

EXTENSION OF THE REAL TIME PASSENGER INFORMATION MAINTENANCE AND EXPANSION PROJECT

Councillor Peter Hiller – Cabinet Member for Growth, Planning, Housing and Economic Development

June 2016

Deadline date: June 2016

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| Cabinet portfolio holder: Responsible Director: | Councillor Peter Hiller – Cabinet Member for Growth, Planning, Housing and Economic Development Simon Machen – Corporate Director of Growth and Regeneration |
| Is this a Key Decision? | YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/10JUL15/02 |
| Is this decision eligible for call-in? | YES |
| Does this Public report have any annex that contains exempt information? | No |
| Is this a project and if so has it been registered on Verto? | YES Verto number: LTP PR001095h |

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Authorise the renewal, extension and variation of the Provision and Installation (Maintenance and Expansion of a Bus Real Time Passenger Information System) Contract and the Maintenance Agreement with VIX Technology UK Limited until 28 February 2018, for up to £245,068.02.
2. Authorise the renewal and extension of the Local Authorities Partnering Agreement with Cambridgeshire County Council, Bedford Borough Council, Central Bedfordshire Council, Luton Borough Council and Northamptonshire County Council until 28 February 2018, for up to £55,000.
3. Authorise the entering into of contracts with Stagecoach Group PLC and such other bus operators who wish to join the scheme, in relation to the provision, installation and maintenance of Real Time Passenger Information equipment on vehicles and/or the provision of information to allow the system to function, until 28 February 2018.

1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks the Cabinet Member's approval of the recommendations to seek to ensure that the Real Time Passenger Information (RTPI) Project continues until 28 February 2018. Approval of the recommendations will allow the purchase, installation and maintenance of the required equipment and the necessary arrangements with local bus operators.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet Member for Growth, Planning, Housing and Economic Development to consider exercising delegated authority under paragraph 3.4.8 (a) of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (b).

3. TIMESCALE

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| Is this a Major Policy Item/Statutory Plan? | NO | If Yes, date for relevant Cabinet Meeting | N/A |
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4. DETAILS OF DECISION REQUIRED

- 4.1 The decision maker is asked to:

4.1.1 Authorise the renewal, extension and variation of the Provision and Installation(Maintenance and Expansion of a Bus Real Time Passenger Information System) Contract and the Maintenance Agreement with VIX Technology UK Limited until 28 February 2018, for up to £245,068.02.

4.1.2 Authorise the renewal and extension of the Local Authorities Partnering Agreement with Cambridgeshire County Council, Bedford Borough Council, Central Bedfordshire Council, Luton Borough Council and Northamptonshire County Council (the Partnering Authorities) until 28 February 2018, for up to £55,000.

4.1.3 Authorise the entering into of contracts with Stagecoach Group PLC and such other bus operators who wish to join the scheme, in relation to the provision, installation and maintenance of Real Time Passenger Information (RTPI) equipment on vehicles and/or the provision of information to allow the system to function, until 28 February 2018.

- 4.2 Arrangements for partnership working with the Partnering Authorities from 1 November 2009 was approved by Cabinet Member Decision on 30 October 2009. Pursuant to that arrangement, Cambridgeshire County Council carried out a tendering process on behalf of the Partnering Authorities to appoint a contractor in relation to the provision, installation and maintenance of the RTPI equipment for a period of 5 years, with provision to extend for a further 3 years.

- 4.3 Pursuant to the Local Authorities Partnering Agreement, Cambridgeshire County Council contracts with the contractor for the purchase, installation and maintenance of the centralised RTPI equipment which is used by all of the Partnering Authorities, and then recoups a proportion of the cost incurred in that regard from each Partnering Authority.

- 4.4 In relation to any additional RTPI equipment which is not part of the central system (bus hardware, street signs etc.), each Partnering Authority arranges for the purchase, installation and maintenance of their own respective equipment through direct contracts with the contractor (the Provision and Installation (Maintenance and Expansion of a Bus Real Time Passenger Information System) Contract and the Maintenance Agreement).

