

Firstbus plc

1. Title of report: Badgerline Holdings Ltd and Midland Red West Holdings Ltd (MMC - Cm 595)

2. Date of report: 16 January 1989 **Published:** 8 March 1989

3. Orders: N/A

4. Date of original undertakings: Press release: 3 October 1989

5. Companies giving undertakings: Firstbus plc (formerly Badgerline Group plc formerly Badgerline Holdings Ltd)

6. Details of undertakings: Behavioural undertakings

(i) Where:

(a) Badgerline Ltd or City Line Ltd ('City Line') deregisters a bus service; and

(b) following tenders for a subsidised service to replace all or part of this service, Avon County Council awards the contract to an operator other than Badgerline Ltd or City Line;

then not to register a bus service which substantially duplicates such subsidised service without first giving four months' notice to the Director General and Avon County Council obtaining the consent of the Director General.

(iii) (a) The price quoted by Badgerline Ltd and City Line in each such tender will not exceed 120 per cent of expected direct costs less revenue.

(b) In respect of each such successful tender if actual revenue exceeds estimated revenue in any year, then 50 per cent of the excess will be refunded to Avon County Council.

(c) if requested to do so by Avon County Council, to provide to an independent auditor such information as he may require to enable him to certify that the revenue and cost estimates incorporated in the tender price are reasonable, and that the prices tendered and the refunds made have been determined in accordance with the terms of this undertaking.

7. Date of amendments: 2 February 1996

8. SIC code: 60.21/2 (Bus services)