the concession agreement term including detailed profit and loss and balance sheet. The submission should include a detailed breakdown of all revenue and costs, including, without being limited to, the different income streams, drivers' payroll (including different components), other payroll, fuel, engineering, maintenance costs, and other overheads. These should include all components and assumptions necessary to understand the projections. The financial projections should also reflect the finance terms obtained from the interested party's bank as set out in their support letter, assuming no inflation. The financial projections shall also be submitted in soft copy format on a CD in Microsoft excel, unprotected and allowing formulas to be seen.

#### **3. Operational Strategy**

This shall be a more detailed explanation of how the concession agreement will be implemented and shall include but not be limited to:

- a) Detailed description of how the operations will be managed and controlled making specific reference to:
  - i. Ensuring that timetables are met, that they are suitable, and that sufficient buses are allocated. This should include the peak and off-peak vehicle requirement allocation for every route (or route group), indicating examples of the scheduled journey time for routes distinguishing between inbound and outbound journeys, and between peak time and off-peak time. Consideration should also be given to route diversions that may be required from time to time due to road closures and works;

- ii. Bus fleet management including projected availability and maintenance/engineering allocations, and also how spare buses will be managed and dispatched;
  - iii. Details of facilities (depots, garages, etc...) that the Candidate plans to operate to sustain the service;
  - iv. How drivers will be allocated to buses and to individual routes including proposed structuring of rosters and driver changeover procedures;
  - v. Remote-monitoring and management facilities of the services and the fleet in real-time, explaining the use and function of the central control room;
  - vi. Measuring reliability and punctuality of each route in percentages covering hourly periods, including examples of targets of such reliability and punctuality within 10 minutes of the contractual requirements;
  - vii. Communication between the main control room, depots, termini, sites, bus drivers, inspectors and the customer call centre, including an explanation on how buses will be dispatched and aligned with schedules throughout the day therefore avoiding gaps in services or bunching of services;
  - viii. A detailed engineering plan for buses and other equipment including cleaning and maintenance schedules, fire prevention plans, health and safety plans and measures to reduce the number of breakdowns.
- b) A detailed description of the internal compliance and quality assurance mechanisms to be adopted to ensure contract compliance, with specific reference to:
- i. Compliance with route network minimizing unauthorized diversions;
  - ii. Compliance with safety and comfort requirements particularly for the buses;
  - iii. Revenue management, ticketing control and fraud mitigation;
  - iv. Integrity and accuracy of vehicle tracking and monitoring systems;
  - v. General compliance with other contractual requirements.
- c) An outline of the branding and marketing strategy including relative budgets, together with:
- i. A plan on how to address the current perception towards public transport;
  - ii. A plan on how to shift ticketing to off-bus ticketing including mobile and online ticketing – more points will be awarded for the effectiveness of plans to shift to off-bus ticketing;

- iii. A plan on how to increase bus patronage distinguishing between existing bus users and new bus users.
  - d) An HR plan including:
    - i. An organigram of the proposed operations. This must clearly outline the lines of authority and accountability, the reporting structures and the different layers of management and control;
    - ii. A training plan for drivers and employees distinguishing between existing and new ones, and between drivers and other employees;
    - iii. Recruitment plan indicating any additional drivers that are required to drive the buses for the revised network;
    - iv. Any measures aimed at motivating existing and new personnel including specific measures aimed at drivers and their behaviour with regard to passengers and the buses.
  - e) Full technical description of additional buses to be procured including:
    - i. Manufacturer's literature;
    - ii. Average age to be maintained throughout the concession agreement remaining term.
  - f) A list and description (including manufacturer's literature where available) of all the other equipment other than the buses, considered to be necessary to achieve the concession agreement objectives, making a distinction between existing equipment that is available, and new equipment that will be procured. This should include ticketing machines, passenger counters, the automatic vehicle location (tracking) and monitoring system, CCTV systems on buses, the real-time control room system for the bus operator and the Authority, real-time electronic displays on bus stops, real-time SMS facility with estimated time of arrival of buses, and the destination displays on buses.
  - g) A description of any sub-contracting arrangements foreseen, if any, without the necessity of identifying the actual sub-contractor;
  - h) Proposed Night Services;
  - i) Details of initiatives which will be undertaken beyond what is required at law to mitigate the environmental cost of the operation of the concession agreement, other than the emission levels of the buses.

