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Award

## **Contract for the supply of a bus communications and information system and related services.**

London Bus Services Limited ("LBSL"), a subsidiary of Transport for London ("TfL")

F15: Voluntary ex ante transparency notice

Notice identifier: 2022/S 000-011453

Procurement identifier (OCID): ocds-h6vhtk-03335a

Published 4 May 2022, 10:45am

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

London Bus Services Limited ("LBSL"), a subsidiary of Transport for London ("TfL")

5 ENDEAVOUR SQUARE

LONDON

E201JN

#### **Contact**

Nigel Syratt

#### **Email**

[v\\_nigelsyratt@tfl.gov.uk](mailto:v_nigelsyratt@tfl.gov.uk)

#### **Telephone**

+44 7780610285

#### **Country**

United Kingdom

**Region code**

UKI - London

**Internet address(es)**

Main address

[www.tfl.gov.uk](http://www.tfl.gov.uk)

**I.4) Type of the contracting authority**

Body governed by public law

**I.5) Main activity**

General public services

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**Section II: Object**

**II.1) Scope of the procurement**

**II.1.1) Title**

Contract for the supply of a bus communications and information system and related services.

Reference number

LBSL contract reference number PRO985

**II.1.2) Main CPV code**

- 72000000 - IT services: consulting, software development, Internet and support

**II.1.3) Type of contract**

Services

**II.1.4) Short description**

In 2005 LBSL awarded a 10-year contract to Siemens for the bus communication system

known as iBus (the Contract). The Contract was novated to Trapeze ITS Switzerland GmbH Limited (Trapeze) in October 2009. In 2015, the parties agreed to extend the Contract from May 2015 for up to 7 years, such that it would terminate in May 2022.

TfL is competitively procuring the next generation system, iBus2, under the PCR 2015. TfL initially expected the iBus2 procurement to be completed before 2022. However, the iBus2 procurement has taken longer than foreseen and is still ongoing.

Consequently, LBSL now needs to extend the Contract term for up to a further 5 years (3 years initial term, plus options for two one-year extensions) until May 2027 (the "Extension") to allow for completion of the iBus2 procurement and transition to the resulting new arrangements. As explained at IV.1.1 below, TfL and LBSL consider that the Extension benefits from the exemption in Reg. 72(1)(b) PCR.

### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £62,454,991

## **II.2) Description**

### **II.2.2) Additional CPV code(s)**

- 32427000 - Network system
- 34923000 - Road traffic-control equipment
- 34970000 - Traffic-monitoring equipment
- 44316400 - Hardware
- 48610000 - Database systems
- 48800000 - Information systems and servers
- 51611100 - Hardware installation services
- 63712000 - Support services for road transport
- 72210000 - Programming services of packaged software products
- 72230000 - Custom software development services
- 72240000 - Systems analysis and programming services

- 72250000 - System and support services
- 72260000 - Software-related services
- 72310000 - Data-processing services
- 72320000 - Database services
- 72400000 - Internet services

### **II.2.3) Place of performance**

NUTS codes

- UKI - London

### **II.2.4) Description of the procurement**

As noted at II.1.4) above, in 2005 LBSL awarded a 10-year contract to Siemens for the bus communication system known as iBus (the Contract). The iBus system is the Automatic Vehicle Location (AVL) system for the London bus network and London Trams. It supports approximately 9,000 buses (and their associated infrastructure such as garages and Service Control Centres) across Greater London and provides critical functionality including Real Time Passenger Information and facilitating emergency response services.

The Contract was novated to Trapeze in October 2009. In 2015, the parties agreed to extend the Contract from May 2015 for up to 7 years, such that it would terminate in May 2022.

TfL is competitively procuring the next generation system, iBus2, under the PCR 2015. The iBus2 procurement is comprised as two lots: the on-bus systems and the back-office systems (both of which are currently provided by Trapeze).

TfL initially expected the iBus2 procurement to be completed before 2022. However, the iBus2 procurement has taken longer than foreseen and is still ongoing. Consequently, LBSL now needs to extend the Contract term for up to a further 5 years (3 years initial term, plus options for two one-year extensions) until May 2027 (the "Extension") to allow for completion of the iBus2 procurement and orderly transition to the resulting new arrangements. The Extension comprises the following steps:

1. As a first step, on 27 April 2022, TfL and Trapeze entered into an agreement to extend the Contract for a period of eight weeks from 4 May 2022, expiring on 30 June 2022 ("the Short-term Extension"). The purpose of the Short-term Extension is to continue the Contract while LBSL and TfL consider the terms of a Medium-term Extension offered by Trapeze to LBSL (see below).

2. As a second step, LBSL and Trapeze expect to enter into a further agreement which will extend the Contract for up to a further 5 years (an initial term that takes the duration of the Short-term Extension plus the further extension to a total of 3 years, plus options for two additional one-year extensions) until May 2027 ("the Medium-term Extension"). The proposed commercial terms for that extension have recently been agreed with Trapeze and reflected in a binding offer by Trapeze capable of acceptance by LBSL during a limited period. The parties will enter into the Medium-term Extension if and when LBSL's acceptance of Trapeze's offer is approved following associated LBSL and TfL governance activities.

As explained at IV.1.1 and VI.3 below, TfL and LBSL consider that the Extension benefits from the exemption for "additional services" in Regulation 72(1)(b) of the PCR. This exemption allows for the non-competitive procurement of additional services that have become necessary, where a change of contractor cannot be made for economic or technical reasons and where such a change would cause significant inconvenience or duplication of costs.

