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AGREEMENT

THIS AGREEMENT is made this 1st day of October 2009

BETWEEN [1]

The Government of St Helena, The Castle, Jamestown, St Helena (hereinafter called "SHG") acting through the Chief Secretary

AND [2]

Solomon & Company (St Helena) Plc, Jamestown, St Helena ("Solomons") acting through ...MARK JON... GENERAL MANAGER

AND

Fox Motors, Deadwood, St Helena acting through ...JEFFREY STEVENS...

AND

Colin's Garage, Farm Buildings, St Helena acting through ...COLIN WILLIAMS...

(hereinafter called "the operators")

WHEREAS

SHG has established a public transport system known as St Helena PTS (hereinafter called "PTS") and based on St Helena to carry on the business of conveying the public to and from communities on the Island.

A review of the operation of the PTS has been carried out by SHG. This Agreement is based on the findings and recommendations of the review.

SHG, through this Agreement, enters into arrangements with the operators who will undertake to provide public transport as agreed in the associated timetables and annexes.

The operators agree to provide these services, as specified, under conditions of **financial support** as laid out in **Annex 1**.

NOW THIS AGREEMENT WITNESSETH that, in pursuance of the mutual covenants herein exchanged, the adequacy of which is hereby acknowledged and agreed:

1. Duration

- (a) The PTS will operate as specified in the annexes for a period of 42 calendar months commencing on the 1st day of October 2009.
- (b) The contract period of 42 months will be subject to a review at the end of the said period, and at its sole discretion, SHG may offer to extend the agreement to the 31st day of March 2015 upon similar terms except for this clause which shall be excluded.
- (c) SHG retains the right to rescind this agreement with three-month's notice and to re-tender the contract in full.

2. Management Structure

- (a) The operators agree to nominate a manager with direct responsibility for the service provided. In the event of a manager being unable to fulfil his/her functions for longer than 24 hours the operator shall immediately provide an alternate manager. The manager shall provide 24-hour contact details to the nominated executive and shall undertake to maintain the contact details in an up to date form.
- (b) The managers shall report to the nominated executive, Office of the Chief Secretary (hereinafter called "OCS"), on all matters except the provision of the PTS subsidy (See below). The nominated executive shall be the main point of contact for all PTS matters but SHG shall be entitled to nominate other public officers to conduct such support activities as shall be required from time to time.
- (c) It shall be the responsibility of the operator to notify SHG immediately of any material change in management arrangement.

3. Staffing

- (a) The operators shall be free to employ any staff for the purpose of providing the PTS subject to the following conditions:
 - (i) No person who has been convicted of a road traffic offence, that carries the penalty of imprisonment or disqualification, within the last 5 years may be employed as a driver;
 - (ii) No person who, as a driver, has caused an accident leading to an insurance claim in excess of £250 within the last five years may be employed as a driver.
 - (b) Any driver employed by the operators shall have at least five years driving experience and hold the appropriate driving licence for a public service vehicle.
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- (c) Any driver employed by the operators shall be required to undergo a medical examination before being allowed to drive a bus under this agreement.
- (d) No driver shall be allowed to drive a bus in performance of the terms of this agreement until approval has been given that he is medically fit to do so. Such approval will either be granted or refused not later than 10 working days after a medical report on the driver's medical fitness has been received by the nominated executive, OCS.
- (e) Drivers suffering from cardiac related diseases or who are over the age of 65 years shall be required to undergo an annual medical examination to determine their continued fitness to drive any bus under this agreement. A copy of all medical reports shall be submitted to the nominated executive as soon as practicable after a driver has undergone such examination.
- (f) It is the operator's responsibility to ascertain as far as reasonably possible that persons employed by them to drive vehicles meet with the requirements of this agreement.
- (g) The driver shall be in sole charge of a vehicle in use on the PTS. At the discretion of the driver alterations to routes and times reflecting pressing operational needs shall be considered to be permissible and authorised.
- (h) Passengers will be carried at the sole discretion of the driver.
- (i) In the event that a passenger is giving the driver any cause for reasonably requesting them to exit from the vehicle at other than the intended point of exit, they shall not be entitled to a refund.

