

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

4346

Author:

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Department:

Growth and City Development

Contact:

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Subject:

Smart Ticketing operational expenditure 2021/22 and procurements

Total Value:

£788,000 (Type: Revenue)

Decision Being Taken:

1. To grant dispensation from Contract Procedure Rule 4.1.1 in accordance with Financial Regulations 3.29 (Operational reasons) to provide services of a value up to a total value of £188,000 for Smart Ticketing (items 1a and 1b below) over 2 contracts, until new contracts are put in place following a tendering process.
2. To provide authority to undertake a tender process to award contracts for Smart Ticketing services, up to a value of £600,000 as detailed further within the decision form (items 2a - 2c below).
3. To delegate authority to the Corporate Director of Growth and City Development to award and sign the contract following the tender process.

**Reasons for the Decision(s)** The Public Transport Smart Ticketing team manages the statutory concessionary fare scheme for older people and those with mobility difficulties, and develops and sells products for the successful multi-operator Robin Hood smartcard scheme. The team processes multi-million pound transactions through a back office, with requests received via a number of outlets. These include ticket machines located on street throughout the Greater Nottingham area, via the Robin Hood Card and Council websites and smartphones, and through an over the counter service at the Nottingham Travel Centre, located in the Tourist Information Centre. To support this work, there are existing services which will be tendered during the 2021/22 financial year, and require an interim expenditure up to the date that contracts are let, as follows:

in relation to Recommendation 1, interim expenditure during 2021/22 financial year, at a value of up to £188,000, as follows:  
1a Smart Ticketing technical support - £95,000 Systra.  
1b Smart Ticketing hardware and software support - £93,000. BACIT.

In relation to Recommendation 2, contracts to be tendered during 2021/22 financial year, at a value of £600,000, as follows:  
2a Smart Ticketing technical support. £85,000 per annum. 3 + 1 years (up to £340,000).  
2b Smart Ticketing hardware support. £40,000 per annum. 3 + 1 years (up to £160,000).  
2c Robin Hood Operators Group administrator. £25,000 per annum. 3 + 1 years (up to £100,000).

Each of these services is integral to the efficient operation of the Smart Ticketing team. With statutory responsibilities, and Robin Hood Card revenue of approximately £9m per annum (before the pandemic), these services are essential to enable a high quality service to be provided to citizens and to assist in the recovery of public transport in Nottingham following the pandemic. A full procurement exercise will be undertaken for both services with the assistance of the Procurement Team.

**Briefing notes documents:** DDM - Smart Ticketing operational expenditure 2021.docx

**Other Options Considered:** Not approving this spend would mean a loss of key support services for the Public Transport Smart Ticketing Team, leading to an inability to manage and deliver the services currently provided, poor quality services to citizens through sub-standard maintenance arrangements and a loss of resilience in software systems which underpin statutory Concessionary Fares and the Robin Hood Card. Therefore this option was rejected.

**Background Papers:** None

**Published Works:** DD4020

**Affected Wards:** Citywide

**Colleague / Councillor Interests:** None

Dispensation from Financial Regulations:	Yes
Use of Consultants	<p><b>Number of Days:1402</b></p> <p><b>Rate per Day:562</b></p> <p><b>Total value:788000</b></p> <p><b>Start date:01/04/2021</b></p> <p><b>End date:30/09/2025</b></p>
Reason for using a consultant:	<p><b>Specialist technical and hardware support is essential for the operation and maintenance of the £18m Concessionary Travel and Robin Hood ticketing system, minimising risks (including fraud), allowing product changes, and ensuring high levels of resilience.</b></p> <p><b>The Robin Hood Group administrator is an independent broker between the Council and operators to facilitate decisions on products and pricing, ensures efficient running of the scheme, allows use of confidential ticketing information to inform decisions, and essential for operators participation in the scheme.</b></p>
Other options considered:	<p><b>Not providing technical and hardware support risks the resilience of the system and could lead to a poor service to citizens, a risk of fraud and system failure.</b></p> <p><b>Providing the Robin Hood administrator role inhouse, but operators require independence in the running of the scheme and the use of commercial information.</b></p>
Name of consultant:	<b>Contracts to be let in 2021/22</b>
Reason for selection?	<b>Consultant not yet selected as approval is being sought to commence procurement process.</b>
Has the consultant previously completed work for the City Council?	n/a
Specific activities to be undertaken by the consultant are:	<p><b>Technical and hardware support</b></p> <p><b>Help maintain back office and implement smart ticketing technology across public transport</b></p> <p><b>Engage with operators and suppliers on smart ticketing support and testing</b></p> <p><b>Keep up to date with smartcard ticketing technology advances</b></p> <p><b>Administrator</b></p> <p><b>Preparation of accounts, usage statistics, overseeing audits</b></p> <p><b>Collation of information to implement price changes</b></p> <p><b>Chair Operator Group meetings, ensure scheme functions within arrangements set down</b></p> <p><b>Development of commercial arrangements for new product</b></p>
Period of engagement:	<b>3 years, with an option for a further year.</b>
By what process was the consultant selected?	<b>Selection will be on basis of a fully compliant procurement process which seeks the most economically advantageous tender.</b>
Consultations:	<b>Those not consulted are not directly affected by the decision.</b>

