



Merseyside Passenger Transport Executive

operating as

Merseytravel

Conditions of Contract
for the Provision of
Subsidised Bus Service Contracts

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Ref: LEGAL/STD/Bus-Contract-2010/JCW/SB

14 November 2008 (Revised 1 December 2010)

MERSEYSIDE PASSENGER TRANSPORT EXECUTIVE
Operating as MERSEYTRAVEL

CONDITIONS OF CONTRACT FOR THE PROVISION OF
SUBSIDISED BUS SERVICES CONTRACTS

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- 1.1.7 "Data" means the documentation (manual and electronic) to be provided by the Bus Operator under Condition 8.2 hereof.
- 1.1.8 "DCCO" means a Data Capture and Compliance Officer.
- 1.1.9 "De-Minimis Contract" is equivalent to a Net Subsidy Contract where the Service is an extension, variation or enhancement to a current bus service or services operated by the Bus Operator on a commercial basis for which the change has been requested by Merseytravel in consideration of a payment for the change by Merseytravel to the Bus Operator.
- 1.1.10 "Driver" means any person engaged by the Bus Operator to drive the Buses.
- 1.1.11 "Invitation to Tender" means the invitation to tender issued by Merseytravel pursuant to Section 89 of the Transport Act 1985 incorporating the Specification and these Conditions of Contract and all Schedules hereto.
- 1.1.12 "Merseytravel" means Merseyside Passenger Transport Executive and shall include Merseytravel's successors and permitted assigns.
- 1.1.13 "Minimum Cost Contract" means a contract for the provision of a Service where all the income from Passengers (including prepaid fares and concessionary reimbursement) arising from the provision of the Service belongs to Merseytravel.
- 1.1.14 "Net Subsidy Contract" means a contract for the provision of a Service where all the income from Passengers (including prepaid fares and concessionary reimbursement) arising from the provision of the Service belongs to the Bus Operator.
- 1.1.15 "Passenger" means any person conveyed on the Buses used in the provision of the Service.
- 1.1.16 "Penalty System" means Merseytravel's Penalty System in operation and agreed by the Bus Operator as forming an integral part of the Contract a copy of which is detailed in Schedule 1 hereof.
- 1.1.17 "School Services" means the provision of local services as defined in Section 2 of the Transport Act 1985 which are primarily for the use of school children or students.
- 1.1.18 "Service" means the service or services to be provided by the Bus Operator as described in the Contract.

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SUBSIDISED BUS SERVICES CONTRACTS

1. Definitions and Interpretation

- 1.1 In the Contract (hereinafter defined) the following words and expressions shall have the meanings hereby assigned to them except where the content otherwise requires:
- 1.1.1 "Buses" means any vehicle used by the Bus Operator in the provision of the Service.
- 1.1.2 "Bus Operator" means the person, firm or company named as such in the Contract whose Tender for the provision of the Service has been accepted by Merseytravel, and includes the Bus Operator's legal personal representatives, successors and permitted assigns.
- 1.1.3 "Contract" means the agreement between Merseytravel and the Bus Operator for the provision of the Service including the Invitation to Tender the Tender and Merseytravel's acceptance of the Tender whether signified by letter or by a formal agreement and all other documents to which reference may properly be made in order to ascertain the rights and obligations of the parties.
- 1.1.4 "Contract Charge" means the annual sum to be paid to the Bus Operator by Merseytravel for performing the Contract which is calculated by multiplying the Tender Rate by the number of miles to be operated by the Bus Operator in performing the Contract each year during the Contract Period. The Contract Charge will not include any payments due to the Bus Operator for carrying the holders of Merseytravel's pre-paid tickets or those travelling under the concessionary travel scheme administered by Merseytravel.
- 1.1.5 "Contract Manager" means the representative of the Bus Operator nominated in writing by the Bus Operator to Merseytravel for the purpose of the Contract.
- 1.1.6 "Contract Period" means the period commencing and terminating on the dates specified in the Contract unless sooner determined, suspended or extended in accordance with these Conditions.

- 1.1.19 "Service Specification" means the service specification issued by Merseytravel detailing the precise route and designated stopping places of the Service, its frequency or timetabling, fare details and such other operational details as may be necessary and includes any modifications or additions as may from time to time be formalised or approved in writing by Merseytravel.
- 1.1.20 "Supervising Officer" means the Integrated Transport Operations Manager for the time being of Merseytravel and his/her authorised representative(s) or such other person as the Supervising Officer may identify in writing to the Bus Operator.
- 1.1.21 "Tender" means the tender submitted by the Bus Operator to Merseytravel for the provision of the Service.
- 1.1.22 "Tender Rate" means the sum per mile which provides the basis for determining the Contract Charge. It represents the net cost per mile for Net Subsidy Contracts and the gross cost per mile for Minimum Cost Contracts to Merseytravel for the Bus Operator to operate the Service and is based on the Bus Operator's estimate of total revenue and includes the Bus Operator's profit. The Tender Rate is subject to revision under the provisions of Conditions 15 and 18 hereof.
- 1.1.23 "Ticketing Equipment" means any equipment on the Buses used for issuing tickets.
- 1.2 In these Conditions of Contract words importing the masculine gender includes the feminine gender where the context so requires and words importing the singular includes the plural except where the context otherwise admits.
- 1.3 References in these Conditions of Contract to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended extended or re-enacted.

2. **Partnership / Best Value**

- 2.1 Merseytravel and the Bus Operator shall work in mutual co-operation to adequately and sufficiently fulfil their agreed roles and responsibilities and apply their agreed expertise in relation to the Contract and shall adopt the concept of the partnering approach in respect of the Contract as detailed in Condition 2.2 hereof.
- 2.2 Merseytravel and the Bus Operator shall establish develop and implement their partnering relationship with the objective of achieving:-
 - 2.2.1 trust, fairness and dedication to common goals and an understanding of each others expectations and values;

- 2.2.2 innovation, improved efficiency, cost-effectiveness and reduction or elimination of waste;
 - 2.2.3 provision of the Service within the agreed timescales and to the agreed quality;
 - 2.2.4 measurable continuous improvement by reference to targets established and key performance indicators identified;
 - 2.2.5 commitment to people including the Passengers and employees of the Bus Operator.
- 2.3 Irrespective of the provisions of this Condition nothing in the Contract shall purport or confer to purport any legal partnership between Merseytravel and the Bus Operator.
- 2.4 The Bus Operator acknowledges that Merseytravel aspires to be a best value authority for the purposes of Section 1 of the Local Government Act 1999 and as such Merseytravel must make arrangements to secure continuous improvement in the way its functions are exercised having regard to a combination of economy, efficiency and effectiveness. To this end the Bus Operator agrees to assist Merseytravel in its aspirations to achieve best value in respect of the provision of the Service.
- 2.5 The Contract Manager shall upon request by the Supervising Officer attend any meetings with the Supervising Officer to discuss the provision of the Service by the Bus Operator.

3. Service Specification

- 3.1 The Bus Operator and Merseytravel both recognise the requirement to provide a quality bus service to the Passengers. The principal objective is to provide a safe, reliable, attractive, economic and efficient Service to no less a standard than specified in the Traffic Commissioner's document "Practice Direction: Standard for Local Bus Services" effective from 1 January 2005 or any successor document.
- 3.2 The Bus Operator shall provide the Service in accordance with the Contract during the Contract Period. No change shall be made to the Service Specification by the Bus Operator without the prior written approval of the Supervising Officer except in the event of an emergency. In such circumstances the Bus Operator shall follow the Service Specification as closely as is practicable and shall report the exercise of such discretion to the Supervising Officer within 24 hours. The Supervising Officer shall also be entitled to direct the Bus Operator to alter the Service Specification in the event of an emergency.

- 3.3 The Bus Operator shall pick up and set down the Passengers at any designated stop or in accordance with any requirements relating to "hail and ride" which may be included in the Service Specification subject to any statutory prohibitions and having regard to any requirements for the safe and proper use of the highway. The Bus Operator shall be entitled to establish further stopping points in consultation with the Supervising Officer if it so wishes.
- 3.4 The Bus Operator shall comply with all reasonable instructions from the Supervising Officer.
- 3.5 The Bus Operator shall ensure that the Buses shall not run more than five minutes late or depart early from an advertised timing point. If necessary, an authorised officer of Merseytravel (including a DCCO) may require an early running bus to wait for its correct time.

4. **Buses**

- 4.1 The Buses shall be fully maintained and kept in a safe, roadworthy, clean and internally dry condition with all fittings and equipment used thereon or in connection therewith in full working order maintained in a clean safe and efficient condition.
- 4.2 The Buses shall be suitable and fit for purpose in all respects for the provision of the Service in regard to size, carrying capacity or any other particular matter with special regard to the provision of facilities for elderly and disabled persons and their suitability for operation upon the specified route or routes under the Contract taking into account any obstructions such as low bridges, corners, road restrictions, overhanging and overhead wires and taking into account any design parameters of Merseytravel's bus stations utilised in the provision of the Service.
- 4.3 The Bus Operator shall not under any circumstances exceed the permitted carrying capacity of the Buses.
- 4.4 Unless otherwise authorised by the Supervising Officer, the Bus Operator shall ensure that the Buses are a minimum of Euro emission Standard Euro 1 with particulate traps to reduce the impact on the environment.
- 4.5 The Buses shall not be any older than 15 years unless otherwise detailed in the Service Specification. If the Bus Operator is unable to provide such age restricted vehicles then the Bus Operator may in an emergency use alternative vehicles. The Bus Operator shall, wherever possible, notify Merseytravel in advance if it intends to use such alternative vehicles.

