

**ARGYLL AIR SERVICES PSO TENDER**

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**1.0 INTRODUCTION**

- 1.1 Following non-compliant tender submission for the initial Argyll Air Services Public Service Obligation (PSO) contract, the procurement had to be abandoned.
- 1.2 After further engagement with market operators a second tender process was undertaken. Following completion of the evaluation process, a compliant tender within the available budget was received from Hebridean Air Services Ltd, the incumbent operator.

**2.0 RECOMMENDATIONS**

It is recommended that elected members note

- 2.1 The new contract for Argyll Air Services will commence with the operator Hebridean Air on the 16<sup>th</sup> September 2019 and operate for a period of 4 years until 15<sup>th</sup> September 2023 for the sum of £2,048,828

**3.0 DETAIL**

- 3.1 The new four year contract will continue on the same timetable as the interim contract. The service offers an amended number of flights, although flights for school pupils travelling to Oban have been secured as a priority. The current interim contract will continue and there will be no break in service from one contract finishing and the other commencing.

**4.0 CONCLUSION**

- 4.1 The new contract for Argyll Air Services will commence with the operator Hebridean Air on the 16<sup>th</sup> September 2019 and operate for a period of 4 years until 15<sup>th</sup> September 2023 for the sum of £2,048,828

## **5.0 IMPLICATIONS**

- 5.1 **Policy** - Argyll and Bute Council provide PSO air services to some of our fragile island communities.
- 5.2 **Financial** – Argyll and Bute Council has a budget of £512,207 available per annum (2019-2022) for the provisions of the air services.
- 5.3 **Legal** - Tenders for Public Sector Obligation air services must be compliant with EC regulations.
- 5.4 **HR** – Indirectly through fire cover provision on the islands, potentially as Council employees rather than by Service Level Agreement with Scottish Fire and Rescue.
- 5.5 **Fairer Scotland Duty:**
  - 6.5.1 Equalities – Argyll Air Services support equality of access to opportunities for residents and businesses on the islands of Colonsay, Coll and Tiree
  - 5.5.2 Socio-economic Duty- protected characteristics Air services provide connections to rural island communities primarily for scholars but are also used by public and private sector services e.g. NHS, ABC, Housing Associations.
  - 5.5.3 Islands - Argyll and Bute Council provide PSO air services to some of our fragile island communities.
- 5.6 **Risk** – Air services to the islands of Coll and Colonsay are dependent on fire cover provision on the Islands.
- 5.7 **Customer Service** - None

**Executive Director of Development and Infrastructure – Pippa Milne**

**Policy Leads - Councillor Aileen Morton and Councillor Robin Currie**

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