4. Routes and Subsidy

- (a) The PTS routes shall be as agreed from time to time between SHG and the operators, and confirmed in writing by the OCS.
 - (b) **The routes and timetables** laid out at **Annex 2** shall form a material part of the agreement until such time as any change is agreed and confirmed in writing by the OCS.
 - (c) Routes and timing should be part of any review and flexible by agreement.
 - (d) Subsidy arrangements are as agreed by annex to this agreement or any subsequent contract. Subsidies shall be related to each distinct route operator. Arrangements to calculate alternative subsidy arrangements related to route mileage and/or other methodologies shall be applied at review.
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- (e) Subsidy shall be paid monthly in advance on invoice.
- (f) Each month, the records relating to the operation of the service in the previous month shall be made available to the nominated executive.
- (g) Each month, the invoice shall be accompanied by a record certifying the number of trips in the previous month that shall be reconciled with the timetable, and a record of mileage travelled, by trip and in total.

5. Safety and Maintenance

- (a) Nominated vehicles shall be available for inspection at all times by a duly authorised representative of SHG. Safety standards shall be applied based on a six monthly MoT test. These will be the minimum requirements for the PTS. A reserve vehicle shall be available at all times for each operator. The reserve vehicle shall be nominated and inspected and shall be required to be maintained to the same MoT standards.
- (b) It is the responsibility of the operators to notify SHG immediately of any material change in the safety and maintenance level of any vehicle used in the supply of the service.
- (c) Copies of the MoT certificate shall be provided to the nominated executive, quarterly.

6. Cleanliness

Internal and External cleanliness of all vehicles shall be maintained to a high standard and shall be subject to inspection by a duly authorised representative of SHG.

7. Insurance

- (a) SHG shall not maintain insurance to cover potential PTS liabilities. Proper insurance shall be maintained in respect of each vehicle by the operators at all times to the satisfaction of SHG at their absolute discretion. In the event of any claim the operator or his/her insurer shall be responsible.
- (b) It shall be the responsibility of the operator to notify SHG of any material change in the insurance cover in respect of any vehicle or related arrangements.
- (c) Copies of insurance policies in respect of all vehicles to be used shall be provided to the nominated executive prior to the contract commencing.

8. Fares and Concessions

- (a) Fares and concession arrangements shall be as agreed in writing with SHG and will remain in force during the 42 calendar month period of the agreement. Following the review of market conditions pursuant to Clause 1(b) above fare levels may be adjusted in accordance with movements in the Retail Price Index. The revised fare levels will apply until the 31st day of March 2015 if any extension is offered.
- (b) Operators may vary prices for special events or arrangements by prior arrangement with the nominated executive. No change in pricing shall be taken to infer changed subsidy arrangements.

Annex 3 lays out **Fare Pricing**

9. Shopping/Elderly/Disabled Arrangements

- (a) Each operator shall maintain suitable arrangements equivalent to one seat at the front of a bus for shopping – if required or requested. Seats at the front of a bus with easy access to the entry and egress points shall be made available for elderly/disabled on request or if a bus is crowded.
- (b) It shall be the driver's responsibility to ensure that elderly/disabled have access to seating if a bus is crowded.

10. Operating Profit/Loss

The liability for any operating profit or loss shall lie with the operators. An operating profit shall not imply any reduction in subsidy or other PTS support, an operating loss shall not imply any increase in subsidy or any PTS support.

11. Marketing

- (a) All reasonable efforts shall be made by SHG to market the PTS. It shall be the responsibility of the operators to market their route to their intended market. Evidence of route, passenger and other marketing initiatives will be required at review meetings.
- (b) The operators shall make the nominated manager and/or other more senior staff available at all reasonable times to participate in public relations activity.

12. Record Keeping

- (a) The operators shall be required to maintain appropriate transport and independent records in relation to route operations.

- (b) Route records shall note at minimum the operators' employee, dates and times, number of trips, routes travelled, passengers carried and fares received.
- (c) Financial records shall be maintained relating at minimum to the full costs of route operation and all ticket sales and value.
- (d) An annex to this agreement shall consist of the agreed route record sheet.
- (e) The operators shall maintain an incident log and shall log each day, or immediately thereafter, any incident whether related to accidents, health and safety, passenger unruliness and or other issues.
- (f) The operators shall immediately notify the nominated executive and the Police or other authority in the event of any accident or incident involving actual or potential breach of the peace, or actual or potential threat of injury.
- (g) All records shall be maintained for review and for inspection by the nominated executive at the place of business of the operator.

Annex 4 contains a Sample Records Format.

13. Withdrawal from PTS

None of the operators may withdraw from the PTS without giving three months advance notice in writing except by written agreement with SHG.

14. PTS Concession Arrangements – Transfer of Obligations

The PTS concessions shall not be transferable. The PTS concession shall not be applicable to vehicles that have not been inspected and certified for use on the PTS.

