

The City of Edinburgh Council

10am, Thursday 24 October 2019

Bustracker – Contract Award– referral from the Finance and Resources Committee

Executive/routine
Wards
Council Commitments

1. For Decision/Action

- 1.1 The City of Edinburgh Council is asked to approve prudential borrowing of up to £2.35m, with the resulting annual repayments of £0.299m able to be met in full through reductions in on-going maintenance costs.

Laurence Rockey

Head of Strategy and Communications

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Referral Report

Bustracker – Contract Award – referral from the Finance and Resources Committee

2. Terms of Referral

- 2.1 On 10 October 2019, the Finance and Resources Committee considered a report by the Executive Director of Place which sought approval to award the contract for the installation of a new Content Management System (CMS), bus station information system and installation of a new on street Real Time Passenger Information (RTPI) system to the winning tendered, 21st Century Solutions, at a maximum cost of £2.9 million.
- 2.2 The Finance and Resources Committee agreed:
- 2.2.1 To note the decision taken on 9 March 2018 by the Transport and Environment Committee to authorise the procurement of new Bus Station Information hardware and software management system, to procure a new Content Management System (CMS) and to authorise the advancement of the on-street Real Time Passenger Information (RTPI) signage aspect of the project under the same contract, via an output based specification, to challenge the current market.
- 2.2.2 To award the new bus station information system, CMS and RTPI on street sign system to 21st Century Solutions for a period of five years with the option of two four-year extension periods at an estimated value of £2.9 million.
- 2.2.3 To refer, subject to the Committee's consideration, this report to Council for approval of prudential borrowing of up to £2.35m, with the resulting annual repayments of £0.299m able to be met in full through reductions in on-going maintenance costs.

3. Background Reading/ External References

- 3.1 Minute of the Finance and Resources Committee of 10 October 2019.

3.2 [Finance and Resources Committee – 10 October 2019 - Webcast](#)

4. Appendices

Appendix 1 – report by the Executive Director of Place

Finance and Resources Committee

10.00am, Thursday, 10 October 2019

Bustracker – Contract Award

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| Executive/routine Wards Council Commitments | Executive All |
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1. Recommendations

- 1.1 To note the decision taken on [9 March 2018](#) by the Transport and Environment Committee to authorise the procurement of new Bus Station Information hardware and software management system, to procure a new Content Management System (CMS) and to authorise the advancement of the on-street Real Time Passenger Information (RTPI) signage aspect of the project under the same contract, via an output based specification, to challenge the current market.
- 1.2 To award the new bus station information system, CMS and RTPI on street sign system to 21st Century Solutions for a period of five years with the option of two four-year extension periods at an estimated value of £2.9 million.
- 1.3 To refer, subject to the Committee's consideration, this report to Council for approval of prudential borrowing of up to £2.35m, with the resulting annual repayments of £0.299m able to be met in full through reductions in on-going maintenance costs.

Paul Lawrence

Executive Director of Place

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Bustracker – Contract Award

2. Executive Summary

- 2.1 This report seeks to award the contract for the installation of a new CMS, bus station information system and installation of a new on street RTPI system to the winning tenderer, 21st Century Solutions, at a maximum cost of £2.9 million. The new system will deliver real time information to bus users as well as onward travel information for tram, train and flight information via new colour screens capable of generating revenue via advertising.

3. Background

- 3.1 Edinburgh's RTPI system, Bustracker, is currently provided by French based company Cofely Ineo. Edinburgh Bus Station's Information Management System and hardware were procured from and installed by TanData, now Vix Technology.
- 3.2 Both systems were first installed more than 14 years ago. The bus station system has now partially failed and due to its age cannot be repaired or maintained. In a sector where technology has advanced significantly, both systems are outdated and new products exist that can provide more efficient and effective services at lower maintenance costs.
- 3.3 The Transport and Environment Committee authorised the procurement of a bus station information system, a CMS, and to undertake an informed on-street signage review with a view of updating and replacing to lower operational costs.

4. Main report

- 4.1 Following Committee approval, Council officers and Lothian Buses agreed a procurement process.

