

Technical note

Project	Greater Bristol Bus Network	Date	27 November 2006
Note	Summary of GBBN RTI pricing discussions	Ref	CTR ABN 011
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1 *Introduction*

1.1 This technical note provides a short summary of the position to date regarding the discussions held with the objective of demonstrating best value for the joint procurement of additional elements of the real time information (RTI) system for the Greater Bristol Bus Network (GBBN).

1.2 This work has been undertaken in response to a brief to Halcrow from North Somerset Council (NSC) for the provision of transport planning advice relating to the GBBN, and in particular, Task 7 for Urban Traffic Control and RTI.

2 *Process*

2.1 A copy of the proposed pricing from Bristol City Council's (BCC's) existing RTI system supplier, Advanced Communication and Information Systems (ACIS) of Loudwater, Buckinghamshire was supplied to Halcrow.

2.2 On examination, even with a few selected discounts for certain items, it appeared that compared to recent tenders for RTI systems that Halcrow had been involved in, best value related to equivalent RTI equipment and the size of the potential order was not being offered.

2.3 At a meeting of the GBBN RTI sub-group on 07 November 2006, it was agreed that Halcrow would undertake a 'benchmarking' exercise of the prices being offered. This related to an update of a previous benchmarking exercise Halcrow undertook for Gloucestershire County Council in March 2005. This benchmarked the prices of Gloucestershire to Bristol, Oxfordshire and Surrey. The benchmarking for the GBBN also took into account a recent

(September 2006) RTI tender Halcrow undertook for Swindon Borough Council.

2.4 The results of this benchmarking demonstrated that best value was not currently being offered by ACIS.

2.5 Further to this exercise, members of the GBBN and Halcrow met with ACIS on 10 November 2006, in which they were very clearly told that demonstrable best value must be offered. ACIS were given one week to revise their prices.

2.6 Halcrow also met ACIS on 15 November 2006, in which ACIS offered Swindon-level capital and revenue pricing, with a small additional discount to reflect the larger size of the order. Also points of detail such as assumptions on pricing were discussed. A resultant revised offer was put forward by ACIS on 16 November 2006.

2.7 Further to this, and in order to secure an offer of the best possible pricing with ACIS, Halcrow, First and Colin Knight from BCC met ACIS again on 21 November. At this meeting a few more areas of improved pricing were offered, including an additional discount on project management costs.

3 Summary of offer

3.1 In relation to the latest offer put forward by Keith Thompson of ACIS on Wednesday 22 November 2006, the pricing for comparable units (on bus tracking equipment, at-stop displays, traffic light priority, audio equipment, workstations etc) is the same as Swindon. Similarly other capital elements such as project management and configuration are equal or better than Swindon. These prices are on comparable terms, i.e. no additional costs for installation, and similar assumptions re access to buses for fitting.

3.2 The maintenance costs have increased from the previous quote to GBBN (based on BCC RTI prices), to reflect the benchmarking to Swindon. Therefore an overall revenue cost of 9.54% of capital costs for RTI equipment maintenance has, as with Swindon, being offered, with similar discounts for a 5 year capitalisation or an annual payment but loaded to year two (as with Swindon).

4 ***Commentary on Best Value***

4.1 It is Halcrow's opinion that ACIS's have been put through robust negotiations on costs and that their latest offer of 24 November does now demonstrate best value to the GBBN partners. These prices are better than the prices available to Gloucestershire, Oxfordshire and Surrey; are being much better than the previously offered ACIS prices to BCC; and are even better than the previously 'best in class' RTI pricing agreed in Swindon.

4.2 It is our opinion that ACIS would be unlikely to offer any better prices in open tender, given the experience from recent ACIS tender prices elsewhere. We consider that there is still a small chance that a different supplier could come in with cheaper prices in an open competitive tender, but without ACIS's UK market-leading experience and resources to meet the size of the order. ACIS also have the cost and operational advantage of their existing knowledge and experience in Bristol, as well as some of their existing installed RTI equipment which can be reused in the GBBN RTI project without expensive replacement or high-risk and largely unproven technical server-to-server links between different RTI systems.

4.3 There would also be extra costs of going out to tender including the production of the technical specification and the cost to the GBBN partners of the tendering process including pre-qualification and assessment processes. Open tendering would also bring an additional delay to the implementation of the GBBN RTI element of an estimated 9 to 12 months.

4.4 We therefore recommend that these latest prices offered by ACIS are accepted.

(End)