

CLYDE AND HEBRIDES FERRY SERVICES

CALMAC FERRIES LIMITED

VOLUME 3

LCOSTED BIDS


TECHNICAL SUBMISSION

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1. INTRODUCTION

- 1.1 This is the Technical Submission that forms part of the CalMac Ferries Limited ("CFL") Tender (LCosted Bid) for the operation of the Clyde and Hebrides Ferry Services ("CHFS").
- 1.2 It provides details of CFL's proposals for the introduction of additional return sailings between Lochboisdale and Mallaig in accordance with the requirements of section 3.3.5 of the ITT.
- 1.3 As indicated in Clarification Number 69, a new vessel would be required to deliver this new service. Use of an existing CMAL vessel would not be an option, given the requirements of the existing timetable across the Network. The key requirements of flag, draft and manoeuvrability for Mallaig Harbour, as well as the size of the vessel required to operate the route, also mean that there are no suitable vessels available on the current second-hand or charter market.
- 1.4 To facilitate the evaluation of this option, only details of changes to the Technical Submission for the Network Costed Bid have been set out in this document. Where a response to any part of either section 3 or 4 of the ITT has not been provided, it should be assumed that the relevant parts of the Network Costed Bid Technical Submission apply. This conforms to paragraph 4.1.3 of the ITT.
- 1.5 This submission provides details of:
- 1.5.1 the additional service which would be introduced (**Route Network**);
 - 1.5.2 the vessel which CFL would require CMAL to procure to deliver the new service (**Vessels**);
 - 1.5.3 the timetable which CFL would operate on the new service (**Timetable**);
 - 1.5.4 the fares structure to be applied (**Fare Structure**);
 - 1.5.5 the consultation process which CFL would wish to undertake prior to introduction of the new service (**Consultation with Users**);
 - 1.5.6 additional issues required to be addressed during the mobilisation phase as a result of the introduction of the new service (**Contract Handover/Mobilisation Plan**);
 - 1.5.7 additional HR/Staffing requirements (**TUPE/Transfer of Staff**);
and
 - 1.5.8 the impact which the introduction of the service would have on the CHFS Marketing Plan (**Market Development Plan**),
- with further details set out in the Annexes.

2. OVERVIEW

- 2.1 The island community of Lochboisdale, South Uist, currently has a ferry service which either goes direct to Oban or goes via Castlebay to Oban, along with an option of travelling to the mainland via Lochmaddy in North Uist to Uig on Skye. In the summer months, there are three direct sailings per week from Lochboisdale to Oban with an additional service via Castlebay to Oban. In the winter months the majority of services go via Castlebay. South Uist also has a link to Barra via the Eriskay-Ardmhor route, affording customers access to the Castlebay-Oban direct service.
- 2.2 This proposal for the introduction of additional return sailings between Mallaig and Lochboisdale is based on Option A2 of the 2005 Halcrow Group Limited STAG Appraisal for the Mallaig-Lochboisdale service (the "Appraisal"). This proposal would introduce more frequent direct sailings between the mainland and Lochboisdale, significantly reducing journey times. The new service would require a new vessel to be introduced into the CMAL fleet.
- 2.3 This option has been selected because it best meets the requirements of the ITT, this being a minimum of one return sailing per day.
- 2.4 Option B of the Appraisal provided for seven return sailings per week. However, it did not provide for a return sailing on Tuesdays or Thursdays, so did not meet the minimum requirements of the ITT.
- 2.5 Option A2 provides for 14 return sailings per week during the summer and seven return sailings per week in the winter. It should be noted that Option A2 included changes to the services between Oban and Tobermory, Coll, Tiree and Craginure, as well as between Mallaig and Armadale. These amendments, however, are not included in the LCosted Bid.
- 2.6 For completeness, it is worth summarising the findings of the Appraisal as they applied to Option A2. The findings below from the Appraisal forecast that the introduction of Option A2 would:
- 2.6.1 attract 47,000 passengers, 15,200 cars, and 1,700 commercial vehicles per annum on the Mallaig-Lochboisdale service, although the majority of these would be derived from existing traffic on existing routes and the totals include a relatively small amount of new traffic;
 - 2.6.2 reduce journey times from South Uist to the majority of mainland destinations, although it increases journey times for some;
 - 2.6.3 significantly improve the range of ferry options for the Uists;
 - 2.6.4 
 - 2.6.5 stimulate expansion of the aquaculture industry in Lochboisdale and promote tourism within South Uist and the Mallaig area; and
 - 2.6.6 serve a designated fragile area.

