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Tender

TfL Revenue Collection Services - Project Proteus 24412 - Call for Competition

Transport Trading Limited

F02: Contract notice

Notice identifier: 2022/S 000-032186

Procurement identifier (OCID): ocds-h6vhtk-038419

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Section I: Contracting authority

I.1) Name and addresses

Transport Trading Limited

5 ENDEAVOUR SQUARE

LONDON

E201JN

Contact

Katerina Athanasiadou

Email

RCC2@tfl.gov.uk

Country

United Kingdom

Region code

UK - United Kingdom

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

www.tfl.gov.uk

Buyer's address

www.tfl.gov.uk

I.3) Communication

Access to the procurement documents is restricted. Further information can be obtained at

<https://service.ariba.com/Supplier.aw/124998040/aw?awh=r&awssk=A5XnYSNF&dard=1&ancdc=1>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://service.ariba.com/Supplier.aw/124998040/aw?awh=r&awssk=A5XnYSNF&dard=1&ancdc=1>

Tenders or requests to participate must be submitted to the above-mentioned address

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

TfL Revenue Collection Services - Project Proteus 24412 - Call for Competition
Revenue Collection Services - Project Proteus 24412 - Call for Competition

Reference number

TfL Reference Number: 24412 - WS 1214124434

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

Transport for London (TfL) through its trading arm Transport Trading Limited (TTL) are procuring the Proteus Contract for the revenue collection services which will require a supplier to take over, operate and maintain the TfL fare collection system; provide the associated revenue collection services; and, in partnership with TTL and TfL, develop, enhance and expand these to meet future needs.

The planned contract award date is August 2024, with services transitioning through a series of phases (following a period of mobilisation and transition planning) to enable full-service delivery in August 2026. The planned initial duration of the Proteus contract is seven (7) years, with the Authority retaining the options to extend the term initially for a further period of three (3) years and two (2) further one (1) year periods, giving a potential maximum of twelve (12) years of full-service delivery with flexible exit arrangements beyond to enable transition to one or more successor contracts.

The estimated value for the proposed initial term of seven (7) years, based on nominal prices baselined at 2022 pricing, is £800M up to an estimated value of £1.5bn if extended to the maximum term of twelve (12) years).

Access to the procurement documents is restricted. Further information can be obtained by sending an email to RCC2@tfl.gov.uk with the title "Proteus - Request to Participate".

If you are not registered on the SAP Ariba Business Network, please register at the

abovementioned address and then submit your expression of interest via email to RCC2@tfl.gov.uk. If you are already registered on the SAP Ariba Business Network, you can then express an interest by sending your Ariba Network ID (ANID) and the Proteus primary bid contact details (name, email address, phone number) to the following email address - RCC2@tfl.gov.uk with the title "Proteus - Request to Participate".

II.1.5) Estimated total value

Value excluding VAT: £1,500,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 30144400 - Automatic fare collection
- 30200000 - Computer equipment and supplies
- 34980000 - Transport tickets
- 48000000 - Software package and information systems
- 50316000 - Maintenance and repair of ticket-issuing machinery
- 51000000 - Installation services (except software)
- 60200000 - Railway transport services

II.2.3) Place of performance

NUTS codes

- UKI - London

II.2.4) Description of the procurement

The Transport for London's (TfL's) ability to collect fares revenue is fundamental to its achieving and maintaining financial sustainability. Critical to achieving this objective is to ensure we are effectively collecting the revenue by ensuring the revenue collection system and services are available and reliable. The Proteus Contract will ensure that operating costs are efficient, economic, and sustainable; and deliver value for money and support the delivery of the TfL change and innovation programme.

The revenue collection system (the System) supports the Mayor's Transport Strategy objective of making better use of technology to improve the public transport experience, by providing simple and effective payment options to customers. TfL, through TTL, owns and has made significant investments in the System. The contractor under the Proteus Contract will be required to take over the system and become responsible for its maintenance, operation, development, enhancement and expansion in order to and deliver excellent customer experience and respond to business needs.