- 4.6 The Bus Operator shall at no cost to Merseytravel display on the Buses so as to be clearly visible from outside the Buses a notice (to be supplied by Merseytravel and bearing such words as Merseytravel may determine) on each occasion that the Buses are providing the Service such notice to be removed when the Buses are not operating the Service.
- 4.7 The Bus Operator shall display on the Buses in a position to be agreed with the Supervising Officer a notice to be provided by Merseytravel indicating (in such terms as Merseytravel may determine) that the Passengers may take advantage of any concessionary travel or off-bus ticketing schemes operated by Merseytravel.
- 4.8 The Bus Operator shall display inside the Buses in positions approved by the Supervising Officer such other notices relating to the operation of services subsidised by Merseytravel as the Supervising Officer may from time to time require.
- 4.9 The Bus Operator shall display on the front and rear of the Buses such information relating to Service number and destination as may be included in the Service Specification. Such information shall be suitably illuminated and shall conform to the minimum dimensions defined in the Service Specification and shall be clearly visible from at least 25 metres under all but the most severe weather conditions.
- 4.10 The Bus Operator shall display on the nearside of the Buses in a position to be agreed with the Supervising Officer a repeater board containing such information relating to Service number and destination as may be included in the Service Specification.
- 4.11 Where the Service Specification indicates that CCTV or other communication equipment is required to be fitted on the Buses, the Bus Operator shall have such equipment including CCTV cameras fitted operational and maintained on all Buses as more particularly detailed in the Service Specification. The Bus Operator shall also comply with Merseytravel's CCTV Protocol (available upon request). In the event of damage or loss to any CCTV or other communication equipment, the Bus Operator shall arrange replacement of the same without delay. Merseytravel may elect but is not obliged to provide such equipment. In such instance the equipment will remain the property of Merseytravel to whom it will revert at the end of the Contract. The Bus Operator must take reasonable steps to ensure the safety of such equipment and must report any damage or loss immediately.
- 4.12 The Bus Operator shall make available to Merseytravel upon request any CCTV data/images recorded during the provision of the Service.

- 4.13 Where the Service Specification requires the provision of a low floor easy access vehicle then the Buses must comply fully with the provision of the Service Specification in this regard. In the event that the Bus Operator fails to provide such vehicle for any of the Passengers who require it to enable them to travel on the Service then the Bus Operator shall be responsible for transporting such Passengers to their intended destination at its own cost.
- 4.14 Where the Service Specification requires the Buses to be provided with a base livery then such livery shall be as detailed in the Service Specification and provided at the Bus Operator's expense. The Bus Operator shall ensure that such livery is completed prior to the Contract Period so that the Buses can commence the Service in the appropriate livery.
- 4.15 The Supervising Officer shall have the right at any time to enter the Bus Operator's premises for the purpose of inspecting the Buses the Bus Operator's maintenance facilities and/or the maintenance records kept for the Buses and for the purpose of conducting emission checks of the Buses.

5. Passengers

- 5.1 The Bus Operator shall convey the Passengers in accordance with the Service Specification and to the entire satisfaction of the Supervising Officer.
- 5.2 In conveying the Passengers the Bus Operator shall take all reasonable steps to ensure the safety of the Passengers whilst they are on board the Buses and when they are boarding or alighting from the Buses. Under no circumstances shall the Passengers be required to change Buses at any point along the route without the prior written permission of the Supervising Officer unless such change is required for emergency purposes. In such event the Bus Operator shall notify the Supervising Officer of such event within 24 hours of such event.
- 5.3 The Bus Operator shall notify the Supervising Officer as soon as it is reasonably practicable of regular Passenger demands over and beyond the minimum capacity referred to in the Service Specification or where the Passenger demand falls below that anticipated by Merseytravel as detailed in the Service Specification either for the Service generally or for particular journeys on the Service.
- 5.4 The Bus Operator shall comply with any current legislation regarding the smoking of Passengers on the Buses.

- 5.5 The Bus Operator shall allow all registered dogs for the blind to be conveyed on the Buses free of charge provided such dogs are leashed, do not occupy a seat and do not cause any inconvenience to other Passengers. The Bus Operator shall allow dogs to be carried on the Buses free of charge at the Driver's discretion provided such dogs are leashed, do not occupy a seat and do not cause an inconvenience to other Passengers.

6. **Drivers**

- 6.1 The Bus Operator shall ensure that the Drivers shall at all times whilst engaged in providing the Service be properly and presentably dressed in uniforms with the Bus Operator's insignia acceptable to the Supervising Officer. Such uniforms shall be provided, maintained and cleaned by the Bus Operator.
- 6.2 The Bus Operator shall ensure that the Driver adheres to Merseytravel's no smoking policy on the Buses and shall comply with any current legislation in this regard.
- 6.3 The Bus Operator shall ensure that the Drivers are competent, careful, attentive and punctual in the performance of their duties.
- 6.4 The Bus Operator shall ensure that the Drivers have been or will have been subjected to a thorough medical inspection and passed fit for their duties as a Driver prior to being engaged in the provision of the Service. The Bus Operator shall undertake to subject the Drivers to periodic medical inspections in compliance with current legislation and to confirm to Merseytravel upon request that the Drivers continue to be fit for their duties. The Bus Operator shall make such records available as and when directed by the Supervising Officer.
- 6.5 The Bus Operator shall ensure that the Drivers are suitably and properly trained and skilled in the driving and operation of the Buses to a standard approved by Merseytravel so as to ensure the Passengers' safety. The Bus Operator shall ensure that all the Drivers have, within 6 months of commencement of the Contract, attended a suitable formal customer care training course in a format approved by Merseytravel at the Bus Operator's expense. Such course shall include issues relating to Diversity, Disability Discrimination and other such issues. The Bus Operator shall provide a copy of the Drivers training records to Merseytravel upon request.
- 6.6 The Bus Operator shall ensure that the Drivers shall at all times drive the Buses in a safe and considerate manner, within the speed limits determined by current legislation and shall take all reasonable steps to ensure the safety of the Passengers and behave in a civil and orderly manner. The Bus Operator shall ensure that the Drivers are properly and suitably informed and instructed as to the route to be followed and of all the Conditions of Contract appropriate to the Drivers.

- 6.7 The Bus Operator shall ensure that the Drivers do not drink or eat in the Buses during the provision of the Service.
- 6.8 The Bus Operator shall ensure that all the Drivers comply with the procedures laid down in Merseytravel's Driver's Handbook, a copy of which is available upon request from the Supervising Officer.
- 6.9 The Bus Operator shall ensure that the Drivers do not cause or permit the noise emitted by any radio or sound producing equipment in the Buses which he/she is driving to be the source of nuisance or annoyance to any person whether inside or outside the Buses unless otherwise agreed by the Supervising Officer.
- 6.10 The Bus Operator shall ensure that all the Drivers have the use of a mobile telephone or other means of two-way communication whilst providing the Service. However, the Bus Operator shall ensure that the Drivers only use such mobile telephone or other means of two-way communication in accordance with current legislation in this regard.
- 6.11 The Bus Operator shall have in place sufficient and adequate employment policies and procedures to ensure that the Drivers do not have any convictions for any offences that might endanger the safety or moral well being of the Passengers.
- 6.12 If so stated in the Service Specification the Bus Operator shall at its own expense and if requested by the Supervising Officer subject the Drivers to a criminal record bureau check in accordance with the terms of the Rehabilitation of Offenders Act 1975. The Bus Operator shall not use any Drivers in the provision of the Service who have failed such checks or who have not agreed to accede to such checks. The protection of the Passengers, and in particular children, is paramount and therefore Merseytravel will consider all spent convictions for the Drivers used in the provision of such Service.
- 6.13 The Supervising Officer shall be entitled, but not unreasonably or vexatiously, to require the Bus Operator by notice in writing to remove from the performance of the Contract any employee of the Bus Operator specified in such notice including the Drivers and the Bus Operator shall forthwith remove such employee from the provision of the Service and immediately provide a suitable replacement if so required.
- 6.14 The Bus Operator shall ensure that all Drivers are instructed in the use of Merseytravel's current adopted incident reporting system.
- 6.15 The Bus Operator is responsible for all obligations placed on the Drivers under the Contract.

- 6.16 The Bus Operator shall upon request provide the Supervising Officer with the Employee Liability Information as set out in Regulation 11 of the Transfer of Undertakings (Protection of Employment) Regulations 2006 in respect of the Drivers employed by the Bus Operator in the provision of the Service.

The Bus Operator shall provide such information within five working days of such request. If the Bus Operator fails to do so or such information is deemed inadequate or is found to be incorrect then the Bus Operator shall indemnify Merseytravel against all actions, claims, demands, costs, damages and expenses incurred by Merseytravel in respect thereof in relation to its use.