- 4.5 As part of the project, each Partnering Authority is to enter into arrangements with bus operators in their area in order to obtain reimbursement (or partial reimbursement) of the costs incurred in relation to the provision, installation and maintenance of the RTPI equipment.
- 4.6 The appointment of Advanced Communication and Information Systems Limited as the contractor was approved by Cabinet Member Decision on 10 June 2010 (JUN10/CMDN/055). The Company subsequently changed its registered Company name to VIX ACIS Limited and an associated Cabinet Member Decision was made on 24 February 2011 (FEB11/CMDN/027). The Company has now changed its registered name to VIX Technology UK Limited.
- 4.7 As part of the extension and renewal, it is proposed to vary the rates charged by VIX Technology UK Limited, in order that the arrangement continues to be viable for the Company. The figures detailed in this report relate to the extension period and take into account the variation of the rates.
- 4.8 The approval of the recommendations will enable the project to be extended until 28 February 2018 and for arrangements to be put in place with bus operators to seek to obtain reimbursement (or partial reimbursement) of the costs incurred in respect of the RTPI equipment and to formalise any sharing of data required to allow the system to operate.

5. CONSULTATION

- 5.1 Meetings have been held with all local authority consortium members, bus operators and the RTPI project board. The decision to extend this project is as a result of these consultations.

6. ANTICIPATED OUTCOMES

- 6.1 Extending and renewing the RTPI project until 28 February 2018 will enable Peterborough to continue implementing, expanding and maintaining the existing RTPI system.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 As noted in 4.2 – 4.6 above, authorisation for the initial 5 years of the project was provided via Cabinet Member Decisions, and authority to extend the project until 28 February 2018 and vary the rates charged by VIX Technology UK Limited, is now sought.
- 7.2 The continuation of the project will deliver many benefits and is being recommended for the following reasons:
- Reduced costs and officer time spent on the tendering process for a new purchasing, installation and maintenance contract.
 - Reduced unit costs for purchasing RTPI equipment and maintenance, through economy of scale.
 - Allows continued operation of existing system and technology already in place.
 - Ensures bus operators across the area are all equipped with the same technology.
 - System is too expensive to continue without partnership with other authorities.
- 7.3 RTPI is not possible if the Council does not act in conjunction with other local authorities and is the only feasible way forward to continue implementing this technology.
- 7.4 RTPI can improve service reliability through the analysis of vehicle movements, leading to improved fleet management by operators and the identification of bus priority measured by local authorities. RTPI also reduces the need for conventional timetables at bus stops and the work required to replace these when timetables change.

- 7.5 The Council's vision is to promote passenger transport and this is stipulated in the Local Transport Plan 3. The Council encouraged the public to move to this mode of transport tying in with the Environmental Capital ethos, and RTPI supplements this.
- 7.6 As part of the extension and renewal, it is proposed to vary the rates charged by VIX Technology UK Limited. This is because the Company has confirmed that continuing the project with the original rates would not be viable for them. As RTPI is currently in transition between old and new technology, if the rates were not varied and the arrangements with the Company were therefore not extended and renewed, the Council would struggle to find an alternative provider during this phase. The figures detailed within this report take into account the variation of the rates charged by the Company.
- 7.7 The arrangements with the bus operators enables the Council to receive a contribution from the bus operators towards the membership and management of the RTPI central system, maintenance of the RTPI screens and data feeds. This contribution is worked out on a monthly cost per kit item and the size of the depot operation. Although this contribution does not cover all of the Council's costs, it goes a long way to reducing the yearly revenue burden.
- 7.8 Due to the changes in the 'on bus' equipment being implemented by Stagecoach Group PLC this year the maintenance costs which the Council pays to the contractor Company are envisaged to be reduced by approximately 40% compared to previous years' costs.
- 7.9 This report is being submitted, due to the value of the project being over £500,000, when the cumulative value of the initial 5 years together with the additional extension period requested by this report, are taken into account.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Peterborough City Council is committed to improving the quality of public transport information through real time passenger information. This also forms an integral part of the Local Transport Plan 3.
- 8.2 An alternative to joint working and continuing this project would be to purchase and maintain independently as a local authority. This would also involve starting again with purchasing a central system. To implement a RTPI system independently would increase costs significantly. This approach would incur significantly higher costs for components of the system as the total amount purchased would be considerably less than joint purchase.
- 8.3 The bus operators are an important aspect of any bus RTPI system. The bus operators will contribute, in terms of revenue costs to the project and without this commitment the project would become unfeasible. As the main operator in Peterborough and Cambridge and Bedford is Stagecoach Group PLC, there are benefits to the operator in reduced maintenance costs through economy of scale and therefore this strengthens their business case. If the units are purchased independently due to not being in the partnership the cost per unit will rise and the operator is unlikely to continue taking part in the project.
- 8.4 A further alternative would be to not continue the partnership and therefore not have a RTPI system in Peterborough. This would mean that previous investment in the central system would be lost and existing equipment on the buses and at bus stops would deteriorate (due to not being maintained) and would have to be switched off. This would also have a negative impact on partnership working with the other local authorities and bus operators involved, as well as the public who use the service.
- 8.5 The alternative of not varying the rates as part of the extension and renewal, would mean that the extension and renewal of the project could not proceed. The Council would then either have to seek to purchase and maintain independently as a local authority, as detailed

in paragraph 8.2 of this report, or not have a RTPI system in Peterborough, as detailed in paragraph 8.4 of this report.