15. Force Majeure

In the event of force majeure preventing any operator from discharging their responsibilities under the PTS, SHG shall be entitled to request that alternate arrangements are put in place to safeguard the PTS, but there shall be no unreasonable application of service performance criteria to the detriment of the operators.

16. Arbitration

Any dispute, difference or question between SHG and the operators with respect to any matter or arising out of or relating to this Agreement which cannot be resolved by negotiation and accept insofar as may be otherwise provided in this

Agreement shall be referred to Arbitration under the provisions of the Arbitration Act 1937 or any statutory modification or re-enactment thereof by a single arbitrator to be appointed by agreement between SHG and the operators, and if no such agreement can be reached, by H.E. The Governor.

IN WITNESS WHEREOF this Agreement has been signed by SHG and the operators the day and year first above written.

SIGNED by GILLIAN FRANCES
Chief Secretary for and on behalf of the
Government in the presence of:

G. Frances

P J B L
Signature of Witness

SIGNED by _____ for and on behalf of
Solomon & Company (St Helena) Plc:

[Signature]

P J B L
Signature of Witness

SIGNED by _____ for and on behalf of
Fox Motors in the presence of:

[Signature]

P J B L
Signature of Witness

SIGNED by _____ for and on behalf of
Colin's Garage in the presence of:

[Signature]

P J B L
Signature of Witness



Annex 1

Financial Support

Subsidy arrangements for each route operator will continue at current levels for the next 42 calendar months commencing on the 1st day of October 2009 (with adjustment for the additional Saturday evening services and for the cost of one MoT inspection per vehicle per year).

Each subsidy payment shall be made monthly in advance, by Calendar Month, by agreement on presentation of invoice.

Monthly subsidy for each route operator as follows.

| Route/Operator | Monthly Subsidy £ | Hypothecated Annual Subsidy £ |
|--|-------------------------------|----------------------------------|
| A/B Fox Motors Ruperts / Fox Motors | See note (alternate weeks) | See note |

Ruperts: on alternate Fridays, a payment of [redacted] less the value of fares collected) will be payable.

Plus additional subsidy for new Saturday evening service (based on route subsidy rate of [redacted] per mile)

Plus payment for one Vehicle Inspection Fee per vehicle per annum (2 vehicles @ [redacted] per annum)

| Route/Operator | Monthly Subsidy £ | Hypothecated Annual Subsidy £ |
|-----------------|----------------------|----------------------------------|
| C Colins Garage | [REDACTED] | [REDACTED] |

Plus payment for one Vehicle Inspection Fee per vehicle per annum (2 vehicles @
[REDACTED] per annum)

| Route/Operator | Monthly Subsidy £ | Hypothecated Annual Subsidy £ |
|------------------------------------|-------------------------------|----------------------------------|
| D/E Solomons Ruperts / Solomons | See note (alternate weeks) | See note |

Ruperts: on alternate Fridays, a payment of [REDACTED] (less the value of fares collected) will be payable.

Plus additional subsidy for new Saturday evening service (based on route subsidy rate of [REDACTED] per mile)

Plus payment for one Vehicle Inspection Fee per vehicle per annum (2 vehicles @ [REDACTED] per annum)

Annex 2

Routes and Timetables

The following additions to the service timetable shall apply:

Route A and B

For a period of 90 days commencing on the 1st day of November 2009 there will be a trial service between Jamestown and Longwood / Levelwood at 10.30pm determinable at SHG's sole discretion.

Route C

For a period of 90 days commencing on the 1st day of November 2009 there will be a trial service between Jamestown and White Wall at 10.30pm determinable at SHG's sole discretion.

Annex 3

Fare Pricing

Fares to apply from 1 October 2009 are as shown below:

Single Fares from Jamestown

Routes C, D, & E:

Ladder Hill £0.50
Red Hill Junction £0.75
White Gate £1.00
Bates Branch £1.00
Thompson's Wood £1.50
Blue Hill £1.50

Routes A & B:

Longwood £1.25
Deadwood £1.25
Rupert's Bay £1.00

Return fare = 2 single fares
Children under 10 = half price

These fares will remain in force until 31 March 2013.

Annex 4

Sample Record Format

Sample Route Record Sheet (for each trip)

Day, Date and Time

Driver and Vehicle

Route/Start and Finish

Passengers on per fare stage

Ticket sales

Number

Amounts

Concession fares

Mileage Covered on trip

Sample Incident Log (also Health and Safety Log)

Route

Day, Date and Time

Driver and Vehicle

Where incident occurred

Incident

Second and Third Parties involved

Comments