7. **Fare Collection, Revenue Protection and Monitoring**

- 7.1 The Bus Operator shall participate in Merseytravel's concessionary travel scheme administered by Merseytravel under the Transport Act 1985 and the Transport Act 2000 details of which are available from the Supervising Officer. The Bus Operator shall not without prior written consent of Merseytravel cease to participate in Merseytravel's concessionary travel scheme.
- 7.2 The Bus Operator shall only accept Merseytravel's pre-paid tickets (which expression includes concessionary travel passes) on the Service in lieu of a cash fare unless otherwise agreed in writing between Merseytravel and the Bus Operator.
- 7.3 The Bus Operator shall carry at no charge to the Passengers all persons who have valid passes granting free travel and issued by Merseytravel or in respect of school children issued by the relevant local education authority provided that the capacity of the Buses is not thereby exceeded.
- 7.4 In providing the Service the Bus Operator shall ensure that the Drivers shall:-
- 7.4.1 ensure that all of the Passengers are in possession of a valid ticket and that the Driver issues and checks such tickets upon the Passenger entering the Buses; and
 - 7.4.2 charge and collect fares from the Passengers which are correct in accordance with the Service Specification as amended from time to time by Merseytravel and issue the Passengers with the correct tickets for their journey at the time of boarding;
 - 7.4.3 check that the Passengers' passes are valid for the journey being taken, use the appropriate Ticketing Equipment to record pass usage, validate or ensure proper validation (as appropriate) of tickets and passes ; and

- 7.4.4 upon request by any Merseytravel authorised officer (including a DCCO) be able to issue from the Ticketing Equipment an inspector's waybill which shows the serial number of the first and last ticket issued on the current journey.
- 7.5 When carrying out its duties the Bus Operator shall use its best endeavours to ensure that the Drivers comply with the procedures on fare collection arrangements, ticket checking and inspection laid down by Merseytravel from time to time.
- 7.6 All tickets must be issued to the Passengers in strict serial number order. In the event of a ticket being issued that is not required due to an error by the Driver or a Passenger, the Driver must withdraw that ticket and must immediately annul the withdrawn ticket. The Driver must ensure that the Passengers are issued with a correct ticket, together with any appropriate cash adjustment. The Driver must submit the withdrawn ticket and the ticket annulment slip to the Bus Operator at the end of their duty. If it is not possible to annul the withdrawn ticket the Driver must prepare a report and submit this with the withdrawn ticket at the end of their duty.
- 7.7 Except as provided for above, the Driver must not pick up or have in their possession at any time whilst on duty any previously issued ticket. The Driver must not, in any circumstances whatsoever, re-issue any ticket.
- 7.8 On no account must the Driver attempt to repair any damage to the Ticketing Equipment themselves other than to clear a ticket jam. In case of failure of Ticketing Equipment, emergency tickets must be used. Emergency systems must be approved by Merseytravel and available for inspection upon request. Any defect or failure of Ticketing Equipment must be reported to an official of the Bus Operator at the earliest opportunity, so that replacement can be arranged.
- 7.9 When duty is finished, the Driver must return their Ticketing Equipment to the Bus Operator's premises and store it there securely, in accordance with the Bus Operator's policies and procedures in this respect.
- 7.10 The Bus Operator shall ensure that the Ticketing Equipment is electronic and is ITSO compliant (as and when required by Merseytravel) and as specified in the Service Specification. The Ticketing Equipment must record the number of tickets sold and their total value. Data from the Ticketing Equipment must be retained for inspection by or on behalf of Merseytravel for a period of no less than 12 months from date of validation by Merseytravel. Data from the Ticketing Equipment must be capable of being interrogated by the current software used by Merseytravel in this respect. (Further information available from Merseytravel upon request).

- 7.11 Before issuing any tickets, the Drivers must ensure that they have correctly set all controls on the Ticketing Equipment including the date, time, trip, any 'fare stage', category of Passengers and 'fare paid' indicators. Tickets shall be serially numbered and shall record the date of issue, the amount and type of fare paid, the fare stage at which the Passenger boarded and identify the issuing Ticketing Equipment and refer to the Bus Operator's Conditions of Carriage. Tickets must be issued to the exact value of the fare paid, also indicating the class of Passenger/ticket and boarding point by stage. All passes and tickets presented in lieu of on the spot payment (or to allow travel at a reduced rate) must be checked for validity. If any passes issued by Merseytravel are deemed to be invalid the Bus Operator shall withdraw the same from the Passenger concerned in accordance with Merseytravel's policy in respect of the same explaining the reasons for such withdrawal to the Passenger concerned. The Bus Operator shall then immediately forward the same to Merseytravel with an accompanying report explaining the reasons for such withdrawal.
- 7.12 The Bus Operator shall (in a format agreed by Merseytravel) carry out ticket inspections in a manner approved by the Supervising Officer on the Service with a minimum of 1% of journeys covered per annum during the Contract Period. The Bus Operator shall make the results of such ticket inspections (including any GPS) available to Merseytravel upon request.
- 7.13 If the Bus Operator wishes to change any fare collection procedures, Ticketing Equipment and/or documents in relation to the provision of the Service then this will require the prior written consent of the Supervising Officer. Consent will not normally be refused unless the proposed Ticketing Equipment is slower in operation or adversely affects revenue protection. Decisions in the regard about the Ticketing Equipment will be a matter for the Supervising Officer alone.
- 7.14 The Bus Operator shall permit free access to any of Merseytravel's authorised officers (including a DCCO) to make on-vehicle spot checks of the Ticketing Equipment, ticket stocks, tickets or any other matter, as well as the ticket and/or other documents giving authority to travel held by the Passengers.
- 7.15 The Bus Operator shall allow any person authorised by Merseytravel to travel free of charge on the Buses for the purpose of carrying out surveys. Such surveys may involve the collection of data (which shall remain the property of Merseytravel) concerning tickets, Passenger loadings, and movements or any such other information as Merseytravel may reasonably require.
- 7.16 Merseytravel may whenever it is reasonable to do so inspect the ticket data collected in accordance with this Condition 7 at any reasonable time and for this purpose the Bus Operator shall, to Merseytravel's satisfaction, maintain adequate ticket documentation for all journeys

required by the Service Specification. Failure to maintain and make available such ticket documentation will result in the journey in question being deemed to have failed. Any understatement of lost mileage resulting from a failure to maintain adequate ticket documentation as aforesaid will be deemed to be a breach of contract by the Bus Operator justifying termination of the Contract forthwith by Merseytravel in accordance with the provisions of Condition 21.7 hereof.

- 7.17 The Bus Operator shall ensure that the Drivers issue tickets for cash passed to them by a DCCO in relation to a passenger fraud. The Drivers must issue tickets as requested by a DCCO when ticket irregularity is suspected. The Driver must halt the Bus upon request and remain so until instructed otherwise by a DCCO when there is an issue of early operation or to assist the DCCO in a ticket irregularity.

8. Submission of Data

- 8.1 Merseytravel and the Bus Operator acknowledge that the contractual relationship between Merseytravel and the Bus Operator requires the frequent transfer of information between the parties. Both parties acknowledge that such transfer should be speedy, accurate, provide appropriate security and be cost effective and in the format determined by the Supervising Officer.

- 8.2 The Bus Operator shall provide the Supervising Officer with the following information for the preceding 4 weeks of the Contract at four weekly intervals commencing four weeks after commencement of the Contract (or any other period agreed between the Supervising Officer and the Bus Operator):-

- (a) the ticket data detailed in Condition 7 hereof; and
- (b) a statement of the miles and journeys operated over the period, sub-divided to show separate totals for Monday to Friday inclusive, Saturday and Sunday; and
- (c) a statement of the miles and journeys not operated or operated late over the period to show the following reasons for non-operation/late operation:
 - (i) Staff not available;
 - (ii) Mechanical defects;
 - (iii) Traffic congestion;
 - (iv) Other (the Bus Operator must specify reason); and
- (d) summary of total revenue received and tickets sold over the period; and
- (e) a statement of Passenger returns (including use of passes) in such form as the Supervising Officer may require; and

- (f) log of any missing data; and
 - (g) any other information requested by the Supervising Officer in relation to the provision of the Service which shall be provided in a format determined by the Supervising Officer.
- 8.3 The Bus Operator acknowledges that it is the sole responsibility of the Bus Operator to collect and provide the Data to Merseytravel under the Contract. However, if the Bus Operator is unable to rectify any incorrect and/or missing electronic Data submitted by the Bus Operator to Merseytravel or the Bus Operator requires reinstallation of any software on their computer system to enable the transfer of the Data from the Bus Operator to Merseytravel then Merseytravel may offer assistance to the Bus Operator in this regard. In this event the Bus Operator shall pay such reasonable costs/charges incurred by Merseytravel in providing such assistance to the Bus Operator.
- 8.4 If the Bus Operator shall fail to provide the Data in the format required by Merseytravel then Merseytravel may, at its discretion, offer to assist the Bus Operator in this regard by using the information provided by the Bus Operator to attempt to calculate the payments due to the Bus Operator under the Contract. Merseytravel shall be entitled to charge the Bus Operator a standard hourly administration charge for any time spent by Merseytravel calculating the payments due to the Bus Operator under the Contract. Details of such hourly administration charges are contained in Schedule 1.
- 8.5 The Bus Operator shall ensure that all Bus Operator's staff responsible for the transfer of Data from the Bus Operator to Merseytravel have been adequately trained in this regard. Merseytravel may if requested by the Bus Operator provide for such training to be provided. In this instance the Bus Operator shall pay such reasonable costs/charges incurred by Merseytravel in providing such training.
- 8.6 In the unlikely event that the Data required to be submitted to Merseytravel under the Contract has been lost or corrupted or is irretrievable due to a catastrophic incident then the Bus Operator shall not be entitled to payment under the Contract. In this event the Bus Operator shall provide evidence of the same to Merseytravel. In this instance Merseytravel may, at its discretion, make an ex gratia payment to the Bus Operator the amount of which will be determined by Merseytravel taking into account any previous payments made to the Bus Operator under the Contract and including adjustments for any contingencies and shall be in full and final settlement in respect of such matter.
- 8.7 The Bus Operator shall submit all incident report forms to the Supervising Officer as soon as possible, but in any event, within 72 hours of such incident.

