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Contract

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

London Bus Services Limited ("LBSL")

F20: Modification notice

Notice identifier: 2022/S 000-011568

Procurement identifier (OCID): ocds-h6vhtk-0333cd

Published 4 May 2022, 5:02pm

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

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

London Bus Services Limited ("LBSL")

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)

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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

PRO0985

**II.1.2) Main CPV code**

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

**II.1.3) Type of contract**

Services

**II.2) Description**

**II.2.1) Title**

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

**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
- 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 at the time of conclusion of the contract:**

In 2005 LBSL (a subsidiary of Transport for London (TfL)) awarded a 10-year contract to Siemens for the bus communication system known as iBus (the Contract). The Contract was novated to Trapeze in October 2009, when Trapeze purchased the relevant business. 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 Public Contracts Regulations 2015 (PCR). The iBus2 procurement comprises two lots: the on-bus systems and the back-office systems (Trapeze currently provides the equivalent of both of these services under the Contract).

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 wishes to extend the Contract term on an interim basis so that Trapeze can

continue to provide the iBus services while the procurement of, and transition to, iBus2 services is completed.

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). This modification notice relates to that Short-term Extension.

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") in order to allow for completion of the iBus2 procurement and an orderly and low-risk transition to the resulting new arrangements. 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 section VII.2 below, LBSL considers that both the Short-term Extension and the Medium-term Extension benefit from the exemption for "additional services" that is laid down 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.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession**

Duration in days

56

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## **Section IV. Procedure**

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

#### **IV.2.1) Contract award notice concerning this contract**

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

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

### **Contract No**

PRO0985

### **Title**

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

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

#### **V.2.1) Date of conclusion of the contract/concession award decision:**

4 May 2005

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

The contract/concession 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 the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)**

Total value of the procurement: £162,400,000

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## **Section VI. Complementary information**

### **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>

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## **Section VII: Modifications to the contract/concession**

### **VII.1) Description of the procurement after the modifications**

#### **VII.1.1) Main CPV code**

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

#### **VII.1.3) Place of performance**

NUTS code

- UKI - London

#### **VII.1.4) Description of the procurement:**

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 in October 2009, when Trapeze purchased the relevant business. 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. Please see the description given at section II.2.4 above for further details of the Contract.

The modifications will extend the Contract on its existing terms for a period of 8 weeks

and are required so that Trapeze could continue to provide the iBus services while the procurement of, and transition to, iBus2 services is completed. Please see the description given at section VII.2.1 for further details of the modifications.

**VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession**

Duration in days

56

**VII.1.6) Information on value of the contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession:

£1,376,785

**VII.1.7) 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

**VII.2) Information about modifications**

**VII.2.1) Description of the modifications**

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

As explained in section II.2.4 above, in 2005 LBSL (a subsidiary of TfL) awarded a 10-year contract to Siemens for the bus communication system known as iBus (the Contract). The Contract was novated to Trapeze in October 2009, when Trapeze purchased the relevant business. 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 PCR. The iBus2 procurement comprises 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 needed to extend the Contract term on an interim basis so that Trapeze could continue to provide the iBus services while the iBus2 procurement is completed.

As a first step, on 27 April 2022, LBSL 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"). This modification notice relates to that extension.

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") in order to allow for completion of the iBus2 procurement and an orderly and low-risk transition to the resulting new arrangements. 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.

LBSL considers that both the Short-term Extension and the Medium-term Extension benefit from the exemption for "additional services" that is laid down in Regulation 72(1)(b) of the PCR.

The parties first needed to enter into the Short-term Extension for a period of 8 weeks, to ensure that there is no interruption to the provision of the iBus services. The Short-term Extension simply extends the terms of the Contract until 30 June 2022.

The provision of the additional iBus services over an additional 3 years (the combined additional initial term under the Short-term Extension and Medium-term Extension), with options under the Medium-term Extension to extend for two further years, has become necessary for LBSL 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. The Short-term Extension has the additional effect of enabling LBSL's governance

activities for consideration of and potential entry into the Medium-term Extension to take place.

Running a competitive tender for a short or medium-term extension, ahead of completing the iBus2 procurement, would involve significant inconvenience and substantial duplication of costs for LBSL. It may also further delay completion of the iBus2 tender process. For more details of the reasons, please see section VII.2.2 below.

### **VII.2.2) Reasons for modification**

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

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

LBSL 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. This would leave LBSL bearing high capex costs for the interim solution which would not otherwise be incurred by LBSL if it were to proceed with the Extension and then transition to the end-to-end iBus2 solution.

Thus the cost of bringing in a different contractor on a short or medium-term basis would be prohibitive.

### **VII.2.3) Increase in price**

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £260,600,000

Total contract value after the modifications

Value excluding VAT: £261,376,785