3. THE ROUTE NETWORK

- 3.1 The new Mallaig–Lochboisdale service would be between the mainland and Lochboisdale. The existing service between Castlebay and Lochboisdale would be withdrawn and replaced by a service providing two return sailings per day during the summer and one return sailing per day during the Winter. The Oban–Castlebay service would continue to operate in accordance with a modified timetable, (which would be finalised after the consultation processes were completed), altered to make arrival times at Barra more socially convenient and to improve mainland transport links.
- 3.2 The first sailing of the day would be from Lochboisdale to the mainland.
- 3.3 The Appraisal refers to additional vessel capacity that would be available in Mallaig during the winter months under this option. It suggests the introduction of an additional service from Mallaig to Armadale to make use of this spare capacity. This further option has not been considered as part of this submission.
- 3.4 No change is anticipated to the infrastructure at Mallaig or Lochboisdale Harbours.

4. **VESSELS**

- 4.1 Existing Harbour Infrastructure at both Mallaig and Lochboisdale means that there are limitations on the type of vessel that can be berthed at these ports. During the Appraisal, Mallaig Harbour Authority confirmed that the maximum size of vessel that can berth at Mallaig would be 85 metres in length with 4/5 metres draft. At Lochboisdale, the main limiting restriction is the draft of the vessel, this being no more than 3.2 metres. These limits would allow a style of vessel similar to that of MV Lord of the Isles to operate on this route.
- 4.2 Lack of available vessels in the CMAL fleet mean that an additional vessel would have to be procured to provide the new Mallaig-Lochboisdale service.
- 4.3 In preparation for the submission of proposals for the new Mallaig-Lochboisdale service, CFL carried out a review of the second-hand and charter market to identify a vessel similar in dimensions to MV Lord of the Isles which would be suitable to operate the new route. No suitable vessel could be identified. The proposed new service could only, therefore, be operated using a new vessel, procured by CMAL.
- 4.4 If a new vessel is to be procured, the Scottish Ministers may wish to consider whether it would be appropriate to procure a larger vessel for use elsewhere on the network, where there are existing capacity constraints. This would allow the fleet to be cascaded, freeing up MV Lord of the Isles to provide the Mallaig-Lochboisdale service and would bring increased benefits to more than one route.

5. **TIMETABLES**

5.1 **Timetable**

As recommended by the Appraisal, an indicative timetable would be as follows:

Lochboisdale	Mallaig	Mallaig	Lochboisdale
07:15	10:35	11:15	14:35
15:25	18:45	19:05	22:25

(Note: Services in bold operating only in the Summer).

The actual arrival and departure times above will be set to suit Mallaig, Armadale and Small Isles services. This timetable would integrate with connecting public transport services. At the time of submitting the Tender, CFL had not received confirmation from First ScotRail of its train timetables, and accordingly, CFL would have to revise the above timetable once rail connection times are available. The above timetable would also be subject to consultation prior to its introduction.

5.2 **Provision of Relief Vessels**

In order to operate within the technical limitations of both Mallaig and Lochboisdale, MV Lord of the Isles would be used to provide relief on the Mallaig-Lochboisdale service. MV Lord of the Isles would be made available by using MV Hebridean Isles (or MV Isle of Arran) to provide relief on routes operated by MV Lord of the Isles. This is on the basis that the service would commence in line with the programme set out in paragraph 8, in that the new Islay vessel would be operational, allowing MV Hebridean Isles (or MV Isle of Arran) to be deployed without affecting other services on the network.

6. **FARE STRUCTURE**

The proposed fares structure for the new route is based on the fares that apply on the Ullapool-Stornoway route (as found in the Information Room), and which historically, are very similar. The yields take into account the mix of ticket types (including discounted tickets) expected on the route and again are taken to be the same as those found on the Ullapool-Stornoway route. Increases will be applied in accordance with the PSC.

7. CONSULTATION WITH USERS

7.1 Previous consultation process

In order to clarify the precise requirements of users of the proposed route, CFL would carry out a consultation period in line with the overall suggested timetable set out in paragraph 8 below. Users and key stakeholders will be fully consulted, including members of Comhairle nan Eilean Siar, Argyll and Bute Council and Highland Council, the local authorities most affected from the varied route, as well as the business community.

From the previous consultation with those most likely to be affected, it was determined that the key issues impacting on travel between the islands and the mainland were:

- 7.1.1 accessibility;
- 7.1.2 journey characteristics of ferry services;
- 7.1.3 social and economic decline; and
- 7.1.4 general concerns.

Currently, it is considered that the journey time between the island and the mainland is too long, with a maximum journey time of 7½ hours. A key consideration of a new service between Mallaig and Lochboisdale would be to reduce the average length of this journey to approximately 3½ hours, saving a considerable amount of actual journey time as well as potential journey time to the port on the mainland.

In relation to journey characteristics, consultees considered that the new service must address associated issues, such as the length of the crossing, frequency and timing of sailings. The timetable set out above aims to resolve such issues.

Additionally, users advised that South Uist has suffered a period of social and economic decline. Providing sailings at times that may open up a new day trip market may alleviate such pressures.