9. **Information/Publicity**

- 9.1 The Bus Operator shall supply to Merseytravel or verify details relating to the Service in order to assist Merseytravel in the preparation of publicity material for the Service and any other services it may wish to publicise. Such information shall be provided at the earliest possible opportunity and in any event, within 28 days of request.
- 9.2 The Bus Operator shall make available to the public at its offices or suitable distribution points such timetables, leaflets, notices and promotional material as may be supplied from time to time by Merseytravel in connection with both the Service and matters of general interest to the Passengers. The Bus Operator shall not produce, make available or display for its own purposes any of the foregoing material in relation to the Service not supplied by Merseytravel without the prior written consent of Merseytravel.
- 9.3 The Bus Operator will notify the Supervising Officer and Merseytravel's Traveline Service, as soon as reasonably practicable and in any event, within twenty four hours, if vehicle or manpower shortages or other reasons beyond its control, will at any time prevent it from operating the Service either in whole or in part.
- 9.4 Any complaint received by Merseytravel in relation to the provision of the Service may be forwarded to the Bus Operator by Merseytravel. The Bus Operator shall investigate the incident(s) referred to and provide a full explanation to Merseytravel enclosing any documentary evidence requested as soon as possible and in any event no later than seven days after despatch of the complaint by Merseytravel to the Bus Operator. The Bus Operator shall copy to the Supervising Officer any written complaint received by it in relation to the provision of the Service within seven days of receipt thereof. Such complaint must be accompanied by a full explanation of the incident(s).
- 9.5 The Bus Operator shall provide the Supervising Officer with a copy of the Bus Operator's latest audited Director's Report and Accounts together with the independent auditor's statement accompanying the same within 30 days of the Bus Operator filing the same at Companies House (limited companies only).
- 9.6 The Bus Operator shall retain all accounts, documents, records which relate to the Contract and which are held by the Bus Operator and make available the same to the Supervising Officer or its appointed officers during the Contract Period and for a period of seven years thereafter unless specifically instructed by the Supervising Officer to keep them for a different period of time.
- 9.7 The Bus Operator shall appoint a Contract Manager. The Bus Operator shall make known to the Supervising Officer the arrangements by which contact with the Contract Manager or his/her

representatives may be effected during the Contract Period. The Contract Manager or his/her representatives shall be contactable at all times during the Contract Period including out of hours for emergency circumstances.

- 9.8 The Bus Operator shall provide facilities for the public (including the Passengers) to inspect the Bus Operator's Conditions of Carriage. The Bus Operator shall provide the Supervising Officer with a copy of its Conditions of Carriage upon request.

10. **Discrimination**

- 10.1 The Bus Operator shall not (and shall ensure that the Drivers do not) unlawfully discriminate within the meaning and scope of the provision of the Equal Pay Act 1970, the Sex Discrimination Act 1985, the Race Relations Act 1976, the Race Relations (Amendment) Act 2000, the Disability Discrimination Act 1995, the Employment Equality (Religion and Beliefs) Regulations 2003 and any other current discrimination legislation.
- 10.2 The Bus Operator shall operate an equal opportunities policy and warrants to Merseytravel that such policy complies with statutory provisions. The Bus Operator warrants that it shall not treat one group of people less favourably than others in relation to decisions to recruit, train or promote employees on any of the following grounds – gender, marital status, family or other close relationship, colour, race, nationality, ethnic or national origin, age, disability, health, sexual identity, sexual orientation, religion, political belief, trade union membership/non-membership or activity, irrelevant unspent criminal convictions, employment status for social class.
- 10.3 The Bus Operator's equal opportunities policy shall be set out in any instructions circulated to those employees of the Bus Operator concerned with recruitment, training and promotion, in relevant documentation available to its employees and others and in its recruitment advertisements and such other relevant literature. The Bus Operator shall provide Merseytravel with copies of such instructions, documents, advertisements and other literature upon request.
- 10.4 The Bus Operator acknowledges that Merseytravel is under a duty under Section 71 of the Race Relations Act 1976 to have due regard to the need to eliminate unlawful racial discrimination and to provide equality of opportunity and good relations between persons of different racial groups. The Bus Operator agrees that performance of the Service is dependent on attracting and retaining a suitably skilled and motivated workforce throughout the duration of the Contract. The Bus Operator agrees to promote (and shall encourage the Drivers, its officers, employees, agents and consultants and sub-contractors to promote) the principle of equal treatment at all times and shall co-operate fully with Merseytravel to exchange experiences and good practices.

- 10.5 The Bus Operator shall put in place and maintain adequate practices and procedures throughout the Contract Period to ensure compliance with Condition 10. The Bus Operator shall, upon request, submit to Merseytravel evidence of its compliance with Condition 10 such information as Merseytravel may reasonably require from time to time including without limitation information relating to staff management, promotion opportunities, grievance and disciplinary issues, training, general employment practices and the composition of the workforce.
- 10.6 If in the reasonable opinion of Merseytravel the Bus Operator fails to comply with any current discrimination legislation and such non-compliance adversely affects (or is likely to adversely affect) the performance of the Contract the Bus Operator shall co-operate fully with Merseytravel to remedy such non-compliance provided that Merseytravel reserves the right to report any non-compliance that it considers serious to the relevant commission established under such legislation.
- 10.7 In the event of a finding of any unlawful discrimination being made against the Bus Operator by any court or industrial tribunal, or an adverse finding following any formal investigation by any commission established under any of the discrimination legislation the Bus Operator shall take all appropriate remedial steps to eliminate such unlawful discrimination in the future (including complying with any recommendations issued by the relevant commission). The Bus Operator shall on request provide Merseytravel with details of such recommendations and any remedial steps taken.
- 10.8 Merseytravel shall (subject to any legal limitations) be entitled at any time to audit and/or inspect any information in the custody, control or possession of the Bus Operator for the purposes of ensuring compliance with this Condition 10. The Bus Operator shall provide all reasonable co-operation in relation to such audit and/or inspection including granting access to any premises containing such information or where such premises are not the Bus Operator's own using reasonable endeavours to procure such access.
- 10.9 The Bus Operator shall take all reasonable steps to ensure the observance of the provisions of Condition 10 hereof by the Drivers and all officers, employees, agents, consultants and sub-contractors of the Bus Operator.

11. Health and Safety

- 11.1 Merseytravel considers safety of operation to be of utmost importance. In providing the Service the Bus Operator shall take all steps necessary to ensure the safety and wellbeing of all persons including:

- (a) members of the public; and

- (b) Passengers boarding, travelling on and alighting from the Buses used in operating the Service; and
 - (c) all employees, agents and contractors of Merseytravel whilst on or visiting any of the Bus Operator's vehicles or premises used in the provision of the Service for any purpose in connection with the Contract; and
 - (d) other road users.
- 11.2 The Bus Operator shall at all times comply with the requirements of the Health and Safety at Work Act 1974 and any other Acts, Regulations, Orders EU Directives and any Guidance Notes issued by the Health and Safety Executive pertaining to health and safety. The Bus Operator shall be responsible for all costs incurred in compliance therewith.
- 11.3 The Bus Operator shall provide to Merseytravel a copy of its general statement of Safety Policy prior to commencement of the Contract Period. The Bus Operator shall comply with such Policy during the Contract Period. The Bus Operator shall forthwith nominate a person to be responsible for health and safety matters. Whilst on premises owned or occupied by Merseytravel the Bus Operator shall ensure that its employees comply with Merseytravel's Health and Safety Policy and with the lawful requirements of Merseytravel's Health and Safety Officer.
- 11.4 The Supervising Officer shall be empowered to suspend the provision of the Service or part thereof in the event of non-compliance by the Bus Operator with this Condition or with its legal duties in relation to health and safety. The Bus Operator shall not resume provision of the Service or such part until the Supervising Officer is satisfied that the non-compliance has been rectified.
- 11.5 The Bus Operator shall undertake a full route risk assessment in respect of the provision of the Service prior to the Contract Period and prior to any proposed route changes under the Contract. The Bus Operator shall provide evidence of the same upon request by the Supervising Officer. The Bus Operator shall put arrangements in place for acting on the findings of risks assessments a copy of which should be made available to the Supervising Officer upon request.
- 11.6 The Bus Operator shall act promptly on any request by the Supervisory Officer to make improvements in their health and safety performance in relation to the provision of the Service.

12. **Licensing, Indemnity and Insurance**

- 12.1 Time is of the essence of the Contract and the Bus Operator must introduce the Service on the date specified in the Contract. The Bus Operator shall be responsible for ensuring that the Service is properly

registered before it is introduced and that copies of all registrations are sent to the Supervising Officer and any other local authority or Passenger Transport Executive within whose area the Service is to operate contemporaneously. Failure to comply with this Condition will render the Contract null and void.

- 12.2 The Bus Operator shall indemnify and keep indemnified Merseytravel against injury (including death) to any person or loss of or damage to any property (including the Buses) which may arise out of the act default or negligence of the Bus Operator the Drivers or any other staff employed by the Bus Operator a sub-contractor its employees servants or agents in consequence of the Bus Operator's obligations under the Contract and against all claims demands proceedings damages costs charges and expenses whatsoever in respect thereof or in relation thereto.
- 12.3 The liability of the Bus Operator under Condition 12.2 hereof (except in respect of injury including death to a person due to negligence for which no limit applies) shall not exceed £10,000,000 (Ten million pounds) in respect of any event or series of connected events.
- 12.4 The Bus Operator shall insure the Drivers against injury sustained by them in the course of providing the Service and shall indemnify Merseytravel against all actions claims and demands in respect of such injury unless such injury shall be due to the negligence of Merseytravel.
- 12.5 The Bus Operator shall before the commencement of the Contract and thereafter from time to time on demand make available to Merseytravel evidence of :-
- (a) the policy or policies of motor insurance and receipts for the current premiums or alternatively evidence of the provision of appropriate security against third party risks as required under the provisions of the Road Traffic Act 1972 (as amended); and
 - (b) copies of the Bus Operator's public liability insurance (if applicable) and employer's liability insurance; and
 - (c) the licences, certificates, permissions, approvals required or necessary for the provision of the Service in accordance with the Contract.
- 12.6 The Bus Operator shall immediately notify the Supervising Officer of any incidents involving the Buses or any Passenger travelling in or boarding or alighting from the Buses including any road traffic accidents, vandalism to the Buses and any damage to Merseytravel's premises. The Bus Operator shall further send to the Supervising Officer at the earliest opportunity and in any event no later than 72 hours after the incident a full written report (in a format determined by

Merseytravel) of any such incident with details of any action the Bus Operator has taken or proposes to take to prevent its re-occurrence.