**Crime and Disorder Implications:**

Taking this decision will minimise any risk of attempted fraud through use of Concessionary Travel and Robin Hood Cards.

**Equality:**

EIA not required. Reasons: EIA not required. Reasons: The decision does not relate to new or changing policies, services or functions.

**Relates to staffing:**

Yes

**Decision Type:**

Portfolio Holder

**Subject to Call In:**

Yes

**Call In Expiry date:**

26/08/2021

**Advice Sought:**

Legal, Finance, Procurement, Human Resources

**Legal Advice:**

The proposals in this report seek to ensure the continued provision of the smart ticketing system across the network in the city.

Dispensation from Contract Procedure Rule 4.1.1 in accordance with Financial Regulation 3.29 (Operational reasons) from the requirement to seek quotations, will enable the services to continue whilst longer terms contracts are procured. For the reasons given in the report, dispensation is supported.

Legal services will support the report author and procurement colleagues to ensure appropriate contractual arrangements are put in place. Advice provided by Dionne Claire Screamon (Solicitor) on 19/07/2021.

**Finance Advice:**

The decision to approve 2021/22 financial year interim smart ticketing expenditure up to £188,000 until the award of new contracts is supported as the spend will be contained within the Concessionary Fares revenue budget.

The new contracts are expected to be awarded up to a value of £600,000 and be in place from 2022/23 financial year. It is the responsibility of the Head of Public Transport and Director of Growth and City Development to ensure that value for money is a key consideration when selecting the chosen supplier. Should the contract value exceed £600,000, further approval will be required to approve additional expenditure and identify the corresponding source of funding.

The decisions being sought will be contained within the Concessionary Fares revenue budget and therefore will place no pressures on the Medium Term Financial Plan.

Advice provided by Roma Patel (Commercial Business Partner) on 21/06/2021.

**Procurement Advice:**

The decision to approve the interim Smart Ticketing System expenditure, up to OJEU value, whilst a full and compliant procurement takes place is supported by Procurement, as long as the value of this decision does not exceed the value set out.

Procurement will work with Transport to conduct the following procurement exercises compliantly:

- \*Smart Ticketing technical support
- \*Smart Ticketing hardware support
- \*Robin Hood Operators Group administrator

and set up contracts with suitable providers offering the most economically advantageous tender to deliver a full Smart Ticketing System. Advice provided by Louise Dobson (Business Support) on 07/07/2021.

**HR Advice:**

It has been established through dialogue with the report author that this is not a direct consultant recruitment exercise. A tender will be prepared to seek the services of a Company who have provide a whole range of expert skills and knowledge to deliver the Smart Ticketing Project and will therefore involve a range of individuals. The council/service do not have these skills internally and in fact would involve the appointment of several individuals. This approach therefore places no employment risk on the Council and individuals engaged on the project will remain the direct responsibility of the successful bidding company.

It would be advised that a copy of the Council's EDI strategy is provided with the tender documentation, as there would be an expectation that anyone associated with Council projects is committed to our equality agenda and standards for both staff and Nottingham Citizens.

This proposal is therefore supported.

Marie Read  
Senior HR Consultant  
13/7/21 Advice provided by Marie Read (HR Consultant (Departmental)) on 13/07/2021.

**Signatures:**

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 17/08/2021
David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 17/08/2021
Michael Wayne Bexton (Interim CD for Growth & City Development)
SIGNED and Dated: 16/08/2021
Clive Heaphy as Chief Finance Officer (Chief Finance Officer) - Dispensation from Financial Regulations
SIGNED and Dated: 27/07/2021
Chief Finance Officer's Comments: Approved subject to sum not to be exceeded or extended