

# Finance and Resources Committee

3.00pm, Tuesday, 4 December 2018

## Bustracker – Provision During New System Implementation

Item number	7.11
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	<a href="#">7</a> , <a href="#">18</a> , <a href="#">19</a>

### Executive Summary

Edinburgh's Real Time Passenger Information (RTPI) system, Bustracker, is currently provided by French based company Cofely Ineo. Real time prediction is provided for all bus stops served by Lothian Buses and is 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 13 years and has made a significant contribution to the city's high quality public transport provision.

The purpose of this report is to recommend that Committee approves extension of this contract, via waiver, to the end of 2019, at a value of approximately £400,000. This extension will operate under the terms of the existing contract and has the option of a further one-year extension should this be necessary during the implementation of the new bustracker system. In parallel, to continue full operation of the system, contract extensions, via waiver, will be required with supporting providers relating to radio coverage etc (Bridge Radio, OFCOM and Arqiva) the value of which is approximately £125,000. This will ensure the system continues to operate until the tender process associated with a new system, subsequent implementation and testing is complete.

## Bustracker – Provision During New System Implementation

### 1. Recommendations

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- 1.1 It is recommended that Committee authorises one-year contract extension, via waiver, with optional one-year extension to, Ineo, Bridge Radio, OFCOM and Arqiva to permit ongoing Bustracker system operation and maintenance.

### 2. Background

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- 2.1 The existing contract with Cofely Ineo has expired however system operation and maintenance has continued under the terms of the original contract. Under these existing terms a one-year contract with the option of a further one-year extension, will be used to cover the period of tendering and for the cross over period during implementation of a new system. This proposed interim arrangement provides for continuing operation and maintenance under existing terms, which were developed through the initial OJEU competitive procedure.
- 2.2 As the development of technology in this area progresses quickly and the system is complex, with many parts and dependencies shared with our operating partner, Lothian Buses, a full scoping exercise has been completed to fully meet the needs of the city for the next 10 years and beyond. Until the replacement contract is in place, 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.
- 2.3 This report seeks Committee authorisation for a further extension to existing contract terms, via waiver until the tendering process and the implementation of a new system is complete.
- 2.4 The system's success is largely due to close partnership working with Lothian Buses. It is investigating newer tracking equipment for installation on its bus fleet and the new arrangement for provision of RTPI will accommodate this.
- 2.5 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 all four quarters of 2019, the amounts payable would be based on 1 January 2017 indexes/rates.

### 3. Main report

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- 3.1 Bustracker has operated accurately and reliably since 2004. Numerous expansions and developments have resulted in today's system tracking all of Lothian Buses' fleet of 700 vehicles and providing RTPI via 400 on-street signs and various web based applications. Requests for information from the web server exceed 600,000 daily, representing bus users' trust and confidence in the RTPI and journey time data delivered.
- 3.2 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.
- 3.3 The AVL/RTPI system is a specialist product which has been maintained and developed by the system supplier since commissioning. 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 supplier owns the system software. Transition from the existing supplier to a new supplier will be managed in such a way as to cause little or no disruption to the end user. The current system will continue to operate during the tendering process and during the new system implementation. Elements of the current system will be phased out gradually as the new system is introduced in stages. This will reduce the maintenance cost of the current system in stages until the new system is fully installed and operational.
- 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 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. However, First and Stagecoach have changed their AVL kit and withdrawn funding for the ongoing provision on Bustracker SEStran. A new Council RTPI system will incorporate an ability to receive a direct feed from both operators.
- 3.7 It should be noted that the Council must retain ownership and control of a new RTPI system to receive, configure and display multiple feeds from various sources, including bus operators. Although the existing system is predominantly focussed on delivery of Lothian Buses data, there is now an increasing availability of RTPI from other operators, particularly on services operating from the bus station, where Lothian Buses has no presence.

- 3.8 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.
- 3.9 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.
- 3.10 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.
- 3.11 The current system is based on two contractual agreements between:
- 3.11.1 The City of Edinburgh Council and Cofely Ineo - covering the supply and maintenance of the Bustracker system; and
  - 3.11.2 The City of Edinburgh Council and Lothian Buses - covering the responsibilities of each partner regarding financial contributions, system administration operation and ongoing maintenance.
- 3.12 The Bustracker system continues to be successfully delivered under the terms of the original contract. The project will continue to follow those principles in the new contract and the separate Agreement between the City of Edinburgh Council and Lothian Buses.
- 3.13 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.
- 3.14 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.
- 3.15 Indicative costs collected from soft market testing exercises of suppliers able to supply the same or similar products showed that Cofely Ineo remain good value with competitive pricing within the market.
- 3.16 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**

- 3.17 A new Bus Station/RTPI system specification and procurement plan has been completed. These will form the basis of tender documentation for a new bus tracker system.
- 3.18 Tender documentation will be completed and suppliers invited to tender for the new system in early 2019.
- 3.19 It is expected the tender process will be complete and a new system supplier appointed by Spring 2019. There will be no commitment to RTPI on-street sign replacement at this stage. The winning supplier will be best placed to detail available options, communication protocols and future development opportunities.
- 3.20 To minimise disruption to the end user, the existing system must continue to operate under the terms of the new contract until a new system is fully operational. The timescale for this is not fully defined at this stage.

## **4. Measures of success**

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

## **5. Financial impact**

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- 5.1 Quarterly payments to Cofely Ineo totalling approximately £400,000 will secure maintenance to the end 2019. The costs detailed cover a cross over period between migrating from the INEO system to a new system. A reduction in hardware and software because of migrating to a new system will result in reduced maintenance payments over time but a timescale for this is unknown at this stage.
- 5.2 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 2019.
- 5.3 An optional one-year extension has been included in the contract document. If this is required, progress will have been made with implementation of the new system and an associated reduction in the maintenance cost of the existing system will be forthcoming e.g. reduced number of radio dependent on-street signs. Approval to implement the one-year extension at maximum additional cost of £475,000 is also sought.
- 5.4 The total value of these extensions, via waiver is £1 million.
- 5.5 Costs can be met from the Public Transport budget.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 The recommendation in this report is consistent with existing policies and aspirations of the Council.
- 6.2 Objective PubTrans5 of the current Local Transport Strategy applies to the issues addressed in this report.
  - 6.2.1 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.
- 6.3 The contract was originally tendered through OJEU procedure, and the risk of challenge in continuing with existing arrangements is deemed to be low (though this cannot be excluded) 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.
- 6.4 Contract Standing Order 9 provides an option to waive standing orders where the requirement is in the Council's best interest having regard for best value, risk, principles of procurement and the impact upon service users. The publication of the award of business along with the other factors reported will help to satisfy these requirements.
- 6.5 The Council has a statutory duty to report 'non-compliance' of procurement regulation in line with the changes brought in by the Procurement Reform Act 2014.
- 6.6 Any disruption in service is a significant risk to Council reputation and partnership working with Lothian Buses.

## **7. Equalities impact**

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- 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**

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- 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:
  - 8.1.1 The proposals in this report will reduce carbon emissions by reducing dependence on transport by private car and encourage public transport use.

- 8.1.2 The proposals in this report will lessen the threat of climate change by making the customer journey more enjoyable on more sustainable public transport.
- 8.1.3 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.
- 8.1.4 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

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

## 10. Background reading/external references

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- 10.1 None.

### **Paul Lawrence**

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## 11. Appendices

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