- 12.7 The Bus Operator shall immediately notify the Supervising Officer of any material conviction imposed on the Bus Operator (or if the Bus Operator is a company or partnership on any of the Directors or partners) or any Driver employed or likely to be employed by the Bus Operator in the provision of the Service during the Contract Period.
- 12.8 The Bus Operator shall immediately notify the Supervising Officer of any current or impending legal proceedings, restriction, condition or proceedings by an Vehicle or Driver Licensing Authority or agency in connection with the Bus Operator, Buses or any of the Drivers or any impending revocation, suspension or restriction of any such licence or licences and to the outcome of any related proceedings shall be notified to the Supervising Officer in writing.
- 12.9 Any statistical information provided by Merseytravel to the Bus Operator is the best assessment Merseytravel can give of patronage on those public passenger transport services and/or between the areas to be linked by the Service. It has been provided in good faith, but Merseytravel cannot either warrant its current validity or accept any liability for loss if the Bus Operator uses the statistical information as the basis for its Tender. The Bus Operator will therefore be deemed to have made its own estimates of total revenue and will be solely responsible for them.
- 12.10 Merseytravel shall not be liable to the Bus Operator for consequential loss or damage including but not limited to loss of use profits or contracts.
- 12.11 Merseytravel shall not be liable for any claim or demand made in respect of any damage caused to any of the Buses whether by the Passengers or in any other manner whatsoever, and the Bus Operator shall indemnify Merseytravel against all such claims as may be made or sought to be made against it in respect of such damage.
- 12.12 The liability of Merseytravel under the Contract (except in respect of injury including death to a person due to negligence for which no limit applies) shall not exceed One million pounds (£1,000,000) in respect of any event or series of connected events.
- 12.13 The Bus Operator shall indemnify Merseytravel against all costs damages and liabilities incurred by Merseytravel and/or the Bus Operator in the event of the European Acquired Rights Directive 77/187/EEC (as amended by 2001/23/EC) and/or the Transfer of Undertakings (Protection of Employment) Regulations 2006 being held to apply to the Contract including but not limited to any costs damages and/or liabilities as a consequence of failure by the Bus Operator to

comply with the requirements of the European Acquired Rights Directive 77/187/EEC (as amended by 2001/23/EC) and/or the Transfer of Undertakings (Protection of Employment) Regulations 2006.

12.14 The provisions of Condition 12 shall survive expiry or termination of the Contract.

13. Minimum Cost Contracts

13.1 This Condition shall only apply to contracts designated as a Minimum Cost Contract in the Contract. The Bus Operator acknowledges that Merseytravel takes a revenue risk in relation to Minimum Cost Contracts and the Bus Operator is committed to minimising this risk. In this instance it is the Bus Operator's responsibility to ensure that the revenue is collected on behalf of Merseytravel.

13.2 Merseytravel shall have the right to make deductions from the payments due to the Bus Operator in respect of each and every fare payment irregularity which, in the opinion of Merseytravel, could reasonably have been avoided by the Bus Operator's employees (including the Drivers). The amount of such deduction shall be as set out in Schedule 1 hereof.

13.3 The Supervising Officer shall notify the Bus Operator in writing of the deduction it decides appropriate under Clause 13.2 hereof and the reasons therefore. The Bus Operator shall be entitled to make representation regarding the deduction. Such representation shall be submitted to the Supervising Officer within 14 days of receipt of notification of such deduction. The Supervising Officer will consider such representation and may, if it is thought fit as a result of such representations, increase or decrease the amount of the deduction. Merseytravel's decision, whether altered or not, will be final.

14. Performance - Penalty System

Merseytravel and the Bus Operator both recognise the requirement to provide a quality bus service to the travelling public. To this end Merseytravel and the Bus Operator have agreed to comply with and be bound by the Penalty System set out in Schedule 1 hereof.

15. Payments

15.1 The Contract Charge shall be calculated on the basis specified in the Service Specification which shall be either a "Minimum Cost Contract" or "Net Subsidy Contract".

15.2 Where the Contract is a Net Subsidy Contract the Contract Charge exclusive of any variations shall be the Bus Operator's estimate on an annual basis of the net deficit which will be incurred by the Bus

Operator in providing the Service. In calculating the net deficit the Bus Operator shall subtract from its estimate of cost all revenue it expects to receive from and in respect of the Passengers carried including fares paid on-vehicle, fares from any off-vehicle ticket sales applicable to the Contract which are relevant and revenue from all other sources.

- 15.3 Where the Contract is a Minimum Cost Contract the Contract Charge exclusive of any variations shall be the Bus Operator's estimate on an annual basis of the cost which will be incurred by the Bus Operator in providing the Service. In submitting periodic claims for payment in respect of the Service to be provided under the Contract the Bus Operator shall credit Merseytravel with all revenues received or accruing to the Contract from and in respect of all the Passengers carried including fares paid on-vehicle, fares from any off-vehicle ticket sales applicable to the Contract, reimbursement from concessionary fares schemes to which the Service is relevant and all other sources.
- 15.4 The Bus Operator shall submit a payment claim in the form of an invoice to Merseytravel upon expiry of each four weekly period in respect of the Contract and shall clearly quote the Contract number and where applicable the route numbers of the Services included in the Contract. The payment claim shall be accompanied by the Data. The payment claim submitted by the Bus Operator shall be agreed by the Bus Operator as being the final evidence of claim by the Bus Operator and in full and final settlement of the payment due to the Bus Operator once such payment claim has been validated by Merseytravel.
- 15.5 Subject to the provisions of the Contract, Merseytravel shall make payment of all invoices submitted in accordance with the Contract within 28 days of receipt of the same. Such invoices may be adjusted by Merseytravel in accordance with these Conditions of Contract.
- 15.6 Merseytravel shall be entitled to withhold payment of any monies due to the Bus Operator under the Contract where the Bus Operator has failed to provide sufficient Data to enable Merseytravel to validate the Bus Operator's entitlement to payment under the Contract.
- 15.7 The Bus Operator shall be solely responsible for seeking reimbursement of bus service operator's grant at the currently prevailing rate and any other revenue or capital grants in respect of all the mileage operated under the Contract and the Tender Rate will be deemed to be net of such disbursements.
- 15.8 The Bus Operator shall be responsible for paying any fees, tolls, charges or duties of whatsoever nature relating to the provision of the Service including any Mersey Tunnel toll charges and any charges for the use of Merseytravel's bus stations or other facilities.
- 15.9 All payments made to the Bus Operator under the Contract will be subject to audit as necessary. Merseytravel may whenever it is

reasonable to do so inspect at any reasonable time the Data and any other records relating to the provision of the Service and for this purpose the Bus Operator shall to Merseytravel's satisfaction maintain adequate Data. Failure to maintain and make available the ticket data detailed in Condition 7 hereof will result in the journey in question being deemed to have failed and any understatement of lost mileage resulting from a failure to maintain adequate ticket data as aforesaid may be deemed to be a breach of contract incapable of being remedied and therefore justifying termination of the Contract forthwith under Condition 21.7 hereof.

- 15.10 Merseytravel shall be entitled to deduct from any payments made to the Bus Operator any trips omitted or not shown to have been changed by the Driver, irrespective of whether the Bus Operator subsequently locates such information. The Bus Operator shall not be entitled to reimbursement once such deduction has been made. For any such trips deducted a penalty will be applied under the Penalty System.
- 15.11 The Contract Charge shall be exclusive of any value added tax and Merseytravel shall pay to the Bus Operator any value added tax properly if it becomes chargeable by HM Customs and Excise on the provision of the Service.
- 15.12 Merseytravel shall keep under review the costs (as measured by reference to the appropriate Government index or indices) which are specific to the operation of public transport and which affect all bus operators equally. Where such costs have varied Merseytravel shall at intervals no more frequent than twelve months vary the Tender Rate by an amount no greater in proportion than that by which costs have varied. Such variation may be made retrospectively once such indices are published. In determining the amount Merseytravel shall be entitled to take into account the effects of any increase that may have been made or any planned increase to the maximum fare levels applying to the Contract. In any event the Tender Rate shall not be increased before a period of at least twelve months has elapsed since the commencement of the Contract.
- 15.13 Any payments due to Merseytravel under the Contract (including financial penalties under the Penalty System) shall be paid within 28 days of the date of invoices in respect thereof or may, in accordance with Clause 15.14 hereof, be deducted from monies owing to the Bus Operator under the Contract.
- 15.14 Whenever under the Contract any sum of money shall be recoverable from or payable by the Bus Operator to Merseytravel the same may be deducted from any sum then due to the Bus Operator or which at any time thereafter may become due to the Bus Operator under the Contract or any other contract with Merseytravel or may be recoverable from the Bus Operator by action.

