

DATE:

REPORT TO: URBAN MOBILITY PORTFOLIO COMMITTEE

---

1. ITEM NUMBER      **UM 08/05/22**

2. SUBJECT

**REINSTATEMENT OF N2 EXPRESS SERVICE**

**ONDERWERP**

**HERVATTING VAN DIE N2 EXPRESS-DIENS**

**ISIHLOKO**

**UKUBUYISELWA KWENKONZO YE N2 EXPRESS**

3. DELEGATED AUTHORITY

In terms of delegation

This report is

- Committee name** : Urban Mobility
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

4. DISCUSSION

The City entered into a vehicle operator (VO) agreement with the N2 Express Joint Venture (Pty) Ltd ("the N2 Express JV") effective from 01 July 2014. The agreement was for the operation of the N2 Express MyCiTi bus service from Khayelitsha and Mitchells Plain respectively to Cape Town Central Business District. The N2 Express service was introduced as a top-up service which provided daily transport to approximately six thousand commuters in Khayelitsha and Mitchells Plain. The suspension of the service meant that those passengers had to find alternative transport or be left stranded. The N2 Express JV is a special purpose vehicle company formed to represent the following parties on an equal 33, 3% shareholding basis: CODETA taxi association, through a company called Lisekhonikamva Rapid

Transport Operator (Pty) Ltd; Route 6 taxi association, through company K2014063186/21 (Pty) Ltd; and Golden Arrow Bus Services (Pty) Ltd (“GABS”).

The VO agreement was for an initial period of 3 years set to end on 30 June 2017 but was subsequently extended for an aggregate period of 23 months, which ended on 31 May 2019. The City proposed to enter into a new contract with the N2 Express JV pending the negotiation of the long-term N2 Express contract for a 24-month period from 1 June 2019 until 31 May 2021. CODETA objected to the new contract and a series of subsequent events resulted in no new agreement being entered into between the City and the N2 Express JV and the N2 Express service remained suspended from 1 June 2019.

In late 2019, CODETA conceded to enter into a further contract and its intention to withdraw the liquidation application against the company, meant that the City would have a valid entity to contract with.

After numerous setbacks and engagements, the Vehicle Operator agreement between the City and the N2 Express JV was signed on Friday, 21 January 2022. The duration of the contract is for a period of 2 years and 5 months, with the service commencing 19 February 2022 and set to terminate on 30 June 2024. The value of the contract is R269 200 670 with the combined SAP Direct Operating budget for all Vehicle Operating Companies of R582 907 299 for 2021/22 financial year and R629 185 696 for 2022/23 financial year.

The N2 Express service implementation plan took place in 3 phases, from Saturday, 19 February 2022 until the full scheduled service planned for Saturday, 19 March 2022.

**Phase 1 implementation:**

The N2 Express service operated a weekend schedule on weekdays and weekends for the introductory period from 19 February to 04 March 2022 on all routes, with the route from Civic Centre to Mitchells Plain (D03) being suspended. During this period a total of 10 buses operated between Mitchells Plain, Khayelitsha and Civic Centre.

**Phase 2 implementation:**

A reduced weekday service was introduced for the period from 05 March to 18 March 2022 on all routes with the route from Civic Centre to Mitchells Plain (D03) remaining suspended. 18 buses were required to operate the reduced weekday service and by the end of the period this milestone was achieved.

