

7.5 Deputy J.A. Martin of the Minister for Transport and Technical Services regarding the use of figures by the current operator in the award of the Summer Leisure Bus contract:

Just before I start, Sir, for helpfulness I have just downloaded the official Hansard that I am following on some questions, and I have circulated to all Members and hopefully yourself, Sir. Recently the Minister assured Members that the bus contracts had been awarded on an even playing field basis. In one of his answers he stated “that estimates submitted by Connex for the proposed summer service was, indeed, optimistic” and “we based their internal calculations on the known figures that are provided by the current Easy Link - Tantivy service.” Would the Minister explain the use of those figures in this way?

Deputy G.W.J. de Faye (The Minister for Transport and Technical Services):

The Connex tender included an estimate of revenue for the forthcoming summer service. This was considered to be over optimistic so to ensure that both tenders were evaluated on the same basis the figure used for calculating future income was based on that supplied by Tantivy for the estimated 2006 income. This lower amount was considered to be the most accurate estimate available as it was supplied by the incumbent operator and was based upon the most recent figures.

7.5.1 Deputy J.A. Martin:

I am still quite amazed. I have been in tendering processes, or been on Committees where there have been tendering processes, and the use of cross-referencing one set of figures to award... to me the Minister uses the word optimistic by Connex, so he used the figures by the already incumbent operator and then awarded the contract to Connex who seemed to be incapable of producing realistic - the word is, Sir, realistic - set of figures. But the Minister still says that this is a proper way of looking at tendering processes. In my oral written question to you I said I think these figures were used highly immoral, even illegal, would the Minister not agree to this, Sir?

Deputy G.W.J. de Faye:

I most certainly would not.

7.5.2 Deputy R.G. Le Hérissier of St. Saviour:

Although we have questions without notice; would the Minister sum up the matter in which the tenders were considered and would he confirm that it was done in a very open-ended fashion and not on the basis of strict applied criteria to all parties?

Deputy G.W.J. de Faye:

I am very happy to confirm that the tender process was conducted with scrupulous rigorousness. One of the reasons why in the terms of the calculations applied to properly assess revenue predictions that I rejected what I described as Connex’s over optimistic revenue forecast was to get what I felt to be a more accurate picture of what the value of the respective tenders were. Clearly by taking a tougher, or rather a lower estimate of future income, that would have mitigated the case to some extent against a tenderer predicting higher revenues in respect of a summer service. However, it is important to understand, I think, for all Members that in consideration of a tender a Minister and the Minister’s advisers are not bound to base their considerations simply on the basis of the papers put towards them. We are able to use our own judgment as to whether we think that figures that are quoted as estimates are accurate as not.

Similarly, I asked my officers specifically to work over both tenders with scenarios of revenues that were lower than predicted simply on the basis that I think it is sensible to, for example, assume Jersey may have a poorer tourism season next year than this year with the potential for a knock-on on bus service revenue and buses operating on a... I will give way to the Senator.

Senator B.E. Shenton:

Could we ask the Minister to be a bit briefer with his answers to questions please?

The Bailiff:

I did not notice that the Minister had been too wordy, but there is an obligation to be succinct.

Deputy G.W.J. de Faye:

I regret that I find I am repeating things as I have given an answer to previous questions, so clearly the message is not getting through. Let me be simple and precise. This tender process was carried out in a totally even-handed way and even the Comptroller and Auditor General, I understand, who recently assessed the process and looked at all the documents I gather has indicated to Deputy Le Hérissier that he is entirely satisfied with the way the matter was conducted.

7.5.3 Deputy R.G. Le Hérissier:

Yes, he has so advised me and I thank him for that. I wonder, Sir, would the Minister acknowledge that the logic of the contract was such that if the competitor took away more traffic from Connex it would make the Connex operation even more unviable in terms of subsidy so that any competing operator was basically faced with a situation where they could not be adventurous because they would interfere with anticipated revenues from Connex?

Deputy G.W.J. de Faye:

I believe that both the parties to the tender process offered in terms of the proposals for the summer leisure service as an adventurous concept as they thought were reasonably viable. The difficulty I think that Members may be grappling with is that the nature of the 2 types of tender was different. One operated on a low percentage of revenues but a guarantee that there would be no additional call, theoretically, on the States. The other party, Connex, already operates the main scheduled service on a service level agreement for which there is a fixed price and the States then take the revenues. Both parties approached the tender process in the method of contract that they were familiar with and the method that was familiar to the States.

7.5.4 Deputy G.P. Southern:

I apologise for keeping the Minister on this subject; but it is obvious that his answers are not as clear as he may think they are. Is the Minister suggesting that in the tender process company A comes along with a bid with figures which are extreme and would normally be rejected as unrealisable but then, in fact, as part of the process the people who are judging the tenders alter the figures in order to give the contract to the person that previously would have been seen as unrealisable?

Deputy G.W.J. de Faye:

What the Minister is suggesting, Sir, is that the object of the exercise is to provide the best possible public transport service to the Island and that is the approach I took and that is the result that has taken place.

Deputy G.P. Southern:

That is an outrageous non-answer. That is no attempt to answer the question at all. It is an insult to this House.

Deputy G.W.J. de Faye:

Was that a question, Sir? **[Laughter]**

Deputy G.P. Southern:

Will the Minister attempt please, at least, to address the question?

Deputy G.W.J. de Faye:

I believe I have answered the question, Sir.