15.15 Exercise by Merseytravel of its rights under Condition 15.14 shall be without prejudice to any other rights or remedies available to Merseytravel under the Contract.

16. **Fare Levels**

16.1 For Net Subsidy Contracts (excluding De-Minimis Contracts) the Bus Operator may establish its own scale of fares to be provided on the Service provided that it does not exceed the maximum fare level set out in the Service Specification or as otherwise required by the Supervising Officer. For De-Minimis Contracts the Bus Operator may establish its own scale of fares to be provided on the Service.

16.2 For Minimum Cost Contracts the Bus Operator shall charge fares in accordance with the Service Specification or as otherwise required by the Supervising Officer.

16.3 The Bus Operator shall have available on the Buses for inspection on demand the relevant faretable for the route or routes operated under the Contract.

16.4 The Bus Operator shall be responsible for the collection and security of all on-bus fares revenue. For Minimum Cost Contracts the Bus Operator shall pay all revenue to Merseytravel in accordance with Clause 15 hereof. The Bus Operator shall retain the revenue for Net Subsidy Contracts.

16.5 For Minimum Cost Contracts the fare levels may be varied from time to time by Merseytravel giving the Bus Operator 14 days prior written notice. For Net Subsidy Contracts the Bus Operator shall be free to alter its fares from time to time subject to the maximum fares detailed in the Service Specification not being exceeded. The Bus Operator shall provide Merseytravel with 14 days prior written notice of its intention to make such alteration.

16.6 For Net Subsidy Contracts the maximum fare levels may be varied from time to time by Merseytravel by giving the Bus Operator fourteen days prior written notice proposing a revised Tender Rate based upon the Bus Operator's original estimates of total costs and total revenue respectively. If within seven working days of receipt of such a notice the Bus Operator in a written counter notice disputes the revised Tender Rate and the parties are then unable to resolve their differences the Bus Operator may either terminate the Contract in accordance with Condition 21.1 or 21.2 (as appropriate) hereof or elect that the dispute be referred to the dispute resolution procedure set out in Condition 27 hereof.

- 16.7 Merseytravel may from time to time review the level and/or structure of fares or standard fare scale to be charged on the Service which are the subject of the Contract.

17. **Assignment and Sub-Contracting**

- 17.1 Except as expressly provided below, the Bus Operator shall not assign, sub-let or transfer either directly or indirectly the Contract or any part thereof to any person or persons without the prior written consent of Merseytravel.
- 17.2 Subject to Condition 17.3 hereof the Bus Operator shall be entitled to temporarily sub-contract in an emergency if this is the only way to ensure that the Service can be provided.
- 17.3 Sub-contracting for periods of more than three days in any four week period shall not be permitted without the prior written consent of Merseytravel, and will be subject to Condition 17.4 hereof.
- 17.4 The Bus Operator shall in no circumstances sub-contract work under the Contract to a sub-contractor who is unable to meet any of these Conditions of Contract, nor to a sub-contractor not previously approved by Merseytravel in writing.
- 17.5 The Bus Operator shall not be relieved of any of its responsibilities under the Contract in the event of work being sub-contracted. A breach of the terms of the Contract by a sub-contractor shall be treated as a breach of its terms by the Bus Operator.
- 17.6 The Bus Operator shall not for the purpose of fulfilling its obligations under the Contract use Buses not owned or leased by the Bus Operator without the prior written consent of Merseytravel.

18. **Contract Variations**

- 18.1 Without prejudice to the express powers set out below and elsewhere within the Contract to require variations or to review particular matters the parties hereto shall be free to agree such variations of the Contract or any of them as may from time to time appear desirable however no such variation shall be of any effect unless received in writing and signed by both parties. In the event of a failure to agree any proposed variation either party may terminate the Contract in accordance with Conditions 21.1 or 21.2 hereof (as appropriate).
- 18.2 The Bus Operator may vary the Service Specification by re-routing the Service or revising the timetable provided that the prior written consent of Merseytravel has been signified and the Bus Operator complies with the requirements of the Traffic Commissioner in varying the Service registration and the revised route or timetable provides a level of Service no lower than the Service Specification. In such

circumstances, payment to the Bus Operator will be adjusted up to the Tender Rate.

- 18.3 Merseytravel shall be entitled to vary these Conditions of Contract at any time during the Contract Period upon three months notice to the Bus Operator or at any time by agreement between Merseytravel and the Bus Operator. Merseytravel shall be entitled to vary the Service Specification and/or Schedule 1 (Penalty System) to these Conditions of Contract at any time during the Contract Period upon 28 days notice to the Bus Operator or at any time by agreement between Merseytravel and the Bus Operator (except for the fare levels contained in the Service Specification which Merseytravel shall be entitled to vary at any time during the Contract Period upon 14 days notice to the Bus Operator or at any time by agreement between Merseytravel and the Bus Operator). If any variation requested by Merseytravel results in an change in cost in the provision of the Service by the Bus Operator, then the Bus Operator shall advise the Supervising Officer of such variation in costs and Merseytravel shall then decide whether to proceed with or cancel such proposed variation.
- 18.4 The Bus Operator may be required to vary the routes and timetables of the Service as and when requested by the Supervising Officer upon the same terms and conditions as are expressly stated in the Contract. Where this is required the Bus Operator will be paid such price as may be agreed by the Supervising Officer. In default of agreement Merseytravel may terminate the Contract in accordance with Condition 21.1 or 21.2 hereof (as appropriate).
- 18.5 For Net Subsidy Contracts Merseytravel will, following any variation of reimbursement arrangement relating to any off-bus ticketing scheme, give to the Bus Operator fourteen days prior written notice proposing a revised Tender Rate based on the Bus Operator's original estimates of total costs and total revenue respectively. If within seven working days of receipt of such a notice the Bus Operator in a written counter notice disputes the revised Tender Rate and the parties are then unable to resolve their differences the Bus Operator may either terminate the Contract in accordance with Condition 21.1 or 21.2 (as appropriate) hereof or elect that the dispute be referred to the dispute resolution procedure set out in Condition 27 hereof.
- 18.6 The Tender Rate shall be fixed except for the circumstances detailed in Condition 15 and 18 hereof.

19. **Force Majeure**

- 19.1 Subject to Condition 19.3 hereof Merseytravel and the Bus Operator shall have no liability for a consequence of any of the following events if that event and consequence was neither preventable nor foreseeable:-

- 19.1.1 A flood, storm or other natural event or
 - 19.1.2 Any war, hostilities, revolution, riot, civil disorder, or act of terrorism
 - 19.1.3 The introduction of or any amendment to a law or regulation or any change in its interpretation or application by any authority; or
 - 19.1.4 Any action taken by a government or public authority or an agency of the European Union including any failure or delay to grant a consent exemption or clearance.
- 19.2 For the avoidance of doubt it is hereby expressly agreed that industrial relations difficulties and failure to provide adequate premises, equipment, materials, the Buses, consumables and/or Drivers or similar matters, which a prudent and diligent bus operator could have avoided with the application of foresight are not to be considered as events of force majeure or acts of God.
- 19.3 For this purpose an event or the consequence of an event was neither preventable nor foreseeable if and only if the Bus Operator or Merseytravel (as appropriate) could not have prevented it by taking steps which it could reasonably be expected to have taken and such party could not as at the start of the Contract Period have reasonably be expected to take the risk into account by providing for it in the Contract by insurance or otherwise.
- 19.4 Condition 19.1 does not apply unless the relevant party:-
- 19.4.1 Notifies the other party of the relevant event and consequence as soon as possible after it occurs;
 - 19.4.2 Promptly provides the other party with any further information which the other party requests about the event (or its causes) or the consequence; and
 - 19.4.3 Promptly takes any steps (except steps involving significant additional costs) which the other party reasonably requires in order to reduce the other party's losses or risk of losses.
- 19.5 It is for the relevant party to show that a matter is a consequence of an event covered by Condition 19.1 that the event and the consequence were neither preventable nor foreseeable and that it has satisfied the Conditions set out in Condition 19.4.
- 19.6 In the event of force majeure the provision of the Service shall be suspended until such circumstances have ceased. Subject to Condition 13.3 hereof, Merseytravel shall not be liable to make any payments to the Bus Operator in respect of such suspension.

- 19.7 If the period of suspension under Condition 19.6 above lasts longer than one month either party may serve upon the other one month's written notice of termination of the Contract. Unless the Service has been resumed before the expiration of such notice the Contract shall terminate in accordance with such notice.

20. Suspension of Contract

- 20.1 Merseytravel shall have the right although not vexatiously to suspend the provision of the Service forthwith for a period of up to six months if Merseytravel shall have reasonable cause to believe that:-
- 20.1.1 the Service is being or has been or is likely to be operated without due regard to safety, legal or insurance requirements; or
 - 20.1.2 the Bus Operator has failed to provide documentary evidence of any document including policies of insurance required to be held and/or provided by the Bus Operator under these Conditions; or
 - 20.1.3 the Bus Operator is in breach of any other obligation imposed by the Contract; or
 - 20.1.4 a service similar to the Service is being provided by a third party and consequently there is no current need for the Service.
- 20.2 In any case where the Contract is suspended under this Condition and shall not have been reinstated within six months from the date of suspension the Contract shall be deemed to be terminated on such date as is six months from the date of suspension.

21. Termination of Contract

- 21.1 Either party may terminate the Contract by giving thirteen weeks notice in writing of its intention and reasons to the other party for all contracts excluding School Services.
- 21.2 For School Services either party may terminate the Contract by giving notice in writing of its intention and reasons to the other party within the statutory minimum notice period for a Local Service as defined in Section 2 of the Transport Act 1985.
- 21.3 The Contract may be terminated at any time by mutual agreement between the Bus Operator and Merseytravel, such agreement being brought into effect by an exchange of letters between the two parties.

