

## **Public Transport Operations Grant (PTOG)**

The Department currently manages 34 bus subsidy contracts (26 tendered and 8 interim contracts) awarded to (thirteen) 13 bus operators. These are funded by the Public Transport Operations Grant (PTOG) while two ceded contracts from the North-West Province are funded by Gauteng Province.

These contracts are operated in metropolitan municipalities, namely: Johannesburg, Tshwane, Ekurhuleni as well as Sedibeng District Municipality. The services are operated by bus companies on behalf of government through a system of interim or tendered contracts.

Over the years, the subsidies ensured that bus services remain affordable and accessible to majority of commuters, who might otherwise not afford them. This has resulted in bus services being the affordable and reliable mode of transport for commuters, that includes workers, scholars etc. The bus services offered to commuters should meet standards of cleanliness, reliability, safety and accessibility.

In 2015 eight (08) interim contracts were awarded to Autopax, a subsidiary of PRASA, after the withdrawal of Putco. An agreement was entered into enabling Autopax to service areas affected by the withdrawal of PUTCO to ensure continued service.

At the beginning of financial 2017/18 Autopax informed the Department of its intention not to proceed with the provision of subsidised services on the eight (08) contracts at the end of term (September 2017). The reason being that Autopax' fleet is not suitable or specified to operate short distance services. Autopax also ceased operations of three contracts in Ekurhuleni at the beginning of the financial year.

The Department has also concluded an interim agreement with the City of Tshwane (CoT) as an assignment to Are Yeng BRT (Tshwane Transit System) to assist with operations of four Mamelodi contracts until March 2018. These might be extended for a few months as the process to appoint a new operator unfolds.

A tender advertisement for four (04) Mamelodi contracts and one (01) for Meyerton (Sedibeng) was published in November 2017, closing 12 January 2018.

The Division of Revenue Act (DoRA) requires that all bus contracts be monitored to ensure compliance with applicable legislation.

The contracts are manually monitored by both internal personnel and external Supervisory Monitoring Firms (SMFs). These are appointed to monitor on-board, multi-point route on a daily basis, conduct technical inspections i.e. depot and facility inspections and submit monitoring reports on a monthly basis.

Outcomes of these processes include bus companies getting seven year tendered or negotiated contracts to enable them to modernise their fleet;



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rationalised routes to make contracts financially viable and a defined black empowerment component built into the contracts.

For more information, contact Directorate: Public Transport Operations on 010 345 0096