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Award

Smart Ticketing System Services

Transport for Greater Manchester

F15: Voluntary ex ante transparency notice

Notice identifier: 2024/S 000-029016

Procurement identifier (OCID): ocds-h6vhtk-0499c3

Published 10 September 2024, 6:02pm

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

Smart Ticketing System Services

Reference number

DN740004

II.1.2) Main CPV code

- 48100000 - Industry specific software package

II.1.3) Type of contract

Supplies

II.1.4) Short description

On 25th October 2015, Vix Technology (UK) Ltd (Vix), entered into an agreement for services in respect of a Smart-Ticketing System. This agreement was subsequently varied on 30 November 2016 to exercise an Extension Period to cover the provision of the Smart-Ticketing System until 18 November 2025.

The services provided under the Smart-Ticketing System relate to the provision, operation, maintenance and support of Platform Validator infrastructure, installed on the Metrolink light rail network that is owned by TfGM. This infrastructure, in conjunction with the current cEMV Middle and Transitional Back Office collectively enable the operation of TfGM's contactless bankcard PAYG (Pay as you go) scheme on Metrolink and in conjunction with bank scheme transit rules. The infrastructure also supports the collection of ITSO events.

A Prior Information Notice (PIN) has been issued by TfGM in relation to the procurement of a Platform Validator Agreement. The notice sets out the anticipated scope of services in respect of the supply, installation, operation and maintenance of Platform Validator infrastructure as a replacement to current Smart-Ticketing System service that supports TfGM's existing Platform Validator infrastructure 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/028526-2024>

Whilst TfGM are proposing to initiate the procurement of a Platform Validator Agreement, it is considered necessary to enter into a new agreement (until 30th June 2027) in respect of the current Smart-Ticketing System service with Vix Technology UK Ltd. This notice provides transparency around the reasons for this single source requirement, alongside the procurement of the new Platform Validator Agreement.

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 Platform Validator Agreement, 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 holder data and as a consequence are highly regulated. Maintaining the Smart-Ticketing System service contract until June 2027 will enable Tenderers that are participating in the Platform Validator (PVal) Agreement procurement to consider a phased approach to the implementation of their services;
- TfGM is also seeking to procure a new Contactless Bankcard Middle and Back Office agreement that will be implemented in a phased approach as a replacement to the current cEMV Middle and Back Office contract that currently enables schemes such as contactless bankcard payment acceptance on Metrolink and elsewhere. A phased approach to transition to the new Contactless Bankcard Middle and Back Office agreement is anticipated, considering the integration of Platform Validator infrastructure and co-termination of the two agreements.

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.

The additional requirements at a value of £1.66 million procured under this new contract do not exceed 50% of the value of the original contract.

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: £1,660,000

II.2) Description

II.2.2) Additional CPV code(s)

- 30123100 - Ticket-validation machines
- 50317000 - Maintenance and repair of ticket-validation machinery

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 Platform Validators (Smart-Ticketing System) for further period of 19 months (following expiry of the current agreement in November 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 Platform Validator and Contactless Bankcard Middle and Back Office Agreements may be progressed, with co-termination of both agreements and transitional arrangements planned and executed.

The additional requirements at a value of £1.66 million procured under this new contract do not exceed 50% of the value of the original contract.

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

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract/concession

Title

Smart Ticketing System Services

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 Limited

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)

Total value of the contract/lot/concession: £1,660,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

High Court of England and Wales

London

Country

United Kingdom