- 21.4 Merseytravel shall be entitled to terminate the Contract forthwith on written notice if the Bus Operator shall become insolvent or bankrupt or have a receiving order or administration order made against it or make an arrangement with its creditors to go into liquidation whether compulsory or voluntary (except liquidation for the purpose of reconstruction or amalgamation) or carry on its business under an administrator or an administrative receiver for the benefits of its creditors or any of them.
- 21.5 The Bus Operator or Merseytravel may terminate the Contract in any event entitling termination of the Contract under these Conditions of Contract.
- 21.6 Merseytravel may terminate the Contract forthwith in the event of the Bus Operator incurring an unacceptable number of penalties under the Penalty System set out in Schedule 1 hereof. The decision to terminate under this Condition 21.6 shall be at the entire discretion of the Supervising Officer.
- 21.7 Merseytravel shall be entitled to terminate the Contract forthwith on written notice if the Bus Operator fails to observe or perform any of the Conditions on its part to be observed and performed and in the event of a failure capable of being remedied fails to remedy the breach within 14 days of receipt of notice thereof in writing. Merseytravel shall not be liable for any costs incurred by the Bus Operator after the period of notice has expired.
- 21.8 Merseytravel shall be entitled to terminate the Contract forthwith and to recover from the Bus Operator the amount of any additional costs resulting from such termination if the Bus Operator shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the Contract or any other contract with Merseytravel or for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other contract with Merseytravel, or if the like acts shall have been done by any person employed by them or acting on their behalf (whether with or without the knowledge of the Bus Operator), or if in relation to any contract with Merseytravel the Bus Operator or any person employed by it or acting on its behalf shall have committed any offence under the Prevention of Corruption Acts 1889 or 1916, or shall have given any fee or reward the receipt of which is an offence under sub-section (2) of Section 117 of the Local Government Act 1972.
- 21.9 If Merseytravel terminates the Contract under Conditions 21.4, 21.5, 21.6, 21.7 or 21.8 hereof then Merseytravel may re-let the Contract or any part thereof under the same or such other conditions as Merseytravel may think fit or may enter into a new contract with other bus operators to provide the Service. In such event, the Bus Operator

shall be liable for and shall pay and make good to Merseytravel and all other persons or parties legally entitled thereto all losses damages costs charges and expenses they or any of them may incur or be put to or be liable for by reasons or in consequence of such re-letting as aforesaid and shall indemnify and save harmless Merseytravel and any other persons or parties as aforesaid from and against all actions suits claims demands whatsoever by reason or on account thereof or Merseytravel may deduct and retain or pay over to such other persons or parties entitled as aforesaid the amount of such losses damages costs charges or expenses out of any amounts in the hands of Merseytravel due or accruing due to the Bus Operator but in the event of there being no sum due from Merseytravel to the Bus Operator then such losses damages costs charges and expenses shall be recoverable by Merseytravel from the Bus Operator as liquidated damages.

21.10 The Bus Operator shall be entitled to terminate the Contract forthwith on written notice if Merseytravel fails to observe or perform any of the Conditions on its part to be observed and performed and in the event of a failure capable of being remedied fails to remedy the breach within 14 days of receipt of notice thereof in writing.

21.11 Upon completion or termination of the Contract the Bus Operator shall immediately return to Merseytravel any equipment owned by Merseytravel (including but not limited to CCTV equipment and Ticketing Equipment) which has been installed on the Buses or shall allow access to Merseytravel's officers to remove the same (to be determined at the discretion of Merseytravel).

21.12 Termination of the Contract shall not prejudice any rights or obligations of either party which may have accrued or become due prior to the date of termination.

21.13 Notwithstanding anything contained elsewhere, the provisions of Conditions 9.6, 21, 23, 24 and 26 shall survive the expiry or termination of the Contract howsoever caused and shall continue in full force and effect thereafter.

22. Contract Documents

22.1 The Bus Operator shall be deemed to have satisfied itself before submitting the Tender as to the accuracy and sufficiency of the rates and prices stated by the Bus Operator in the Tender which shall except insofar as is otherwise provided in the Contract cover all the Bus Operator's obligations under the Contract and the Bus Operator shall be deemed to have obtained for itself all necessary information as to risks, contingencies and any other circumstances which might reasonably influence or affect the Tender.

- 22.2 Except as otherwise stated all of the documents constituting the Contract are to be taken as mutually explanatory of one another. Any ambiguities or discrepancies shall be resolved by the Supervising Officer who shall then issue to the Bus Operator appropriate instructions in writing. The Bus Operator shall carry out and be bound by such instructions.
- 22.3 If the Bus Operator finds any discrepancy, error or omission or mis-statement in the documents constituting the Contract then it shall immediately notify the same to the Supervising Officer in writing.
- 22.4 Any such discrepancy, error, omission or mis-statement shall not vitiate the Contract nor shall it release the Bus Operator from the performance of the whole or any part of the Contract.
- 22.5 In the event of any inconsistency between these Conditions and any of the other documents constituting the Contract these Conditions shall prevail.
- 22.6 Following the written acceptance by Merseytravel of the Tender either by letter or formal contract a binding agreement shall be formed and no deletion from, addition to or variation of the Contract shall be valid or have any effect unless agreed in writing and signed by both parties in accordance with Condition 18 hereof.

23. **Intellectual Property Rights**

- 23.1 Merseytravel shall be entitled to the intellectual property rights in any data, documents or other material produced by either Merseytravel or the Bus Operator in respect of the Contract.
- 23.2 The Bus Operator shall not use the data, documents or other material produced by Merseytravel or the Bus Operator under the Contract for any purpose other than the Contract permits without the prior written consent of Merseytravel.

24. **Data Protection**

The Bus Operator and Merseytravel agree to ensure that they will at all times comply with the provisions and obligations imposed by the Data Protection Act 1998 and the data principles contained therein in respect of processing personal data (as defined in the Data Protection Act 1998).

25. **Third Party Rights**

For the purposes of Section 1(2) of the Contracts (Rights of Third Parties) Act 1999, the Bus Operator and Merseytravel agree that they do not intend any term of the Contract to be enforced by third parties but any third party right that exists or is available independently of that Act is preserved.

26. **Confidentiality**

- 26.1 The Bus Operator shall keep confidential all information of Merseytravel designated as confidential obtained under or in connection with the Contract and shall not divulge the same to any third party without the prior written consent of Merseytravel.
- 26.2 The provisions of this Condition shall not apply to:-
- 26.2.1 any information in the public domain otherwise than by breach of the Contract; or
 - 26.2.2 information obtained from a third party who is free to divulge the same.
- 26.3 The Bus Operator shall divulge confidential information only to those employees who are directly involved in the Contract and shall ensure that such employees are aware of and comply with these obligations as to confidentiality.
- 26.4 The Bus Operator shall ensure that any sub-contractors approved under Condition 17 hereof are bound by the requirements of this Condition.
- 26.5 The Bus Operator acknowledges that Merseytravel is subject to the provisions of the Freedom of Information Act 2000, and that any information provided by the Bus Operator to Merseytravel under the Contract may need to be disclosed to third parties under the provisions of such legislation (and/or any accompanying codes of practice issued under such legislation).
- 26.6 Merseytravel shall notify the Bus Operator as soon as reasonably practicable of any request for information received under Condition 26.5 hereof.
- 26.7 The Bus Operator agrees to assist and co-operate with Merseytravel to enable Merseytravel to comply with its obligations under the Freedom of Information Act 2000.
- 26.8 The provisions of Condition 26 shall survive expiry or terminate of the Contract.

27. **Dispute Resolution**

- 27.1 In the event of any dispute or difference arising between Merseytravel and the Bus Operator in connection with the Contract the Supervising Officer and the Contract Manager shall within 14 days of a written request from the other party meet in good faith in an effort to resolve the dispute without recourse to legal proceedings.
- 27.2 If the dispute or difference is not resolved as a result of that meeting, either party may (at that meeting or within 14 days from its conclusion)

propose to the other in writing that structured negotiations be entered into with the assistance of a neutral advisor or mediator ("Mediator").

- 27.3 If the parties are unable to agree on a Mediator or if the Mediator agreed upon is unable or unwilling to act, either party shall within 14 days from the date of the proposal to appoint a Mediator or within 14 days of notice to either party that he/she is unable or unwilling to act, apply to the Centre for Dispute Resolution ("CEDR") to appoint a Mediator.
- 27.4 The parties shall within 14 days of the appointment of the Mediator meet with him/her in order to agree a programme for the exchange of any relevant information and the structure to be adopted for the negotiations to be held in Liverpool. If considered appropriate, the parties may at any stage seek assistance from CEDR to provide guidance on a suitable procedure.
- 27.5 Unless concluded with a written legally binding agreement, all negotiations in connection with the dispute shall be conducted in confidence and without prejudice to the rights of the parties in any future proceedings.
- 27.6 If the parties accept the Mediator's recommendations or otherwise reach agreement on the resolution of the dispute, such agreement shall be reduced to writing, and once it is signed by their duly authorised representatives, shall be binding on the parties. Such agreement shall be implemented in full within the period of time agreed by the Mediator, failing which it shall be rendered null and void (and may be referred to any subsequent legal proceedings) unless legal proceedings have been initiated to enforce it by either party within a further 28 days.
- 27.7 Failing agreement, either of the parties may invite the Mediator to provide a non-binding but informative opinion in writing. Such opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceeding commenced pursuant to the Contract without the prior written consent of both parties.
- 27.8 If the parties fail to reach agreement in the structured negotiations within 60 days of the Mediator being appointed then any dispute or difference between them may be referred to arbitration under the terms of the Arbitration Act 1996. The arbitrator shall be agreed between Merseytravel and the Contract or in default of agreement be nominated by the North West Traffic Commissioner in accordance with the Arbitration Act 1996 and the award of the arbitrator shall be final and binding on both parties.
- 27.9 The existence of any dispute shall not entitle the Bus Operator to suspend the provision of the Service.