The System supports legacy magnetic stripe tickets, Oyster (the TfL closed-loop, proprietary smart card system), contactless payment cards and ITSO (the UK national smart card specification). Currently the System incorporates:

- c. 8,500 buses;
- c. 1,000 London Underground, Overground, DLR and National Rail stations;
- c. 4,000 Oyster Ticket Stops; and
- 7 TfL Visitor Centres.

Customers can travel seamlessly between different modes of transport using smart cards, magnetic tickets or contactless.

Oyster Pay As You Go (PAYG) balances can be topped-up and tickets purchased conveniently either via ticket machines in stations, at Oyster Ticket Stops, or via digital channels (web and app). The IRC System's back office collects all transactions securely ensuring best-value charges are applied for PAYG travel and are presented to customers in a transparent manner.

The main ticketing products are:

- PAYG on Oyster and contactless. Customers are charged for each journey made and benefit from daily and weekly capping;
- season tickets on Oyster. These comprise bus and tram season tickets and Travelcard season tickets which are valid on buses and all rail services within the zones purchased; and
- Singles and Day Travelcards, which are issued on magnetic ticket stock.

Prior to the COVID-19 pandemic, each year the System supported around 4 billion journeys comprising:

- 2.2 billion bus journeys;

- 1.4 billion Tube journeys;
- 0.3 billion journeys on TfL Rail and London Overground;
- 0.1 billion journeys on DLR;
- PAYG travel on Tram and River services and the London Cable Car (around 0.03bn journeys combined); and
- approximately 0.5 billion journeys on National Rail services in London.

At the date of this notice, usage trends across the System have been affected by COVID-19, although we anticipate that demand will have returned to pre-pandemic levels prior to completion of the transition to full-service delivery under the Proteus Contract in Aug 2026.

The System comprises of five main elements:

- **Front Office Assets:** Broadly ticket gates, retail, and validation devices used by customers to purchase and validate travel products and access the transport network as well as associated network equipment to transmit data. In addition, the revenue inspection devices.
- **Data Landing:** A collection of IT equipment that passes data bi-directionally between the front office assets and the back office.
- **Back Office:** A collection of IT equipment that manages the various smart card transactions, customer accounts, billing, and settlement processes. This is split into Oyster, contactless and ITSO systems. The contractor under the Proteus Contract will be, responsible for all Oyster and ITSO system support and Levels 1 and 2 for contactless, while TfL undertake Level 3 support for that part of the System.
- **Digital Channels:** The customer web and mobile app channels are operated by TfL and interface to the System back-office.
- **Retail System:** Management of xPERT retail devices at Oyster Ticket Stops, management of the network of Oyster Ticket Stops, and Oyster card enablement and management of bulk ticket sales.

The data landing and back-office systems are currently located in two Tier 3 data centres, one within the M25 motorway and one just outside of the M25.

The contractor under the Proteus Contract will have responsibility for systems integration for the integrated revenue collection system and service. This responsibility includes but is

not limited to; the operational and technical integration of modules of the System, the safe introduction of new or changed technologies and services, ongoing activities to identify and address obsolescence, and to manage faults and incidents as they should occur in day-to-day operation of the system.

As systems integrator, the contractor under the Proteus Contract will be responsible for working with TfL as technical authority and with other TfL contractors and interfacing parties to ensure the performance of the services is maintained throughout the lifetime of the contract. As an example, wide area networking and data centre networking are operated and maintained by separate suppliers to TfL.

The Proteus Contractor under the Proteus Contract will be the custodian of the System and will be responsible for performing preventative and reactive maintenance; for the management of the assets, obsolescence and refresh to ensure the continued reliable performance of the System; and its development, enhancement and expansion.

