

REAL TIME PASSENGER INFORMATION SYSTEM - SERVICE AND MAINTENANCE CONTRACT 2018 - 2025

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

March 2018

Deadline date: March 2018

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/15MAY17/02
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: PR002357

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

The Cabinet Member is recommended to:

1. Authorise the award of a Call Off Contract to VIX Technology UK Limited for £348,846 from 3 April 2018 for a period of 5 years with the option to extend for a further 3 years for the bus real time passenger information system service and maintenance.
2. Authorise the Council to enter into a Local Authorities Partnering Agreement with Cambridgeshire County Council, Bedford Borough Council, Central Bedfordshire Council, Luton Borough Council and Northamptonshire County Council from 3 April 2018 for a period of 5 years with the option to extend for a further 3 years
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 real time passenger information system involving the provision, installation and maintenance of equipment on vehicles and/or the provision of data to allow the system to function, for a period of 5 years, with the option to extend for up to a further 3 years.
4. Authorise the Director of Governance or delegated officers to enter into any other legal documentation on behalf of the Council in relation to this matter.

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 30 November 2025. Approval of the recommendations will allow the purchase, installation and maintenance of the required equipment and the necessary arrangements with local bus operators and the Consortium members.

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

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 award of a Call Off Contract for the bus real time passenger information system, service and maintenance in partnership with Cambridgeshire County Council, Bedford Borough Council, Central Bedfordshire Council, Northamptonshire County Council and Luton Borough Council, for a period of 5 years, with the option to extend for up to a further 3 years.
- 4.1.2 Authorise the Council entering into a Local Authorities Partnering Agreement with Cambridgeshire County Council, Bedford Borough Council, Central Bedfordshire Council, Luton Borough Council and Northamptonshire County Council for a period of 5 years, with the option to extend for up to a further 3 years.
- 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 real time passenger information system involving the provision, installation and maintenance of equipment on vehicles and/or the provision of data to allow the system to function, for a period of 5 years, with the option to extend for up to a further 3 years.

Call Off Contract

- 4.2 In accordance with the existing Partnership Agreement, Cambridgeshire County Council carried out a tendering process on behalf of the Partnering Authorities in 2009 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.

This arrangement is due to expire in February 2018 and Peterborough City Council has therefore undertaken a joint procurement exercise with the RTPI Consortium partnering authorities (of which is CCC acting as the lead authority) in order to award a new 5 year Framework Agreement and subsequent Call Off Contracts for 5+3 years.

- 4.3 The appointment of the single supplier followed a procurement exercise carried out by Cambridgeshire County Council on behalf of the Partnering Authorities under the Public Contracts Regulations 2015, using the Official Journal of the European Union (OJEU), open procedure. The Council is named within the OJEU Contract Notice.

1. The evaluation criteria was set out as 60% quality and 40% price.
2. Three bids were received.
3. The tenders were evaluated and the results were as follows:

Bidder	Price	Quality	Total	Position
A	37.63	37.20	74.83	1st
B	1.45	38.64	40.09	3rd
C	13.51	34.80	48.31	2nd

- 4.4 Based on the outcome of the procurement process, the most economically advantageous tender was submitted by Bidder A and CCC have subsequently awarded the Framework Agreement to VIX Technology UK Limited (Bidder A).
- 4.5 The shared RTPI central system element for PCC and all partnering authorities will be included within the Call Off Contract for CCC as the leading Consortium member.
- 4.6 The contract value for the six authority framework agreement is estimated to be £5-5.5million over 8 years if the 3 year contract extension is awarded by all authorities.
- 4.7 Due to the specialist nature of the service the framework is a single Lot across the whole framework area. Soft Market Test days were held in November 2016 and it was concluded that combining the supply and maintenance across all areas would deliver benefits over an arrangement of having many separate contracts with different suppliers.
- 4.8 With the framework agreement in place it is recommended to award the Peterborough call-off contract to the same single supplier for 5+3 years. This ensures that the Council receives value for money through its ongoing participation in the consortium viz:
 - Central system costs are distributed across all six members of the consortium
 - Maintenance rates are beneficial due to the economy of scale (PCC owns 12% of the maintainable assets across the consortium)
 - Co-ordinating the purchase of new units across the consortium increases the scope for Vix Technology UK Ltd to obtain competitive rates for these units to the benefit of all consortium members.

Partnership Agreement

- 4.9 Arrangements for partnership working with the Partnering Authorities from 1 November 2009 was approved by Cabinet Member Decision on 30 October 2009 and a further extension up until 28 February 2018 was approved by Cabinet Member Decision on 10 December 2016.
- 4.10 In accordance with 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.
- 4.11 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.