#### 4. Implementation Plan

This shall include a detailed gantt chart indicating the preparation period which the interested party requires before being in a position to take over the full operation of the company, indicating major milestones like the delivery of the additional buses required and other equipment.

**Appendix 2**  
**Financial Submission Form**

**PART 1 – ACQUISITION OF EXCLUSIVE CONCESSION RIGHTS FOR SCHEDULED BUS SERVICES**

Amount Payable in Euro to the Authority upon signing of Acquisition Contract with the best offer being the highest offer	
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**PART 2 – PUBLIC SERVICE COMPENSATION**

<b>COLUMN 1</b> Contract Year	<b>COLUMN 2</b> Public Service Compensation Fee Payable by the Authority (€)	<b>COLUMN 3</b> Discount Factor for Evaluation Purposes	<b>COLUMN 4</b> Discounted Public Service Compensation Fee Payable by the Authority (€)
1		1.0000	
2		0.9259	
3		0.8573	
4		0.7938	
5		0.7350	
6		0.6806	
7		0.6302	
8 (optional)		0.5835	
9 (optional)		0.5403	
10 (optional)		0.5002	
11 (optional)		0.4632	
12 (optional)		0.4289	
13 (optional)		0.3971	
14 (optional)		0.3677	
15 (optional)		0.3405	
<b>TOTAL</b>			



For adjudication purposes, the amounts in Column 2 will be discounted to net present value using a discount rate of 8.0%. The respective discount factor is represented by the multiple in Column 3. The result is to be entered in Column 4. The total of Column 4 will be used for adjudication purposes, with the best offer being the lowest offer, taking into consideration the amount of years being proposed. Candidates may propose compensation structures that are different to the current public service compensation, which should be still discounted using the factors below for evaluation purposes. More points will be given to structures that include effective incentives for off-bus ticketing.

For evaluation purposes, Candidates are to submit the proposed Public Service Compensation in Part 2 of this form based on the maximum fare structure stipulated in Section 4.4 of this Notice.

All amounts stipulated on this form are to be quoted inclusive of all taxes, VAT and fees and in the Euro currency.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of Candidate

\_\_\_\_\_  
Signature

**Appendix 3  
Tender Form (including Declarations)**

Reference: LTD/2014/1

<b>SUBMITTED BY:</b>	<i>(This will be included in the Summary of Submission Received)</i>		
<b><u>In case of a Joint Venture/Consortium:</u> Name(s) of Leader/Partner(s)</b>	<b>Nationality</b>	<b>Proportion of Responsibilities<sup>2</sup></b>	
<b>Leader<sup>1</sup></b>			
<b>Partner 1<sup>1</sup></b>			
<b>Partner 2, etc...</b>			

*Notes*

1. *Add/delete additional lines for partners as appropriate. Note that a sub-contractor is not considered to be a partner for the purposes of this procedure. If the submission is by an individual Candidate, the name of the Candidate should be entered as 'leader' and all other lines should be deleted.*
2. *Proposed proportion of responsibilities between partners (in %) with indication of the type of the works to be performed by each partner. This should be consistent with the consortium agreement referred to in Section 6(c)(i) of this Notice.*

**CONTACT PERSON**

<b>Name</b>		<b>Surname</b>	
<b>Telephone</b>	(____) _____	<b>Fax</b>	(____) _____
<b>Address</b>	..... ..... .....		
<b>E-mail</b>			

## DECLARATION(S)

### To be completed and signed by the Candidate (including each partner in a consortium).

In response to your Expression of Interest Notice bearing reference LTD/2014/01, we the undersigned, hereby declare that:

- 1 We have examined, and accept in full and in its entirety, the content of this Notice (including subsequent Clarifications Notes issued by the Authority) for the Expression of Interest bearing reference LTD/2014/01. We hereby accept the contents thereto in their entirety, without reservation or restriction. We also understand that any disagreement, contradiction, alteration or deviation shall lead to our submission not being considered any further.
- 2 We offer to provide, in accordance with the terms of the Notice and the conditions and time limits laid down, without reserve or restriction, the provision of Scheduled Bus Services in Malta and Gozo in accordance with the following option as laid down in Section 3.1 of the Notice (select as applicable):