During the life of the Proteus Contract, we anticipate that there will be a number of changes, the key planned changes expected to be delivered during the Proteus Contract term include:

- Hina Rail Reader Rollout: The Hina Rail Readers will be manufactured, tested and be readily available for the Proteus Contractor to implement onto the rail estate;
- Payment Account Reference (PAR): This is a unique identifier associated with a specific cardholder PAN and this change will follow-on from the Hina reader deployment and will involve the Proteus Contractor. This change will allow us to link mobile devices with the payment card, allowing the interchangeable use of payment devices;
- Account Based Ticketing / FTP5: This is our programme that will make Oyster an account-based system. Initially this is likely to be a proof of concept involving design and back-office development work which we will lead on. Once the Proteus Contractor is in place, we will engage with developing the wider proposition to develop the system wide solution. This change will involve significant upgrade to our retail assets, changes to the reader to support the new risk management models, changes to the RID software as well as decommissioning the legacy Oyster system;
- Revenue Inspection Device (RID) Replacement and Enhancement: This is the replacement of the current handheld device for revenue inspection. It is expected to be a broadly like for like device upgrade to the android platform device. We expect the next device may need to additionally include the ability to check barcode tickets;
- Cobalt: TfL are currently running a procurement to replace iBus, the on bus Automatic Vehicle Location system that is used for service control and driver communications, and which is the source of live bus arrivals data. This is expected to result in the replacement

iBus2 system. Part of the scope of iBus2 is a driver console which will replace the bus Electronic Ticket Machine (ETM) now that paper tickets are no longer issued. To be ready for this, we are developing Project Cobalt, which will prepare the revenue collection system to support iBus2. The Cobalt project has several stages and will run in parallel to the Proteus Contract transition in line with the iBus2 delivery:

- o Firstly, Cobalt will decouple the reader from the ETM, allowing the reader to be entirely independent;
- o Secondly, it will create the interface between the bus reader and the iBus2 system; and
- o Finally, once iBus2 has been delivered, the ETMs will be removed from buses during the iBus2 deployment, will be decommissioned, along with the bus garage equipment that supports the ETMs and the data flows to them.

It is expected that the Proteus Contractor will be responsible for the decommissioning work for both the ETMs and the bus garage equipment; and

- Front-office and Back-office refresh: The front-office and back-office will require performance assurance activities throughout the term of the contract and these changes will be driven by the Proteus Contractor's performance assurance plans.

We are in on-going discussions with the Department for Transport around the scope and timing of the delivery of Project Oval, which seeks to extend contactless PAYG to stations in the broader south-east of England around London. To the extent this is delivered prior to contract award, the relevant assets deployed will form part of the System and the revenue collection services.

The Proteus Contract will enable potential future revenue collection services (and the provision of associated systems and ancillary services), including, but not limited to, in relation to the following: supporting the DfT National Ticketing strategy/aspirations, Heathrow Express services, new emerging forms of mobility including micro-mobility, mobility as a service, new ticketing and fare payment solutions, and commercial utilisation of revenue collection data.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

84

This contract is subject to renewal

Yes

Description of renewals

Initial extension Option of a period of three (3) years and two (2) further one (1) year extension option periods, giving a potential maximum of twelve (12) years of full-service delivery with flexible exit arrangements beyond to enable transition to one or more successor contracts.

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive dialogue

IV.1.4) Information about reduction of the number of solutions or tenders during negotiation or dialogue

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated

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: [2020/S 220-541858](#)

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

27 January 2023

Local time

12:00pm

IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates

6 March 2023

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Duration in months: 12 (from the date stated for receipt of tender)

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.2) Information about electronic workflows

Electronic ordering will be used

Electronic invoicing will be accepted

VI.3) Additional information

The Authority will be using its eProcurement Portal to manage communication with Suppliers who express interest in any potential contract opportunities that may arise as a result of this contract notice. The eProcurement Portal is an online application that allows Suppliers to create and submit their Proteus Selection Questionnaire (SQ) responses via the internet rather than in paper form.

All Suppliers interested in learning more about any potential contract opportunities described in this contract notice should submit their details (company name, lead contact name, lead contact email address and telephone number), in the first instance, to the eProcurement portal address listed in section I.1.

Arrangements will then be made for registered Suppliers to sign confidentiality agreements and access the eProcurement Portal for this potential opportunity such that they can download the Proteus procurement documentation, including the Proteus SQ, the Bidder Prospectus and the Heads of Terms.

For the definition of terms and acronyms used in this Notice, please refer to Appendix A of the Bidder Prospectus.

VI.4) Procedures for review

VI.4.1) Review body

Transport Trading Limited

London

Country

United Kingdom