

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	SMART TICKETING BACK OFFICE PROCUREMENT		
<b>DATE OF DECISION:</b>	21 MAY 2013		
<b>REPORT OF:</b>	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Thomas King</b>	<b>Tel:</b> <b>07825119311</b>
	<b>E-mail:</b>	<b>Thomas.king@southampton.gov.uk</b>	
<b>Director</b>	<b>Name:</b>	<b>John Tunney</b>	<b>Tel:</b> <b>023 8091 7713</b>
	<b>E-mail:</b>	<b>John.tunney@southampton.gov.uk</b>	

<b>STATEMENT OF CONFIDENTIALITY</b>
N/A

### **BRIEF SUMMARY**

This report seeks agreement on the procurement and award of a new smart ticketing contract to be delegated to the Interim Director of Environment and Economy. This decision is required to ensure the procurement timescales can be adhered to and the contract awarded once the tender evaluation process has been undertaken.

### **RECOMMENDATIONS:**

- (i) To delegate authority to the Director of Environment and Economy to take action necessary to procure and enter into a contract for the delivery of a smart ticketing back office system.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. To enable the Council to award the contract for smart ticketing without delay, once the tender process has been undertaken in partnership with other Transport for South Hampshire and Isle of Wight (TfSHIoW) authorities.
2. The smart ticketing back office system currently supports Southampton's SmartCities card which delivers key services, including Southampton's English National Concessionary Travel Scheme.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. The option of seeking Cabinet approval once the tender evaluation process has been undertaken was considered. This was rejected on the grounds that it would unnecessarily delay contract award and potentially impact upon the transfer of the current back office arrangements to the new provider. The Local Sustainable Transport fund (LSTF) funding provided by the Department for Transport (DfT) is required to be spent within the current financial year.

## **DETAIL (Including consultation carried out)**

4. Following a successful LSTF bid, Southampton City Council (SCC) as part of TfSHIoW is required as part of the funding commitment to deliver a multi-modal smart ticketing scheme for bus and ferry across south Hampshire. One of the main deliverables is the procurement of a centralised smart ticketing back office system. The chosen system will also replace the current SCC back office contract which is due to expire in July 2013. The back office system is an essential part of Southampton's concessionary fares scheme. The new back office procurement will ensure 'business as usual' for all passholders and provide the foundations to deliver the other commitments within TfSHIoW's LSTF bid, which includes: funding equipment to rollout smart ticketing across the TfSHIoW region; and upgrading the current paper based, bus only Solent Travelcard to a 'smart' multi-operator, multi-modal travelcard.
5. Appendix 1 shows the executive summary of the Local Sustainable Transport Fund bid.
6. The OJEU procurement process is being led by Southampton City Council, on behalf of the TfSHIoW partner authorities, to procure a framework contract. Named authorities will be able to call-off the framework and deal directly with the chosen supplier.
7. It is anticipated that between 3-5 suppliers will bid for the contract. Suppliers will be required to demonstrate that they are certified to version 2.1.4 of the national smart ticketing standard 'ITSO'.
8. The combined contract value for the lifetime of the four year framework is anticipated to be up to £2.0m. SCC's costs are likely to be in the range of £160,000 - £400,000. Contract management will be undertaken by each authority. Ongoing maintenance will be covered as part of the annual charge. Where required, existing IT systems will be integrated with the chosen supplier's systems.
9. The two stage procurement process started on the 21 March 2013 with the release of the Pre Qualifying Questionnaire. Following the Pre Qualifying Questionnaire stage, approved tenderers will be issued with the Invitation to Tender Document. This includes a detailed specification along with a series of questions and method statements, which will be evaluated in accordance with set criteria. The contract will be awarded in June / July 2013, with implementation estimated to take around six months.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

10. It is estimated that the cost of the smart ticketing back office system will be up to £2.0 million. This figure will depend upon the responses received and the level of take up amongst TFSH and IoW partners. Capital funding has been secured as part of the Local Sustainable Transport Fund bid; this will cover all back office costs until 2014/15. Once the funding period has concluded, future revenue costs will be shared between TfSH's partners. SCC is likely to see a reduction in ongoing costs as a result of greater competition within the supplier market.

11. Financial approval was given for the 'Addition of Transport Funding to the Capital and Revenue Programme' at full Cabinet on 13<sup>th</sup> November 2012. Decision ref: CAB 12/13 9215.

**Property/Other**

12. There are no property or other implications

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

13. S1 Localism Act 2011 empowers the Council to do anything that a private individual may do (the 'General Power of Competence) subject to any pre- and post commencement limitations. Subject to compliance with UK procurement legislation in undertaking the procurement it is not considered that and pre or post commencement limitations apply.

**Other Legal Implications:**

14. In undertaking the procurement activities highlighted in this report, the Council will be required to comply with Contract procedure Rules and UK / EU procurement legislation. Any system procured will be required to be fully accessible in accordance with the Equalities Act 2010. An Equalities Impact Assessment has been carried out in the preparation of this report and is available for inspection.

**POLICY FRAMEWORK IMPLICATIONS**

15. The smart ticketing back office procurement is linked to the delivery of SCC's Local Transport Plan 3 (LTP3). Smart ticketing has been identified as a key driver in delivering Policy I and J: To encourage private investment in bus, taxi and community transport solutions, where practical, better infrastructure and services; and to further develop the role of water-borne transport within the TfSH area and across the Solent. The LSTF bid and the subsequent funding awarded by the DfT will enable the policies relating to smart ticketing within LTP3 to be delivered.

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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## SUPPORTING DOCUMENTATION

### Appendices

1.	Executive summary of the Local Sustainable Transport Fund bid - 'Package Description Point 2, South Hampshire smartcard ticketing system'
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### Documents In Members' Rooms

1.	None
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### Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes
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### Other Background Documents

#### Equality Impact Assessment and Other Background documents available for inspection at:

Transport Policy & Sustainable Travel Team  
Floor 4, One Guildhall Square, Civic Centre Place  
Southampton, SO14 7FP

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

	Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	LSTF Bid	
2.	Smart Card Business Case (MVA)	