Bus Operator Agreements

- 4.12 As part of the project, each Partnering Authority is to enter into arrangements with bus operators in their area in order to agree data sharing agreements and any financial reimbursements relating to the operation of the RTPI system.

5. CONSULTATION

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

6. ANTICIPATED OUTCOMES

- 6.1 Awarding the new Call Off contract, extending and renewing the Partnership Agreement and authorising the entering into contracts with Bus Operators will enable Peterborough to continue implementing, expanding and maintaining the existing RTPI system.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The continuation of the project will deliver many benefits and is being recommended for the following reasons:
- 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.
- 7.2 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.
- 7.3 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.
- 7.4 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.
- 7.5 The arrangements with the bus operators enables the Council to receive, process and distribute live bus data supplied by the operators and also sets out any financial contributions from operators that goes towards the operating and maintenance costs of the system.
- 7.6 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 3 year extension period, 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 where appropriate, in terms of revenue costs to the project and the supply of live bus data and without this commitment, the project would become unfeasible. As the main operator in Peterborough and Cambridge and Bedford is Stagecoach Group PLC, it is vitally important that they are a key partner in this 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.

9. IMPLICATIONS

9.1 Financial:

- 9.1.1 The revenue cost to the Council of awarding the new Call Off contract, with the single supplier and extending and renewing the Local Authorities Partnering Agreement, is anticipated to be approximately £348,846 over the 8 year period (approximately £43,605 per annum). (£28,481 in relation to maintaining the existing assets with the single supplier and up to £15,124 in relation to the Local Authorities Partnering Agreement which covers the costs associated with the shared central system that is procured by CCC).
- 9.1.2 The maintenance rates for the first 5 years are fixed, providing financial certainty to the Council, and are largely similar to the rates in the current contract due to the incumbent supplier being the preferred bidder. The total cost to maintain existing assets in the new contract (£28,481) will be more in comparison to that paid in 2017/2018 (£22,028). This cost increase arises due to an additional 37 units requiring maintenance due to the expiry of warranty periods (94 units in 2017/8 and 131 units in 2018/9) and would be incurred whichever tenderer was successful. Had there not been a new contract starting in April 2018, these costs would be charged under the current contract regardless of new contract rates.
- 9.1.3 The amount paid in relation to the Local Authorities Partnering Agreement which covers the costs associated with the shared central system will remain predominantly the same to the amount paid in 2017/8. This ensures value for money as the costs for the central system are split between the six Consortium members rather than each Consortium member having to purchase a central system individually.
- 9.1.4 Over the full 8 years term of the contract the most significant area of saving is achieved by collaborating with other LAs. If Peterborough were to commission this service without the buying consortium the maintenance of the RTPI system would be £90,744 per annum instead of the £15,124 with the Consortium. Over the 8 years that avoids £604,960 of cost.
- 9.1.5 The other savings are in relation to the intelligent way the service has been procured this time by giving the supplier greater flexibility in how they resolve faults. This has allowed them to be more efficient in their operations. In addition the products and services within the service specification have been reviewed to remove any arbitrary

instructions and again requires the supplier to deliver the best value solution for maintenance and capital costs.

- 9.1.6 The service has been procured for relatively the same price as was procured 8 years ago. This means that the new maintenance service in real terms is 10-15% cheaper or in total £39,000 – £59,000 (over an 8 year period) cheaper than the original services, allowing for inflation of products services and labour. The procurement has also been assisted with developments in technology over the years and the consortium has taken full advantage of this.
- 9.1.7 The initial capital cost in 2017/18 to the Council of awarding the new Call Off contract, with the single supplier and renewing the Local Authorities Partnering Agreement, is anticipated to be £8,000 in relation to the mobilisation of the new contract. (£7500 in relation to the Local Authorities Partnering Agreement which covers the costs associated with the setup of the upgraded central system and £500 in relation to an upgrade of the existing assets).
- 9.1.8 The ongoing revenue and capital cost for new equipment moving forward is budget dependent. The Consortium and Partnering Authorities are not committed to a minimum spend as part of the new contract.
- 9.1.9 Any costs associated with bus operator's equipment will be offset by recouping this back from the operators. In addition, a yearly operator membership fee (if applicable) will also be agreed, as part of the data sharing arrangements with Stagecoach Group PLC and other bus operators who wish to join the scheme. This fee will go towards covering the cost to maintain the RTPI system.
- 9.1.10 When evaluated on price, VIX Technology UK Ltd were the cheapest of the three bidders. Whilst the bid was not able to offer significant savings on existing costs, the submission clearly provides the best value in the market, by providing additional features to the current system and offering the most economically advantageous tender.

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 RTPI was identified within the Council's Local Transport Plan 3.
- 9.2.3 The procurement implications are set out within the report.

9.3 Equalities

- 9.3.1 There are no equalities implications arising from this decision.

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