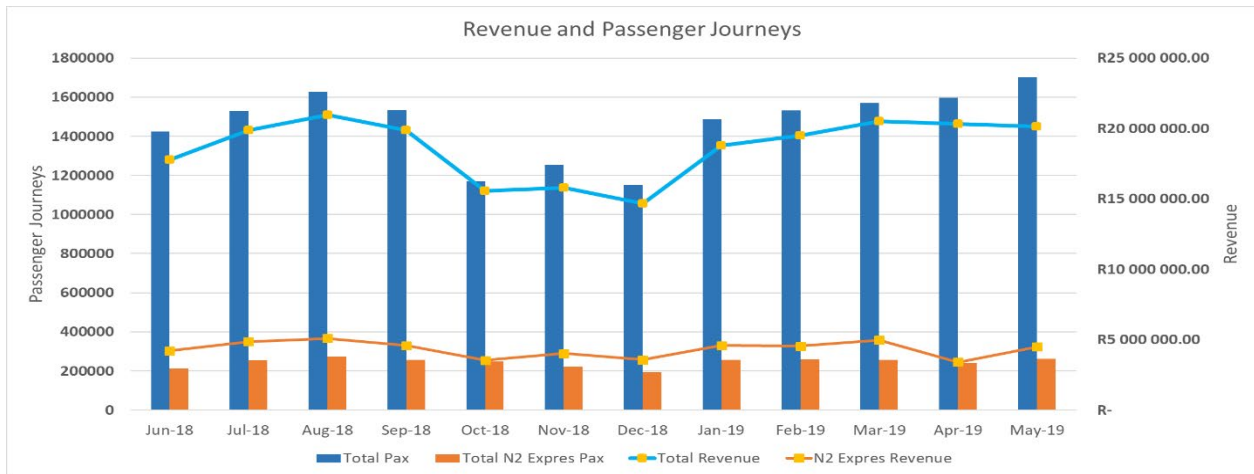
**Phase 3 implementation:**

The full start-up of the N2 Express service was rolled out from 19 March 2022, which included the route from Civic Centre to Mitchells Plain (D03). It was planned for 31 buses to be operationalised across the four routes operating between Mitchells Plain, Khayelitsha and Civic Centre, however, due to the inactivity of buses over the suspended period a large number of the fleet has become laid up and requires extensive repair and maintenance. These issues are being addressed by the VOC and City officials. Currently, a hybrid of phase 2 and phase 3 is operational with 29 buses operating on the N2 Express service.

**N2 Express Historical and Current Data Analysis:**

**N2 Express Historical Information**

Before the suspension of the N2 Express service in 2019, the passenger journeys on the service constituted approximately 17% of the total passenger journeys on the entire MyCiTi network. The fare revenue generated from operating the N2 Express service accounted for approximately 23% of the total fare revenue on the MyCiTi network.

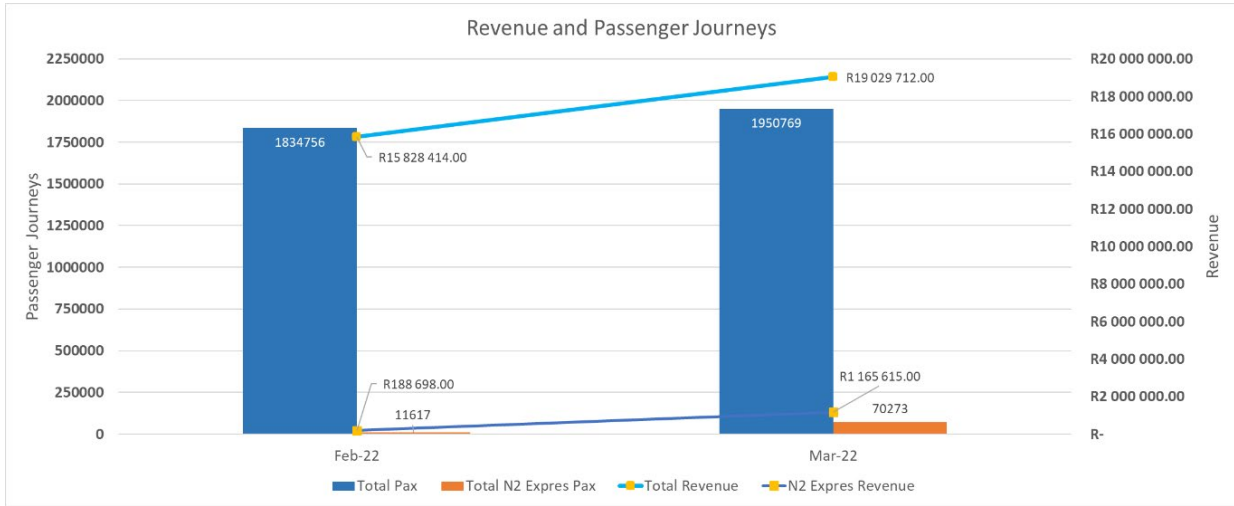


**Graph 1: Historical Revenue and Passenger Journey Comparison**

**N2 Express Current Information**

From 19 to 28 February 2022(10 Days) the N2 Express service realised approximately 12 000 passenger journeys across the routes. This constitutes a 5% uptake of service when compared to the average passenger journeys, before the suspension of the N2 Express service.

