

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4857

Author:

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Department:

Growth and City Development

Contact:

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Subject:

Direct appoint supplier for maintenance and support for Robin Hood Ticket Machines

Total Value:

£300,000 (Type: Revenue)

Decision Being Taken:

1. To award a 2 year contract for maintenance and support for Robin Hood Ticket Machines in accordance with the provisions in Public Contract Regulations section 72:72.-(1)

Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:-

(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract;

2. To delegate authority to the Corporate Director of Growth and City Development to award and sign a contract with the supplier for a maximum of three years.

Reasons for the Decision(s)

The Council maintains a network of on street ticket machines to enable customers to purchase Robin Hood Cards and associated travel products (season tickets and PAYG top ups). Pre Covid19 these machines carried around 250,000 top ups per year and are fundamental to the public being able to travel across the Public Transport network in Nottingham. These ticket machines were originally purchased in 2013 and 2016 from Cammax Ltd through a competitive procurement process run by South Yorkshire Passenger Transport Executive.

It is not possible to open up a procurement for this maintenance and support work due to the kiosks being developed in a bespoke manner. The tender included various options but the final machine was built to each customer's specification particularly in the case of the software platform. This is necessary as different customers will have totally different needs on ticket types, payments etc. Cammax as the supplier of the kiosks therefore hold the rights to the software platform. The kiosks are built with individual mechanical components in them - ie card reader, card dispenser, touch screen, receipt printer etc - that are available to purchase by other suppliers (or ourselves) however the way those components are controlled is by way of the controlling software so it would not be possible for a third party to fix or replace component parts without access to the software.

The decision requested complies with the provisions in Public Contract Regulations section 72 1 b as the requested contract value for the period stated is less than 50% of the original contract value.

The Ticket Machine estate is reaching end of life. Online and mobile services are increasing and with these two things in mind, it is the Council's intention to reduce the size of the estate over the 2 year period but the assets need to be maintained to ensure efficient operation. It is likely that physical on street machines will be required at the end of this period but a reduced number and if this is the case we will look to procure new machines, funding dependent, towards the end of this period.

Other Options Considered:

Other options considered:

- 1. Do not have any support or maintenance package in place: this would result in an unreliable service for Robin Hood customers and those who cannot access online or mobile systems would be at a disadvantage. This would result in increased complaints, reputational damage to the council and potentially reduce public transport use.**

- 2. Attempt to purchase the support and maintenance from Cammax via a procurement Framework. Cammax do offer their support and maintenance via a Framework with SAM Ltd (Smart Applications Management Ltd), a not for profit organisation that provides services around smart ticketing. However, whilst the council is a member of SAM Ltd, legal advice is that, as we were not members when the Framework was let, we are not permitted to call off from that framework. In addition the prices offered on the framework are significantly higher than the current prices offered direct to the council by Cammax.**

- 3. Run a procurement for new machines including support & maintenance. This is likely to cost well over £1m at current prices for similar machines and current support & maintenance prices are higher than we currently are charged. This would not only cost a significant amount but it would not be aligned with the intention to reduce the estate size and would increase the medium term liability for the council.**

- 4. Reduce the amount of ticket machines in the estate to reduce the maintenance and support costs. This option is already a longer term goal, the estate will be reduced over the proposed contract period. However, removal of ticket machines will need to be gradual as online services become more mature and more customers begin to use them. In addition, we need to maintain some on street presence as not all users can access online or mobile systems. As described elsewhere, if on street ticket machines are needed after this period ends, we would need to purchase new machines.**

Background Papers:

N/A

Published Works:

N/A

Affected Wards:

Citywide

**Colleague / Councillor
Interests:**

**Any Information Exempt
from publication:**

Yes

Exempt Information:

**Description of what is
exempt:**

Details of the contract with Cammax and prices offered to other customers that they have shared with us to determine if VfM is being met, are exempt as they are commercially sensitive.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

**3 - Information relating to
the financial or business
affairs of any particular
person (including the
authority holding that
information).**

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because to disclose information would put the company at a competitive disadvantage

**Documents exempt from
publication:**

RHTM Support & Maintenance Pricing Information v1.1.docx

Consultations:

Those not consulted are not directly affected by the decision.

**Crime and Disorder
Implications:**

No impact as this is maintaining business as usual, Smartcard system may assist in detection of crime on Public Transport.

Equality:

EIA not required. Reasons: This is an extension of current system maintenance. The Robin Hood Ticket Machine estate allows all citizens access to public transport ticketing.

**Social Value
Considerations:**

Extension of the existing life of RHTMs, which allow all citizens to access public transport ticketing, providing the best value tickets for multi operator journeys.

Decision Type:

Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 22/02/2023

Advice Sought: Legal, Finance, Procurement

Legal Advice:

This decision seeks to make a direct award for the maintenance and support of the Robin Hood ticket machines. There is provision for direct awards under the Public Contract Regulations 2015. The information above suggests an appropriate use of Regulation 72 (1)(b) as long as the contract is on the same, or substantially the same, terms as the previous contract and does not exceed 50% of the original contract price - which I believe is the case.

If a material number of the machines do remain active towards the end of this contract, in order to engage the market and be seen to engage the market, options for the use and maintenance of a smaller number of machines should be fully explored in due course.

This proposal raises no significant legal concerns as long as the requirements of the Council's Constitution are met.
Anthony Heath, Senior Solicitor, Contracts and Commercial, 29th December 2022.

Finance Advice:

The Decision for Nottingham City Council to make a direct award for maintenance and support for Robin Hood Ticket Machines for 2 years, commencing 1st April 2023 until 31st March 2025 at a cost of £0.30m (£0.15m per financial year) is approved as it Supports Nottingham City Councils Transport Plan, while adhering to Procurement requirements relating to direct awards - Regulation 72 (1)(b).

As this is a renewal of a cost already paid out of Local Transport and included in the budget the proposal will not add financial pressure to the MTFP and can be contained within Local Transport and is supported. This will be monitored by the service for any variance and reflected in the monthly forecast for the service.

Advice provided by Paul Rogers (Commercial Finance Business Partner (G&D)) on 09/01/2023. Advice provided by Paul Rogers (Commercial Finance Business Partner (G&D)) on 17/01/2023. Advice provided by Paul Rogers (Commercial Finance Business Partner (G&D)) on 17/01/2023.

Procurement Advice:

Procurement Team are content that Regulation 72 (1)(b) of the PCR 2015 can be used to award this contract as long as the value does not exceed more than 50% of the original contract price. An exemption for this requirement should be sought to be in line with the CPRs however, as it is to award to the incumbent rather than a new contract/provider this is now not required and therefore, raises no procurement concerns.

Advice provided by Louise Dobson (Business Support) on 03/01/2023.

Signatures

Audra Wynter (Portfolio Holder for Highways, Transport and Parks)

SIGNED and Dated: 14/02/2023

Sajeeda Rose (Corporate Director of Growth & City Development)

SIGNED and Dated: 09/02/2023