

Finance and Resources Committee

10.00am, Tuesday, 7 November, 2017

Bus Tracker - Future Provision

Item number	7.12
Report number	
Executive/routine	
Wards	
Council Commitments	

Executive Summary

Edinburgh's Real Time Passenger Information (RTPI) system, Bustracker, is provided by French based company Cofely Ineo. Real time prediction is provided for all bus stops served by Lothian Buses and is now integrated with SEStran Bustracker to provide for stops served by First Bus and Stagecoach. RTPI is available via website, smartphone applications and 400 on-street signs. The system has worked reliably for over 12 years and has made a significant contribution to increased public transport patronage.

The purpose of this report is to recommend that Committee approves a waiver to extend the existing contract with Cofely Ineo to the end of 2018, at a value of approximately £675,000. Further payments of approximately £125,000 must be paid to Bridge Radio, OFCOM and Arqiva to continue full operation of the current system until the end of 2018. This will ensure the system continues to operate until the implementation of a replacement solution.

Bus Tracker – Future Provision

1. Recommendations

- 1.1 It is recommended that Committee authorises maintenance payments to the end of 2018 at an approximate cost of £800,000 to allow the Bustracker system to continue operating until the implementation of a replacement solution.

2. Background

- 2.1 The existing contract with Cofely Ineo has expired but has continued to operate under the terms of the original contract. This proposed interim arrangement provides for continuing operation and maintenance under existing terms, which were developed through the initial OJEU competitive procedure.
- 2.2 In the interests of transparency and compliance with the waiver process outlined within the Council's Contract Standing Orders, this report sets out the interim solution that is already in place. Contract Standing orders (CSOs) state that, for services in excess of £25,000, a public advertisement followed by an invitation to tender should be carried out before the award of contract. Under Paragraph 9, the CSOs can be waived if justified as a legislative exemption, or in the Council's best interests.
- 2.3 A new contract was not put in place, prior to expiry of the original contract, because it is not yet clear exactly what is required, and the development of technology in this area is fast moving. Ongoing information provision and system maintenance can only be met by the existing supplier without significant change to existing infrastructure and any change carries significant risk of reduced service reliability. For these reasons it is considered that a waiver is justified in the Council's best interests.
- 2.4 This report seeks Committee authorisation for a waiver to continue payment while an appropriate replacement is agreed.
- 2.5 The system's success is largely due to close partnership working with Lothian Buses. It is investigating newer tracking equipment for installation on its buses and any new arrangement for provision of RTPi will need to accommodate this.

- 2.6 In order to reduce the cost to the Council, Cofely Ineo has agreed to freeze the FR/UK indexes and EUR/GBP exchange rate based on 1 January 2017 values. For example, if the Council can raise an order to cover the 2nd, 3rd and 4th quarters of 2017, the amounts payable would be based on 1 January 2017 indexes/rates.

3. Main report

- 3.1 Bustracker has been operating successfully since 2004. Although the system is open to all bus operators, only Lothian Buses invested in the tracking equipment. They installed all necessary Automatic Vehicle Location (AVL) equipment on their entire fleet and this provides a comprehensive fleet management system. The Council operates the RTPI side of the project, using data fed from the AVL system.
- 3.2 The RTPI has a positive reputation due to the accuracy of data.
- 3.3 The AVL/RTPI system is a specialist product which has been maintained by the system supplier since commissioning. Recent market testing showed that maintenance by a third party would be possible but as an interim arrangement would be impractical, costly and would introduce significant risks.
- 3.4 The system software is owned by the system supplier and any transition from existing supplier to new supplier is likely to result in significant disruption of service.
- 3.5 Bustracker is based on a combination of complex hardware, software, communications systems and transport databases. It is important to note that it is a “live” system which is used to manage the bus network 24/7. It requires the ongoing, day-to-day commitment of the project partners to deliver a high quality effective service.
- 3.6 Bustracker is one of the most successful public transport projects delivered by the City of Edinburgh Council. This is supported by system coverage and the level of use by the public:
- RTPI 24/7 for the entire Lothian bus fleet (approximately 700 buses – including tourist services);
 - RTPI for every stop in the Lothian Buses’ network – over 2,700 bus stops;
 - 425 on-street RTPI signs - with continued requests for more; and
 - approximately 12 million RTPI information requests per month on web, mobile and smartphone app services.
- 3.7 Although the existing level of use is already extremely high, web statistics suggest it is still increasing.

- 3.8 Bespoke smartphone applications target specific markets and continue to be developed. For example, Lothian Buses' own Smartphone app includes easy to use "Take Me Home" functions which:
- use smartphone GPS positioning to identify your current location;
 - provide a web based journey planning tool to plan your route from your current location to your "home"; and
 - predict the journey time to reach a destination.
- 3.9 Bustracker is integrated with SEStran Bustracker. Both systems are provided by Cofely Ineo. The SEStran system has covered much of the First and Stagecoach fleet in its area and our integration work allows RTPI predictions for relevant services to be added to on-street signs in Edinburgh.
- 3.10 The original Bustracker tender process was subject to the EU OJEU "restricted" procedure. The process was administered by the Council Commercial and Procurement Services with the support of the Bustracker Project Team. The original tender included both maintenance and the option of system expansion from the outset.
- 3.11 This recognised the complexity and specialist nature of the system and the fact that AVL/RTPI systems are not manufactured to a rigid EU or UK standard or specification. They are compliant with electrical and safety standards but the component parts, system software and overall system functionality is defined by the supplier and the needs of their customers.
- 3.12 The approach taken also satisfied the business needs of bus operator partners (both Lothian Buses and First Bus were involved in the procurement process). They were investing in the project with the aim of making Bustracker one of their key business systems. They therefore needed assurance that the system would be reliably maintained and supported from the outset.
- 3.13 As there were no obvious third party maintenance or support alternatives, maintenance costs were included in the financial assessment.
- 3.14 The approach taken also ensured that the Council did not experience the problems faced by other Local Authorities. Some Local Authorities appointed on the basis of capital costs and subsequently found themselves in a weak position when they had to negotiate maintenance, software licences and system development costs with a single supplier - the successful tenderer.
- 3.15 The current system is based on two contractual agreements between:
- The City of Edinburgh Council and Cofely Ineo - covering the supply and maintenance of the Bustracker system; and
 - The City of Edinburgh Council and Lothian Buses - covering the responsibilities of each partner regarding financial contributions, system administration operation and ongoing maintenance.