- 4.2 The scope and aims of this contract include:
- 4.2.1 introduce a new state of the art RTPI system to Edinburgh;
 - 4.2.2 procure new CMS;
 - 4.2.3 remove the requirement to operate the system over historic private mobile radio and move to a cheaper and more efficient WIFI/GPRS communication solution;
 - 4.2.4 upgrade or replace existing on street signs;
 - 4.2.5 capability to incorporate advertising into the signs with the possibility of generating revenue;
 - 4.2.6 use technology to report back on air pollution;
 - 4.2.7 reduce the reliance on the public reporting display faults;
 - 4.2.8 publicise the uses of the open API for disseminating information;
 - 4.2.9 reduce revenue spend on maintenance;
 - 4.2.10 provision of a bus departure charging system (required) linked to an Automatic Number Plate Recognition (ANPR) system through existing CCTV (desirable);
 - 4.2.11 provision of a Dynamic Stance Allocation system; and
 - 4.2.12 control of departures from bays to ensure operational safety, possibly including interface to traffic signal junction at Bus Station access/egress point.
- 4.3 Market engagement was undertaken, with several suppliers to support the development of the specification requirements.
- 4.4 The tendering process was carried out in accordance with the Public Contracts (Scotland) Regulations 2015 and Council Standing Orders.
- 4.5 The tender opportunity was published on the Public Contracts Scotland (PCS) portal on 15 April 2019 utilising the Open Procedure. Suppliers were instructed to tailor their tenders in relation to two specifications; new Bus Station Information hardware with CMS and advancement of the on-street Real Time Passenger Information signage.
- 4.6 A total of five companies submitted tenders but two were disqualified from the process based on incomplete tenders. Three tenders were then evaluated using a cost/quality ratio of 60% cost and 40% quality which was broken down into two elements, 30% for CMS and Bus Station and 10% for on street signage.

- 4.7 The recommendation for award of contract is based on the completed evaluation scores for the tenders as detailed below:

| Supplier | Price score % (out of 60) | Quality Score % (out of 30) | Quality Score % (out of 10) | Combined Score % (out of 100) |
|------------------------------------|---------------------------|-----------------------------|-----------------------------|-------------------------------|
| 21 st Century Solutions | 60% | 24.04% | 6.5% | 90.54% |
| Supplier B | 51.76% | 20.89% | 6% | 78.65% |
| Supplier C | 35.99% | 2.63% | 0.8% | 39.42% |

- 4.8 The supplier with the highest overall score, which represents the most economically advantageous tender, was 21st Century Solutions and it is proposed to award the contract to them for an initial five-year period, with the opportunity to extend for two further periods of four years each.
- 4.9 Committee is asked to note that a review of all on-street signs will be undertaken and recommendations on replacement options will be presented to Transport and Environment Committee in 2020. Depending on the preferred option, the cost of installation and maintenance may be reduced.

5. Next Steps

- 5.1 A project inception meeting will be arranged with 21st Century Solutions and the project programme and risk register agreed.

- 5.2 The project programme will follow an initial three step process:

Step 1: Setup Activities

- 5.2.1 Method Statements for the system shall be provided to the Project Officer for review and approval;
- 5.2.2 System and Factory Acceptance Testing carried out to ensure the CMS system is configured correctly scripts are issued to the Project Officer for review and approval; and
- 5.2.3 System training is provided to the Council and the bus operators.

Step 2: Installation Works

- 5.2.4 System installation testing; and bus station display upgrading and installation testing.

Step 3: Testing Activities

- 5.2.5 Silent running (two weeks);
- 5.2.6 Site acceptance testing (two weeks); and
- 5.2.7 Taking over the system.

- 5.3 A review of on-street requirements will be undertaken and recommendations on the options available for replacement will be presented to Transport and Environment Committee in 2020.

