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Award

cEMV Middle and Transitional Back Office Agreement

Transport for Greater Manchester

F15: Voluntary ex ante transparency notice

Notice identifier: 2024/S 000-029013

Procurement identifier (OCID): ocds-h6vhtk-032ef7

Published 10 September 2024, 5:57pm

Section I: Contracting authority/entity

I.1) Name and addresses

Transport for Greater Manchester

Transport for Greater Manchester, 2 Piccadilly Place

Manchester

M1 3BG

Contact

Mr Julian Benson

Email

julian.benson@tfgm.com

Telephone

+44 1612441158

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<http://www.tfgm.com>

Buyer's address

<http://www.tfgm.com>

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Other activity

Transport Authority

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

cEMV Middle and Transitional Back Office Agreement

Reference number

DN740012

II.1.2) Main CPV code

- 48100000 - Industry specific software package

II.1.3) Type of contract

Supplies

II.1.4) Short description

Following a procurement exercise in May 2022, Vix Technology (UK) Ltd (Vix) were awarded a 2-year contract (with two options to extend the agreement by a further twelve months) to provide TfGM with a middle and back office service to process contactless bankcard transactions in conjunction with Field Equipment infrastructure and TfGM's Merchant Acquirer, and accordance with the transit rules that are set by the relevant card schemes. Information on this contract can be found on Contracts Finder:

Agreement for a cEMV Middle and Transitional Back Office System Service - Find a Tender

<https://www.find-tender.service.gov.uk/Notice/010330-2022?origin=SearchResults&p=1>

A Prior Information Notice (PIN) has been issued by TfGM in relation to the procurement of a Contactless Bankcard Middle and Back Office (CBMBO) service. This notice sets out the anticipated scope of the Contactless Bankcard Middle and Back Office as a replacement to current cEMV Middle and Transitional Back Office and the proposed timing of the procurement . It is anticipated that the proposed procurement will follow the Open Procedure and issue of a call-for competition during October 2024. A copy of this notice may be accessed on Contracts Finder by activating the following link:

<https://www.find-tender.service.gov.uk/Notice/028525-2024>

Whilst TfGM are proposing to initiate the procurement of a Contactless Bankcard Middle and Back Office, its considered necessary to enter into a new agreement (until 30th June

2027) in respect of an extension to the current cEMV Middle and Transitional Back Office service with Vix Technology (UK) Ltd. This notice provides transparency around the reasons for this single source requirement, alongside the procurement of the new Contactless Bankcard Middle and Back Office.

The decision to enter into a new contract with Vix Technology (UK) Ltd is necessary for the following reasons:

- Although TfGM has initiated a procurement exercise for a Contactless Bankcard Middle and Back Office contract, any transitional arrangements that may be required in order to on-board the new service is likely to need to be progressed in tranches so as to minimise the impact on customer experience and service before, during and after transition to a new contract. Transitional arrangements will need to reflect that the services in question are complex and require the protection of consumer bankcard data and as a consequence are highly regulated, Maintaining the cEMV Middle and Back Office contract until June 2027 will enable Tenderers that are participating in the Contactless Bankcard Middle and Back Office (CBMBO) procurement to consider a phased approach to the implementation of their services;
- TfGM is committed to implement a Rail pilot scheme that is expected to require initiation before the current cEMV Middle and Back Office expires and would require migration to the new Contactless Bankcard Middle and Back Office agreement, once awarded. To minimise the impact on customer experience and service, TfGM proposes that its Rail pilot scheme in Greater Manchester will be supported by the current cEMV Middle and Back Office contract until such a time as the scheme may be migrated (as a final stage of transition) to the new Contactless Middle and Back Office Agreement.

Although the additional services were not included in the original procurement, a change in contractor at this stage would cause significant disruption and cannot be made for economic and technical reasons, as there is a significant risk of disruption to the operation of light rail, bus and Rail pilot services in Greater Manchester, including the risk of disrupting the customer experience and service to the travelling public.

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: £5,350,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

The services provided under the proposed contract include the operation and maintenance of the current TfGM cEMV Middle and Transitional Back Office for further period of 2 years and one month (following expiry of the option to extend the current agreement in May 2025) during which the procurement of a new Contactless Bankcard Middle and Back Office contract may be progressed and transitional arrangements to migrate to the new service may be executed.

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

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:

Although the additional services were not included in the original procurement, a change in contractor without proper consideration of the transitional arrangements to a new contract and service has the potential to cause significant disruption and cannot be made for economic and technical reasons, as there is a significant risk of disruption to the customer experience and service for the travelling public in Greater Manchester, including customer purchasing and payments for fares and ticketing products.

The proposed contract allows for maintenance and continued operation of the current service provision during which the procurement of the Contactless Bankcard Middle and Back Office and Platform Validator Agreements may be progressed, with co-termination of both agreements and transitional arrangements planned and executed.

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

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2022/S 000-010330](#)

Section V. Award of contract/concession

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

27 August 2024

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

Vix Technology UK Ltd

Ridgecourt, The Ridge,

Epsom, Surrey

KT18 7EP

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

03039051

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: £5,350,000

Total value of the contract/lot/concession: £5,350,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

High Court of England and Wales

London

Country

United Kingdom