The passenger journeys and uptake of service has increased to 15%(36 000) from 01 – 19 March 2022 and has increased to approximately 29% (70 000) passenger journeys at the end of March 2022.



**Graph 2: Current Revenue and Passenger Journey Comparison**

**Conclusion**

The suspension of the N2 Express in 2019 had a detrimental effect on the MyCiTi service offering and commuters in the Khayelitsha and Mitchells Plain areas. Apart from the shortage of buses experienced, the lag in passenger journeys and revenue is greatly contributed to passengers having to become re-acquainted to using the service, changes in travel patterns and passengers needing to regain the trust in the MyCiTi service. The shortages of buses has now stabilised and the take-up of service is expected to increase as per the trends observed over the past couple of months.

- 4.1 Financial Implications  None  Opex  Capex
- Capex: New Projects
  - Capex: Existing projects requiring additional funding
  - Capex: Existing projects with no additional funding requirements

- 4.2 Policy and Strategy  Yes  No

- 4.3 Legislative Vetting  Yes  No
- 4.4 Legal Implications  Yes  No
- 4.5 Staff Implications  Yes  No
- 4.6 Risk Implications  Yes The risks for approving and/or not approving the recommendations are listed below:
- No Report is for decision and has no risk implications.
- No Report is for noting only and has no risk implications.
- 4.7 POPIA Compliance  Yes It is confirmed that this report has been checked and considered for POPIA compliance.

## 5. RECOMMENDATIONS

It is recommended that the Urban Mobility Portfolio Committee note the contents of the report on the reinstatement of N2 Express service.

### AANBEVELINGS

Daar word aanbeveel dat die portefeuljekomitee oor stedelike mobiliteit kennis neem van die inhoud van die verslag oor die hervatting van die N2 Express-diens

### IZINDULULO

Kundululwe ukuba iKomiti yeSebe elingoZinzo lwezoThutho eDolophini mayiqwalasele okuqulathwe kwingxelo engenkonzo yeN2 Express.

---

**ANNEXURES****FOR FURTHER DETAILS CONTACT**

NAME	Vuyiswa Kraba	CONTACT NUMBER	021 444 9025
E-MAIL ADDRESS	Vuyiswa.kraba@capetown.gov.za		
DIRECTORATE	Urban Mobility	FILE REF NO	

## Approval Form

Supported for inclusion on the agenda



### REINSTATEMENT OF N2 EXPRESS SERVICE

**Report Reference:** 519982  
**Meeting:** Section 79 Portfolio Committee - Urban Mobility  
**Meeting Date:** 05.05.2022  
**Meeting Venue:** Meeting Room 2 6th Floor Podium  
  
**Contact Person:** Dalicia van wyk  
**Contact Telephone:** 0214009364  
**Contact Email:** DALICIA.VANWYK@CAPETOWN.GOV.ZA

Item	Section	Approver	Approval	Approved Date	Approver Comments
01	Author	Vuyiswa Elda Theodora Kraba	Approved	20.04.2022 14:21:09	Please include item on the PC agenda for 05 May 2022
02	Director	Carl Stroud	Approved	20.04.2022 14:42:11	
03	Executive Director	Dalene Jacoba Campbell	Approved with Comments	20.04.2022 15:11:20	Approved by ED: Urban Mobility for Submission onto the Section 7
04	Legal Compliance	Joan Mari Holt	Approved with Comments	21.04.2022 11:21:51	For information.
05	Chairperson	Mikhail Manuel	Approved	27.04.2022 20:11:33	

**ECS Officer:**