6. Financial impact

- 6.1 The estimated maximum value of this contract is £2.9 million, based on a like-for-like replacement of current signage across the city. Of this total investment, it is anticipated that £0.55 million can be funded from existing capital budgets over two financial years with up to £2.35 million to be obtained through prudential borrowing. The cost of installation, maintenance and infrastructure are fixed for the contract duration and subsequent extensions.
- 6.2 If the full cost of the system was to be funded fully by prudential borrowing, the overall loan charges associated with this expenditure over a 10-year period would be a principal amount of £2.9 million and interest of £0.9 million, resulting in a total cost of £3.8 million based on a loans fund interest rate of 4.6%. The annual loan charges would be £0.38 million. As noted above, however, the actual sum to be funded by prudential borrowing will be reduced by the level of available capital funding identified from within existing budgets.
- 6.3 Including potential extensions, it is estimated that the project will deliver significant maintenance and other savings over the contract term. These savings will meet, in full, the costs of prudential borrowing of the associated upfront capital investment, with anticipated overall net revenue savings of at least £0.8 million over this period. The complete removal, replacement of the bus station including CMS and existing Bustracker system will be required to achieve the maximum savings over the new contract duration of 13 years.
- 6.4 Further savings may also be achieved by a reduced number of on-street signs, this will reduce the associated maintenance costs that will take effect from end of year five of the new contract. There are no maintenance costs associated with years one to five which has been accounted for in the overall contract value. Maintenance costs from year six onwards have been incorporated in the calculated spend profile.
- 6.5 The expected funding streams and savings in maintenance costs have been reviewed and the annual repayments of prudential borrowing of £0.299 million can be contained within the existing revenue budget in the Council's transport service in each year of the contract term, including extensions.
- 6.6 It is estimated that the decommissioning of the current system will take up to 18 months. The existing maintenance cost is in the region of £0.48 million per annum and this will be scaled back throughout the decommissioning process.
- 6.7 The new signage will have the capacity to display 'in full colour' on-street advertising. Further revenue opportunities will be explored in future subject to appropriate planning consent.

- 6.8 Further opportunities for funding will be explored to reduce the prudential borrowing sum. This will include the European Regional Development Fund.
- 6.9 The costs associated with procuring this contract incorporating legal fees are estimated to be between £20,001-£35,000.

7. Stakeholder/Community Impact

- 7.1 SEStran and neighbouring authorities have provided positive feedback and feel that the project will provide significant benefits to public transport users within and outside of Edinburgh.
- 7.2 Lothian Buses provided input into the specifications to ensure that the new bustracker system is fully compatible with their new system. As the new bustracker system will operate via mobile networks the costs associated with the use and maintenance of the current radio network will move to Lothian Buses.
- 7.3 Edinburgh Tram provided input into the specifications to ensure that the system can, if required, display real time tram information.
- 7.4 Engagement with operators using Edinburgh Bus Station showed that most use a solution called 'Ticketer' which is compatible with the new Bustracker system, allowing the display of real time information for most operators. A small number of smaller operators have no solution and they will show scheduled information. 'Ticketer' is also compatible with on street signs allowing us to display information for multiple companies.
- 7.5 Further consultation with other partners and users will be undertaken where appropriate.
- 7.6 This project will provide continued provision or enhancement to the quality of life of users through the enhancement of access to employment, educational, leisure and shopping opportunities.
- 7.7 Withdrawing the service would particularly affect vulnerable users who rely on the reassurance provided by accurate RTPI.
- 7.8 The proposals in this report are designed to help reduce carbon emissions. By providing accurate information for passengers it is hoped to reduce dependence on transport by private car and increase public transport use.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

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| Contract | CT2119 | |
| Contract Period | 28 October 2019 to 27 October 2032 | |
| Estimated Total Contract Value (including extensions) | £2.9 million | |
| Procurement Route Chosen | Open Procedure | |
| Tenders Returned | 5 | |
| Price / Quality Split | Quality 40 | Price 60 |
| | Criteria | Weighting (%) |
| Evaluation Criterion and Weightings | Bus Station & CMS | 30% (supported by 72 questions) |
| | On Street Signage | 10% (supported by 42 questions) |
| Evaluation Team | Officers from Public Transport Team supported by consultancy support from Atkins LLP. | |