- 3.16 The Bustracker system was successfully delivered under the terms of the contract. It has been developed significantly in terms of functionality and continues to operate well. It is clear that the project is still following the principles set out in the terms of the Main Contract and the separate Agreement between the City of Edinburgh Council and Lothian Buses.
- 3.17 This approach has produced a successful AVL/RTPI system. Lothian Buses has made a significant contribution and have been and will continue to be consulted on any proposed changes to the maintenance regime.
- 3.18 An analysis of actions under the maintenance contract clearly demonstrates that the maintenance activity is much more than simply keeping the existing infrastructure and systems operational with occasional increases in the quantity of “units” (buses, signs etc) installed.
- 3.19 A major part of the maintenance activity has been to expand the capacity, functionality and performance of the system to satisfy the requirements and aspirations of the Council, Lothian Buses and the travelling public who use the system.
- 3.20 Cofely Ineo continue to perform well, actively monitoring the system with a dedicated team. They frequently identify problems and resolve issues without the travelling public being aware. Any issues reported by Council officers are dealt with swiftly and professionally.
- 3.21 Indicative costs collected from a recent soft market testing exercise of suppliers able to supply the same or similar products showed that Cofely Ineo remain good value for money with competitive pricing within the market.
- 3.22 Bustracker operates with radio communication. In addition to system operation and maintenance costs associated with Cofely Ineo; costs associated with radio site rental and licence fees must also be covered until a new arrangement is in place. These costs are payable to Bridge Radio, OFCOM and Arqiva.

Future Arrangements

- 3.23 Atkins Consultants have been assigned to assist with a full system audit and production of an options appraisal.
- 3.24 To assess the future RTPI options for the Council, the following tasks were undertaken by Atkins:
- Assessment of current ongoing RTPI system requirements from the Council and Lothian Buses;
 - Understanding the bus operators current RTPI infrastructure; and
 - Consideration of several viable RTPI options against the stakeholder requirements, their associated risks and the costs of implementation.
- 3.25 A report will be submitted to Transport and Environment Committee on 1 March 2018 on the recommended option as detailed in the Atkins report.

4. Measures of success

- 4.1 Continued accurate and reliable operation of the Bustracker system.

5. Financial impact

- 5.1 Quarterly payments to Cofely Ineo totalling approximately £675,000 will secure maintenance to the end 2018. The costs detailed cover a cross over period between migrating from the INEO system to a new system.
- 5.2 An allowance should be made for additional operating costs to cover amendments and developments that are not covered by general maintenance and improve system performance.
- 5.3 Payments of approximately £125,000 must be paid to Bridge Radio, OFCOM and Arqiva to continue full operation of the current system until the end of 2018.
- 5.4 Costs can be met from the Public Transport budget.

6. Risk, policy, compliance and governance impact

- 6.1 The recommendation in this report is consistent with existing policies and aspirations of the Council.
- 6.2 Compliance with the Council's waiver procedure under the Contract Standing Orders enhances transparency and measures of compliance.
- 6.3 Objective PubTrans5 of the current Local Transport Strategy applies to the issues addressed in this report.

PubTrans5: The Council will seek to ensure a good waiting environment at bus stops, including shelter and seating wherever necessary and possible. Relevant and up to date information will be provided.
- 6.4 The contract was originally tendered through OJEU procedure, and the risk of challenge in continuing with existing arrangements is deemed to be low due to the existing operating software belonging to Cofely Ineo. This software is commercially sensitive and not transferable to a new system operator. It is important that the procurement exercise is developed to ensure the industry is not excluded in any future tender.
- 6.5 Any disruption in service is a significant risk to Council reputation and partnership working with Lothian Buses.

7. Equalities impact

- 7.1 Continued provision or enhancement of the quality of life of users through the enhancement of access to employment, educational, leisure and shopping opportunities.
- 7.2 Withdrawing the service would particularly affect vulnerable users who rely on the reassurance provided by accurate RTPI.

8. Sustainability impact

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below:
 - The proposals in this report will reduce carbon emissions by reducing dependence on transport by private car and encourage public transport use.
 - The proposals in this report will lessen the threat of climate change by making the customer journey more enjoyable on more sustainable public transport.
 - The proposals in this report will help achieve a sustainable Edinburgh because the system is open to all and promotes the use of sustainable transport.
 - The proposals in this report will help achieve a sustainable Edinburgh because of enhancing the quality of life of users through the enhancement of access to employment, educational, leisure and shopping opportunities.
- 8.2 Environmental good stewardship is not considered to impact on the proposals in this report because no natural resources will be used as part of the proposals

9. Consultation and engagement

- 9.1 Further consultation with other partners and users will be undertaken where appropriate.

10. Background reading/external references

- 10.1 None

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11. Appendices

None.