OPTION	DESCRIPTION	SELECT ONE ONLY <i>(separate submissions are to be made for different options)</i>
a)	an offer to acquire the Operating Company including all its assets and liabilities	
b)	an offer to acquire the exclusive concession rights to operate the services in their entirety (ie. the entire route network specified in Section 4 of the Notice) including the assets of the Operating Company	
c)	to operate a group of routes as explained in Section 4 of the Notice with the option to also acquire some or all of the assets of the Operating Company	

- 3 Our financial submission is as per the Financial Form (Appendix 2) attached to this form.
- 4 This submission is valid for a period of 150 days from the Closing Date for Submissions of the Notice.
- 5 We are not bankrupt or under an administration appointed by the Court, or under proceedings leading to a declaration of bankruptcy. We also declare that we have not been convicted criminally, or found guilty of professional misconduct. Furthermore, we are up-to-date in the payment of social security contributions and other taxes.
- 6 We will inform the Authority immediately if there is any change in the above circumstances at any stage during the implementation of the contract. We also fully recognise and accept that any false, inaccurate or incomplete information deliberately provided in this application may result in our exclusion from this and other contracts funded by the Government of Malta and the European Communities.
- 7 Our submission has been made in conformity with this Notice and we understand and accept that our submission shall automatically be disqualified and will not be considered any further if we do not comply with all minimum requirements of the Notice.

**8** We note that the Authority is not bound to proceed with this Expression of Interest and that it reserves the right to cancel or award only part of the contract. It will incur no liability towards us should it do so.

Name and Surname: \_\_\_\_\_

I.D. / Passport Number: \_\_\_\_\_

Signature of Candidate: \_\_\_\_\_

Duly authorised to sign this  
Submission on behalf of: \_\_\_\_\_

Company/Lead Partner VAT No:  
*(if applicable)* \_\_\_\_\_

Stamp of the firm/company: \_\_\_\_\_

Place and date: \_\_\_\_\_

**Appendix 4**  
**Template for Bid Bond**

Whereas the Authority for Transport in Malta has invited interested Candidates to submit a proposal for the provision of Scheduled Bus Services in Malta and Gozo in accordance with Expression of Interest Notice bearing reference LTD/2014/01 (hereinafter referred to as Notice); and

Whereas Messrs ..... [Name of Candidate ] (hereinafter referred to as the Candidate) is submitting such a proposal in accordance with such invitation, we ..... [Name of Bank], hereby guarantee to pay you on your first demand in writing a maximum sum of FIFTY THOUSAND EURO (€50,000) in case the Candidate withdraws his submission before the expiry date or in the case the Candidate fails to provide the Performance Guarantee, if called upon to do so in accordance with the conditions and requirements of the Notice.

The guarantee becomes payable on your first demand and it shall not be incumbent upon us to verify whether such demand is justified.

This guarantee expires on the 7<sup>th</sup> October 2014 unless it is extended by us or returned to us for cancellation before that date, any demand made by you for payment must be received at this office in writing not later than the above-mentioned expiry date.

This document should be returned to us for cancellation or utilisation or expiry or in the event of the guarantee being no longer required.

After the expiry date and in the absence of a written demand being received by us before such expiry date, this guarantee shall be null and void, whether returned to us for cancellation or not, and our liability hereunder shall terminate.

Yours faithfully,

.....  
Bank Signatory

.....  
Date

## **Appendix 5**

### **Minimum Route Network**

The minimum route network may be downloaded from the following link:

<http://www.transport.gov.mt/land-transport/new-proposed-routes-and-schedules>

The link includes:

1. List of each bus route in Malta with the route length and indicative annual bus KM
2. List of each bus route in Gozo with the route length and indicative annual bus KM
3. The maps of each proposed route in Malta
4. The maps of each proposed route in Gozo
5. The frequencies for each proposed route in Malta
6. The frequencies for each proposed route in Gozo

Should interested Candidates encounter any difficulties to download the routes and network information from the above link, a CD may be requested by means of a Clarification.