9. IMPLICATIONS

9.1 Financial:

9.1.1 The cost to the Council of extending the RTPI project until 28 February 2018 by extending and renewing the Provision and Installation (Maintenance and Expansion of a Bus Real Time Passenger Information System) Contract and the Maintenance Agreement, with VIX Technology UK Limited and extending and renewing the Local Authorities Partnering Agreement, is anticipated to be up to £300,068.02 (£245,068.02 in relation to the Provision and Installation (Maintenance and Expansion of a Bus Real Time Passenger Information System) Contract and Maintenance Agreement with VIX Technology UK Limited, and up to £55,000 in relation to the Local Authorities Partnering Agreement) as broken down further below.

9.1.2 The cost to the Council under the Local Authorities Partnering Agreement for the purchase, installation and maintenance of the Central System (which includes the maintenance for the primary server, software, radio mast and licence fees, communication line rental, data configuration and server to server links) for the initial five years was approximately £101,000 (approximately £20,000 per annum). A reduction in costs is anticipated for the extension period due to a new type of ticket machine being deployed. The additional extension period cost of renewing and extending the Local Authorities Partnering Agreement to 28 February 2018 is anticipated to be up to £55,000 (year 1 costing £21,000, year 2 £17,000 and year 3 £17,000.00), realising a saving of approximately 10% on previous years' spending.

9.1.3 The cost to the Council for the provision, installation and maintenance of RTPI equipment which is not part of the Central System, for the initial five years under the Council's contracts with the provider, was approximately £357,804.58 (£249,845.10 in respect of provision and installation and £107,959.48 in respect of maintenance). The cost of maintenance of equipment moving forward is dependent upon whether any new equipment is purchased and installed, however, the maintenance cost for the additional extension period is anticipated to be up to £65,068.02 (£21,689.34 per annum) which will be met through the existing ITS budget. This cost will be partially offset by recouping part of the maintenance from the bus operators for the equipment they use, under the contracts and arrangements with Stagecoach Group PLC and other bus operators who wish to join the scheme. The cost of the provision and installation of new RTPI equipment (not forming part of the Central System) for the additional extension period is anticipated to be up to £180,000.00 (£60,000 per annum) which is from Capital monies, and is budget dependent.

9.2 Legal and Procurement:

9.2.1 Under the Transport Act 1985, the Council has the power (having regard to economy, efficiency and effectiveness and the transport needs of members of the public who are elderly or disabled) to take any measures that appear to them to be appropriate for the purpose of or in connection with promoting the availability of public passenger transport services (other than subsidised services) or the convenience of the public (including persons who are elderly or disabled) in using all available public passenger transport services (whether subsidised or not).

9.2.2 Under the Transport Act 2000, the Council is obliged to prepare a Local Transport Plan containing its policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within its area, and proposals for implementing those policies. Having regard to its Local Transport Plan, the Council

has a duty to determine what local bus information should be made available to the public and the way in which this information should be made available. The continued expansion, installation, improvement and promotion of RTP1 was identified within the Council's Local Transport Plan 3.

9.2.3 The appointment of VIX Technology UK Limited (then named Advanced Communication and Information Systems Limited) as the contractor followed a procurement exercise carried out by Cambridgeshire County Council on behalf of the Partnering Authorities under the Public Contracts Regulations 2006, using the Official Journal of the European Union (OJEU), restricted procedure. The Council is named within the OJEU Contract Notice.

9.2.4 The option for the additional extension period was included within the original procurement and is detailed within the OJEU Contract Notice.

9.2.5 The proposed variation to the rates under the Contract (to be varied as part of the extension and renewal) is subject to Regulation 72 of the Public Contracts Regulations 2015, which sets out what modifications to an OJEU procured contract are permitted. Advice from Legal Services has been obtained in relation to the proposed variations, in accordance with the Council's Contract Rules, in respect of Regulation 72 of the Public Contracts Regulations 2015.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

- Local Transport Plan 3
- CMDN JUN10/CMDN/055
- CMDN FEB11/CMDN/027