7.2 Route promotion

CFL will work with the relevant agencies and interested parties such as Stòras Uibhist, VisitScotland, the Road to the Isles Marketing Group and the Outer Hebrides Tourist Association to promote the new proposed route, as well as helping to support, on a business case-by-case basis, events which will lead to increased traffic on the route. The route's place in the proposed Gaelic Rings will also be researched and promoted as necessary.

The new route will be actively promoted by CFL's Tour Shop facilities in Fort William, Inverness and Oban. In this respect, the new route will add to product offerings already available to visitors being directed to the Mallaig area.

A new Hopscotch ticket will be developed to take the new route into account. This will be marketed across the CHFS network, in one of the suite of Hopscotch leaflets. The Mallaig–Lochboisdale route potentially offers a number of Hopscotch possibilities, including Oban–Castlebay–

Eriskay–Lochboisdale–Mallaig; this shorter Hopscotch option may be promoted at the family market.

Reduced journey time from Mallaig (3½ hours compared to 7½ hours at present) offers the potential for day trips, depending on timetables. These possibilities will be further investigated, including possible third party arrangements with island businesses.

It is anticipated that marketing of the new route would benefit significantly from the imminent completion of the Mallaig to Fort William road improvement scheme.

8. **MOBILISATION**

8.1 The timescale for implementing the proposed Mallaig–Lochboisdale service is set out below. The first stage, the STAG Appraisal, was undertaken by Halcrow Group Limited in 2005. The next steps would be as set out below, based on the approval of the option by Scottish Ministers in October 2007. This process would be dependant on CMAL's cooperation, particularly in relation to the procurement of the new vessel:

8.1.1 STAG Appraisal: 2005;

8.1.2 Ministerial Announcement: October 2007;

8.1.3 OJEU Notice: January 2008;

8.1.4 Expressions of Interest: March 2008;

8.1.5 Consultation Process and Finalisation of the Specification: March - April 2008;

8.1.6 Invitations to Tender: May 2008;

8.1.7 Closing date: July 2008;

8.1.8 Tender Evaluations: July to September 2008;

8.1.9 Contract Award: Late September 2008;

8.1.10 Cutting Steel: Summer 2009;

8.1.11 Trials and Delivery: Spring 2011; and

8.1.12 Service introduction: April 2011.

This would take into account the requirement to procure the new vessel as set out in paragraph 4 above.

8.2 This proposal would not require CFL to amend the Mobilisation Plan as set out in Annex 4 of Volume 2 (Network Technical Submission).

9. TUPE/TRANSFER OF STAFF

9.1 To provide the proposed Mallaig–Lochboisdale service, crewing implications need to be considered. Vessel manning levels are determined in a three-stage process:

9.1.1 the Passenger Certificate (issued by the MCA) which states the minimum number of crew required for the Vessel Muster list;

9.1.2 the Hours of Work legislation and the length of operating day as determined by the timetables, and

9.1.3 the number of crew required to provide the required level of Customer Service on board.

9.2 Taking into account all of the above determines the crew requirements by vessel. In addition, to determine exact numbers, working patterns and annual leave are taken into consideration:

9.2.1 Masters/Chief Engineers work two weeks on, two weeks off, with ten weeks leave;

9.2.2 Other Officers work two weeks on, two weeks off, with six weeks leave; and

9.2.3 Ratings work two weeks on, two weeks off, with two weeks leave.

To ensure full coverage when determining manning levels, a multiplier of 2.5 is used to determine Full Time Equivalent ("FTE"), which also cover training and other absences. Core crew numbers are based on staff required for operating from October to March and additional seasonal staff are recruited to cover the summer uplift between April and October.

The availability of 'agency' crew members also provides a useful source of backup personnel in the unlikely event of any crew shortages.

9.3 The number of additional crew posts required is 29, full costs of which are included in the financial submission.

10. **MARKET DEVELOPMENT PLAN**

The Market Development Plan is generic in nature in that it does not deal with specific detail of the proposed service (e.g. frequency, fare structure, timetable and capacity) until that is finalised in service contractual terms. However, it is assumed for the purposes of this tender that the marketing of the proposed route will involve a new vessel, additional to the current fleet, and it is expected that, in these circumstances, this would bring a commensurate "new vessel" effect as an added attraction. A new vessel would take approximately (best-case scenario) four years to introduce and would allow a substantial and acceptable preparation period in terms of marketing effort. Full details of the required marketing strategy are set out below in Appendix 1.

APPENDIX 1
MARKET DEVELOPMENT PLAN

Pages 15-20 Redacted

APPENDIX 2

DRY-DOCKING PLAN

Pages 22 & 23 Redacted.

APPENDIX 3
INSURANCE VALUES

- 8. [REDACTED]
- 9. [REDACTED]
- 10. [REDACTED]
- 11. [REDACTED]

APPENDIX 4

ROUTE MATRIX AND TICKET PURCHASING

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