



Delegated Decisions report

8 October 2019

Approval to Tender – Street Equipment for Smart Ticketing (CU2650)

Name of Cabinet Member	Councillor Gowans Cabinet Member for Planning and Transport
Report sponsor	Steve Hayes Head of Service - Transport
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Exempt / confidential / not for publication	No
Council Plan reference	Ref number / Not in Council Plan
Wards affected	All wards

Executive summary

Smart and integrated ticketing offers a platform for multi operator ticketing, concessions and other products. The cards are able to be topped up off bus reducing boarding times and improving reliability. The system has been shown to help increase passenger numbers. Milton Keynes Council (MKC) already uses the platform for concessionary users under the English National Concessionary Travel Scheme, and is now moving forward with a commercial scheme in partnership with operators.

Funding has been secured from SEMLEP to provide a retail network of on street equipment for the commercial smart ticketing scheme. The Smart Ticketing Scheme will deliver multi operator ticketing and a pay as you go purse in Milton Keynes, in line with Department of Transport's (DfT's) national public transport objectives.

This report is seeking approval to commence the tender process to procure street equipment for commercial smart ticketing scheme. The estimated value of contract is a maximum £800k. The quality/price ratio will be 50/50.

1. Decision/s to be made

That the commencement of OJEU open tender process for procurement of an on street retail network of ticket vending machines and product collection devices, be approved.

2. Why is the decision needed?

The delivery of Smart Ticketing is included within the Council's Mobility Strategy, adopted in 2018.

3. Implications of the decision

Prominent benefits include reduction in boarding times due to quicker, cashless transactions; improved data about who is using services, which will aid service planning; intelligent real time data regarding trips and ticketing /payment choices; and simplified bus travel as Smart Ticketing removes the need for passenger to carry correct change or to be familiar with fares. Smart Ticketing can also remove the need for driver interaction, unlocking public transport for members of the population who struggle with these interactions for a variety of reasons. In order to realise these benefits off-bus ticketing is required, and the retail network for this requires significant capital investment in order to achieve adequate network penetration to see a significant increase in trips. A good smart ticketing network contributes to modal shift and increased patronage, which in turn encourages commercial investment by operators and supports growth.

If the retail network is not delivered, then it is anticipated take up of the 'MK Moove' multi-modal product will remain poor in spite of the change of format and the benefits of the scheme will not be realised.

The funding is time sensitive and without approval to move forward MKC may not be able to access the drawdown, which could also impact negatively on future SEMLEP funding opportunities.

Financial	Yes	Human rights, equalities, diversity	No
Legal	Yes	Policies or Council Plan	Yes
Communication	Yes	Procurement	Yes
Energy Efficiency	No	Workforce	No

a) Financial implications

£840,000 funding has been approved by SEMLEP, to be drawn down at various milestones and spending approval was given by Cabinet on 3rd September 2019. This is the total funding available for the project to include both the purchase of devices, vending machines and other project costs.

b) Legal implications

Under the Transport Act 2000, the Council is required to have a Local Transport Plan and has a duty to implement the same. Smart ticketing is contained within the Council's Mobility Strategy which is the Council's Transport Plan. The proposed tender will therefore help the Council to implement its Local Transport Plan. The estimated value of the contract is expected to be up to £800k which is above the EU threshold therefore requiring advertisement to the EU market. The Council's contract procedure rules require that the price element of the award criteria should be at least 40%. The procurement must adhere to the rules of transparency, fairness and equal treatment of bidders.

c) Other implications

Communications are working with the Public Transport team to tie other ongoing promotional work in with promoting smart ticketing, to support initial uptake of the project.

The scheme will contribute to carbon reduction by supporting modal shift onto buses.

4. Alternatives

- Do nothing : Funding has been approved to procure a retail network and the bulk of this cannot be repurposed so funding would be lost and the scheme undermined by the lack of retail options.
- Further competition under Framework : No suitable frameworks are available for the service.
- Procure through open OJEU tender : This is the course recommended. The market for suitable equipment is small and procurement can be carried out in the timescales available.

5. Timetable for implementation

Procurement to be completed and awarded by February 2020 in order to draw down the second part of the funding. After which the roll out will take place on site over 12 months, completing by March 2021.

List of background papers: N/A