28. **Notices**

- 28.1 Any notice or other communication which is required to be given to Merseytravel shall be deemed to be properly given if it is addressed to the Supervising Officer at 24 Hatton Garden, Liverpool L3 2AN or such other person or address as Merseytravel may from time to time specify to the Bus Operator.
- 28.2 Any notice or other communication which is required to be given to the Bus Operator shall be deemed to be properly given if it is addressed to the Bus Operator at the address specified on the Tender or such other person or address as the Bus Operator may from time to time specify.
- 28.3 Any notice required to be given hereunder shall clearly and conspicuously state the Contract number or numbers to which it refers and shall be sufficiently served if served personally or if sent by prepaid first class recorded delivery post or facsimile transmission and if so served shall, subject to proof to the contrary, be deemed to have been received by the addressee on the second business day after the date of posting or the date of successful transmission as the case may be.

29. **Waiver**

No delay, neglect, or forbearance on the part of either party in enforcing against the other party any term or condition of the Contract shall either be or be deemed to be a waiver or in any way prejudice any right of that party under the Contract.

30. **Severability**

If any provision of the Contract is or becomes illegal, void or invalid that shall not affect the legality and validity of the other provisions of the Contract.

31. **Entire Agreement**

It is hereby agreed that the terms of the Contract represent the entire agreement between the parties in respect of the provision of the Service and the Contract supercedes any prior agreement between the parties whether written or oral and any such prior agreements are cancelled as at the start of the Contract Period but without prejudice to any rights which have already accrued to either of the parties.

32. **Headings**

The headings in these Conditions are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

33. **Law/Legal Proceedings**

- 33.1 The Bus Operator shall in all matters arising in the provision of the Service conform with all Acts of Parliaments and with all orders regulations bye-laws Traffic Commissioner requirements and EU Directives that shall be applicable to the provision of the Service.
- 33.2 If requested to do so by the Supervising Officer the Bus Operator shall provide to Merseytravel any relevant information (including but not limited to documentation and statements from Drivers or other employees) in connection with any legal enquiry, arbitration or court proceedings in which Merseytravel may become involved or any relevant disciplinary hearing internal to Merseytravel arising out of or in relation to the provision of the Service or the Bus Operator's presence on Merseytravel's premises and the Bus Operator shall give evidence in such inquiries, arbitrations, tribunals, proceedings or hearings if so requested by Merseytravel.
- 33.3 Where the Bus Operator or any of its employees (including the Drivers) become aware of any incident, accident or other matter which may give rise to a claim or legal proceedings in respect of the provision or failure to provide the Service it shall notify the Supervising Officer immediately in writing. Such notification shall include all relevant information to enable the Supervising Officer to investigate the matter fully.
- 33.4 Such information provided or assistance rendered pursuant to the obligations of the Bus Operator under Condition 33.2 or 33.3 hereof shall be at no cost to Merseytravel.
- 33.5 In the event that either party incurs costs to which it would not otherwise be liable due to the other party's failure to comply with any law or any order regulation bye-law or EU Directive having the force of law the amount of such costs shall be reimbursed by the other party.
- 33.6 The Contract shall be subject to and construed and interpreted in accordance with English Law and shall be subject to the jurisdiction of the Courts of England.

Schedule 1

Penalty System

1. Introduction

The Contract operated by Merseytravel in connection with the provision of the Service imposes certain obligations upon the Bus Operator. Under the terms of the Contract Merseytravel is entitled to terminate the Contract forthwith in the event of a breach or non-observance. This entitlement is supplemented by a recognition on the part of both the Bus Operator and Merseytravel that from time to time breaches of the Bus Operator's obligations will occur which, if taken singly, would not warrant termination of the Contract. Cumulatively, however, they would demonstrate that quality of the Service provided by the Bus Operator is lower than required and cannot be accepted.

2. Principles

- 2.1 This system of financial penalties will deal with infringements or non-observance of the Contract. More serious offences will continue to be deemed to be a breach of the contract entitling termination forthwith under Clause 21.7 of the Conditions of Contract. However, regular infringements or non observances without any attempt by the Bus Operator to address the problem after notification by Merseytravel may (at the discretion of the Supervisory Officer) be deemed to be a breach of contract entitling termination forthwith under Clause 21.7 of the Conditions of Contract.
- 2.2 The notice of offence will be communicated by Merseytravel to the Bus Operator either by e-mail, recorded delivery or fax within 7 days of such offence and a written response will be required from the Bus Operator within 7 days of notification. Failure by Merseytravel to action any notice of offence within the 7 day period will result in no further action being taken by Merseytravel. Failure by the Bus Operator to respond to Merseytravel within the 7 day period will result in the penalty being applied with no option for a subsequent appeal.
- 2.3 On receipt of a response from the Bus Operator, Merseytravel will have 7 days to consider the matter further and decide whether a financial penalty is to apply. If a financial penalty is to be applied then the Bus Operator may appeal to the Supervising Officer via the Contract Performance Officer of Merseytravel. The Supervising Officer's decision however is final.

- 2.4 It is agreed that should the Bus Operator be unable to provide a full explanation of an incident within the timescales, ie due to employees concerned being on holiday or sick, then these facts should be conveyed to Merseytravel prior to the stated reply date and the issue will be frozen until the return of such employees, subject to this not counting against Merseytravel in adherence to time limits applying to Merseytravel under this System.
- 2.5 In respect of self-declared lost mileage, any financial penalties applied as a result of the Bus Operator's "four weekly return" will be shown on the remittance advice for the relevant period and will not be subject to the 7 days administrative routine described above.
- 2.6 Should the Bus Operator wish to appeal against such an application of financial penalty then they must do so by indicating this fact to the Principal Contracts Officer of Merseytravel within 7 days of receipt of notice of such offence. Should the issue not be resolved then an appeal can be made to the Supervising Officer whose decision will be final.
- 2.7 The Penalty System will be administered with flexibility to avoid an over restrictive approach. In this respect the Bus Operator should be given an opportunity to take corrective action against individual drivers before further financial penalties are awarded.

3. **Summary of Penalties**

3.1 **Reliability**

(a) **Lost Mileage**

For any lost mileage which has occurred due to factors within the control of the Bus Operator ie no staff, no vehicle, vehicle breakdown, accident or failure due to accident, (including omissions under Clause 15.10 of the Conditions of Contract) a penalty equating to twice the Tender Rate not operated will be applied. In the case of demand responsive transport or Merseylink/Joblink services a deduction will be based on time and charged at double the hourly rate for each hour or part for all time the Bus is not operating as per schedule.

(b) **Early Running**

Early running of Buses will generally attract penalties on every occasion apart from exceptional circumstances. To avoid disputes on the accuracy of clocks etc, early running of up to 2 minutes will generally be ignored at the discretion of Merseytravel and subject to the Bus Operator taking satisfactory effective action. Each instance of early running will attract a **£50 penalty** for each single journey and Merseytravel shall not be liable to pay the Bus Operator for such single journey.

(c) Late Running

Late running of more than 5 minutes will attract a **£20 penalty**. It is accepted however, that lateness may be justified if it can be reasonably proved to have been caused by congestion, accident, roadworks or other circumstances beyond the Bus Operator's direct control.

3.2 Other Infringements

(i)	Using a Bus which fails to meet the required specification unless by prior agreement	£50
(ii)	Use of Bus outside age restriction	£50
(iii)	Failing to adhere to specified route, without good cause, or otherwise previously agreed	£20
(iv)	Failing to observe specified stopping places, without good cause	£20
(v)	Failing to stop when requested by uniformed official of Merseytravel	£100
(vi)	Initially uncollected fare(s) or failure to Issue a ticket (ie not collected by Driver at time of boarding by the Passenger)	100 x value of fare(s) uncollected
(vii)	Failing to display correct route number	£20
(viii)	Failing to display Concessionary Travel Notices or any other Notices required under the Contract	£20
(ix)	Failing to display correct destination	£20
(x)	Failing to charge correct fares	£20
(xi)	Failing to provide Ticketing Equipment in working order or use Ticketing Equipment as specified in the Contract without good cause	£50
(xii)	Failing to submit 4 weekly returns within one month of period end dates without notification and agreement	£50 per month until such return is submitted

(xiii)	Failing to properly complete 4 weekly returns	£50
(xiv)	Failing to submit without good reason or adequate explanation an accurate lost mileage return	£200
(xv)	Uniforms - Failure to comply with Merseytravel requirements, including non-display of Bus Operator identifier	£20
(xvi)	Failing to maintain adequate supply of emergency tickets	£50
(xvii)	<u>Drivers</u>	
	Driver Smoking on Bus (whether in provision of the Service or not)	£50
(xviii)	Driver eating or drinking whilst in provision of the Service	£20
(xvix)	Driver playing radio or similar device whilst in provision of the Service	£20
(xx)	Any other Driver offence where Driver has failed to comply with any relevant legislation or any requirement of Merseytravel's Driver Handbook	£50

4. **Administration Charges**

In the event that the Bus Operator fails to provide revenue data in the format required by Merseytravel and requests that Merseytravel assists in using information provided by the Bus Operator to calculate payments an administrative fee of **£50 per hour** will be charged.