#### **II.2.11) Information about options**

Options: Yes

Description of options

Beyond the initial 3-year extension, the parties have options to extend the contract by two further one-year periods.

#### **II.2.14) Additional information**

The total value of the Extension (as specified at II.1.7 and V.2.4) includes the value of both the Short-term Extension and the Medium-term Extension and assumes that the options for two one-year extensions are exercised.

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## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

TfL considers that the Extension benefits from the exemption in Reg. 72(1)(b) PCR, for the following reasons.

The provision of the additional iBus services over an additional 3 years (with options to extend for two further years) has become necessary for TfL to ensure continuation of the iBus services while the procurement of iBus2 is completed and to enable an orderly and low-risk transition to the iBus2 services.

Running a competitive tender for a 3-year extension (with two one-year options to extend) ahead of completing the iBus2 procurement would involve significant inconvenience and substantial duplication of costs for TfL, particularly if the contractor who won the short-term tender was not the successful bidder for iBus2. It may also further delay completion of the iBus2 tender process.

Given the complexity of the iBus system and number of buses in service in London, it is not viable for TfL to bring in a different contractor on a short-term basis in a way that safeguards the continued operation of TfL's iBus (and wider bus) services, pending completion of the iBus2 procurement.

It would not be feasible for TfL to extend the Contract for only the on-bus services or only the back office services because, if TfL retained Trapeze to provide either only the on-bus services or only the back office services, the incoming supplier (potentially in cooperation with Trapeze) would need to provide an interfacing solution which is capable of interfacing with the remainder of Trapeze's services (iBus1) and in time with the procured replacement for the remainder of Trapeze's services (iBus2). TfL has concerns relating to the interoperability of any new on-bus/back office solution and the 'turnkey' Trapeze solution, i.e. the required interface may not be viable, such that the iBus2 procurement would still need to be for the whole of the current iBus2 scope and therefore any interim solution might need to be transitioned to a replacement iBus2 solution (leaving TfL bearing high capex costs for the interim solution which would not otherwise be incurred by TfL if it were to proceed with the Extension and then transition to the end-to-end iBus2

solution).

Bringing in a different contractor on a short-term basis is not likely to achieve value for money for TfL. Indeed, the cost of swapping provider in such a situation would likely be prohibitive.

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

#### **IV.2) Administrative information**

##### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2005/S 092-090618](#)

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### **Section V. Award of contract/concession**

#### **Contract No**

PRO0985

#### **Title**

iBus Extension

A contract/lot is awarded: Yes

#### **V.2) Award of contract/concession**

##### **V.2.1) Date of conclusion of the contract**

27 April 2022

##### **V.2.2) Information about tenders**

The contract has been awarded to a group of economic operators: No

##### **V.2.3) Name and address of the contractor/concessionaire**

Trapeze ITS Switzerland GmbH Limited

Industrieplatz 3

Neuhausen am Rheinfall

8212

Country

Switzerland

NUTS code

- CH - Switzerland

The contractor/concessionaire is an SME

No

#### **V.2.4) Information on value of contract/lot/concession (excluding VAT)**

Initial estimated total value of the contract/lot/concession: £62,454,991

Total value of the contract/lot/concession: £62,454,991

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## **Section VI. Complementary information**

### **VI.3) Additional information**

The proposed Extension of the Contract needs to cater reasonably and prudently for a complex transition programme and to allow sufficient time for various contingencies. On that basis, TfL and LBSL have valid technical and economic reasons for considering that an extension period of 3 years is necessary and reasonable.

In determining what constitutes a reasonable and necessary extension period in relation to the Contract, it is relevant to take into account the surrounding risks, such as the risk of delay to awarding the iBus2 contract and the risk of unacceptable (and commercially damaging) operational failure if TfL were left without an iBus service provider at any time. Other relevant factors justifying the term of the proposed Extension include the following:

- (a) the complexity of the iBus services and the need, during the ongoing iBus2 procurement process, for bidders for iBus2 to immerse themselves in information so that they can submit compliant and competitive proposals;
- (b) the importance of providing all bidders for iBus 2 with adequate time and information during the iBus2 procurement process, noting in particular the importance of giving

newcomer bidders time and information to understand the services provided by the iBus incumbent (Trapeze);

(c) the complexity of transitioning from the incumbent supplier to a new iBus2 supplier following contract award, where the new incoming supplier is likely to require significant handover and early life support. In this respect, on the current project plan, TfL is anticipating a period of at least 18 months post-contract award for transition and roll-out which will cover, for the on-bus solution, the transition and roll-out to the c. 9,000 buses in London and, for the back-office solution, an IT and data migration. It is reasonable and prudent for TfL to ensure that it has sufficient headroom under its existing contract to maintain business-as-usual service provision until such time as the new iBus2 supplier is able to begin providing the services;

(d) the need to allow for potential delays arising from contingencies, such as a possible resurgence of the Covid-19 pandemic; and

(e) by structuring the extension award as three years plus two optional extensions of one year, TfL can determine in due course, by reference to the iBus2 procurement process and the transition arrangements, whether the additional year(s) of extension are necessary (rather than committing to them now).

## **VI.4) Procedures for review**

### **VI.4.1) Review body**

High Court (England, Wales and Northern Ireland)

London

Country

United Kingdom

Internet address

<https://judiciary.gov.uk>